

LEGAL SERVICES CORPORATION

MEETING OF THE BOARD OF DIRECTORS

Hyatt Regency Hotel
Embarcadero Center
Embarcadero Room A
San Francisco, California

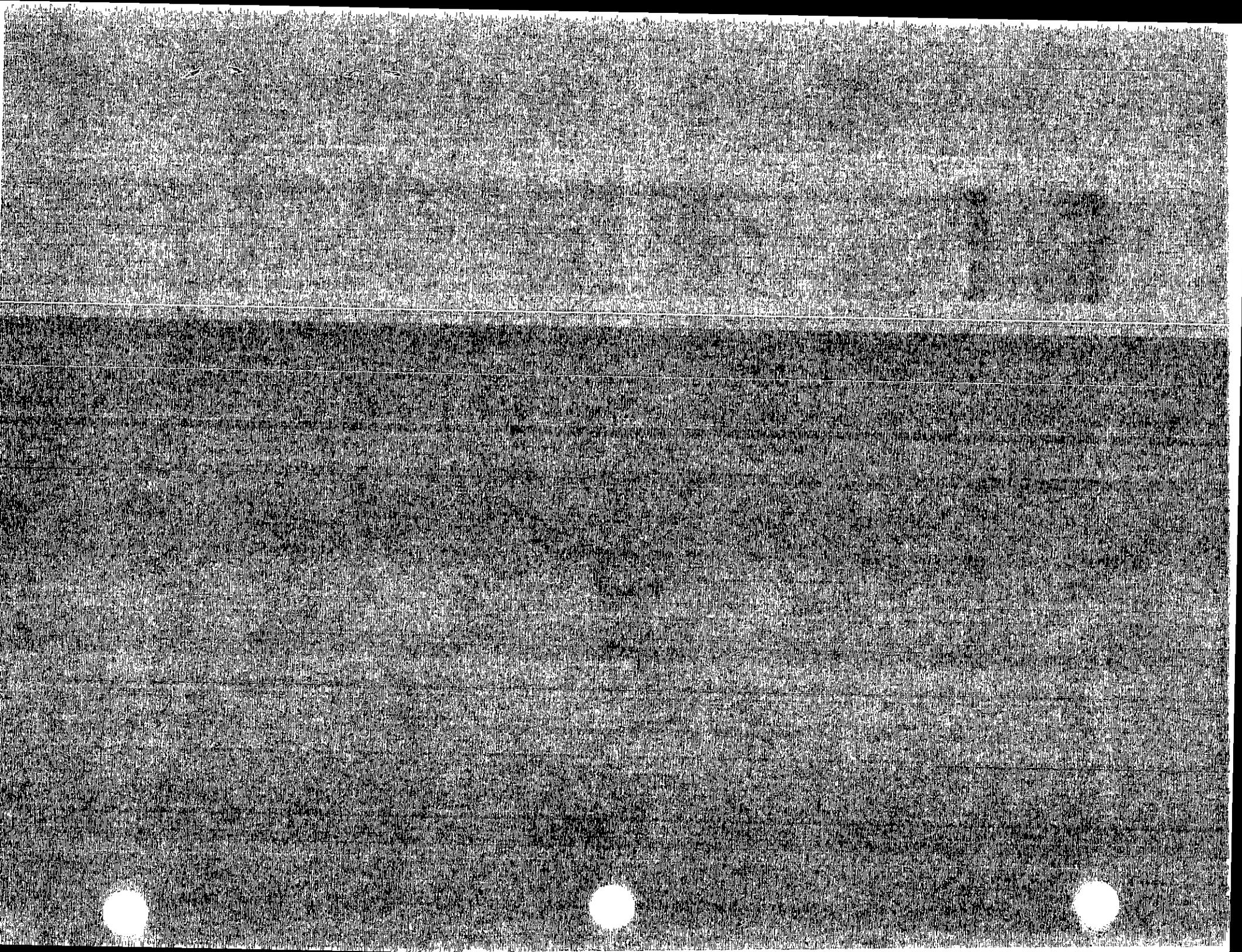
Thursday,
December 6, 1979

The above-entitled meeting was convened, pursuant to notice, at 9:00 a.m., Ms. Hillary Rodham, Chairperson presiding.

MEMBER PRESENT:

MS. HILLARY RODHAM, (CHAIRPERSON)

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P R O C E E D I N G S

1
2 MS. RODHAM: Can we get started? We're running
3 a little late. I want to welcome you to the Board of
4 Director's meeting of the Legal Services Corporation. A
5 few of our members will be late, but we want to proceed
6 because we do have quite a bit of business that needs to be
7 taken care of.

8 Is there a motion that we adopt the agenda as set
9 forth in the Board book?

10 MR. TRUDELL: So moved.

11 MS. RODHAM: Any questions? All those in favor
12 of adopting the tentative agenda please signify by saying
13 aye.

14 Opposed?

15 The agenda is adopted. The first item on the agenda
16 today is the approval of the minutes of the September 7,
17 1979 meeting. Are there any additions or corrections to
18 the minutes as they appear in the Board book?

19 MS. ESQUER: On Page 6 I would like that the
20 motion in the first paragraph, which states, "Ms. Esquer
21 moved that the completion of expansion efforts for native
22 Americans residing on or near a recognized reservation be
23 funded at the 1977 level of up to \$10 per poor person."

24 The rest of the wording was not part of my motion. I
5 would like that deleted. And for clarification maybe that

PROCEEDINGS

MR. ROBINSON: We've finished a little late. I want to welcome you to the Board of Directors' meeting of the legal services corporation. A few of our members will be late, but we want to present because we do have with a bit of business that needs to be taken care of.

Is there a motion that we adopt the agenda as set

forth in the Board book?

MR. TRENKLE: So moved.

MR. ROBINSON: Any questions? All those in favor of adopting the tentative agenda please signify by saying "aye."

Opposed?

The agenda is adopted. The first item on the agenda today is the approval of the minutes of the September 1, 1979 meeting. Are there any additions or corrections to the minutes as they appear in the Board book?

MR. BROOKER: On page 6 I would like that the motion in the first paragraph, which states, "Mr. Brooker moved that the completion of expansion efforts for native Americans residing on or near a recognized reservation be funded at the 100% level of up to \$10 per poor person."

The rest of the wording was not part of my motion. I would like that deleted. And for clarification maybe that

1 wording could be put with the person that that was put in
2 the motion referred to that there had been a staff
3 recommendation that native American expansion take place
4 the same as the other expansion.

5 That wording was not part of my motion.

6 MS. RODHAM: Any other additions or corrections?

7 MR. MCCALPIN: On Page 4 at the end of the first
8 full paragraph is a reference to an attachment and a
9 restatement of the principles and the attachment is not
10 with the minutes. It's difficult to check to see whether
11 they're restated in the manner that we contemplated or not.

12 It seemed to me we ought to have the attachment as
13 part of the minutes.

14 MS. RODHAM: We have not included the attachments
15 because often we have numerous attachments, but the
16 attachments do appear in the original of the Board minutes
17 that are kept at the Corporation.

18 I agree with you, if there is any question that any
19 Board member has with references in the minutes, we need
20 to clarify that.

21 MR. MCCALPIN: As I recall we did a lot of editing
22 in connection with this at the time and I didn't really have
23 a chance to see how it came out in the wash.

24 MR. ORTIQUE: For that particular one, why don't
25 we attach it as of some significance and I think it should

wording could be put with the person that that was put in
the motion referred to that there had been a staff
recommendation that native American expansion take place
the same as the other expansion.

That wording was not part of my motion.

MS. ROBBINS: Any other additions or corrections?

MR. MCCARTHY: On page 4 at the end of the first

full paragraph is a reference to an attachment and a
restatement of the principles and the attachment is not
with the minutes. It's difficult to check to see whether
they've stated in the manner that we contemplated or not.
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MS. ROBBINS: We have not included the attachments

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attachments do appear in the original of the Board minutes
that are kept at the Corporation.

I agree with you. If there is any question that any
Board member has with references in the minutes, we need
to clarify that.

MR. MCCARTHY: As I recall we did a lot of editing

in connection with this at the time and I didn't really have
a chance to see how it came out in the end.

MR. ORTENGREN: For that particular one, why don't

we attach it as of some significance and I think it should

1 have our support and be part of the minutes.

2 MS. RODHAM: Could we go ahead and have that
3 attachment either provided to the Board during the day or
4 else mailed to the Board so they can check it against their
5 memory, and if there are any problems we can clarify that
6 situation at the next meeting.

7 Does the absence of the attachment strike you as
8 serious enough?

9 MR. MCCALPIN: No.

10 MS. RODHAM: Any other additions or corrections
11 to the minutes?

12 MS. ESQUER: Just one typo on Page 5, it should
13 be reauthorization, just a typo.

14 MS. RODHAM: That's the bottom paragraph?

15 MR. ORTIQUE: I think what we do is maybe say
16 that subject to such statistic and grammatical changes as
17 may be necessary.

18 MS. RODHAM: Any other additions or corrections?
19 Is there a motion that the minutes be approved as corrected
20 with the circulation of the reference attachment "A" and
21 with whatever stylistic or typographical errors need to be
22 corrected?

23 MR. MCCALPIN: Second.

24 MS. RODHAM: All in favor? Opposed?

25 The minutes are approved subject to those corrections.

have not support it as part of the minutes.
 MR. ROBINSON: Could we go ahead and have this
 attachment either provided to the board during the day or
 else mailed to the board so they can check it against their
 memory, and if there are any problems we can clarify that
 situation at the next meeting.

Does the absence of the attachment strike you as
 serious enough?
 MR. MCCALLIN: No.

MR. ROBINSON: Any other additions or corrections
 to the minutes?
 MR. ROBINSON: Just one typo on page 2, it should
 be reauthorization, just a typo.

MR. ROBINSON: That's the bottom paragraph?
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 that subject to such statistical and grammatical changes as
 may be necessary.

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 with whatever stylistic or typographical errors need to be
 corrected?

MR. MCCALLIN: Second.
 MR. ROBINSON: All in favor? Opposed?
 The minutes are approved subject to those corrections.

1 MR. ORTIQUE: As I came into the room this
2 morning there are a number of folks who have been added to
3 the staff in the last month or two. Rather than wait until
4 the President makes his report, I would like to have those
5 persons added to the staff in the last 60 days or even 30
6 days, whatever the cutoff is, introduced to us now.

7 MS. RODHAM: I think that's an excellent idea.
8 Besides, the next thing on the agenda is not here yet.

9 MR. BRADLEY: I was going to ask you to permit me
10 to do that. I think most of you met these persons, I have
11 spoken with the Board on the telephone concerning the
12 various appointments.

13 Gerry Singesen. Gerry is the Corporation's new Vice
14 President for Finance and Management, and ambassador with
15 portfolio. He's been working closely with us in terms of
16 internal management and planning and internal administration.

17 Mario Lewis, who is sitting in the back row, Mario is
18 our new General Counsel. He's from California, been here
19 in San Francisco for many years. He's currently on the
20 General Counsel staff of the Community Services Administra-
21 tion in Washington.

22 He's been the Regional Counsel for OEO and CSA here
23 in California, he's now Special Counsel in CSA in Washington.

24 Gerry has worked as a staff attorney in various
25 positions in legal services, especially in the northeast,

MR. COYNE: As I came into the room this morning there were a number of folks who have been added to the staff in the last month or two. Rather than wait until the President makes his report, I would like to have those persons added to the staff in the last 90 days or over 90 days, whatever the cutoff is, introduced to us now.

MR. BROWN: I think that's an excellent idea. Besides, the next thing on the agenda is not have you?

MR. COYNE: I was going to ask you to remain as

to do that. I think most of you met these persons, I have spoken with the Board on the telephone concerning the various appointments.

George Brown, George is the Corporation's new Vice President for Finance and Management, and ambassador with portfolio. He's been working closely with us in terms of internal management and planning and internal administration. Marie Lewis, who is sitting in the back row, Marie is our new General Counsel. He's from California, been here in San Francisco for many years. He's currently on the General Counsel staff of the Community Services Administration in Washington.

He's been the Regional Counsel for OIG and EIS here in California, he's now Special Counsel in DCA in Washington. George has worked as a staff attorney in various positions in legal services, especially in the northeast,

1 and more immediately has been doing some consulting work
2 in terms of budget planning and resource allocations.

3 Mario has served in a lot of different positions. He
4 has also been an attorney with the California Rural Legal
5 Services working out of the Modesto office many years ago,
6 and we welcome both of those persons.

7 I don't think there is anyone else on the staff, Judge.
8 Charles Ritter, I think most of you know Charles. Charles
9 is going to be the Director of the division of, in effect,
10 internal audits.

11 Judy Riggs, all of you know that Judy has been a jack
12 of all trades for the Corporation and is now officially
13 working with me in the executive office, especially dealing
14 with policy decisions and some of the issues we have to
15 deal with in the future.

16 I think Judy is here also. I don't think there's anyone
17 else here that you haven't met.

18 I'm sorry, Barbara Campbell, who is sitting in the
19 front row. Barbara is working with me in the executive
20 office and has been involved in legal services. We, Barbara,
21 Micky, several of us worked closely together at legal
22 services in 1969 and '70.

23 For the last four years she's been an attorney in
24 Sacramento and recently returned to Washington and is working
25 with me there.

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in terms of budget planning and resource allocations.
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has also been an attorney with the California Rural Legal
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Micky, several of us worked closely together at legal
services in 1969 and '70.

For the last four years she's been an attorney in
Sacramento and recently returned to Washington and is working
with me there.

1 MS. RODHAM: Thank you. Is either Mr. Janofsky
2 or Mr. Clifford here? We're expecting both of those
3 gentlemen and when they arrive we'll break what we're doing.

4 The next item on the agenda is the report from the
5 Committee on Appropriations and Audit, and Steve, were you
6 prepared to give that report?

7 MR. ENGELBERG: Yes. If you have no objections,
8 we'll start first with Item 2, which is the report on the
9 audit of the Legal Services Corporation, fiscal year '79.

10 Essentially Dan and I met with the Price-Waterhouse
11 people in my office on Monday of this week where they
12 presented us, and Dan reviewed it prior to that, the audit
13 I think everybody has in front of them.

14 We discussed in general the conclusions of the audit.
15 I also asked questions of Price-Waterhouse about their
16 general satisfaction with the internal and external auditing
17 procedures of the Corporation.

18 They made it very clear that they were fully satisfied
19 with both the competence of the staff and the way these
20 auditing procedures were being carried out, and essentially
21 they assured us that the financial affairs of the corporation
22 are in order.

23 We did not have them come to San Francisco simply to
24 save money.

25 Unless anybody has any questions?

MS. MOHAMMAD: Thank you. Is either Mr. Jankovsky

or Mr. Clifford here? We're expecting both of those gentlemen and when they arrive I'll brief what we're doing

The next item on the agenda is the report from the Committee on Appropriations and Audit, and now, were you prepared to give that report?

MR. HENDERSON: Yes. If you have no objections,

we'll start first with Item 2, which is the report on the audit of the Legal Services Corporation, fiscal year '79.

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save money.

Unless anybody has any questions?

1 MR. BRADLEY: I think I might comment because I
2 asked this question. Price-Waterhouse has been the
3 corporation's outside accounting firm since our inception,
4 and helped us establish our internal auditing, accounting
5 and financial control procedures and they have worked very
6 closely in a continuing capacity.

7 The format of this particular financial statement is
8 the same format that they have been following since the
9 beginning of the corporation, and we basically make the
10 decision as to how we display and allocate the direct grants
11 as opposed to costs of the corporation.

12 They spent 700 hours of time in the preparation of
13 this audit report, and on both occasions that I met with
14 them they assured me and reassured me and reassured me again
15 that everything that they found in terms of our systems,
16 in terms of financial controls, was extraordinarily good
17 and they rendered to me an unqualified audit report.

18 If you have questions about any of the items, how it's
19 displayed, we'd be happy to try to answer those. Henry
20 Thompson, who worked with Price-Waterhouse in the develop-
21 ment of the financial report is present and we'd be happy
22 to--Bill, you look like you have a question?

23 MR. MCCALPIN: I guess I ought to put an
24 exclamation look on my face.

25 MR. ENGELBERG: I don't think this requires any

MR. BRADLEY: I think I might comment because I

asked this question. Price-Watson has been the corporation's outside accounting firm since our inception, and helped us establish our internal auditing, accounting, and financial control procedures and they have worked very closely in a continuing capacity.

The format of this particular financial statement is the same format that they have been following since the beginning of the corporation, and we basically make the decision as to how we display and allocate the direct expense as opposed to costs of the corporation.

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If you have questions about any of the items, how it's displayed, we'd be happy to try to answer those. Henry Thompson, who worked with Price-Watson in the development of the financial report is present and we'd be happy to--well, you look like you have a question?

MR. BRADLEY: I guess I ought to put an

exclamation point on my face.

MR. THOMPSON: I don't think this requires any

1 action, it's just a report for the Board's review.

2 MR. BRADLEY: I apologize that we did not get
3 delivery of this audit from them until yesterday, and that's
4 the reason you were not provided with a copy of it.

5 They were purposely working against a deadline because
6 we had asked them to be through with the audit so we could
7 have it available for this Board meeting today, and they
8 did meet with Steve and I'm sorry that we didn't get it to
9 you a week or two ago.

10 MR. SACKS: Doesn't somebody from the Board, some
11 committee, need to approve this audit or do we just take it-

12 MS. RODHAM: Well, the practice in the past has
13 been that we have always received pretty much of a clear
14 audit by Price-Waterhouse, and the audit has been presented
15 to the Board as a whole.

16 The committee has been charged with the responsibility
17 of working with Price-Waterhouse and working with Mr.
18 Thompson and other people on the staff to be sure, but
19 because we have never had any difficulty, the only question
20 that has ever arisen is who should do the audit, so it
21 traditionally has been presented to the Board for its review
22 and we have not formally adopted or accepted the audit
23 because we have never had any question presented to us that
24 called for anything other than a vote of thanks.

25 MR. ENGELBERG: It's an outside audit.

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MR. BRADLEY: I apologize that we did not get delivery of this audit from until yesterday, and that the reason you were not provided with a copy of it.

They were purposely working against a deadline because we had asked them to be through with the audit so we could have it available for this Board meeting today, and they did meet with Steve and I'm sorry that we didn't get it to you a week or two ago.

MR. GARDNER: Doesn't somebody from the Board, some committee, need to approve this audit or do we just take it?

MR. ROHMERT: Well, the practice in the past has been that we have always received pretty much of a clear audit by Price-Waterhouse, and the audit has been presented to the Board as a whole.

The committee has been charged with the responsibility of working with Price-Waterhouse and working with Mr. Thompson and other people on the staff to be sure, but because we have never had any difficulty, the only question that has ever arisen is who should do the audit, so it traditionally has been presented to the Board for its review and we have not formally adopted or accepted the audit because we have never had any question presented to us that called for anything other than a vote of thanks.

MR. HANSEN: It's an outside audit.

1 MR. ORTIQUE: But you're charged with the
2 responsibility of calling to our attention if there's any
3 problem, then the Board would step in, sort of a watchdog.

4 MR. RODHAM: Are there any proposals for change
5 in the audit procedures for next year, any kind of a report
6 that would be relevant at this time?

7 MR. BRADLEY: No.

8 MS. RODHAM: Then the next item is what?

9 MR. ENGELBERG: I can go back to the final report
10 on the fiscal year 1979 expenditures.

11 Gerry, do you want to go ahead?

12 MR. SINGSEN: In the Board book it's attachment
13 C on Page 43. The revised preliminary final consolidated
14 operating budget for fiscal year 1979, the final expenditure
15 level for '79 prepared just before the completed audit was
16 done.

17 The numbers here are in fact the correct final numbers
18 but could not be certified as such at the time it was sent
19 to you.

20 It presents the expense patterns, the final budget
21 revised to reflect expenditure patterns at the end of the
22 year. You asked a question about that at the committee
23 meeting, let me respond that we have in the past followed
24 the practice of preparing a fourth quarter revision of the
25 budget for the year, and the main purpose appears to be

MR. ORTTON: But you're charged with the responsibility of calling to our attention if there's any problem, then the board would step in, sort of a watchdog.

MR. KOHNMAN: Are there any proposals for change in the audit procedures for next year, any kind of a report that would be relevant at this time?

MR. BRADLEY: No.

MR. KOHNMAN: Then the next item is what?

MR. WINDHOLM: I can go back to the final report on the fiscal year 1978 expenditures.

GARY: Do you want to go ahead?

MR. SIMON: In the board book it's attached to page 43. The revised preliminary final consolidated operating budget for fiscal year 1978, the final expenditure level for 78 prepared just before the completed audit was done.

The numbers here are in fact the correct final numbers but could not be certified as such at the time it was sent to you.

It presents the expense patterns, the final budget revised to reflect expenditure patterns at the end of the year. You asked a question about that at the committee meeting, let me respond that we have in the past followed the practice of presenting a fourth quarter revision of the budget for the year, and the main purpose appears to be

1 because we are trying to track a government process where
2 there is a limit on line item expenditure and exceeding the
3 authorized level of expenditure in a line item without
4 getting approval from the authorizing body, is an improper
5 act of a government agency.

6 We have in the past revised to this final level. I'm
7 not convinced we have to do that in the future, but we
8 followed the practice for this year rather than try to
9 change it.

10 Column 4 presents the balances forward, the money not
11 expensed during 1979, and then there is more information on
12 the distribution of that money in 1980 between committed
13 activity where '79 funds are being used during 1980 to
14 finish activities begun in '79, and money available for
15 one time usage, which we will be discussing later this
16 morning in the report of the committee.

17 MR. ENGELBERG: Gerry, as I understand the item
18 of the Reggie Program, does that just account for the fact
19 that the contract was not signed?

20 MR. SINGSEN: No, what that accounts for is we
21 disbursed the money starting in August for a year's worth
22 of Reggie activity on a monthly basis, so in 1979 we spent
23 only two months of the 12 month's worth of money for the
24 Reggie Program, the other ten months is still in our control.

25 MR. ENGELBERG: This will be out of fiscal '79

because we are trying to track a government process where there is a limit on the expenditures and exceeding the authorized level of expenditures in a line item without getting approval from the authorizing body is an improper act of a government agency.

We have in the past revised to this level. I'm not convinced we have to do that in the future, but we followed the practice for this year rather than try to change it.

Column 4 presents the balance forward, the money not expended during 1979, and then there is more information on the distribution of that money in 1980 between committed activity where VTB funds are being used during 1980 to finish activities begun in '79, and money available for one time usage, which we will be discussing later this morning in the report of the committee.

MR. BACHMANN: Gerry, as I understand the item of the Reggie Program, does that just account for the fact that the contract was not signed?

MR. SIBBON: No, what that accounts for is we disbursed the money starting in August for a year's worth of Reggie activity on a monthly basis, so in 1979 we spent only two months of the 12 months' worth of money for the Reggie Program, the other ten months is still in our contract.

MR. BACHMANN: This will be out of fiscal '79

1 money?

2 MR. SINGSEN: Yes, the money in the budget for
3 1980 for Reggie. Not the carry-over money, but the
4 appropriated money will not be spent until August of 1980.

5 Are there any other questions?

6 MR. BRADLEY: Let me make a comment. I was
7 concerned about the issue that Mr. McCalpin raised, and
8 for the other Board members so they will understand what
9 that issue was.

10 What the question is is that we begin each year with
11 an approved budget approved by the appropriations committee
12 and approved by the full Board. Then we have quarterly
13 budget review both with staff and audit appropriations
14 committee and we do this throughout the year at the end of
15 each quarter and we review our expenditure level and in
16 that process the committee has always exercised the juris-
17 diction, in fact, our procedures permit the Board to make
18 budget adjustments.

19 When I met with Price-Waterhouse last week, I
20 questioned them whether or not that was in fact an acceptable
21 accounting practice. They assured me that not only was it
22 acceptable, but it was almost uniform, especially in
23 corporations not for profit.

24 It made no difference to them when I cross-examined
25 them whether or not we chose to follow that procedure or

money?

MR. KING: Yes, the money in the budget for

1980 for Regis. Not the carry-over money, but the

appropriated money will not be spent until August of 1980.

Are there any other questions?

MR. WAHLEY: Let me make a comment. I was

concerned about the issue that Mr. McClellan raised, and

for the other board members so they will understand what

that issue was.

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an approved budget approved by the appropriations committee

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questioned them whether or not that was in fact an acceptable

accounting practice. They assured me that not only was it

acceptable, but it was almost uniform, especially in

corporations not for profit.

It made no difference to them when I cross-examined

them whether or not we chose to follow that procedure or

1 not, that that was a management decision basically left to
2 the Board.

3 But what it basically amounts to, and I think what
4 we'll do next year is show you the beginning budget and the
5 adjustments that we might make on a quarterly basis, because
6 your question, Bill, in effect was if we don't know what
7 our budget is, if we keep changing it from month to month,
8 why do we go through this process?

9 And we're going to try in the display of the budget
10 for the quarterly review meetings next year, we're going to
11 try to address that concern that some of the Board members
12 have.

13 MS. RODHAM: Any other questions about the final
14 '79 figures?

15 MS. SHUMP: I have a question concerning what
16 type of a result we have had--the result of the contact with
17 Senator Hollings and continued investment of appropriated
18 funds.

19 Where is this in the budget? Is it in the budget?

20 MR. BRADLEY: Let me, if I understand your
21 question in terms of whether or not we would be permitted
22 to quote, "draw down our appropriated funds for investment
23 purposes," no, that would not be reflected in the budget
24 as a budget item, that's more of a policy consideration in
25 terms of the Treasury Department and our oversight

not, that was a management decision basically left to the board.

But what it basically amounts to, and I think what will be next year is show you the beginning budget and the adjustments that we might make on a quarterly basis, because your question, Bill, in effect was if we don't know what our budget is, if we keep changing it from month to month, why do we go through this process?

And we're going to try in the display of the budget for the quarterly review meetings next year, we're going to try to address that concern that some of the board members have.

MR. ROBBINS: Any other questions about the fiscal 1979 figures?

MR. SHIMP: I have a question concerning what type of a result we have had--the result of the contract with Senator Hollibaugh and continued investment of appropriated funds.

Where is this in the budget? Is it in the budget?

MR. BRADLEY: Let me, if I understand your question in terms of whether or not we would be permitted to quote "draw down our appropriated funds for investment purposes", no, that would not be reflected in the budget as a budget item, that's more of a policy consideration in terms of the Treasury Department and our oversight

1 committees.

2 The question, without going into a lot of history, is
3 you will recall on our '77 appropriation from Congress we
4 drew down under letter of credit from the Treasury Department
5 all of our appropriated funds for that year and we invested
6 it and earned substantial income as you know, and we have
7 used that income for things like the QUIP Program and other
8 activities that the Board previously approved.

9 As you know, there were some concerns by government
10 officials and by Members of Congress about us doing that,
11 and we have not done that for the last couple of years.

12 This question has come up repeatedly from a lot of
13 sources. We have had discussions with the oversight committee
14 and I think that it's fair for me to represent to you today
15 that we will not be able to draw down, in fact we should
16 not as far as the oversight committee is concerned, our
17 full appropriation of \$300,000,000 and invest that at the
18 highest possible yield, the same reasons that the oversight
19 committee has or had still apply.

20 However, I think it is also accurate to represent, and
21 I cannot tell you anything other than this, that if we draw
22 down the funds that we need to manage the corporation and
23 to make disbursements to our grantees, if we draw down
24 those funds in such a way that it appears we are prudently
25 and reasonably managing the funds, and in that process- we

committee.
 The question, without going into a lot of history, is
 you will recall on our '77 appropriation from Congress we
 drew down under letter of credit from the Treasury Department
 all of our appropriated funds for that year and we invested
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 used that income for things like the GIP program and other
 activities that the Board previously approved.

As you know, there were some concerns by government
 officials and by Members of Congress about us doing that
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 full appropriation of \$300,000,000 and invest that at the
 highest possible yield, the same reasons that the oversight
 committee has or had still apply.

However, I think it is also accurate to referent, and
 I cannot tell you anything other than this, that if we draw
 down the funds that we need to manage the corporation and
 to make disbursements to our grantees, if we draw down
 those funds in such a way that it appears we are probably
 and reasonably managing the funds, and in that process - we

1 earn some interest income, I think that we will not have
2 the same objections to that that we had in the past.

3 But we have not yet finalized, we are discussing this
4 with our oversight committees, we are discussing this with
5 our bankers, we are trying to decide exactly what additional
6 investment income we could possibly earn, but we have
7 assured our oversight committees that we will not breach
8 the commitment that we made to them.

9 They also, I think, understand that if we do in fact
10 use the float on some of our grantee checks and some of the
11 monies that we do not need today, but may need next week
12 to earn additional income, I don't think that we'll run
13 into the same type of objections that we have had in the
14 past.

15 MR. MCCALPIN: Let me answer you another way,
16 Ramona. 43, 4 and 5 are simply an expenditure budget.
17 They do not show income. If you turn over to Page 39 we
18 have an income budget and at the bottom of that page under
19 Planning it says total appropriated funds, and the next
20 item is investment income.

21 And that's where you would see the return from the
22 kind of program that Dan is talking about. You find it in
23 here but not in the document which was attachment "C".

24 MS. RODHAM: I have a question, Gerry. I know
25 that footnotes 6 and 7 relate to transfer of money, it looks

earn some interest income, I think that we will not have

the same objections to that that we had in the past.

But we have not yet finalized, we are discussing this with our oversight committee, we are discussing this with

our bankers, we are trying to decide exactly what additional

investment income we could possibly earn, but we have

assured our oversight committee that we will not breach

the commitment that we made to them.

They also, I think, understood that if we do in fact

use the float on some of our trustee checks and some of the

monies that we do not need today, but may need next week

to earn additional income, I don't think that we'll run

into the same type of objections that we have had in the

past.

MR. MCGLATHLIN: But me answer you another way,

Paragraphs 4, 5 and 6 are simply an expenditure budget.

They do not show income. If you turn over to page 39 we

have an income budget and at the bottom of that page under

Planning it says total appropriated funds, and the next

item is investment income.

And also where you would see the return from the

kind of program that Dan is talking about. You find it in

page 40 in the document which was attached "C".

MR. ROBINSON: I have a question, Gerry. I know

that paragraphs 5 and 6 relate to transfer of money, it looks

1 as though principally to the delivery systems data report,
2 but can you bring me up to date, probably this is my fault,
3 what the status of the case service report and local
4 information systems effort is, and what had to be done with
5 whatever that budget was in order to continue the DSS
6 analysis?

7 MR. SINGSEN: Clint Lyons is here I believe and
8 could probably speak to this in more detail. The transfer
9 in terms of the completion or continuation of the delivery
10 systems study data collection analysis from the case service
11 reports, was permissible, was available, because we were
12 not expensing the full amount of the case service reports
13 item during 1979.

14 There were some delays in the implementation of that,
15 the narrative has gone on, the statistical portion is only
16 now going ahead. The development of the local materials
17 for use in local programs was delayed by the delay in
18 implementing the case service report itself, so that
19 expenditures originally planned for 1979 are now going to
20 be taking place during 1980.

21 A good part of the amount not expensed in 1979 is
22 permitted to those activities. The remaining balance was
23 available to pick up higher costs in the delivery systems
24 study data collection and analysis area that had originally
25 been projected, so we could carry out the study on the time-

as though primarily to the delivery systems data report, but our own work on the data, probably this is my fault.

What the status of the case service report and local information systems effort is, and what had to be done with

whatever that budget was in order to continue the 1973

analysis?

MR. STUBBS: Chief Lyons is here I believe and

could probably speak in this in more detail. The transfer in terms of the completion or continuation of the delivery

systems study data collection analysis from the case service reports, was desirable, because we were

not expending the full amount of the case service reports from during 1973.

There were some delays in the implementation of that, the narrative has gone on, the statistical portion is only

now going ahead. The development of the local materials for use in local programs was delayed by the delay in

implementing the case service report itself, so that

examinations originally planned for 1973 are now going to be taking place during 1980.

A good part of the amount not expended in 1973 is

permitted to those activities. The remaining balance was available to pick up higher costs in the delivery systems

study data collection and analysis area that had originally been projected, so we could carry out the study on the time

1 table we planned.

2 On case service reports, I'm not sure whether that
3 answers your question, it's a transfer within this budget
4 item in order to meet costs that exceed original projections
5 in the first of the two categories.

6 MS. RODHAM: One of my questions, of course, is
7 it was my recollection that we have on several occasions
8 told either GAO investigators or Congressional inquirers,
9 or other interested people that we would have a case service
10 report system in place by the spring of 1980, and the
11 transfer of this fund of money into the DSS analysis
12 obviously means that we couldn't proceed along the lines
13 that we originally envisioned when we appropriated the
14 amount that we did initially, so how far behind schedule
15 are we and what effect, if any, will this have on meeting
16 the self-imposed deadline as to being able to report to
17 Congress and others as to the status of this system?

18 MR. BRADLEY: That basically there are two
19 components of that. One component, and I hope that we're
20 on schedule, I have been assured we are approximately on
21 schedule, is the case service information that is associated
22 only with the DSS report to Congress.

23 At the same time that same process involves the
24 completion and implementation of the case service report
25 for all grantees for the management needs of the Corporation.

table we planned.

On case service reports, I'm not sure whether that answers your question, it's a transfer within this budget item in order to meet costs that exceed original projections in the first of the two categories.

MR. ROHRMAN: One of my questions, of course, is

it was my recollection that we have on several occasions told either GAO investigators or Congressional inquiries, or other interested people that we would have a case service

report system in place by the spring of 1980, and the

transfer of this kind of money into the BSS analysis

obviously means that we couldn't proceed along the lines

that we originally envisioned when we appropriated the

amount that we did initially, so how far behind schedule

are we and what effect, if any, will this have on meeting

the self-imposed deadline as to being able to report to

Congress and others as to the status of this system?

MR. SWABNEY: That basically there are two

components of that. One component, and I hope that we're

on schedule, I have been assured we are unacceptably on

schedule, in the case service information that is associated

only with the BSS report to Congress.

At the same time that same process involves the

completion and implementation of the case service report

for all practices for the management needs of the corporation.

1 We are not on schedule as far as I'm concerned and the
2 implementation and development of the second component, I
3 think that I can represent, unless Clint wants to speak to
4 the point, that in terms of the commitment and the time
5 frame we are trying to complete the DSS, compiling the
6 analysis of that information and thus reporting that on a
7 timely basis to Congress.

8 I think that we are in reasonably good shape on that
9 component. We are not in good shape today on the broader
10 implementation of the case service report for all grantees.

11 MS. RODHAM: Is the thought that the analysis
12 techniques used in DSS will be transferable in some way to
13 the case service system reporting?

14 MR. BRADLEY: Yes.

15 MR. SINGSEN: Not only that, but also several of
16 the by-products of the study involved the development and
17 use of tools out of the case studies being done in the
18 delivery systems study in local programs.

T.2 19 Cost benefit analysis material, client satisfaction
20 material, impact assessment material, these kinds of tools
21 coming out of the analytical learning from the study are
22 being created for us in local programs, manuals, tools.

23 Additional studies are being conducted also with part
24 of the committed money not yet expended from '79 that appears
25 on the tables here, which will produce for us during 1980

We are not on schedule as far as the concerned and the
 implementation and development of the second component, I
 think that I can represent, unless Clinton wants to speak to
 the point that in terms of the commitment and the time
 frame we are trying to complete the USG, compiling the
 analysis of that information and then reporting that on a
 timely basis to Congress.

I think that we are in reasonably good shape on that
 component. We are not in good shape today on the broader
 implementation of the case-service report for all countries.

MR. ROBBAM: Is the thought that the analysis
 techniques used in USG will be transferable in some way to
 the case service system reporting?

MR. KRUMHOLTZ: Yes.

MR. KINSEY: Not only that, but also several of
 the by-products of the study involved the development and
 use of tools out of the case studies being done in the
 delivery system study in local programs.

Cost benefit analysis material, client satisfaction
 material, impact assessment material, these kinds of tools
 coming out of the analytical learning from the study are
 being created for us in local programs, manuals, tools.

Additional studies are being conducted also with part
 of the committed money not yet expended from FY80 that appears
 on the tables here, which will produce for us during 1980

1 things that both regional offices in their monitoring
2 functions and technical assistance functions and local
3 programs, so that they can manage better, will be able to
4 use.

5 MS. RODHAM: Any other questions?

6 MR. ORTIQUE: I'd like to make one comment with
7 reference to our commitment to Congress, I think I speak
8 for the rest of the Board, we don't want to have to make
9 another apology.

10 We have had to do that frequently. At one meeting we're
11 told well, we look like we're on schedule and the next
12 meeting we're told a month or two months behind schedule.
13 This Board is embarrassed.

14 If there's a problem I would think that the President
15 needs to be made aware if there's a problem, so our
16 Chairman will know we're going to be embarrassed one more
17 time.

18 Hopefully we won't, but I want to express that feeling
19 on behalf of the Board. We don't like to be embarrassed.

20 MS. RODHAM: I certainly agree with that.

21 Any other questions or comments about--this is your
22 last chance to take a shot at the '79 budget.

23 Mr. Engelberg, do you want to proceed?

24 MR. ENGELBERG: I'd like to now turn to the review
25 of the fiscal year 1981 budget request and I'd like to ask

things that their regional offices in their monitoring functions and technical assistance functions and local programs, so that they can manage better, will be able to use.

MR. ROHDAM: Any other questions?

MR. OUGHTON: I'd like to make one comment with reference to our commitment to Congress, I think I speak for the rest of the Board, we don't want to have to make another apology.

We have had to do that frequently. At one meeting we

told well, we look like we're on schedule and the next meeting we're told a month or two months behind schedule. This Board is embarrassed.

If there's a problem I would think that the President needs to be made aware if there's a problem, so our Chairman will know we're going to be embarrassed one more time.

Hopefully we won't, but I want to express that feeling on behalf of the Board. We don't like to be embarrassed.

MR. ROHDAM: I certainly agree with that.

Any other questions or comments about this is your last chance to take a shot at the '79 budget.

Mr. Eugebery, do you want to proceed?

MR. EUGEBERY: I'd like to now turn to the review of the fiscal year 1981 budget request and I'd like to ask

1 if it's okay with the rest of the Board--

2 MR. MCCALPIN: Gerry, do I understand, do you want
3 a motion to conform to the last adjustment of the '79 budget?

4 MR. SINGSEN: It's my impression that we have not
5 routinely approved budget modifications during the year
6 as a Board vote, but we have reported them and I think at
7 the end of the year, I don't know what the past practice
8 has been, perhaps it would be a good idea to accept the
9 1979 final report.

10 You have the numbers in fact, but you do not have the
11 piece of paper formally styled final 1979. If we can bypass
12 the title of the page, then I think it could be approved
13 and probably would be desirable.

14 MR. BRADLEY: But the consequences, Mr. McCalpin,
15 in terms of it's now for better or worse a fait accompli.
16 We now have our final audit report information which we
17 represent to Congress and OMB and the General Accounting
18 Office that is an accurate reflection of the Board decisions
19 and expenditures for fiscal year 1979.

20 MR. MCCALPIN: I merely thought I understood
21 from the audit and appropriations committee the last time
22 that in fact you amend the budget finally to conform to the
23 expenditures and it seemed to me we were leaving the budget
24 behind without having done that.

25 MR. BRADLEY: I don't think a formal motion is

11 It's okay with the rest of the Board.

12 MR. MCCALLIN: Gerry, do I understand, do you want

13 a motion to conform to the last adjustment of the '79 budget?

14 MR. SINCEK: It's my impression that we have not

15 continually approved budget modifications during the year

16 as a Board vote, but we have reported them and I think

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21 piece of paper formally signed final 1979. If we can bypass

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24 MR. BRADLEY: But the consequences, Mr. McCallin,

25 in terms of this now for better or worse a fait accompli.

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27 reported to Congress and OMB and the General Accounting

28 Office that is an accurate reflection of the Board decision

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31 from the audit and appropriations committee the last time

32 that in fact you need the budget finally to conform to the

33 expenditures and it seemed to me we were leaving the budget

34 behind without having done that.

35 MR. BRADLEY: I don't think a formal motion is

1 necessary.

2 MR. SINGSEN: Because we are not subject to the
3 controls that in fact led us to the practice of making the
4 final quarter revisions in fact. A formal approval is not
5 required.

6 MS. RODHAM: Let me ask, following up on some of
7 Bill's earlier inquiries, are you going to be proposing
8 that we do it differently next year, that there be a
9 different procedure?

10 MR. SINGSEN: We are going to be internally
11 managing more closely than quarterly reviews, and the
12 presentation of a fourth quarter budget written to conform
13 to expenditure patterns, and stating that we have not
14 exceeded any line item authorizations, is not a practice
15 I think we have to follow.

16 The final expense report shows the actual distribution
17 of our expenditures and a comparison with say the third
18 quarter operating budget shows overages based on our best
19 planning ability through the third quarter.

20 We can look at the original budget and see how good
21 our planning was and determine how we erred, if we did.
22 To write it down as a formal matter is not necessary and
23 I'm not sure it gives us anything that we'll be needing in
24 operating.

25 MS. RODHAM: It might be useful to look at the

necessarily.

MR. STUBBS: Because we are not subject to the controls that in fact led us to the practice of making the final quarterly revisions in fact. A formal approval is not required.

MR. ROYAL: Let me ask, following up on some of Bill's earlier inquiries, are you going to be proposing that we do it differently next year, that there be a different procedure?

MR. STUBBS: We are going to be internally managing more closely than quarterly reviews, and the presentation of a fourth quarter budget written to conform to expenditure patterns, and stating that we have not exceeded any line item authorizations, is not a practice I think we have to follow.

The final expense report shows the actual distribution of our expenditures and a comparison with the third quarter operating budget shows overages based on our operating ability through the third quarter.

We are looking at the original budget and are now going to determine how we are doing, if we did. To write it down as a formal matter is not necessary and I'm not sure it gives us anything that will be heading in operating.

MR. ROYAL: It might be useful to look at the

1 1981 projected budget if you could share with us any of the
2 lessons you have learned about the planning process, and
3 Bill's questions really are behind this, what is it about
4 our planning process that created the needs for realigning
5 expenditures or is there nothing that could be said of a
6 general nature that might help us?

7 MR. SINGSEN: As a general matter, first let me
8 say that in 1979, while we made a number of adjustments
9 between budget categories, we did not make massive adjust-
10 ments.

11 The kinds of shifts are the kind that come as a program
12 learns more and changes its operating priorities during a
13 year. So that I don't mean by my comment to suggest that
14 we were doing something strange when we planned in 1979,
15 it is my impression and I think it's shared by the senior
16 staff generally, that particularly this year, having
17 reduced our operating budget substantially below the level
18 of our actual expenditures in 1979, so that we have no
19 inflation cushion in the '80 budget.

20 We are running a very tight budget, that our budget
21 management and control, both by cost centers around the
22 Corporation, within each division and overall, needs to be
23 tighter because we are in fact tighter this year, we do
24 not have much flexibility in the 1980 budget.

25 That's going to mean our budgeting is going to track

1982 projected budget. If you could share with us any of the lessons you have learned about the planning process, and Bill's questions really are behind this, what is it about our planning process that created the needs for reorganizing expenditures or is there something that could be said of a general nature that might help us?

MR. SIMON: As a general matter, first let me

say that in 1979, while we made a number of adjustments between budget categories, we did not make massive adjust-

The kinds of shifts are the kind that come as a program learns more and changes its operating priorities during a year. So that I don't mean by my comment to suggest that we were doing something strange when we planned in 1979, it is my impression and I think it is shared by the senior staff generally, that particularly this year, having reduced our operating budget substantially below the level of our actual expenditures in 1979, so that we have no inflation cushion in the '80 budget.

We are running a very tight budget, that our budget management and control, both by cost centers around the corporation, within each division and overall, needs to be tighter because we are in fact tighter this year, we do not have much flexibility in the 1980 budget. That's going to mean our budgeting is going to track

1 much closer to our expenditure patterns, we'll have fewer
2 shifts between categories, using every dollar very carefully.

3 In terms of planning for 1981 what we have done in
4 preparing this budget is a modified zero base approach to
5 our expenditure expectations in 1981.

6 MR. MCCALPIN: One more question. We approve a
7 budget at the beginning of a year. If during the course
8 of the year it turns out that one of those line items is
9 about to be overspent or is predictably going to be over-
10 spent, do you come back to the Board and ask for a formal
11 budget revision with respect to that item?

12 MR. SINGSEN: We have not done so in the past.
13 What we have done is present quarterly operating statements
14 of the budget and amended the consolidated budget to the
15 appropriations and audit committee, and those have been
16 passed on to the Board.

17 And it has not been, perhaps there have been cases,
18 but by and large the shifts have not been massive in size.

19 MR. MCCALPIN: What is it to the appropriations
20 committee if it's not an amendment of the budget to cover
21 a predicted overage?

22 MR. SINGSEN: What is brought to the Board as a
23 report, if I understand how we've managed in the past, how
24 staff has managed the budget, and made modifications during
25 the year.

such closer to our expenditure patterns, we'll have lower shifts between categories, using every dollar very carefully in terms of planning for 1981 what we have done in preparing this budget is a modified zero base approach to our expenditure expectations in 1981.

MR. MCCALLPIN: One more question. We approve a budget at the beginning of a year. It during the course of the year it turns out that one of those line items is about to be overspent or is probably going to be over-spent, do you come back to the Board and ask for a formal budget revision with respect to that item?

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MR. SIMON: What is brought to the Board as a report, if I understand how we've managed in the past, our staff has managed the budget, and made modifications during the year.

1 MR. ENGELBERG: What happens, where they're
2 reprogramming decisions all of those are approved, in the
3 past have been approved by the committee and the Board
4 itself.

5 MR. MCCALPIN: As an amendment to the budget?

6 MR. ENGELBERG: The point is there are no shifting
7 of funds within the budget by the staff without ultimately
8 the Board's approval. That's always been the case in the
9 past.

10 I don't know whether we formally called it an amendment
11 to the budget, but always approval.

12 MR. BRADLEY: In effect, Bill, in simple terms
13 that's the primary reason we have the quarterly budget
14 review with your committee.

15 MR. ENGELBERG: And I sit in on it and I don't
16 think since I've been on the Board no money has been
17 reprogrammed without not only the committee approval, but
18 the Board's approval.

19 The committee obviously makes a recommendation.

20 MR. MCCALPIN: It amounts to a budget amendment.

21 MR. ORTIQUE: Maybe we ought to reconsider what
22 Bill was suggesting in the first place, and that is that
23 as we close out those various, what amounted to various
24 amendments to the budget, we ought to formally put a state-
25 ment in the record saying okay, that's put to bed.

MR. ENGLISH: What happens, where they're reprogramming decisions all of those are approved, in the past have been approved by the committee and the board itself.

MR. MCCALLIN: As an amendment to the budget

MR. ENGLISH: The point is there are no shifting of funds within the budget by the staff without notifying the board's approval. That's always been the case in the past.

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Bill was suggesting in the first place, and that is that as we clean out these various, what amounted to various

amendments to the budget, we ought to formally put a stamp in the record saying okay, that's put to bed.

1 And as we do these things from now on, I think we
2 ought to formally adopt a statement saying this reflects
3 an amendment in the budget for purposes of someone, over-
4 sight committee or whoever, Congressional investigation,
5 not being able to have the feeling that this Board didn't
6 have control over what was going on, because you're right,
7 we don't say this does now reflect an amendment to the
8 budget, therefore we adopt a motion.

9 But it's true we go through the motions, Bill, but
10 we probably do not have anything in the record that someone
11 examining the record would know that this Board had absolute
12 control.

13 MR. ENGELBERG: The kind of thing we don't vote
14 on, things that are informational report items, but certainly
15 we have always approved any shifting within the budget.

16 We do what you're saying, but not in a formal--

17 MR. BRADLEY: I think the Judge is right, I think
18 we need to for the reasons you have stated. When we go
19 through the quarterly review, Steve, those items where a
20 decision is made to transfer funds, we'll state that and
21 make sure that you are aware of it and the minutes of the
22 committee meeting reflect that decision made by the
23 committee and I think that it's responsible for us to do
24 that and we will do it in the future.

25 MS. RODHAM: Any other questions on the 1979

And as we do these things from now on, I think we ought to formally adopt a statement saying this reflects an amendment in the budget for purposes of someone, over a right committee or whoever. Congressional investigation, not being able to have the feeling that this Board didn't have control over what was going on, because you're right, we don't see this here now either an amendment to the budget, therefore we adopt a motion.

But it's true we go through the motion, Bill, but we probably do not have anything in the record that someone examining the record would know that this Board had absolute control.

MR. ENGLISH: The kind of thing we don't vote on, things that are informational report items, but certainly we have always approved any billings within the budget. We do what you're saying, but not in a formal way.

MR. BRADBY: I think the judge is right, I think we need to for the reasons you have stated. When we go through the quarterly review, Steve, those items where a decision is made to transfer funds, we'll state that and make sure that you are aware of it and the minutes of the committee meeting reflect that decision made by the committee and I think that it's responsible for us to do that and we will do it in the future.

MR. HUBBARD: Any other questions on the 1979

1 budget or process?

2 MR. ENGELBERG: What I would like to do, we are
3 now on the item review of the fiscal year 1981 budget
4 request, let me report on what the committee did or didn't
5 do.

6 At the November meeting we spent most of the time
7 debating the allocation of one time funds during fiscal year
8 1980. At the end of the meeting a fairly lengthy discussion
9 but not a great deal of debate, and the committee decided,
10 particularly since there were a number of Board members
11 there, to basically shift the entire decision-making
12 process to this meeting with no formal votes or decisions
13 made.

14 But I would like to propose that the President would
15 like to make a very brief overview statement about the '81
16 budget request.

17 I would then like Gerry and Judy to then give a fairly
18 detailed presentation of the staff recommendations and the
19 reasons behind those recommendations and I would ask, if
20 it's acceptable, that Board members try to simply ask
21 informational questions and not debate it until they have
22 had the opportunity to complete their presentation as a
23 whole.

24 I think it might be more orderly to let them make the
25 presentation and we'll hear from people in the audience,

budget or process?

MR. WOODHULL: What I would like to do, we are

now on the item review of the fiscal year 1981 budget request, but no report on what the committee did or didn't

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debating the allocation of one time funds during fiscal year 1980. At the end of the meeting a fairly lengthy discussion

but not a great deal of debate, and the committee decided,

particularly since there were a number of board members

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reasons behind those recommendations and I would ask, if

it's acceptable, that board members try to simply ask

informational questions and not debate it until they have

had the opportunity to complete their presentation as a

whole.

I think it might be more orderly to let them make the

presentation and wait until they have people in the audience,

1 and obviously a debate I assume will ensue.

2 I do feel, particularly on the one time area, that in
3 the heat of argument I don't think that, and again I take
4 full responsibility, the staff really had a chance to make
5 its own rationale.

6 We have to make the final decision, but the staff has
7 put a lot of time and effort in this and in fairness I would
8 like them to have a coherent presentation.

9 MR. BRADLEY: I will try to be brief, believe it
10 or not. But I do think that it's important as we spend the
11 next hour or two discussing the '81 budget request, that
12 the Corporation will submit to Congress January 20, 1981,
13 that you as a Board understand some of the discussions of
14 the staff, some of the discussions that we had that led up
15 to the kind of budget that we will now be presenting to you
16 in some detail.

17 It's much easier in some instances to report to you
18 what the budget request is not, rather than to try to
19 explain to you in this context what it is.

20 Please keep in mind, and I think it's important for
21 you to understand the historical chronology of the Legal
22 Services Corporation. As you know, from year one we went
23 from 71.5 million dollars to 300 million dollars appropria-
24 tion, which we have now.

25 The major component of the budget request to Congress

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It's much easier in some instances to report to you what the budget request is not, rather than to try to explain to you in this context what it is. Please keep in mind, and I think it's important for you to understand the historical chronology of the legal Services Corporation. As you know, from year one we went from 71.8 million dollars to 200 million dollars approxi-
tion, which we have now.

The major component of the budget request to Congress

1 for the last three or four years, the major debate and
2 major policy, the major program activity of the Corporation,
3 even though there have been a lot of other activities, has
4 been the completion of minimum access, and we all know
5 what minimum access means in terms of the budget request
6 and you know what it means in terms of the staff activity
7 and what we have been doing.

8 We have now completed minimum access. The question
9 that the staff addressed and that we addressed with our
10 meetings, where do we go from here? And it's clear, and I
11 think you need to think of this budget in that context,
12 it's clear that we made the staff decision that this year
13 as a transition year, we were not proposing to the Board,
14 to Congress, to OMB, a major new initiative with new
15 program goals, new program objectives, new ideas, the
16 implementation of the result of all that we have learned
17 as a result of the completion of minimum access.

18 The DSS study, the QUIP study, the next step process,
19 the 1007-H, the national support study, we have not yet
20 fully analyzed and thus built a budget that fully addressed
21 all of those issues, and I think it's important that you
22 need to think of this budget in the context that this is a
23 transition budget.

24 And then the obvious question is if it's a transition
25 budget, how do we go from 300 million dollars to 350 million

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The USG study, the GFI study, the next step process,
 the IOWA, the national report study, we have not yet
 fully analyzed and thus built a budget that fully addressed
 all of those issues, and I think it's important that you
 need to think of this budget in the context that this is a
 transition budget.

And then the obvious question is if it's a transition
 budget, how do we go from 700 million dollars to 350 million

1 dollars?

2 That appears to be a fairly significant increase, and
3 it certainly would raise in the minds of anyone following
4 this discussion, a very bold new initiative on the part
5 of Legal Services Corporation.

6 I think in our meetings, and we are meeting next week
7 with OMB and explain to OMB, I think that what I'm going to
8 attempt to represent to OMB is that this is basically a
9 program in place with some refinements and addressing some
10 particular critical needs that the staff will address in
11 the next few minutes, but if you think about it in terms
12 of just keeping current with inflation, the cost of living,
13 you basically are talking about another 30 million dollars.

14 We have not prepared a budget that specifically
15 implements everything that we have done vis-a-vis those
16 studies we have talked about previously. What we have
17 attempted to do is try to take some parts of those efforts
18 on the part of the Corporation, the 1007-H study as an
19 example, we have made a decision that we will ask Congress
20 to consider giving us some additional resources next year
21 to address some particular problems of the institutionalized
22 and that budget item will be explained.

23 This budget reflects that we have also tried to go
24 back and address some of the issues that we have not
25 allocated sufficient resources to in the past. For instance,

dollars?

That appears to be a fairly significant increase, and is certainly would raise in the minds of anyone following this discussion, a very valid new initiative on the part of Royal Services Corporation.

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We have not prepared a budget that specifically implements everything that we have done vis-a-vis those studies we have talked about previously. What we have attempted to do is try to take some parts of those efforts on the part of the Corporation, the 1007-11 study as an example, we have made a decision that we will ask Congress to consider giving us some additional resources next year to address some particular problems of the institutionalized and that budget item will be explained.

This budget reflects that we have also tried to go back and address some of the issues that we have not allocated sufficient resources to in the past. For instance

1 national support, state support, we do not view as a staff
2 the request that's in this budget for national support and
3 state support as a new initiative of the Corporation.

4 It is in fact an opportunity for us to try to bring
5 our national support, our state support, our training and
6 all of the other resources that the Corporation tries to
7 provide to our local programs, this budget reflects an
8 effort on the part of staff to try to match our national
9 support effort with the 300 million dollar minimum access
10 completion that, as I have indicated to you, is now
11 completed.

12 There are a few other small parts of this budget, but
13 we'll go into it. But I do think it's important for us to
14 understand that this budget is nothing other than, and this
15 is the representation that we will be making on the Hill
16 on our budget request, in fact, when we appeared before
17 the authorization committee and in continuing communication
18 with the oversight committee, that we have not yet addressed
19 the issue of the future funding formula, whether it's a
20 special needs, whether it's maximum access, whether or not
21 we're going to move now in this transition year to implement
22 the results of the DSS study to address the issues that the
23 Board and all of us will be concerned about.

24 This budget and this request does not represent those
25 types of issues and I would ask you as we discuss this to

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 the request that in this budget for national support and
 state support as a new initiative of the Corporation.
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 special needs, whether it's maximum access, whether or not
 we're going to move now in this transition year to implement
 the results of the USZ study to address the issues that the
 Board and all of us will be concerned about.
 This budget and this request does not represent these
 types of issues and I would ask you as we discuss this to

1 please keep those kinds of decisions in mind.

2 Later this afternoon in my report I'm going to explain
3 to you more fully why we have made some of those decisions,
4 and what I'm recommending to this Board is that we proceed
5 in the future vis-a-vis some of those issues.

6 If it's all right with you, Steve, Gerry and Judy both,
7 the staff has spent considerable time and we made a
8 conscious effort in this memorandum in the Board briefing
9 book to try to explain to you all of the factors and
10 considerations that went into the preparation of this
11 budget.

12 Gerry?

13 MR. SINGSEN: I'll try to be relatively brief in
14 going through the specific items. If you wish to refer to
15 a table or set of numbers as I'm going through the items,
16 they appear in Attachment B.

17 But I'd like to approach the budget proposal information
18 that's on Page 40 for 1981 more on the level of what it is
19 that we are hoping to accomplish with this money in the
20 frame that Dan has already suggested and not talk in terms
21 of this specific figure or that specific line, because I
22 think it's harder to follow the shape of what we're talking
23 about doing in 1981 if we put ourselves too much into
24 numbers instead of into purposes and functions.

25 On the overall level what we're talking about is adding

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 of this specific figure or that specific line because I
 think it's harder to follow the shape of what we're talking
 about when in 1981 if we put ourselves too much into
 numbers instead of into purposes and functions.

On the overall level what we're talking about is adding

1 53 million dollars to our current 300 million dollar base.

2 Of that amount, 27 million, just over half of the
3 increase, is simply to maintain what we now have in place.
4 Almost all of that money, 25 and a half million of it, is
5 going to the field programs.

6 Not only the basic field programs, but also the
7 national and state programs keeping those operations
8 functioning.

9 We have calculated the inflation, the cost of mainten-
10 ance adjustment at nine percent of the existing 1980 budget
11 for those programs.

12 Now, there's a technical piece here which I want to
13 speak to for a moment. We had requested in our 1980 budget
14 request funds to put, I think it was, six percent cost of
15 service into programs. We did not receive enough money
16 to do that on an annualized basis from Congress, we were
17 only able to give five percent to the programs in the field
18 as an annualized amount, money that will appear in 1980
19 and reappear in 1981.

20 We have allocated an additional one percent of one time
21 money to bring to six percent the amount of funds available
22 to the field programs and we'll be discussing later we are
23 proposing some additional one time money for the programs
24 in 1980 so that they will be able to deal with inflation at
25 least to a fair degree.

23 million dollars in our current 200 million dollar base.

Of that amount, 25 million, just over half of the amount, is simply to maintain what we now have in place. Almost all of that money, 22 and a half million of it, is going to the field programs.

Not only the basic field programs, but also the national and state programs keeping those operations functioning.

We have calculated the inflation, the cost of maintenance adjustment at nine percent of the existing 1980 budget for those programs.

Now, there's a technical piece here which I want to speak to for a moment. We had requested in our 1980 budget request funds to put, I think it was, six percent cost of service into programs. We did not receive enough money to do that on an annualized basis from Congress, we were only able to give five percent to the programs in the field as an annualized amount, money that will appear in 1980 and reappear in 1981.

We have allocated an additional one percent of our time money to bring to six percent the amount of funds available to the field programs and we'll be discussing later we are proposing some additional one time money for the programs in 1980 so that they will be able to deal with inflation at least to a fair degree.

1 The reason we are at nine percent in 1981 proposal,
2 we feel that an eight percent inflation adjustment is an
3 appropriate adjustment given all of the competing priorities.
4 Over the 1980 base, that is the 1980 program dealing with
5 inflation in 1981, we will need an eight percent adjustment
6 in order to stay even, but we think that needs to be on the
7 six percent base in 1980, that is the one percent one time
8 which doesn't occur again in 1981 unless we add it on, needs
9 to be added on.

10 So that with the nine percent that we're using for
11 continuation or maintenance volumes is eight percent to
12 deal with 1981 inflation and one percent to annualize what
13 we were only able to do on a one time basis in 1980.

14 For the Corporation's activity, the direct expense
15 portion of the budget, we will only program the eight percent
16 for inflation. We have not budgeted this year in 1980
17 because the money is tight for this increase for inflation
18 in the Corporation's direct expense budget, as I said, in
19 the management and administration area we are running
20 slightly behind the expense level of 1979.

21 In that area in what we're budgeting to spend in '80
22 we don't need to build in one percent, we're not functioning
23 that way on a direct expense budget. We do need it in the
24 field where that operating characteristic is different, so
25 we are proposing eight percent for the direct expense

The reason we are at nine percent in 1981 proposal, we feel that an eight percent inflation adjustment is an appropriate adjustment given all of the competing priorities. Over the 1980 case, that is the 1980 program dealing with inflation in 1981, we will need an eight percent adjustment in order to stay even, but we think that needs to be on the six percent base in 1980, that is the one percent one time which doesn't occur again in 1981 unless we add it on, needs to be added on.

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In that area in what we're budgeting to spend in '80 we don't need to build in one percent, we're not functioning that way on a direct expense budget. We do need it in the kind where that operating characteristic is different, so we are proposing eight percent for the direct expense

1 portion.

2 That total, the eight percent for direct expense and
3 the nine percent for the field, comes up to the 27 million
4 dollars that I mentioned simply to continue the activity
5 that we now have in place in 1980, and on Attachment B
6 that's the second column, continuation and maintenance.

7 MR. SACKS: Where does the eight percent come
8 from?

9 MR. SINGSEN: The eight percent is an attempt,
10 and it can be only an attempt, to estimate a figure that
11 will provide a reasonable capacity to deal with inflation
12 in 1981.

13 It's a need figure. There's been a proposal that we
14 go on a nine percent on personnel, 13 percent on non-
15 personnel and field programs in calculating inflation. The
16 actual inflation rate in the country projected on a basis
17 of each monthly rate is running around 12 percent and it
18 fluctuates ~~from~~ month to month as you all know.

19 There are projections that it will go during this
20 coming year anywhere from eight to eighteen percent. We
21 are always at this stage looking more than a year ahead,
22 guessing about what it will take to deal with inflation.

23 When we made our proposal to Congress last year we
24 were figuring that the President would be at a 5.5 level
25 for the federal employee raises. As you know, he moved to

portion.

This total, the eight percent for direct expense and the nine percent for the field, comes up to the 27 million dollars that I mentioned simply to compare the activity that we have in place in 1980, and in Attachment B that's the second column, continuation and maintenance. MR. SARKIS: Where does the eight percent come

from?

MR. SIMON: The eight percent is an attempt, and it can be only an attempt, to estimate a figure that will provide a reasonable capacity to deal with inflation in 1981.

It's a good figure. There's been a proposal that we go on a nine percent on personnel, 12 percent on non-personnel and field programs in calculating inflation. The actual inflation rate in the country projected on a basis of each monthly rate is running around 12 percent and it fluctuates from month to month as you all know.

There are projections that it will go during this coming year anywhere from eight to eighteen percent. We are always at this stage looking one to two years ahead, guessing about what it will take to deal with inflation. When we made our proposal to Congress last year we were figuring that the President would be at a 5.5 level for the Federal employee raises. As you know, he moved to

1 seven percent just a couple of months ago, which meant that
2 our programs did not receive an inflation adjustment and
3 we hadn't even requested an inflation adjustment.

4 We don't know what the President will request a year
5 from now.

6 When I say it's a net figure, what I mean is certainly
7 if we were to flat keep the programs exactly as they are
8 and nobody left the programs, there was no turnover and all
9 expense patterns stayed the same for the program, to
10 maintain everything in the next year it would need more than
11 nine percent.

12 The fact is, however, that we do have turnover and
13 that as a result of turnover your actual costs of operation
14 do not have to absorb a hundred percent of inflation.

15 You have a netting out effect by senior people departing
16 and junior people being hired and the experience level of
17 the program can remain the same because people are becoming
18 more experienced as the years go by.

19 On the non-personnel side there is some ability to deal
20 with inflation by cutting expenses, by becoming more
21 productive. I think you have the article that I wrote a
22 little while ago, there are a lot of possible ways, many
23 of them already in use in the program.

24 There are programs that have been dealing with
25 inflation problems for years, which have less flexibility.

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 of them already in use in the program.

There are programs that have been dealing with
 inflation problems for years, which have been flexible.

1 Where there may be more budget reducing, there are
2 productivity types of steps that the program can take to
3 maintain its activity.

T.3 4 There is no method that we have developed that
5 scientifically says nine percent is right and ten percent
6 is wrong. The final factor is looking at our realistic
7 possibility in Congress and in operating the program, and
8 it is our judgment that the inflation adjustment proposed
9 here, nine percent, eight plus one, is at a level that we
10 can go to Congress and justify.

11 We will do a job good enough, given our budget reality,
12 to keep the programs in place and we will not be so high
13 that it cuts into our ability to carry out the other
14 activities that we're proposing, almost all of which in
15 fact mean money going to programs, but going in more
16 targeted ways.

17 MR. SACKS: Do we know what the President will
18 recommend for the rest of the budget?

19 MR. BRADLEY: If you can believe the Washington
20 Star, there was a major story saying that it appears that
21 OMB is going to propose a seven or eight percent pay raise
22 for federal employees next year.

23 So I think that if he's projecting seven or eight,
24 I wouldn't be surprised if it went out higher than that,
25 but we are in the same ballpark.

Where there are no more budget reductions, there are
productivity types of things that the program can take to
maintain its activity.

There is no method that we have developed that
scientifically says nine percent is right and ten percent
is wrong. The final factor is looking at our realistic
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it is our judgment that the inflation adjustment proposed
here, nine percent, eight plus one, is at a level that we
can go to Congress and justify.

We will do a job good enough, given our budget reality,
to keep the program in place and we will not be so high
that it runs into our ability to carry out the other
activities that we're proposing, almost all of which in
fact mean money going to programs, but going in more
targeted ways.

MR. SACHER: Do we know what the President will

recommend for the rest of the budget?

MR. BARNETT: If you can believe the Washington
Star, there was a major story saying that it appears that
OMB is going to propose a seven or eight percent pay raise
for federal employees next year.

So I think that it has a projecting seven or eight,
I wouldn't be surprised if it went out higher than that,
but we are in the same ballpark.

1 MR. SINGSEN: There is one other aspect of the
2 OMB position, that all inflationary adjustments should be
3 absorbed through productivity increases. But if your costs
4 rise by eight percent, you should reduce your operating
5 staff, facilities, et cetera to absorb that eight percent
6 increase, but by becoming more productive maintain the
7 same level of result.

8 The difficulty for our program, we're dealing with
9 15 percent or 20 percent of the needs of the folks who come
10 to our programs, is that there is so much demand, so much
11 need for service that programs have been trying and are
12 going to continue to increase their productivity, but they
13 need to put increases into more services and reductions in
14 staff, in order to maintain hypothetical service levels are
15 not an acceptable basis for us to approach the Congress
16 that we need to maintain the facilities and the staff, and
17 that this inflation adjustment is our attempt to do that
18 within the reality of the budget we're going to present to
19 Congress.

20 MR. BRADLEY: We're going to try to effectively
21 explain to OMB and the appropriations committee the effect
22 that stationary funding had during the period from 1970 to
23 1975, when our federal appropriation remained at 71.5 million,
24 and we're beginning now to try to put together that factual
25 presentation where they will understand that if we go into

MR. KENNEDY: There is one other aspect of the OMB position, that all inflationary adjustments should be absorbed through productivity increases. But if your costs rise by eight percent, you should reduce your operating staff, facilities, et cetera to absorb that eight percent increase, but by becoming more productive maintain the same level of result.

The difficulty for our program, we're dealing with 15 percent or 20 percent of the needs of the folks who come to our program, is that there is so much demand, so much need for services that programs have been trying and are going to continue to increase their productivity, but they need to put increases into more services and reductions in staff, in order to maintain hypothetical service levels and not an acceptable basis for us to approach the Congress that we need to maintain the facilities and the staff, and that this inflation adjustment is our attempt to do that within the reality of the budget we've going to present to Congress.

MR. BRADLEY: We're going to try to effectively explain to OMB and the appropriations committee the effect that stationary funding had during the period from 1970 to 1972, when our Federal appropriation remained at \$1.2 billion and we're beginning now to try to put together that Federal production where they will understand that if we go into

1 that period again, it's going to affect the quality of
2 service and the amount of service that we provide.

3 MR. SINGSEN: Let me move to the second group of
4 increases that Dan has spoken to and are discussed in the
5 presentation.

6 Those are activities where we are essentially completing
7 plans that we have all discussed and made in the past. We
8 are bringing into fruition items of great importance which
9 have had to be delayed because of the top priority that we
10 have and the Congress beginning with the completion of
11 minimum access.

12 Here we're dealing with increase in the office of
13 program support and training activities with the national
14 support centers, state supports centers, with the final
15 moves in the act of changing from the profit law reporter
16 to the clearing house review centralized case service.

17 We're also talking here about a couple of activities
18 which in the past have been highly productive but we have
19 not been able to afford in 1979 and 1980.

20 Here I'm speaking about the fellows program in the
21 research institute, the seminars, national seminars on
22 issues that the research institute has in the past run, but
23 has not been able to afford this year and the summer intern
24 program, which we propose to fund in 1980.

25 And as you know, it is now proposed that we use some

that period again. It's going to affect the quality of service and the amount of service that we provide.

MR. SIMMONS: But we have to move to the second group of instances that has been spoken to and are discussed in the presentation.

Those are activities where we are essentially competing plans that we have all discussed and made for the year we are bringing into attention items of great importance which have had to be delayed because of the top priority that we have and the Congress working with the completion of minimum amount.

Here we're dealing with increase in the office of program support and training activities with the national support centers, state support centers, with the final moves in the act of changing from the profit law reporter to the clearing house review centralized case services.

We're also talking here about a couple of activities which in the past have been highly productive but we have not been able to afford in 1979 and 1980.

Here I'm speaking about the follow-up program in the

research institute, the seminars, national seminars on issues that the research institute has in the past run, but has not been able to afford this year and the summer interns program, which we propose to fund in 1980.

And as you know, it is now proposed that we use some

1 one time money so we can recommence that program in 1980.

2 We're dealing with a total of 11 million six hundred
3 thousand dollars in the 53 million.

4 To go back to each specific item, the office of program
5 support, our training vehicle, was in 1980 by our budget
6 request to increase by even more than is proposed now. We
7 didn't receive enough funds to do that.

8 Program support for training efforts that we conduct,
9 management training, lawyer training, client training, and
10 in 1982 we propose to develop materials used for secretarial
11 training and develop community legal education tools which
12 is a basic way we believe to directly interact with the
13 staff providing that service, and support their efforts.

14 What is going on right now in the Corporation is an
15 extensive planning process regarding the specific content
16 of the training activities for 1980 and 1981. It is a
17 process in which a great many field program representatives,
18 people involved as trainees and trainers from around the
19 field, experts from outside the Corporation, and Corporation
20 staff are engaged together.

21 It is an attempt to draw together the learning of the
22 last few years about training to emphasize and move further
23 on the delivery of training locally as opposed to the
24 delivery of training through large national training events.

25 But also it's much more likely to be able to target

one time money so we can re-launch that program in 1980. We're dealing with a total of 21 million six hundred thousand dollars in the 23 million.

To go back to each specific item, the office of program support, our training vehicle, was in 1980 by our budget request to increase by even more than is proposed now. We didn't receive enough funds to do that.

Program support for training efforts that we conduct, management training, lawyer training, client training, and in 1982 we propose to develop materials used for educational training and develop community legal education tools which is a basic way we believe to directly interact with the state providing that service, and support their efforts.

What is going on right now in the Corporation is an extensive planning process regarding the specific content of the training activities for 1980 and 1981. It is a process in which a great many field program representatives people involved as trainers and trainers from around the field, experts from outside the Corporation, and Corporation staff are engaged together.

It is an attempt to draw together the learning of the last few years about training to emphasize and move further on the delivery of training locally as opposed to the delivery of training through large national training events. But also it's much more likely to be able to target

1 and deal directly with the specific conditions in local
2 programs.

3 Those planning efforts will not be completed yet for
4 I'll say several months, and more.

5 What they will produce I cannot tell you at this moment
6 in terms of the specific emphasis of training, how basic
7 lawyer skills or paralegal training for new paralegal
8 advocates will balance against training on major complex
9 substantive litigation or advanced advocacy skills, but
10 those are the issues wrestled with in that planning effort.

11 The attempt here with this 3,900,000 dollars in new
12 activity is to put in place a basic capacity for the future
13 to train and support the very large staff that we now have
14 around the country.

15 In each of the last couple of years we have added a
16 great many lawyers, a great many paralegals, but we have
17 not been able to increase our training capacity to address
18 their needs.

19 One other thing I want to mention about the office of
20 program support, we have talked frequently with OMB about
21 productivity, I think it's important to note that even
22 though the budget in the office of program support has been
23 pretty static in this last year or two, there has been in
24 fact a great increase in the productivity of the office by
25 moving to the more locally delivered training events and

and deal directly with the specific conditions in local programs.

These planning efforts will not be completed yet for I'll say several months, and more.

What they will produce I cannot tell you at this moment in terms of the specific emphasis of training, how basic lawyer skills or paralegal training for new paralegals advocates will balance against training on major complex substantive litigation or advanced advocacy skills, but those are the issues wrestled with in that planning effort.

The attempt here with this \$,000,000 dollar in new activity is to put in place a basic capacity for the future to train and support the very large staff that we now have around the country.

In each of the last couple of years we have added a great many lawyers, a great many paralegals, but we have not been able to increase our training capacity to address their needs.

One other thing I want to mention about the office of program support, we have talked frequently with OMB about productivity. I think it's important to note that even though the budget in the office of program support has been pretty static in this last year or two, there has been in fact a great increase in the productivity of the office by moving to the more locally delivered training events and

1 developing other methods so that training is conducted with
2 the least cost possible for the most benefit.

3 That's a trend, of course, that we expect to continue
4 in the future.

5 For national support, we are proposing a two million
6 five hundred thousand dollar increase in the national
7 support effort, which goes back to the '60's to the efforts
8 of what were then styled back-up centers and has had to
9 stay relatively low in its total funding, while the field
10 programs to which it responds and with which it works, has
11 grown.

12 We're trying to follow up on what was discussed in
13 1007-H in the support planning process and put in place the
14 capacity to provide national support, local programs to
15 develop programs for national advocacy to do the job which
16 only national support can truly address.

17 The state support effort has a different sort of
18 genesis. It does come out of the planning process, but here
19 you're dealing with 54 different jurisdictions in which we
20 provide service, including--

21 MR. SACKS: Could I ask a question about expansion
22 of existing national support efforts? On Page 17 of your
23 textual presentation, in the third paragraph you say the
24 funds will be used for two purposes, to permit expansion of
25 existing national support efforts, what you just talked

developing other methods so that training is conducted with the least cost possible for the local health.

That's a trend, of course, that we expect to continue in the future.

For national support, we are proposing a two billion

five hundred thousand dollar increase in the national support effort, which goes back to the '60's to the extent

of what were then styled back-up centers and has had to

stay relatively low in its total funding, while the field

programs to which it responds and with which it works, has grown.

We're trying to follow up on what was discussed in

1967-68 in the support planning process and put in place the capacity to provide national support, local programs to

develop programs for national advocacy to do the job which only national support can truly address.

The state support effort has a different sort of

history. It does come out of the planning process, but here you're dealing with 50 different jurisdictions in which we

provide services, including:

MR. SACKS: Could I ask a question about expansion

of existing national support efforts? On page 17 of your

context presentation, in the third paragraph you say the

table will be used for two purposes, to permit expansion of existing national support efforts, what you just talked

1 about.

2 I want to ask you a question. If I were to go into
3 any one of these national support centers and ask for data
4 on unmet requests for technical assistance from the field,
5 the same way you go into a local program and see how big
6 a backlog on divorce cases, what would I find?

7 MR. SINGSEN: I think what you would find are
8 some pretty specific answers.

9 MR. SACKS: All I want to know is are the answers
10 there?

11 MR. SINGSEN: Yes, they are. The programs maintain
12 logs of incoming requests and responses to the requests.

13 There was an evaluation of all the national support
14 centers conducted in here if you don't want the details,
15 this planning regarding the activities of those centers,
16 and I think the matter of record keeping, the matter of
17 unmet demands, the areas of emphasis, the creation of issue
18 access through the development of technical expertise, will
19 be addressed during that presentation.

20 MR. SACKS: If I ask you for some examples of
21 important requests that are not being met because you haven't
22 got the staff to meet them, examples that I would understand
23 and that would be important, have you got them?

24 MR. SINGSEN: Yes, I believe we do. The 1007-H
25 study devoted considerable time to that question, areas of

about.

I want to ask you a question. If I were to go into any one of these national support centers and ask for data on user requests for technical assistance from the field, the same way you go into a local program and see how big a backlog on direct cases, what would I find?

MRS. SIMON: I think what you would find are

some pretty specific answers.

MRS. SACER: All I want to know is are the answers

there?

MRS. SIMON: Yes, they are. The programs maintain

logs of incoming requests and responses to the requests. There was an evaluation of all the national support centers conducted in 1967 if you don't want the details, this planning regarding the activities of these centers, and I think the matter of record keeping, the matter of most demands, the areas of emphasis, the creation of issues, access through the development of technical expertise, will be addressed during that presentation.

MRS. SACER: If I ask you for some examples of

important requests that are not being met because you haven't got the staff to meet them, examples that I would understand and that would be important, have you got them?

MRS. SIMON: Yes, I believe we do. The 1967-68

study devoted considerable time to that question, areas of

1 support need which we were currently unable to meet in the
2 special access needs and the special legal question areas
3 that those study groups involved.

4 MR. SACKS: I'm not just talking about new things,
5 one of your arguments is that you're not doing a job even
6 on the existing kinds of legal questions and I'm asking you
7 have you got specific, dramatic examples that you're ready
8 to produce at a moment's notice?

9 MR. BRADLEY: If I may without specifically
10 answering your question, we do have this afternoon, we
11 reserved time at the end of the agenda, we're going to try,
12 I know you're interested and other Board members have asked
13 me those types of questions, and we have an agenda item
14 with the persons who in effect participated in doing the
15 evaluation we have just completed of our national support
16 centers, and every question you have asked were questions
17 we tried to address in that overview, and I think we'll
18 have an opportunity this afternoon to tell you a lot more.

19 MR. SACKS: I'm not being skeptical about the--

20 MR. ENGELBERG: I read somewhere that apparently
21 many of the national support centers have opened Washington-
22 type offices. I'd like more information on that, but I'd
23 like to know how the figures for '81, do they deal with the
24 question of potential Washington policy oriented support
25 in Washington, and I know that there's a big increase for

support need which we were currently unable to meet in the
special access needs and the special legal question areas
that those study groups involved.

MR. SACRE: I'm not just talking about one thing
one of your arguments is that you're not doing a job even
on the existing kinds of legal questions and I'm asking you
have you got specific, dramatic examples that you're ready
to produce at a moment's notice?

MR. BRADLEY: In a way without specifically
answering your question, we do have the attorney, we
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I know you're interested and other board members have asked
me those types of questions, and we have an agenda item
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evaluation we have just completed of our national support
center, and every question you have asked were questions
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have an opportunity this afternoon to tell you a lot more.

MR. SACRE: I'm not being skeptical about the
MR. BRADLEY: I read somewhere that apparently

many of the national support centers have opened Washington
type offices. I'd like more information on that, but I'd
like to know how the figures for '81, do they deal with the
question of essential Washington policy oriented support
in Washington, and I know that there's a big increase for

1 national support?

2 MS. RIGGS: The national support study completed
3 a couple of years ago identified national policy
4 representation as one critical component of national support.
5 If 1981 money is going to be used to further implement the
6 results of the study, then national policy representation
7 will be an essential component of any support activity that's
8 funded or at least so that we can't say you're going to
9 spend "X" amount of dollars on national policy as opposed
10 to something else.

11 But we are trying to do something, the need is there,
12 we would want to see the whole range of activity around
13 that.

14 Just one other quick point, when we had our extensive
15 internal staff reviews of the budget, one of the things
16 that we spent a substantial amount of time talking about
17 is the need to be able to document to Congress exactly the
18 kinds of things that you were suggesting and we are in the
19 process of gathering the information that will let us
20 present the justification in exactly that way.

21 MS. SHUMP: I have a question and I hope that
22 perhaps this afternoon someone can answer it for me. And
23 that question is in keeping with the state support centers
24 and the national support centers and it's concerned with
25 how we're going to go about insuring that the Boards

National support?

MR. SIMON: The national support study completed

a couple of years ago identified national policy

representation as one critical component of national support

and the money is going to be used to further implement the

results of the study. The national policy representation

will be an essential component of any support activity that

is funded or at least so that we can't say you're going to

spend 70% amount of dollars on national policy as opposed

to something else.

But we are trying to do something, the need is there,

we would want to see the whole range of activity around

that.

Just one other point, when we had our extensive

internal staff reviews of the budget, one of the things

that we spent a substantial amount of time talking about

is the need to be able to document to Congress exactly the

kind of things that you were suggesting and we are in the

process of gathering the information that will let us

present the justification in exactly that way.

MR. SIMON: I have a question and I hope that

perhaps this afternoon someone can answer it for me. And

that question is in keeping with the state support centers

and the national support centers and it's concerned with

how we're going to go about insuring that the boards

1 governing these support centers are in compliance and that
2 there is sufficient participation at both levels.

3 MR. BRADLEY: I think that's a very important
4 issue. If you don't mind, on this issue generally about
5 national support and how it all fits together and what it
6 means and how effective it is and what we should be doing,
7 we do have about an hour set aside this afternoon for that
8 type of close explanation and exchange with the Board.

9 MR. SINGSEN: I was speaking about the state
10 support area and what's happening in state support I think
11 we have just discussed before. It follows out of the
12 planning process on support issues on all levels.

13 There are some states in the country that we already
14 have funded for significant support efforts on the state
15 level.

16 The Massachusetts Law Reform Program and the Western
17 Center are two specific programs that have existed.

18 There are other states which you will remember three
19 years ago took special needs funds and decided that their
20 highest priority for the use of those funds was to create
21 a state support effort, a coordination effort, perhaps a
22 training effort, sometimes it was a state legislative
23 advocate effort, in each state different depending on the
24 specific needs most pressing.

25 But rather than use the money in the local programs,

Government these support centers are in compliance and that there is sufficient participation at both levels.

MR. BRADLEY: I think there is a very important issue. If you don't mind, on this issue generally about national support and how it all fits together and what it means and how effective it is and what we should be doing, we do have about an hour set aside this afternoon for that type of close explanation and exchange with the Board.

MR. WINGBERG: I was speaking about the state support area and what's happening in state support. I think we have just discussed before. It follows out of the planning process on support issues on all levels.

There are some states in the country that we already have funded for significant support efforts on the state level.

The Massachusetts law Reform Program and the Western Center are two specific programs that have existed.

There are other states which you will remember three years ago took special needs funds and decided that their highest priority for the use of those funds was to create a state support effort, a coordination effort, perhaps a training effort, something it was a state legislative advance effort, in each state different depending on the specific needs most pressing.

But rather than use the money in the local program,

1 the states concluded that the money could best be applied
2 on a state level.

3 We had, I think, in the 1979 budget money moved into
4 an annualized base so that those programs which had taken
5 money from their basic \$7 per poor person to fund that
6 state support effort, would have back in their local area
7 the \$7, that was the discussion of back-up if you recall.

8 What is happening now around the country is that we
9 allocated money last year for a planning effort in every
10 jurisdiction that we fund, planning efforts involving all
11 of the programs in that jurisdiction taking part with out
12 assistance to determine the most important needs for state
13 support in the jurisdiction, trying to decide among the
14 many kinds of state support, the many ways of coordinating
15 on the state level, what would be the most effective.

16 Those plans are now being completed and coming in.

17 The \$4,725,000 suggested for 1982 is not at this
18 moment a calculated figure off those plans because they
19 aren't available yet to calculate. The 4,275 is an estimate
20 of what it will take to provide a basic state support
21 capacity in every state.

22 When we have the plans we will probably have difficult
23 allocation problems to deal with, but there will probably
24 be much more need in those plans than we are going to be
25 able to address, which was mirror the situation in the

the states concluded that the money could best be applied on a state level.

We had, I think, in the 1978 budget money moved into an annualized base so that those programs which had taken

money from their basic \$ per poor person to fund that state support effort, would have back in their local area the \$, that was the discussion of back-up if you recall.

That is happening now around the country is that we allocated money last year for a minimum effort in every jurisdiction that we fund, planning efforts involving all of the programs in that jurisdiction-taking part with our assistance to determine the most important needs for state

support in the jurisdiction, trying to decide among the many kinds of state support, the many ways of coordinating

on the state level, what would be the most effective.

Those plans are now being completed and coming in. The \$1,225,000 suggested for 1983 is not at this

moment a calculated figure of those plans because they haven't available yet to calculate. The 1,225 is an estimate

of what it will take to provide a basic state support capacity in every state.

When we have the plans we will probably have difficulty allocating problems to deal with, but there will probably

be much more need in those plans than we are going to be able to address, which was minor the situation in the

1 programs which are getting these state support plans
2 together, but it's our feeling that this four million will
3 provide the basic state support capacity around the country.

4 At least a minimum state support effort going with the
5 minimum access effort so that quality services, access to
6 substantive expertise, coordinated training, coordinated
7 litigation work around the state will be possible in every
8 state, that's the purpose of this four million seven.

9 It's our hope that we'll be able to put in place that
10 kind of a capacity which has been wanted for quite a long
11 time in our programs around the country.

12 MR. SACKS: Isn't it also true this is a form of
13 improvement in productivity?

14 What I'm thinking about, the legislature and state
15 passes a new law, you don't have twelve different offices
16 each doing research on the history of the law, interpreting
17 and so forth, it's all done at the state support center
18 and the results are sent out to the twelve offices so you
19 free up a lot of time to provide direct services to clients.

20 MR. SINGSEN: I think we do it in other ways as
21 well. Instead of having four lawyers on a particular
22 problem in the state law, a particular problem in the
23 administration of a state agency or, indeed, a particular
24 problem with a private defendant, a landlord, the capability
25 to coordinate means that the resources are used more

programs which are getting these state support plans together, but it's our feeling that this four million will provide the basic state support capacity around the country. At least a minimum state support effort going with the minimum access effort so that quality services, access to substantive expertise, coordinated training, coordinated litigation work around the state will be possible in every state, that's the purpose of this four million seven.

It's our hope that we'll be able to put in place that kind of a capacity which has been wanted for quite a long time in our programs around the country.

MR. BAKER: That is also true this is a form of

improvements in productivity?

What I'm thinking about, the legislators and state agencies a new law, you don't have twelve different offices each doing research on the history of the law, interviewing and so forth, it's all done at the state support center and the results are sent out to the twelve offices so you free up a lot of time to provide direct services to clients.

MR. SINGSON: I think we do it in other ways as

well, instead of having four lawyers on a particular problem in the state bar, a particular problem in the administration of a state agency or, indeed, a particular problem with a private defendant, a landlord, the capability to coordinate means that the resources are used more

1 efficiently and less money is spent on dealing with the
2 problem overall than will be spent if we don't function in
3 a coordinated fashion.

4 Training is more effective when it's conducted in a
5 manner that deals with all the programs that need the
6 training rather than on a program by program with each
7 separate local program developing a training, trying to
8 develop somebody expert enough to do the training.

9 MR. SACKS: All I'm suggesting to you is that
10 words like efficiency and economy and productivity and all
11 the buzz words should be more liberally distributed through
12 your presentation.

13 MR. MCCALPIN: Let me ask a question or two about
14 1982 base. I would gather that the first item you addressed,
15 the continuation maintenance of 27 million will become a
16 part of the 1982 base.

17 Now, looking at the area you are now and with particular
18 reference to national and state support at the total of
19 nine million two twenty five, do I understand that that
20 will not become--

21 MR. SINGSEN: That will become part of base. That
22 reference in the table is a parenthetical figure in column
23 one.

24 MR. MCCALPIN: So that everything you're talking
25 about, the total of eleven million six that you have

effectively and less money is spent on dealing with the problem overall than will be spent if we don't function in a coordinated fashion.

Training is more effective when it's conducted in a manner that deals with all the progress that needs to be achieved rather than on a program by program with each separate local program developing a training. Trying to develop somebody expert enough to do the training.

MR. SAGER: All I'm suggesting to you is that words like efficiency and economy and productivity and all the four words should be more liberally distributed through your presentation.

MR. MULLER: Let me ask a question or two about 1983 panel. I would gather that the first item you addressed the continuation maintenance of 25 million will become a part of the 1983 panel.

Now, looking at the area you are now and with particular reference to national and state support at the level of nine million two twenty five, do I understand that that will not become

MR. VANDERBILT: That will become part of panel. That reference in the table is a parenthetical figure in column one.

MR. MULLER: So that everything you're talking about, the total of eleven million six that you have

1 discussed so far, or that you are discussing now becomes
2 a part of 1982 base?

3 MR. SINGSEN: Yes, in terms of the distinction
4 between base and the consolidated operating budget. The
5 major distinction is carryover balances being used and
6 appropriated funds, and all of the continued maintenance
7 and growth items here are being paid for with appropriated
8 funds in 1982.

9 So they will all become part of the 1982 base, unless
10 we decide to reallocate the funds available to us, move
11 them among categories, but the 353 will be our 1982 base
12 figure.

13 MS. RIGGS: There's an important distinction
14 between the base for 1982 and the amount of that base that
15 represents annualized commitment.

16 Your concern, if I can project to your next question,
17 how much of this is going to be annualized?

18 MR. SINGSEN: The answer to that question I think
19 is on the first page of this memorandum, that about 322
20 million of the 353 in the 1982 budget request, 323 million
21 will be going out in an annualized fashion.

22 Several pieces of that--let me just rest with that
23 statement.

24 The remainder is going out in ways which are more
25 directly subject to alterations, would not be subject to

discussed so far, or that you are discussing now becomes

a part of 1953 base?

MR. SIMON: Yes, in terms of the distinction

between base and the consolidated operating budget. The

major distinction is that operating balance being used and

appropriated funds, and all of the contained maintenance

and growth items here are being paid for with appropriated

funds in 1953.

So they will all become part of the 1953 base, unless

we decide to reallocate the funds available to us, move

them some categories, but the 533 will be our 1953 base

figure.

MR. BAKER: There's an important distinction

between the base for 1953 and the amount of that base that

represents unutilized commitments.

Your concern, if I am correct to your next question,

how much of this is going to be unutilized?

MR. SIMON: The answer to that question I think

is on the first page of this memorandum, that about 533

million of the 533 in the 1953 budget request, 533 million

will be going out in an unutilized fashion.

Several pieces of that--let me just rest with that

statement.

The remainder is being put in ways which are more

directly subject to alterations, would not be subject to

1 defunding hearings.

2 That's a total of about 30 million dollars in 1981
3 base. Current figures are 280 million and 20 million
4 annualized and non-annualized, so we have a slight increase
5 in the percentage total which are non-annualized.

6 MR. MCCALPIN: You're talking about adding 40
7 million dollars to the annualized base?

8 MR. SINGSEN: That's correct.

9 MS. RIGGS: There is always the possibility as
10 well, we don't have to make a commitment at this point
11 about how much of that actually becomes annualized. In
12 the past we have, for example, some national support money,
13 although it is annualized for our budget purposes, some of
14 that money goes for one kind of purpose one year and can
15 be turned around and used for another purpose in another
16 year much as the special needs is.

17 While it's annualized in the total budget, there is
18 flexibility about how it's spent.

19 MR. SINGSEN: Are there other questions on state
20 support?

21 The remaining items, there's a small increase for
22 clearing house which is discussed sufficiently in the basic
23 memorandum having to do with completing the capacity of the
24 clearing house.

25 The summer intern program and the two research

... hearings.

That's a total of about 30 million dollars in 1981

... Current figures are 280 million and 80 million
annulized and non-annulized, so we have a slight increase
in the percentage total which are non-annulized.

MR. McVAY: You're talking about adding 40

million dollars to the annulized base?

MR. KING: That's correct.

MR. KING: There is always the possibility as

well, we don't have to take a commitment at this point

about how much of that actually becomes annulized. In

the past we have, for example, some national support money,
although it is annulized for our budget purposes, some of

that money goes for one kind of purpose one year and can
be turned around and used for another purpose in another

year much as the special needs is.

While it's annulized in the total budget, there is

flexibility about how it's spent.

MR. KING: Are there other questions on state

support?

The remaining items, there's a small increase for

... house which is discussed sufficiently in the basic
... having to do with completing the capacity of the

... house.

The summer intern program and the two research

1 institute changes, the new activity or growth which do not
2 represent really stepping out on a new initiative.

3 The summer intern program itself which we want to
4 start in 1980 and a new round of research institute fellows
5 looking into basic areas of profit law, developing the
6 issues which our lawyers will be litigating in the years
7 ahead, which we will be dealing with in our communities
8 around the country in the next couple of years.

9 We did a round of research fellows, as you know,
10 starting in 1977. That group of fellowship contracts is
11 completed in 1980 and a new solicitation is what is being
12 proposed with funding beginning in 1982 to develop issues,
13 to work on the substance of our service work around the
14 country through the research institute fellow program.

15 The seminars proposed on substantive issues bring
16 together experts from around the country to explore in
17 depth the areas of current importance and develop strategies
18 for programs on those issues.

19 This package, 11,648 is a continuation package in the
20 sense it's a filling out of plans made, activities we have
21 done before. There are four items in this budget request
22 which are stepping off in a somewhat new direction.

23 One of those, the first is the technical assistance
24 increase of one million. What's proposed here is that the
25 regional offices which are now in the process of making

institute changes, the new activity or growth which do not represent really stepping out on a new initiative.

The former future program itself which we want to start in 1980 and a new round of research institute follows looking into basic areas of profit law, developing the issues which our lawyers will be fighting in the years ahead, which we will be dealing with in our committee around the country in the next couple of years.

We did a round of research fellow, as you know, starting in 1977. That group of fellows' concept is completed in 1980 and a new solicitation is what is being proposed with funding beginning in 1981 to develop issues to work on the substance of our service work around the country through the research institute fellow program. The committee proposed on substantive issues being together experts from around the country to explore in depth the areas of current importance and develop strategies for programs on those issues.

This package, 11,048 is a continuation package in the sense it's a filling out of plans made, activities we have done before. There are four items in this budget request which are stepping off in a somewhat new direction.

One of these, the first is the technical assistance increase of one million. What's proposed here is that the regional offices which are now in the process of making

1 their monitoring approach more flexible, more responsive
2 to local conditions and putting their work efforts more
3 into technically aiding programs, and become more productive
4 and efficient in getting more product and more quality
5 with the funds that they have.

6 We want to enhance the capacity of regional offices
7 to give money to local programs for specific technical
8 assistance purposes. For the person who can come in and
9 do the study which will result in a better supervision
10 system, for a better way of gathering information about
11 housing problems, for a wide variety of specific needs that
12 the regional office can identify working with local programs
13 and then put money in that program.

14 The second increase that's proposed in this change
15 in direction or this enhancement, is the money which is
16 described as planning for the future. That may be a
17 misnomer.

18 What we're essentially talking about is the implementa-
19 tion of a group of policy decisions which I anticipate will
20 be made by the Board this year, policy decisions with
21 implications for the next 20 years in legal services,
22 questions about how we relate to the census, the result of
23 the census that will come at the end of 1981, and our
24 basic eligibility.

25 At that point if we're going to change it, look at the

their monitoring approach more flexible, more responsive to local conditions and making their work efforts more technically aiding programs, and become more productive and efficient in getting more products and more quality with the funds that they have.

We want to enhance the capacity of regional offices to give money to local programs for specific technical assistance purposes. For the person who can come in and do the study which will result in a better supervision system, for a better way of gathering information about housing problems, for a wide variety of specific needs that the regional office can identify working with local programs and then put money in that program.

The second increase that's proposed in this change in direction of this amendment, is the money which is described as planning for the future. That way in a

What we're essentially talking about is the implementation of a group of policy decisions which participants will be made by the Board this year, policy decisions with implications for the next 20 years in local services. questions about how we relate to the census, the result of the census that will come at the end of 1981, and our basic eligibility.

At that point if we're going to change it, look at the

1 question of people unable to afford assistance instead of
2 a straight profit line standard.

3 We're going to need to work and it's going to cost
4 money.

5 The fact of the matter is, unless we happen to make
6 a set of policy decisions which do not have any cost
7 implications we're going to have trouble carrying out those
8 decisions.

9 Another area you're familiar with is the possibility
10 that we will move in one way or another closer to actual
11 legal needs. We'll have to do some work if we decide to
12 use the actual legal needs in either our presentations to
13 Congress regarding the long term future of the Corporation
14 and the delivery of legal services to the poor, or our
15 funding approach itself, and there is not now the data nor
16 the understanding that can be used to make our case or
17 develop a new funding approach.

T.4 18 And in the funding approach area, once we decide the
19 basic direction that we want to take, we'll have to invest
20 time and energy and expertise in creating the tool, in
21 making something that will work, testing it and getting it
22 in place.

23 In essence, the 870,000 dollars proposed here is a
24 reserve, it is the implementation tool for your decision-
25 making and that's the purpose for which it stands in the

1 provision of people unable to afford assistance instead of
 2 a straight profit line standard.
 3 We're going to need to work and it's going to cost
 4 money.
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 6 a set of policy decisions which do not have any cost
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 22 in place.
 23 In essence, the \$70,000 dollars proposed here is a
 24 reserve, it is the implementation tool for your decision-
 25 making and that's the purpose for which it stands in the

1.4

1 budget at this time.

2 MR. SACKS: Does that mean, do I understand that
3 you're going to go beyond drafting plans and strategies
4 and actually be trying out things in Syracuse, New York?

5 MR. SINGSEN: It could easily be we'll have to
6 do that if we go to a funding formula which uses varied
7 models of service delivery rather than the \$7 per poor
8 person for everybody.

9 We'll have to go into the field and analyze the actual
10 use of the tools that we're developing and how they will
11 work as funding tools before we can reliably put them into
12 the formula.

13 To say this is what it is now runs the risk of being
14 far from the reality.

15 MR. SACKS: But it's still study money?

16 MR. SINGSEN: It is in the sense that if you
17 decide that this is the way we should fund in the future,
18 you will then say to us as staff, do it.

19 We will have the responsibility of doing it so that
20 it works, and study money envisions to me a lot of data-
21 gathering and a lot of hypotheticals.

22 MR. SACKS: Not a buzz word?

23 MR. SINGSEN: I don't perceive the kind of work
24 we're talking about to be that, the thing I think might be
25 the closest to an actual need study, we may decide as a

budget at this time.

MR. SACKS: Does that mean, do I understand that

you're going to go beyond existing laws and strategies
and actually be trying out things in Syracuse, New York?
MR. SIMON: It could easily be we'll have to

do that if we go to a funding formula which was varied
models of service delivery rather than the 57 per cent
version for everybody.

We'll have to go into the field and analyze the actual
use of the tools that we're developing and how they will
work as funding tools before we can reliably put them into
the formula.

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We will have the responsibility of doing it so that
it works, and study money enables us to do a lot of data-
gathering and a lot of hypotheticals.

MR. SACKS: Not a box word?

MR. SIMON: I don't perceive the kind of work
we're talking about to be that, the thing I think might be
the closest to an actual need study, we may decide as a

1 policy matter that we need to do even that.

2 However, what we would be doing is implementing a
3 set of decisions made by this Board, not conducting a set
4 of studies to decide whether we're interested in the area
5 which is the way I think some studies have been perceived
6 in the past.

7 The two remaining areas of new money have already been
8 spoken to by Dan. The first is the institutionalized
9 discussed at some length in the Board book. What we're
10 doing here is starting putting money into the delivery of
11 service to a population that we have not funded, a population
12 which the adjunct to the 1007 study is demonstrating very
13 strongly that we do not serve well and that has very
14 difficult access problems.

15 We are looking for an approach in this area which is
16 not formula-based, I think it's important to keep that in
17 mind.

18 We're attempting to approach this area of service on
19 the basis of what it will actually take to provide a minimum
20 service around the country eventually starting with this
21 nine million dollars.

22 There are a great many questions to be answered here.
23 We have some experience in the area but it is a population
24 which is in perhaps the most desperate condition of any
25 population and yet we serve it in a very limited fashion at

policy matter that we need to do even that.

However, what we would be doing is implementing a set of decisions made by the Board, not conducting a set of studies to decide whether we're interested in the area which is the way I think some studies have been conducted in the past.

The two remaining areas of new money have already been spoken to by Dan. The first is the institutionalized discussion at some length in the Board book. What we're doing here is starting putting money into the delivery of services to a population that we have not touched, a population which the amount in the 1967 study is decreasing very strongly that we do not serve well and that has very

difficult access problems.

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There are a great many questions to be answered here. We have some experience in the area but it's a population which is in perhaps the most desperate condition of any population and yet we serve it in a very limited fashion at

1 the moment.

2 Finally, the proposal to put \$2,650,000 into technological
3 improvement. The book spends considerable time on the
4 specifics of this proposal and the committee had a discussion
5 which a member of you were present recording how
6 technological improvement relates to programs.

7 Let me say this, what we're talking about here is
8 making it possible for programs to be efficient, to be
9 effective, to have high quality service. It's an area
10 which is somehow difficult to come to, but the reality of
11 service delivery, particularly in multi-office programs,
12 is that word processing, data processing, the ability to
13 communicate between offices, to do substantive work between
14 offices on a current time basis, and certain types of
15 computer-assisted legal research, management for systems
16 themselves, management tools, all make it possible to
17 release money in the local program for direct service
18 delivery.

19 MS. SHUMP: But aren't quite a few of our field
20 programs already doing things in this area on their own?

21 Also, how do you see this benefitting people, say like
22 the native Americans that live on reservations that have
23 no electricity, have no telephone lines and yet they have
24 a need that is so great and so desperate that we really
25 need to find ways to enable them to get current information

the money.

Finally, the proposal to put \$5,000,000 into technological improvement. The book spends considerable time on the specifics of this proposal and the committee had a discussion which a number of you were present recording how technological improvement relates to programs.

Let me say this, what we're talking about here is making it possible for programs to be efficient, to be effective, to have high quality service. It's an area which is somewhat difficult to come to, but the reality of service delivery, particularly in multi-office programs, is that word processing, data processing, the ability to communicate between offices, to do substantive work between offices on a current time basis, and certain types of computer-assisted legal research, management for systems themselves, management tools, all make it possible to release money in the legal program for direct service delivery.

MR. SHIMM: Now aren't quite a few of our field programs already doing things in this area on their own? Also, how do you see this benefiting people, say like the native Americans that live on reservations that have no electricity, have no telephone lines and yet they have a need that is so great and so desperate that we really need to find ways to enable them to get current information

1 and current research on some of the projects that they're
2 working on?

3 MR. SINGSEN: I frankly don't know the answer to
4 your question to the degree that we have offices that do
5 not have electricity or telephone lines.

6 I don't know how unless we're dealing perhaps, and I
7 don't know the technology exists, some kind of radio
8 transmission may be an answer to that question, but I don't
9 know.

10 MS. RODHAM: Do we have any offices without
11 electricity?

12 MR. SINGSEN: I don't know.

13 MS. SHUMP: Not the offices.

14 MS. RODHAM: I'm talking about offices. There
15 are a lot of people without electricity, but we're only
16 talking about what we would do for the offices.

17 MS. SHUMP: Telephone lines and electric power
18 is not the greatest in the world, many times they have no
19 power and these are our offices.

20 MS. RODHAM: That's a small percentage of what
21 we're talking about.

22 MR. SINGSEN: The essence of this is a technical
23 area or it can be discussed as a technical area. You have
24 all received the GAO report which places upon us, I think,
25 a clear mandate to deal with this area effectively.

and current research on some of the projects that they're working on.

MR. SIMON: I frankly don't know the answer to your question to the degree that we have offices that do not have electricity or telephone lines.

I don't know how many we're dealing with, and I don't know the technology exists, some kind of radio transmission may be an answer to that question, but I don't know.

MR. ROHM: Do we have any offices without electricity?

MR. SIMON: I don't know.

MR. SHUP: Not the offices.

MR. ROHM: I'm talking about offices. There are a lot of people without electricity, but we're only talking about what we could do for the office.

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MR. SIMON: The essence of this is a technical one or it can be discussed as a technical one. You have all received the OAO report which places upon us, I think, a clear mandate to deal with this area effectively.

1 We have a number of programs which have made small
2 steps, a couple of programs have made medium-sized steps
3 in the utilization of technology and the quality of their
4 services.

5 What we're looking for is the capacity to help all of
6 our programs move ahead. Remember, I discussed before
7 that eight percent question and the priority question, what
8 is presented here is our judgment about a way that two
9 million dollars can be used more effectively for greater
10 increases in productivity and quality than simply putting
11 the money out across the board.

12 The GAO looked at it, the federal government has
13 recently adopted a massive change in this area. We have
14 studies here if you would like to discuss them dealing
15 with FAA experience with training tools through computer,
16 we have the OMB analytical materials that led to their
17 decision, a number of programs where they're using this
18 type of technology.

19 Suffice it to say for now, given the detail that's
20 gone into in the presentation, it is our judgment that this
21 is an extremely useful allocation of a relatively small
22 amount of money, we'll get more mileage from this investment.

23 MR. SACKS: Isn't it also true that we can't really
24 leave this to go by default to the field, if we leave a
25 vacuum they will continue to develop their own systems

We have a number of programs which have made small steps, a couple of programs have made medium-sized steps in the utilization of technology and the quality of their services.

What we're looking for is the capacity to help all of our programs move ahead. Remember, I discussed before that right percent question and the priority question, what is presented here is our judgment about a way that two million dollars can be used more effectively for greater increases in productivity and quality than simply putting the money out across the board.

The GAO looked at it, the Federal government has recently adopted a massive change in this area. We have studies here if you would like to discuss them dealing with IAA experience with training tools through computer, we have the GBI analytical materials that led to their decision, a number of programs where they're using this type of technology.

So this is to say for now, given the details that's come into in the presentation, it is our judgment that this is an extremely useful situation of a relatively small amount of money, we'll get more mileage from this investment

MR. BAKER: Isn't it also true that we can't really leave this to go by default to the field, if we leave a vacuum they will continue to develop their own systems

1 which may be too costly, which may not permit intercommuni-
2 cation between offices, that we'll really wind up with a
3 very bad system throughout the country?

4 MR. SINGSEN: I'd like to say that differently,
5 I think it's possible to cast that concept wrong. Programs
6 are investing and I think they are in fact improving their
7 efficiency and productivity.

8 I don't think they're making bad decisions for their
9 own operations, but two things this money and our efforts
10 will address.

11 There is quite possibly, certainly this is true it is
12 a lot of investigation that a program has to do to find all
13 of the options available to it in any particular area of
14 technology and make a judgment.

15 By addressing a national technical assistance entity
16 it will be possible to limit the amount of time a program
17 spends making that investigation and provide them a broader
18 range of knowledge about their choices and what will work.

19 Second, the interactive matter. No matter how good
20 the local program, there are potentials for programs working
21 together with this equipment relating to clearing house,
22 relating to each other using expertise which can't work
23 unless the equipment that's being purchased and the way it
24 is programmed can interact, and there we're hoping to get
25 ahead, to catch this issue now rather than two or three

which may be too costly, which may not permit inter-
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MR. SINGER: I'd like to say that differently,
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 efficiency and productivity.

I don't think they're making bad decisions for their
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 of the options available to it in any particular area of
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 the local program, there are potentials for program working
 together with this equipment relating to clearing house,
 relating to each other using expertise which can't work
 unless the equipment that's being purchased and the way it
 is programmed can interact, and there seems to be a
 need, to make this happen now rather than one or three

1 years from now without an ability to really do much about
2 it, so we get the most out of these investments.

3 Not that they're useless, we can make them--

4 MR. ORTIQUE: We said we weren't going to go into
5 these exchanges, I hope we don't use up too much time.

6 MR. SINGSEN: That is the last item, that completes
7 the specifics.

8 MR. ENGELBERG: We are at the end of the
9 presentation, you will have an opportunity.

10 MS. RODHAM: We'll take a ten minute break.

11 (Off the record.)

12 MS. RODHAM: We want to reconvene and open the
13 floor for the Board's questions about the '81 budget, there
14 are several Board members with questions.

15 So, Bill and Howard, do you want to proceed?

16 MR. MCCALPIN: Howard expressed the hope that he
17 had not by his unkindly questions precluded my raising
18 anything, I understand that he's now yielded me the balance
19 of his time so we won't expect to hear from him.

20 I suppose that the place to pick up is where we left
21 off at the end of the audit and appropriations committee
22 meeting three or four weeks ago.

23 I think that that includes not only the two million
24 six for technological improvement, but the eight hundred
25 seventy thousand dollars for planning for the future, and

years from now without an ability to really do much about it, so we put the most out of these investments. Not that they're useless, we can raise them.

MR. GATTNER: To what we haven't gotten to go into these exchanges, I hope we don't use up too much time.

MR. SIMS: That is the last item, that completes the session.

MR. HINGSTON: We are at the end of the presentation, you will have an opportunity.

MR. ROBIN: We'll take a ten minute break.

(Off the record.)

MR. ROBIN: We want to reconvene and open the floor for the Board's questions about the '61 budget, there are several Board members with questions.

MR. BILLY and HOWARD: Do you want to proceed?

MR. McEALPIN: Howard expressed the hope that he had not by his haphazard questions precluded my raising anything, I understand that he's now yielded me the balance of his time so we won't expect to hear from him.

I suppose that the place to pick up is where we left off at the end of the audit and appropriations committee meeting three or four weeks ago.

I think that includes not only the two million six for technological improvement, but the eight hundred seventy thousand dollars for planning for the future, and

1 some items which don't appear here, growth and new activity,
2 but which do appear in Attachment A, I think 4A-2, a
3 \$200,000 item, some of the items in the DSS study, 4-B and
4 possibly in 4-C3.

5 The problem that many of us had was that, laying aside
6 the two million six for technological improvement for a
7 moment, was that we were finding little pockets and some-
8 times larger pockets here and there which talking in terms
9 of planning, and the problem was we didn't seem to be doing
10 anything much with all the planning that had gone on before.

11 Now, this morning, of course, Gerry changed the words
12 a little and when he was describing the \$870,000, he was
13 talking in terms of implementation rather than planning,
14 and I don't know whether that takes the curse off of it or
15 not.

16 I guess it really depends on what we're talking about
17 doing with the \$870,000, but we spend a lot of money on
18 1007, next steps and various other studies, and it just
19 didn't seem to make much sense to spend more money to pile
20 study on top of study when we weren't really coming to
21 grips with the results of the studies that had been
22 completed in the past.

23 We've got certainly well over a million dollars,
24 probably approaching a million and a half dollars, if you
25 take all the bits and pieces and add them together for more

some items which don't appear here, growth and new activity

but which do appear in Attachment A, I think 4A-5, a

\$200,000 item, some of the items in the GDS study, 4-B and

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the two million six for technological improvement for a

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didn't seem to make much sense to spend more money to give

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We've got certainly well over a million dollars,

probably approaching a million and a half dollars, if you

take all the hire and release and add them together for more

1 planning when some of us were saying you don't really need
2 much more in the way of planning, you can take what we've
3 got along with some horse sense and sit down and come up
4 with some answers.

5 MR. BRADLEY: I think I need to speak to that
6 issue. As you always point out when we discuss the issues
7 at the appropriations committee, we're really talking about
8 money that will be expended in 1982 a couple of years away.

9 MR. MCCALPIN: Fiscal '81.

10 MR. BRADLEY: But in terms of when and if we get
11 the appropriation, Bill. I'm sorry that I didn't have a
12 chance to fully explain this to you, I tried to reach you
13 but you were on holiday.

14 MR. MCCALPIN: Which one of my two days of annual
15 leave did you try to reach me? The only that I've had this
16 year.

17 MR. BRADLEY: Seriously, we took to heart, we took
18 seriously the comments that you and other members of the
19 audit and appropriations committee made. In fact, if you
20 recall there were about seven Board members at that meeting
21 and I'm committed and in my President's report I'm going
22 to try to address that issue.

23 Those six studies that you made reference to in your
24 comment just now, I do not envision this money being set
25 aside as we go into 1981 and 2, to do another 1007 study,

planning when some of us were saying you don't really need
much more in the way of planning, you can take what we've
got along with some more and sit down and come up
with some more.

MR. GRADLEY: I think I need to speak to that
issue. As you always point out when we discuss the issues
of the appropriations committee, we're really talking about
money that will be expended in 1983 a couple of years away.

MR. MCNEIL: Fiscal '83.

MR. GRADLEY: But in terms of when and if we get
the appropriation bill, the worry that I didn't have a
chance to fully explain this to you, I tried to reach you
but you were on holiday.

MR. MCNEIL: Which one of my two days of annual
leave did you try to reach me? The only time I've had this
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MR. WHARREN: Seriously, we took to heart, we took
seriously the comments that you and other members of the
audit and appropriations committees made. In fact, if you
recall there were about seven Board members at that meeting
and I'm convinced and in my President's report I'm going
to try to address that issue.

Those six studies that you made reference to in your
comment just now, I do not envision this money being set
aside as we go into 1981 and 82, to do another 1981 study,

1 I'm trying to frame now, and we'll talk about that this
2 afternoon, but it's important for you to understand in this
3 context it's my responsibility, your staff's responsibility,
4 to try to define some of those issues, some of those policy
5 decisions as we sometimes refer to it as what are the
6 policy decisions of this Board.

7 And Gerry, I thought, tried to focus and he really
8 wasn't trying to shift from disguising it as planning money
9 in the context of that last audit committee meeting.

10 But, for instance, the '80 census is going to be before
11 us, you may decide at the next Board meeting, that's the
12 March Board meeting in 1980, after we define for you what
13 the issues are, what the options are in terms of funding
14 decisions, program decisions and policy decisions, and I'm
15 not talking about studies, I'm not talking about one more
16 of the ten that we have already done that we haven't fully
17 implemented, but I do think that it is a responsible
18 recommendation for the staff to make to this Board.

19 We're talking about a \$350,000,000 budget and the
20 future of Legal Services in 1980 forces us to reserve
21 some small sum of money for plans, but, for instance, if
22 you tell us at the March Board meeting that you want us
23 to do a legal needs survey--

24 MR. MCCALPIN: I don't think I'm going to tell
25 you that.

I'm trying to frame you, and we'll talk about that this afternoon, but it's important for you to understand in this context it's my responsibility, your staff's responsibility to try to define some of those issues, some of those policy decisions as we sometimes refer to it as what are the policy decisions of this board.

And Gerry, I thought, tried to focus and be really wasn't trying to shift from discussing it as planning money in the context of that last audit committee meeting.

But, for instance, the '80 census is going to be before us, you may decide at the next board meeting, that's the March board meeting in 1980, after we define for you what the issues are, what the options are in terms of funding decisions, program decisions and policy decisions, and I'm not talking about studies. I'm not talking about one more of the ten that we have already done that we haven't fully implemented, but I do think that it is a responsible recommendation for the staff to make to this board.

We're talking about a \$120,000,000 budget and the future of local services in 1980 forces us to reserve some small sum of money for plans, but, for instance, if you talk us at the March board meeting that you want us to do a local needs survey.

MR. DEWALD: I don't think I'm going to call

you that.

1 MR. BRADLEY: If we framed the issues in such a
2 way that you make the decision, yes, that's what we want
3 you to do, it seems to me that you, the Board, we, the
4 community, we must have some small flexibility built into
5 this \$350,000,000 budget request to give you the flexibility
6 to implement some of those decisions that we're going to be
7 dealing with in the next few months.

8 MR. ENGELBERG: I agree with Dan on that point.
9 As you know, I was probably the most cynical person about
10 the one time planning money, basically we cannot present
11 a budget with a general reserve, and I view this as a kind
12 of planning reserve, and I think it's basically, we really
13 don't know at this point, it's very, very early to tell
14 whether we're going to have to spend additional money in
15 '81 for this purpose.

16 I think it's clear, the sentiments of the Board as
17 expressed at the committee meeting was very clear. As you
18 summed it up, we want to be careful not to continue to
19 kind of duplicate studies and not really assimilate what
20 we've got.

21 But on the other hand, in this larger budget, to present
22 this and to have a budget of this magnitude without any
23 ability to, again I wouldn't agree to a legal needs study
24 right now, but we may change our minds and if we're going
25 to do it, we better have the budget to do it.

MR. BEAULIEU: If we framed the issue in such a way that you make the decision, yes, that's what we want you to do, it seems to me that you, the board, as the community, we must have some small flexibility built into this \$280,000,000 budget request to give you the flexibility to implement some of those decisions that we're going to be dealing with in the next few months.

MR. WHELAN: I agree with Dan on that point. As you know, I was probably the most cynical person about the one-time financing money, basically we cannot present a budget with a general reserve, and I view this as a kind of financing reserve, and I think it's basically we really don't know at this point, it's very, very early to tell whether we're going to have to spend additional money in '81 for this purpose.

I think it's clear, the sentiments of the board as expressed at the committee meeting was very clear. As you summed it up, we want to be careful not to continue to kind of duplicate studies and not really assist what we've got.

But on the other hand, in this larger budget, to present this and to have a budget of this magnitude without any ability to, again I wouldn't agree to a total needs study right now, but we may change our minds and if we're going to do it, we better have the budget to do it.

1 I agree with your concern about it, but I think that
2 I would favor, I'm concerned about how it's presented, I
3 would favor setting aside some money for this purpose which
4 I see as kind of a reserve.

5 MR. MCCALPIN: Let me say that one thing that
6 mollifies it somewhat seems to me is, that at the moment
7 we're not adopting an operating budget, we're a year away
8 from that.

9 If I thought that we were at this point adopting a
10 budget with these items in, which expressly or impliedly
11 authorized going ahead and spending these sums for that
12 kind of money, I'd be much more concerned than I am now.

13 I still have some concern about two things. One,
14 the fact that we've got these things poked away in different
15 places without bringing it all together, and two, the sum
16 of money involved, and I totally agree that you have to
17 have some kind of reserve to permit you to effectuate the
18 decisions that you make more than a year in advance.

19 I guess what I'm more concerned about is the decisions
20 than I am about the money.

21 MR. BRADLEY: I can assure you, you have assured
22 us, Bill, because I've watched you now in three preparations
23 committees, you're not going to permit us to do that, and
24 we are not going to do that unless this Board makes the
25 decision.

in addition, however, the support activity, an
 additional 17 million dollars, which is not given out in
 grants and contracts to field programs is, nevertheless,
 directly involved in the delivery of services to clients.
 The training money, for example,
 The training money is not used to represent clients,
 it is used to improve the representation of clients by
 programs, so that the total of about 240 million out of
 252 is going directly to the services to clients.
 We have then the additional six million dollars for
 the headquarters overhead costs, four million dollars which
 includes the regional office evaluation and monitoring
 activity, and two million and a little more, which is going
 into the areas we have been discussing, the delivery
 research, which is again really focused on programs and
 enhancing their skills, and the implementation of policy
 decisions and the gathering of information.
 MR. BRADLEY: If I may, because the staff, we
 have been talking about this, I have recently had a brief
 conversation about it, we are attempting, we do not in
 the display and have not in the past in the display of the
 budget, the documents and justification, we have not
 displayed a line item that says "X" number of dollars for
 "lowest service," other than in the context of which
 they attempted to describe the

1 We are attempting, if we can, and I've got figures
2 that range from a low of a million dollars up to 9.6 million
3 dollars, that's outside of the normal provision of services
4 that may involve direct client action, participation in
5 local boards, the decisions and so forth.

6 I think it's fair to represent, and this may not be
7 an adequate representation, but I think it's fair to
8 represent and it's not a misrepresentation for the staff to
9 represent to the entire community that woven throughout
10 this entire budget, for instance, there's a million dollar
11 item in our budget for technical assistance for local
12 programs.

13 That money, in fact, has been used and continues to be
14 used for say, client involvement in the process, but we
15 don't tell the local program that they must use that money
16 for that purpose, and the OPS is a good example, the state
17 planning process, the technical assistance, but we have
18 not, other than for those grants that most of us are
19 familiar with, the direct grants that we make to the
20 national clients council for the training of local client
21 boards, persons, other than that we haven't yet tried to
22 pull it all together, and say we can represent to those
23 concerned that "X" number of dollars be specifically spent
24 for this purpose, and characterized as client participation
25 in that context, other than the broader context which Gerry

We are attempting, in the case of the...
 that range from a few million dollars up to \$10 million
 dollars, that's outside of the normal provision of services
 that may involve direct client action, participation in
 local boards, the decision and so forth.

I think it's fair to represent, and this may not be
 an adequate representation, but I think it's fair to
 represent and it's not a misrepresentation for the state to
 represent to the entire community that women throughout
 this entire budget, for instance, there's a million dollar
 item in our budget for technical assistance for local
 programs.

That money, in fact, has been used and continues to be
 used for say, client involvement in the process, but we
 don't tell the local program that they must use that money
 for that purpose, and the OIG is a good example, the state
 planning process, the technical assistance, but we have
 all other than for these grants that most of us are
 familiar with, the direct grants that we make to the
 national alliance council for the training of local client
 boards, persons, other than that we haven't yet tried to
 pull it all together, and say we can represent to those
 concerned that "X" number of dollars be specifically spent
 for this purpose, and characterized as client participation
 in that context, other than the broader context which Jerry

1 tried to describe because we have had the request from the
2 Hill, we're trying to respond to a Congressional inquiry
3 to identify and trace through our grantees how much money
4 goes into something called client participation or
5 involvement.

6 MS. WORTHY: I think that would be something very
7 important for information. I also had another question.
8 I think I'd like to go back to it, that's the money that's
9 going to the state support centers.

10 MS. ESQUER: Before you go to your next question,
11 I'd like to support Joe's question and your response that
12 not only should we identify and display the funding to
13 client groups and other client activities, I was impressed
14 by the suggested budget items submitted by PAC, where they
15 do call it client advocacy activity, but one concern that
16 I have over the things we've been doing and the different
17 budget items that you mentioned is that I do not think
18 it's a very good policy to have client groups competing
19 with local programs for the same funding like in the local
20 training grants.

21 I think that sometimes we create an almost adversary
22 situation when you have a client counsel competing with a
23 local program for a very limited amount of funds, and I
24 know that the budget is very tight and all of that, but I
25 wish we could consider at some future time the possibility

...to describe because we have had the request from the
...trying to respond to a Congressional inquiry
...through our grantee how much money
...into something called client participation or
...investor.

MS. WORTON: I think that would be something very
...information. I also had another question.
...think it's like to go back to it, that's the money that's
...going to the state support centers.

MS. WORTON: Before you go to your next question,
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...not only should we identify and display the funding to
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...that you mentioned is that I do not think
...to have client groups competing
...the same funding like in the local
...grants.

I think that sometimes we create an almost adversary
...when you have a client council competing with a
...program for a very limited amount of funds, and I
...the budget is very tight and all of that, but I
...at some future time the possibility

1 of even designating how much of that will be available for
2 client counsels to apply for, and how much for programs to
3 account for.

4 MS. WORTHY: I have to agree with you, Cecilia,
5 I've seen clients in programs spend so much time fighting
6 over a small amount of money, I think if the amount were
7 designated you would know what was out there, spend so much
8 time fighting and not enough time being active in
9 implementing their program.

T.5 10 I'm going back to Ramona's question that she asked
11 concerning the state support centers and the money going
12 out there, and I know that state support centers, their
13 boards or whatever are made up from not clients, but whom-
14 ever they wish to put there, and if we put money there how
15 are we going to see that representation to that board is
16 effective?

17 In other words, with clients?

18 MR. BRADLEY: I think that, Josephine, we will
19 specifically address, when you're talking about state support,
20 you understand that we make grants, the grantees of ours,
21 these national support centers, and there have been
22 legitimate questions asked and I think we'll attempt to
23 answer them this afternoon about the client participation
24 policy basis of the national support centers.

25 In terms of the state support centers, Gerry, do you

of even designing how much of that will be available for
 client contacts to apply for, and how much for program to
 account for.
 MR. WORTHY: I have to agree with you, because
 I've seen clients in programs spend so much time fighting
 over a small amount of money, I think if the amount were
 designated you would know what was out there, spend so much
 time fighting and not enough time being active in
 implementing their program.

I'm going back to Kemora's question that she asked
 concerning the state support centers and the money going
 out there, and I know that state support centers, state
 boards or whatever are made up from non clients, but whom
 everybody wish to put there, and if so put money there how
 are we going to see that representation for that board is
 effective?

In other words, with clients
 MR. BRADY: I think that, depending, we will
 specifically address, when you're talking about state support
 you understand that we make grants, the grants of ours,
 these national support centers, and there have been
 legislative questions asked and I think we'll attempt to
 answer them this afternoon about the client participation
 policy basis of the national support centers.
 In terms of the state support centers, Larry, do you

1 want to try?

2 We're dealing basically with 54 different state
3 configurations. Some of them are just the project directors
4 that get together with \$10,000 and say how can we better
5 coordinate all of this, and the question is what type of
6 structured board participation do we have in that type of
7 state planning process?

8 I think that we're going to find that it varies greatly
9 from state to state.

10 And in the concept of a board composed of 60 percent
11 lawyers and one third eligible clients making policy
12 decisions, it's not a formalized, in terms of our grants
13 to the state planning process as it is for the normal local
14 grantees, and the national support programs.

15 I understand what your concern is and maybe Gerry can
16 speak to that issue or Clint can.

17 I was just trying to think and I hesitated, we have
18 in some states a state support center, I mean it is desig-
19 nated as such. It is a grantee and it is funded for that
20 purpose to provide state support and we can name them. In
21 some states it's been in operation for ten years, five
22 years, and it serves as a state grantee serving clients,
23 but also working with our programs.

24 That is the exception rather than the rule.

25 I think that it's fair, unless Clint corrects me, that

year in 1977

have dealing basically with 24 different state

organizations. Some of them are just the project directors

that got together with \$10,000 and say how can we better

coordinate all of this, and the question is what type of

structured board participation do we have in that type of

state planning process?

I think that we're going to find that it varies greatly

from state to state.

And in the concept of a board composed of 20 persons

lawyers and one third eligible clients making policy

decisions, it's not a foregone conclusion, in terms of our efforts

to the state planning process as it is for the normal local

agencies, and the national support programs.

I understand what your concern is and maybe Jerry can

expand to that same or limit our

I see just trying to think and I hesitated, we have

in some states a state support center, I want to be clear-

ated as such. It is a grantee and it is funded for that

purpose to provide state support and we can name them. In

some states it's been in operation for ten years, five

years, and it serves as a state grantee serving clients.

but also working with our programs.

That is the exception rather than the rule.

I think that it's fair, unless I'm overlooking an

1 we don't have that many formal structured state support
2 grantees.

3 What we in fact have in many instances is, especially
4 in many of the southern programs, that all the programs
5 get together and try to tax themselves and we make technical
6 assistance money available to a loose federation of programs
7 getting together trying to decide how they can do, administer
8 advocacy, state training, state planning on a statewide
9 basis.

10 And in some states it's formal and other states it's
11 an early stage of discussion and development, and we're
12 trying to encourage that.

13 Clint literally will have to speak to the issue whether
14 or not through the regional office, usually by giving a
15 grant to one of our local programs as a pass-through to
16 cover the administrative costs, whether or not we have
17 insisted that that kind of discussion and planning involve
18 60 percent lawyers and one third clients.

19 I think it's fair for me to tell you that we haven't
20 done that to a great extent.

21 MR. SINGSEN: There are two parts to this answer.
22 Basically you have described the situation correctly.
23 Whenever a grant has been made so far for state support,
24 it has been to a separate program in which there is the
25 standard requirement that the board include the one third

we don't have that many formal structured state support
grants.

What we in fact have in many instances is, especially
in many of the southern programs, that all the programs
get together and try to fix themselves and we make technical
assistance money available to a loose federation of programs
getting together trying to decide how they can be administered
advocacy, state training, state planning on a statewide
basis.

And in some states it's formal and other states it's
an early stage of discussion and development, and we're
trying to encourage that.

What literally will have to speak to the issue whether
or not through the regional office, usually by giving a
grant to one of our local programs as a pass-through to
cover the administrative costs, whether or not we have
realized that that kind of discussion and planning involve
at present lawyers and one third clients.

I think it's fair for me to tell you that we haven't
done that to a great extent.

MR. RICHARD: There are two parts to this answer.

Basically you have described the situation correctly.
Whenever a grant has been made so far for state support,
it has been to a separate program in which there is the
standard requirement that the board include the one third

1 clients.

2 There have been state support grants made, the back-out
3 situation, where the grant has gone through one program
4 where that program's board is required again to have the
5 one third client participation.

6 In some of those circumstances in the past I think
7 it's correct to say that the actual management of the state
8 support money has been done by representatives of the
9 programs around the state, each of whom has a board with
10 one third client participation, but there has not been a
11 direct board managing the money in which there is the one
12 third requirement of participation.

13 In the state support planning process now going on,
14 each of the states has been required as part of the planning
15 process to address the issue of client participation in
16 their planning and attempt to deal with state support.

17 In the future when we are making grants, the money
18 proposed here, we'll be able to address the issue of client
19 participation and insure that appropriate compliance with
20 our Act is taking place.

21 Of course, clients are involved in many of the states
22 now in the planning process. We probably could not
23 represent to you accurately, but it does happen in every
24 state.

25 MR. ORTIQUE: Just for informational purposes,

clients.

There have been state support grants made, the back-out situation, where the grant has gone through one program where the program's board is required again to have the use of client participation.

In some of these circumstances in the past I think it's correct to say that the actual management of the state support money has been done by representatives of the programs around the state, each of whom has a board with one third client participation, but there has not been a direct board managing the money in which there is the one third component of participation.

In the state support planning process now going on, each of the states has been required as part of the planning process to address the issue of client participation in their planning and attempt to deal with state support.

In the future when we are asking for the money proposed here, we'll be able to address the issue of client participation and insure that appropriate compliance with our Act is being given.

Of course, clients are involved in many of the states now in the planning process. We probably could see a commitment to you eventually, but it does happen in every state.

MR. GAYLOR: Just for informational purposes,

1 is it correct that we still have a number of boards that
2 are out of compliance with our regulations?

3 And since we're talking about budget, do we indicate
4 to them that we are not satisfied with the progress you're
5 making and, therefore, we are not going to show our pleasure
6 at what you're doing by listening to any increases, some-
7 thing to that effect?

8 MR. TRUDELL: Why don't we hold off and bring
9 that item back? At the last committee meeting we did
10 discuss that, that was one of the agenda items.

11 MR. ORTIQUE: I'm sorry, I wasn't present there.

12 MS. RODHAM: Any other questions or comments from
13 Board members?

14 MR. MCCALPIN: I was going to get into the 2.6
15 million. The technological improvement which was also an
16 item as to which there was very substantial discussion at
17 the audit and appropriations committee meeting three or four
18 weeks ago.

19 I guess my concern is that I got so many comments and
20 problems with this item that I'm worried that the very
21 number of them will raise some question about the validity
22 of each one.

23 It seems to me that there are a number of problems,
24 let me touch on lightly and come to a couple of conclusions.
25 Word processing. We are familiar with that and I don't

is in context that we still have a number of boards that

are out of compliance with our regulations.

And since we're talking about delays, do we indicate

to them that we are not satisfied with the progress you're

making and, therefore, we are not going to show our pleasure

at what you're doing by listening to any proposals, some-

thing to that effect?

MR. FRIDELL: Why don't we hold off and bring

this item back? At the last committee meeting we did

discuss that, that was one of the agenda items.

MR. GUTERMAN: I'm sorry, I wasn't present there.

MR. ROYMAN: Any other questions or comments from

board members?

MR. MURPHY: I was going to get into the S.D.

William. The technological improvement which was also an

item as to which there was very substantial discussion at

the audit and operations committee meeting three or four

weeks ago.

I guess my concern is that I got so many comments and

problems with this item that I'm worried that the very

number of them will raise some question about the validity

of each one.

It seems to me that there are a number of problems.

Let me touch on lightly and come to a couple of conclusions.

Word processing. We are familiar with that and I don't

1 think within the individual programs that there can be a
2 lot of question about the utility of MTST, and similar types
3 of word processing arrangements.

4 However, in this and in other instances what I am
5 worried about is the sneaking up of capital costs that are
6 going to be involved as we move into it, particularly true
7 of data processing.

8 An appropriate small computer can be programmed begins
9 that sentence, and over at the back end of this we talk
10 about a million three, which I guess is for hardware and
11 a hundred programs which talks about a hundred and thirty
12 thousand dollars, and a hundred and thirty thousand dollars
13 doesn't buy you very much hardware in this day and age.

14 MR. SINGSEN: I think if you take it down there
15 are a hundred and thirteen thousand for program--

16 MR. MCCALPIN: If you divide a million three by
17 a hundred thousand, don't you get a hundred and thirty
18 thousand dollars?

19 MR. SINGSEN: I think you get thirteen thousand
20 dollars.

21 MR. MCCALPIN: Obviously you're not talking
22 hardware, I don't think you can buy any hardware for a hundred
23 thousand dollars a program. It might be a beginning hard-
24 ware number it seems to me.

25 If you're talking in terms of what law offices spend

think within the individual programs that there can be a lot of questions about the utility of WCT, and similar types of word processing arrangements.

However, in this and in other instances what I am worried about is the availability of capital costs that are going to be involved as we move into it, particularly time of data processing.

An appropriate small computer can be programmed to do that sort of thing, and over at the back end of this we talk about a million three, which I guess is for hardware and a hundred programs which takes about a hundred and thirty thousand dollars, and a hundred and thirty thousand dollars doesn't buy you very much hardware in this day and age.

MR. WIGGINS: I think if you take it down there

one a hundred and thirteen thousand for program.

MR. WIGGINS: If you divide a million three by

a hundred thousand, don't you get a hundred and thirty

thousand dollars?

MR. WIGGINS: I think you get thirteen thousand

dollars.

MR. WIGGINS: Obviously you're not talking

hardware, I don't think you can buy any hardware for a hundred

thousand dollars a program. It might be a beginning level

where number it seems to me.

If you're talking in terms of what the office spend

1 for hardware, I can tell you about a 50-man law office
2 that began to spend a hundred thousand dollars and wound
3 up with \$250,000.

4 MR. SINGSEN: This is obviously an area with a
5 lot of complexity and a lot of technical questions. For
6 example, the question of cost of the kind of hardware we're
7 talking about, I think we're talking about terminals with
8 micro-processors accessible to the terminals, one micro-
9 processor for a multi-office program, and terminals
10 distributed in offices.

11 Let me say the problem that I'm perceiving, Andy Lewis
12 (phonetic) is here and I don't know where the materials
13 are, there's a lot of technical background to what we're
14 proposing here.

15 There are answers to every one of the questions that
16 you may raise in terms of specific applications in our
17 programs, specific applications that we know something
18 about in our programs that have some needs, and we could do
19 a couple of different things, we could present perhaps a
20 basic technical discussion of this area, the word processing,
21 the computer-assisted legal research management systems,
22 et cetera.

23 We could set aside some time another time to go into
24 this in much more detail and explore it, and provide you
25 obviously with the material, either voluminous or digested,

for hardware, I can tell you about a 10-man law office
 that began to spend a hundred thousand dollars and wound
 up with \$250,000.
 MR. STEIN: This is obviously an area with a
 lot of complexity and a lot of technical questions. For
 example, the question of cost of the kind of hardware we're
 talking about, I think we're talking about terminals with
 micro-processors accessible to the terminals, one micro-
 processor for a multi-office program, and terminals
 distributed in offices.

Let me say the problem that I'm perceiving, Andy Lewis
 (phonetic) is here and I don't know where the materials
 are. There's a lot of technical background to what we're
 proposing here.

There are answers to every one of the questions that
 you may raise in terms of specific applications in our
 program, specific applications that we know something
 about in our programs that have some needs, and we could do
 a couple of different things, we could present perhaps a
 basic technical discussion of this area, the word processing,
 the computer-assisted legal research management system,
 or other.

He could set aside some time another time to go into
 this in much more detail and explore it, and provide you
 directly with the material, either voluminous or digested,

1 which is behind this kind of statement.

2 We have plenty of program experience with some of these
3 applications, data to some degree is an easy one of the
4 distributed terminals, and summary research is something
5 we're looking at in one of our QUIP grantees, and we're
6 thinking about applying to HEW to try a couple more with
7 non-Corporation funds.

8 But I'm not clear what the best way is to grope with
9 what is, when you ask the questions that I think you want
10 to ask, a relatively technical set of answers.

11 MR. ORTIQUE: Let me suggest one thing, Bill, and
12 that is, number one, the experience of private practitioners
13 is that as you bite off a piece of this the bite gets bigger
14 and bigger, and you find out that you can't, you got a
15 piece of small equipment that some operator has sold you
16 that allegedly will serve your needs and then within six
17 months you find out that you can't use that simple piece
18 of equipment, because you need this other piece that costs
19 twice as much.

20 Now, my point is that you have named a couple of
21 governmental agencies and governmental agencies have deep
22 pockets. But what are you doing to talk to law firms,
23 private firms as to what their experiences have been, because
24 if we're talking about a five, six million dollar staffed
25 attorney operation, we're going to start spending money in

which is behind this kind of arrangement.

We have plenty of program experience with some of these

applications, data to some degree is an easy one of the
distributed journals, and many research is something

we're looking at in one of our OIT projects, and we're
thinking about applying to IBM to try a couple more with

non-consulting funds.

But I'm not clear what the best way is to group with
what is, when you ask the questions that I think you want

to ask, a relatively technical set of answers.

MR. DENTON: For me suggest one thing, Bill, and

that is, number one, the experience of private practitioners
is that as you bite off a piece of this the bite gets bigger

and bigger, and you find out that you can't, you get a

piece of small equipment that some operator has sold you

that allegedly will serve your needs and then within six

months you find out that you can't use that simple piece

of equipment, because you need this other piece that costs

twice as much.

Now, my point is that you have named a couple of

governmental agencies and governmental agencies have deep

resources. But what are you doing to talk to the firms,

private firms as to what their experiences have been, because

it takes talking about a five, six million dollar started

agency operation, when going to start loading money in

1 hardware.

2 As a matter of fact, the competition on the private
3 side is not spending or can't spend that kind of money,
4 these clients are going to scream and I don't blame them
5 because we're not going to be able to render service.

6 I went to one office and they had one of these Lanier
7 (phonetic) machines, you make all the corrections in there
8 and jump it up and down. They couldn't use that piece of
9 equipment, it was sold to them but they had really no
10 special use.

11 The old mimeograph machine would do what they needed
12 to have done. All I'm thinking about is--these people can
13 sell you anything.

14 MR. MCCALPIN: Gerry, let me address your question.
15 I could pile lots on top of what he said in terms of not
16 only the capital cost, but the operating costs. The thing
17 that bothers me is we're putting a 2.6 million dollar toe
18 into what might be a hundred fifty million dollar pool.

19 I agree with you that it would be, I think, not useful
20 for us to get into a highly technical discussion about
21 particular applications of particular systems at this point,
22 or indeed what the competition does, because in many
23 respects it's not all bad.

24 What this would do is put the legal services programs
25 way ahead of the competition because not many law offices

anywhere.

As a matter of fact, the competition on the private side is not spending or can't spend that kind of money, these clients are going to survive and I don't think they because we're not going to be able to render service.

I went to one office and they had one of these further (phonetic) machines, you make all the corrections in there and jump it up and down. They couldn't use that piece of equipment, it was sold to them but they had really no special use.

The old telegraph machine would do what they needed to have done. All I'm talking about is these people can tell you anything.

DR. MCLELLAN: Sorry, but on address your question.

I could pile lots on top of what he said in terms of not only the capital cost, but the operating costs. The thing that bothers me is we're putting a 2.5 million dollar fee into what might be a hundred fifty million dollar goal.

I agree with you that it would be, I think, not useful for us to get into a highly technical discussion about particular applications of particular systems at this point, or indeed what the competition does, because in many

respects it's not all that.

What this would do is put the legal services program way ahead of the competition because not many law offices

1 can do the kinds of things that you're talking about doing
2 here.

3 But it seems to me I'd rather focus on what I consider
4 to be the broader financial policy implications of the
5 thing, of where is the 2.6 million dollars going to take
6 us, and I'm worried that it's going to take us many, many
7 more dollars down the road as we get into this.

8 We're not really talking about 2.6 million dollars,
9 we're talking about many times that in terms of the capital
10 cost and the operating cost to the programs and the serious
11 budgetary and financial implications that it has for the
12 future.

13 I know about the GAO program, you and I talked about
14 it last night. I personally don't think a lot of the GAO
15 report, I think that they're comparing apples and oranges
16 in some respects and I'm very much worried that we are
17 going to create some expectations in the field by starting
18 into this without the field understanding the terrible
19 price tag that's attached.

20 MR. BRADLEY: I think it's very, very important
21 for all of us to understand that you'd be amazed, absolutely
22 be amazed at what's going on in the field right now in terms
23 of the massive expenditures that programs are making, some
24 wisely, some not wisely.

25 I have a request on my desk now for a program for

one of the kinds of things that you're talking about being here.

But it seems to me I'd rather focus on what I consider to be the broader financial policy implications of the thing, of where is the billion dollars going to take us, and I'm worried that it's going to take us many, many more dollars down the road as we get into this.

We're not really talking about 2.6 billion dollars, we're talking about many times that in terms of the capital cost and the operating cost of the programs and the serious budgetary and financial implications that it has for the future.

I know about the GAO program, you and I talked about it last night. I personally don't think a lot of the GAO report, I think that they're comparing apples and oranges in some respects and I'm very much worried that we are going to create some expectations in the field by starting into this without the field understanding the terrible price tag that's attached.

MR. BRADLEY: I think it's very, very important for all of us to understand that you'd be amazed, absolutely be amazed at what's going on in the field right now in terms of the massive expenditures that programs are making, some wisely, some not wisely.

I have a request on my desk now for a program for

1 \$4000 in technical assistance.

2 They have made the decision to try to go forward
3 duplicating what some of the other programs have done. And
4 I'm as uninformed and as ignorant of this whole area as
5 anyone in this room, but I have been to Baltimore, Maryland
6 and I've seen what they're doing and I've been to many
7 other programs.

8 We are now funding this activity today through our
9 QUIP grantees. When those program directors, for which we
10 have funded the QUIP technological improvement experiments,
11 when they heard this was being discussed, they said please
12 let us come and in real terms tell the Board that this is
13 the most fantastic thing we have ever done in terms of
14 productivity, whatever that means.

15 It's the small amount of money that they have put
16 into something that we're referring to, the technological
17 improvements.

18 I'm not sophisticated enough in the terms which Gerry
19 is talking about, but I think it's a response and I daresay
20 there are 20 or 30 project directors and many of those
21 persons are already doing what we're talking about doing,
22 and what this is, is a chance for us to make sure they
23 don't make the foolish mistakes that the Judge is concerned
24 about.

25 We just bought a fancy computer last year and we are

\$1000 in technical assistance.

They have made the decision to try to go forward

duplication with some of the other programs have gone. And

I'm as frustrated and as ignorant of this whole area as

anyone in this room, but I have been to Baltimore, Maryland,

and I've seen what they're doing and I've been to many

other programs.

We are now funding this activity today through our

GMU program. When these program directors, for which we

have funded the GMU technological improvement experiments

when they heard this was being discussed, they said please

let us come and in real terms tell the Board that this is

the most fantastic thing we have ever done in terms of

productivity, whatever that means.

It's the small amount of money that they have put

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there are 20 or 30 project directors and many of those

persons are already doing what were talking about doing.

and what this is, is a chance for us to make sure they

don't make the foolish mistakes that the Judge is concerned

about.

We just bought a fancy computer last year and we are

1 now asking ourselves, did we get the right computer? Does
2 it serve all of our needs?

3 And we had this debate in the staff meeting because
4 the computer we bought, we are the managers of this entire
5 legal services movement, the computer that we bought does
6 not meet the needs of all of the divisions of the Corpora-
7 tion, it has limitations.

8 If we had spent another \$10,000 maybe all of the
9 grantee checks, all of the travel vouchers, everything could
10 be put on this computer, but we didn't do that kind of
11 planning or analysis that hopefully this one would give us
12 the capability of doing.

13 MR. ENGELBERG: Again at the committee meeting
14 in the context of one time money, I had problems with the
15 scaled down version of the request because I didn't think
16 the rationale was there.

17 On this request which is obviously, as you say, it's
18 not at this time an operating budget, I think first of all
19 the rationale is good. I think it's very important, and I
20 say with all respect, it is dangerous for this Board to
21 try to, based on anecdotal or our own experiences, to try
22 to make this kind of detailed judgment.

23 This is obviously an area we have to make a really
24 broad policy judgment about, do we want to invest in this
25 kind of technological improvement?

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it serve all of our needs?

And we had this debate in the staff meeting because

the computer we bought, as was the manager of this entire

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try to, based on anecdotal or our own experience, to try

to make this kind of detailed judgment.

This is obviously an area we have to make a really

sound policy judgment about, do we want to invest in this

kind of technological improvement?

1 The evidence is clear from the little experience we
2 have all had, and I assume most local programs would agree,
3 you can't deny the importance of word processing and things
4 like that.

5 I for one think it's impossible for this Board to sit
6 down and really make the kind of detailed judgment about
7 every aspect of this request. This is an area where we
8 have got to rely on our staff and then make the judgment,
9 do we want to invest the money.

10 I think we've got to invest the money in it. There's
11 so much here, the potential is enormous.

12 One final point, I have a small law firm and I went
13 through a decision buying a fairly sophisticated word
14 processor and it was almost impossible to make the decision.
15 If there would have been a service, a consortium of small
16 law firms with our kind of practice, this is the kind of
17 equipment you should get, it would have been helpful.

18 And as I understand that's one of the things that the
19 Corporation is going to try to do, develop that kind of
20 technical assistance, tell these managers what's good for
21 them and what's not. I think the will is there.

22 MR. KANTOR: I guess I was one of the more
23 skeptical at the committee meeting in Washington. I think
24 two key words, I agree with you we have to be careful in
25 this area because, as you say, sticking your toe in that

The evidence is clear from the little experience we have all had, and I assume most local programs would agree, you can't deny the importance of word processing and things

like that

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And as I understand that's one of the things that the

corporation is going to try to do, develop that kind of technical assistance, tell these managers what's good for them and what's not. I think the will is there.

MR. KAWTONG: I guess I was one of the more

skeptical at the committee meeting in Washington. I think the key words, I agree with you we have to be careful in this area because, as you say, asking your tax in that

1 huge lake.

2 On the other hand, as I read the backup material that
3 goes along with the proposed budget request, the two key
4 words are "survey" and "explore," and to the extent that's
5 what we're talking about, which is important, which Steve
6 says has great implications for the future, which we are
7 already in and I think of enormous importance, the staff
8 may come back and tell us there are certain ways we can go
9 and certain ways we can't go.

10 They may tell us we shouldn't be going at all, but I
11 think it's well worth the investment since we are already
12 there and since all of us are there in private practice to
13 try and determine in surveying and exploring what the
14 options are.

15 I think what Bill is saying and what Revius is saying,
16 my goodness, let's not go beyond that, 2.6 million isn't
17 going to get us there anyway, and number two, let's make
18 sure we have a good rope around our waist.

19 MR. SACKS: Why don't we try what you tried at
20 the last committee meeting? You had a display that apparently
21 people don't know about it in advance, set aside a few hours
22 at the next committee meeting, maybe we could be better
23 educated.

24 MR. ENGELBERG: I just think it's a real mistake
25 for this Board, you're talking about really getting into an

... says.

On the other hand, as I read the backing material that
went along with the proposed budget request, the two key
words are "sensitivity" and "explore," and to the extent that
what we're talking about, which is important, which Steve
says has great implications for the future, which we are
already in and I think of enormous importance, the staff
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They may tell us we shouldn't be going at all, but I
think it's well worth the investment since we are already
there and since all of us are there in private practice to
try and determine in surveying and exploring what the
options are.

I think what Bill is saying and what he's saying is
of goodness, let's not go beyond that, 2.5 million isn't
going to get us there anyway, and number two, let's make
sure we have a good team around our waist.

MR. GARDNER: Why don't we try what you tried at

the last committee meeting? You had a briefing that afternoon
people don't know about it in advance, set aside a few hours
at the next committee meeting, maybe we could be better

educated.

MR. BURNHAM: I just think it's a real mistake

for this board, you're talking about really getting into an

1 area where no display is going to make any of us experts.
2 I think to act as if somehow having a display is going to
3 help us say 2.6 is the right figure, it's not going to
4 happen.

5 This is an area where we've got to make a broad kind
6 of policy judgment and depend on the staff not to screw it
7 up, and if they do we have got to take the consequences.

8 MS. ESQUER: I think I agree, if we're talking
9 about a survey that I really support the actions that the
10 staff is recommending. When I look at the budget I do see
11 at least a million some for actual equipment expenditures.
12 If in fact there already is some equipment out in the
13 field, it seems that the staff would be able to get into
14 it from those programs and put that information together
15 as a first thing.

16 The thing that kind of convinces me to really go a
17 little bit slower than the staff recommendation in regard
18 to actually helping programs purchase equipment, is that I
19 look again at the recommendations and their recommendation
20 is to trim the staff recommendation by 23 million dollars,
21 and I think that these are people that are out with the
22 projects in the local programs and I would like to see them
23 a little bit closer with the staff.

24 If we're going to really start with that, I think that
25 I would like to go a little bit slower and really go with

... where no display is going to make any of an impact.
I think to not as if somehow having a display is going to
help in any way. It's not going to
happen.

This is an area where we've got to make a good kind
of policy judgment and depend on the staff not to screw it
up, and if they do we have got to take the consequences.
... I think I agree, it was talking

about a survey that I really support the action that the
staff is recommending. When I look at the budget I do see
at least a million some for actual equipment expenditures.

It is true there already is some equipment out in the
field, it seems that the staff would be able to get into
it from those programs and put that information together
as a first thing.

The thing that kind of convinces me to really go a
little bit away from the staff's recommendation in regard
to actually helping programs purchase equipment, is that I
look again at the recommendations and their recommendation
is to raise the staff recommendation by 25 million dollars.

and I think that these are people that are out with the
projects in the local programs and I would like to see them
a little bit closer with the staff.

It was going to really start with that, I think that
I would like to go a little bit slower and really go with

1 caution with actual equipment purchases out of our budget.

2 If we can provide the technical assistance, getting
3 people together and bringing in people to assist local
4 programs, that might be more logical as a beginning.

5 MR. TRUDELL: I would agree with Cecilia. First
6 of all it would be helpful if we had information in terms
7 of which programs have invested money in equipment and if
8 we find that it excludes a lot of smaller programs, then
9 the bigger programs, because of the size of staff and
10 budget, are going to be in the driver's seat and get the
11 bulk of the monies spent in this area.

12 And I have some reservations about the small, isolated
13 programs, how can they plug in, how can they benefit from
14 it?

15 If it's a limited number of programs and primarily
16 heavily populated, that's a consideration. I guess if the
17 program chooses to spend the money the way it chooses to,
18 I don't know, I just think we should slow down a little
19 bit.

20 If the staff could provide us, through the regional
21 director, who has really taken a step forward, if it is
22 Evergreen, that kind of information would be helpful to us,
23 if there are some smaller programs benefitting or there
24 are not, and if there are a small percentage of the overall
25 programs benefitting--

MR. BRADLEY: What we're hoping, and again I really want to make this point, we give here-again, maybe I shouldn't say this, but we're talking about a budget. If it's approved, if Congress gives us \$55 million dollars, 12 months, 30 months before you, the board, make an operating budget decision, what we're attempting to do is exactly what you have just requested.

We're trying to get together all of the information that we can possibly draw together. As a result of the QUP demonstration grant we expect to make a report to the full board.

We hope to have an earlier report on what we have learned in anything from some of our investments in the QUP grants, and a substantial part of that, of course, is exactly what we're now talking about.

I cannot imagine, if we were fortunate enough to get this full appropriation, that we have omitted ourselves to do anything. And what we are in fact, the reason that we are not asking you to go back and revisit this issue in terms of the one time money, we were going to concentrate now on gathering the information that you have just talked about, but we are also going to be able to report to the revisions committee and the audit committee, in fact what we have learned as a result of the QUP investment.

And I really think that all of you at this table will

1 be presently shocked and surprised that some of our
2 programs are making very, very effective use of the small
3 amount of money in this highly complex technical area.

4 I share your concerns, Cecilia, and I say this almost
5 tongue in cheek, if we get our final appropriation and
6 next year when you as a member of the committee must decide
7 how to develop an operating budget, and you start dealing
8 with these conflicting requests, you are going to have
9 before you at that time all of the knowledge and benefit
10 of our investment in this area where you can decide whether
11 to put any more into it, and you may conclude that it's
12 not worth the commitment.

13 I understand, and PAG can speak to it because we have
14 spent a lot of time with the funding criteria committee
15 talking about this area.

16 Now, they can speak for themselves, but I think it's
17 fair to represent in terms of the concept, benefit and
18 productivity and efficiency, the concept, the amount of
19 money because of conflicting and competing priorities as
20 opposed to one percent across the board for salary.

T.6

21 As opposed to this, those are decisions, tough, hard
22 decisions that we have to make in terms of making the
23 recommendation to this Board of what amount to less than
24 one percent or .6 percent of the total budget request, which
25 is a fairly negligible amount.

except I look at the dollar figure and I think of some of the smaller programs and I think of maybe some programs because of the size or nature of their work they're going to receive preferential treatment.

but like I say, I'm not for or against, but I would like to see more information because I think the grantee investing money in this area, probably it would be helpful to find out what they feel some of the obstacles or the problems they have had with it, so it's kind of a balanced report.

MS. STUMP: I'd like to see the dollar figures that they have spent on their equipment maintenance and training.

MR. THURMAN: I don't think we're asking for a comprehensive survey of every program that's using it, if you were to select a limited number of programs that are using it to give us a profile of those programs.

MS. ROBINSON: Wasn't some of that information in Andy's first long report that apparently not very many people waded through?

There was a substantial amount of information like that as to why they needed that much money. Bob Kutzek, who could not be with us today, asked me specifically to voice his support for this particular part of the proposed budget. He thinks it's in many ways

1 MADAME CHAIRMAN: Are there any further comments from
2 the Members of the Board about the proposed 1981 budget?
3 Before we take any action, I thought it would be appropriate
4 that any comments from the public, I know there is at least
5 one person prepared to make some statements on the budget,
6 so the Board doesn't have any questions for now?

7 I would invite any members of the public who wish to
8 address the Board on the subject of the 1981 budget to raise
9 your hand and be recognized. Please introduce yourself
10 prior to your presentation and if you represent any groups,
11 please state so so that our reporter is able to put them in
12 the record. **Mr. Morrison.**

13
14 MR. MORRISON: My name is Bruce Morrison from the
15 New Haven Legal Assistance Corporation and I am representing
16 the Project Advisory Group and the Funding Criteria
17 Committee of the Funding Advisory Group. Let me start by
18 saying that on the whole and in general, PAG strongly sup-
19 ports the 1981 Budget Request as has been put together by
20 the corporation staff and that we are particularly pleased
21 with the amount of input that field people have had in the
22 process of putting it together. We continue to be disap-
23 pointed with the sum total that was requested, the \$353
24 million dollars. I am not going to go into great length
25 about that. I tried my best to get you to go higher at your

1 one of the most important things the Corporation can do.

2 If we don't do it now, we will never have the capability
3 of advising our grantees and advising other contract people
4 that serve clients as to how they can best keep up with
5 whatever is happening in the area, and specifically asked
6 me to voice his support for it and say he thinks it's very
7 important.

8 Are we going to be able to reach a resolution on the
9 budget?

10 MR. ENGELBERG: I don't know whether there's any
11 further discussion. I know there were people that want to
12 speak in the audience.

13 MS. RODHAM: We're going to break for lunch now,
14 so we will resume with the discussion of the '81 budget
15 following lunch.

16 We'll be back here at 1:30.

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24

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one of the most important things the Corporation can do.

If we don't do it now, we will never have the capability

of advising our customers and obtaining other customer people

that serve clients as to how they can best keep up with

whatever is happening in the area, and specifically asked

me to voice his support for it and say he thinks it's very

important.

Are we going to be able to reach a resolution on the

budget?

MR. ROY: I don't know whether there's any

further discussion. I know there were people that want to

speak in the audience.

MR. ROY: We're going to have the lunch now.

so we will resume with the discussion of the 1971 budget

following lunch.

We'll be back here at 1:30.

1 last meeting. I think it was a mistake. We will continue
2 to advocate our \$403 million dollar budget to the Congress
3 as the inflation reports keep coming in and as the needs
4 keep getting expressed. I think it becomes more and more
5 that the \$353 million is not enough and I would hope that
6 the Board while having to make the kind of compromise in
7 what it asks for keeps in mind that every penny of that
8 \$353 million dollars is needed. It is not a request that
9 we can be comfortable with if we only get half of it even
10 if it is going to be hard.

11 In talking about the 1981 Request, I also want to
12 particularly commend the staff on the control of the directive
13 expense items within the budget in past years. Field people
14 have been here having to complain about the growth of the
15 Washington budget at the expense of the field and that is
16 not the case in this year's budget request and that should
17 be appreciate both by us and by the Board.

18 I would like to get to the specific items which we
19 think ought to be different and there are two items which
20 we think should be in the budget that are not in the budget
21 and in order to pay for them within the \$353 million dollar
22 limit, we have some suggestions about some reductions.

23 First, we have been advocating with the staff and in
24 our last presentation to the Board and in our presentation
25 to the Appropriations Audit Committee, a somewhat different

... meeting. I think it was a mistake. We will continue to advocate our \$400 million dollar budget to the Commission as the solution regarding how to fund the needs of the state. I think it becomes more and more clear that the \$350 million is not enough and I would have liked the board to have to have to have the kind of confidence that it takes to take to take to take that every penny of that \$350 million dollars is needed. It is not a request that we can be comfortable with if we only get half of it even if it is going to be hard.

In talking about the 1977 request, I also want to particularly commend the staff on the control of the director's office within the budget in past years. What people have been having to complain about the growth of the Washington budget at the expense of the state and that is not the case in this year's budget request and that should be appreciated both by us and by the board.

I would like to go to the specific items which we think ought to be different and there are two items which we think should be in the budget that are not in the budget and in order to say for them within the \$350 million dollar limit, we have some suggestions about some modifications.

First, we have been working with the staff and in our last presentation to the board and in our presentation to the Appropriations Audit Committee, a somewhat different

1 approach, the inflation adjustment for field programs. The
2 impact of the change that I am about to talk about is
3 about \$2.7 million dollars, take or leave a small amount of
4 money, but that I think is close enough for what we are going
5 to discuss. And the proposal that we have made and continue
6 to make is that we propose a differential inflationary ad-
7 justment between the personnel costs of field programs and
8 the non-personnel costs. We support the 8% limit on
9 salary increases which becomes 9% because of the pick-up
10 of the 1% from 1980. I think Gary explained that earlier.
11 We support that not because 8% increases are enough to
12 keep pace with inflation for our staff who are already not
13 paid comparable salaries but because of the political
14 reality that we as a public funded agency cannot ask for
15 salary increases that are not comparable to the kinds of
16 salary increases that are going to be given in the public
17 sector generally, at least, to federal government employees.
18 So, we accept that as a reality.

19 We do not accept that that reality must be extended to
20 non-personnel costs. Our programs are faced with the infla-
21 tion in those costs imposed from without. We do not have
22 the liberty of paying less for rent than the going rate,
23 paying less for oil, paying less for all of these things
24 that are exploding in costs. We have used 13% which is an
25 inflation rate that has been going on for at least part of

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1 this year and it is a reasonable projection of the inflation
2 rate we will face over 1980 as the factor to be applied to
3 the non-personnel portion of the field budget in order to
4 come out with an inflation increase.

5 Now, there have been some things said about why in
6 doing this is a bad thing and I would like to address those
7 briefly. The first is that in some way, this differential
8 percentage would indicate an unwillingness to deal with
9 inflationary costs by increased productivity. The kinds of
10 offices that legal services programs in general have
11 available to them. The kinds of expenses that we are talk-
12 ing about here for telephone and paper and things of that
13 sort, postage, these are not the kinds of things on which
14 dramatic savings can be realized. I don't think we should
15 attempt to tell Congress that somehow we are going to be
16 able to economize when programs are already very much
17 strapped in this area and as a general matter, at very
18 low overhead as compared to the amount that is spent on
19 personnel. So, I don't think that is the answer. I think
20 we have answers in productivity; in other areas, I think
21 some of those other areas in talking about the impact of
22 state support, national support, things of that kinds, that
23 will get more bang for the buck if they are funded. Gary
24 talked a little bit about how we -- that the 8% figure was
25 kind of an average because we had turnover and turnover

1 this year and it is a reasonable projection of the inflation
 2 rate we will face over 1980 as the factor to be applied to
 3 the nominal interest portion of the first budget in order to
 4 come out with an inflation financing.
 5 Now, there have been some things said about why in
 6 coming this in a bid today and I would like to address those
 7 briefly. The first is that in some way, this differential
 8 arrangement would indicate an unwillingness to deal with
 9 inflationary costs by increasing productivity. The kind of
 10 offense that most nervous programs in general have
 11 evolved to follow, the kind of expenses that we are talk-
 12 ing about here for inflation and paper and other of that
 13 sort, position, there are not the kind of things on which
 14 realistic savings can be realized. I don't think we should
 15 attempt to sell someone that somehow we are going to be
 16 able to economize when programs are already very much
 17 stretched for their size and as a general matter, at very
 18 low levels of cost compared to the amount that is spent on
 19 programs. So, I don't think that in the context of things
 20 we have raised in productivity in other areas, I think
 21 some of those ideas are in fact about the kind of
 22 things that we should expect. Things of that kind that
 23 will not be hard for the back if they are handled. They
 24 called a little bit about how we -- that the 82 figure was
 25 kind of an average because we had turnover and turnover

1 saves money. I would hope that we wouldn't pursue that kind
2 of approach. What that says is that when an experienced
3 attorney leaves my program I should go out and hire an
4 inexperienced attorney to replace that experienced attorney
5 in order to realize some costs saving. And this is a
6 perennial problem in legal services. The loss of experienced
7 people and the replacing by inexperienced people which in
8 and of itself promotes turnover and interferes with quality.
9 So that while we are going to have turnover, only giving
10 8% salary increase and not paying comparable salaries, we
11 are not to take the next step and say that a good reason
12 to hold down the inflationary increase with respect to the
13 non-personnel items.

14 The non-personnel items are uncontrollable for the
15 programs and since they are uncontrollable we should recog-
16 nize that they are going to have to be paid and if our
17 policy is, which I think it has become, an attempt to main-
18 tain what we have built over the last 4 years, building
19 toward minimum access, we ought to say part of maintaining
20 it is paying the actual costs of inflation in the non-
21 personnel areas.

22 Now, there is some suggestion that the implementation
23 of this maybe somewhat difficult because not all programs
24 have the same non-personnel percentage of their budget.
25 I think that the figure that we have used, the 75%-25% is

1 leave money. I would hope that we wouldn't have that kind
 2 of approach. What that says is that when the sponsored
 3 attorney leaves my program I should go out and hire an
 4 inexperienced attorney to run my that sponsored attorney
 5 in order to realize some cost saving. And this is a
 6 commercial program in legal services. The lack of experience
 7 people and the resulting by inexperienced people which in
 8 and or their proven turnover and inferior with quality
 9 to that while we are going to have turnover, only giving
 10 12 salary increases and not paying comparable salaries, we
 11 are not to take the best ones and say that's a good reason
 12 to hold down the third-year lawyers' salaries with respect to the
 13 non-personnel items.
 14
 15 The non-personnel items are uncontrollable for the
 16 program and since they are uncontrollable we should reop-
 17 tions that they are going to have to be paid and if our
 18 policy is, which I think it has become, an attempt to wage
 19 wars what we have built over the last 4 years, building
 20 toward minimum wages, we ought to say part of maintaining
 21 is to sustain the actual costs of inflation in the non-
 22 personnel areas.
 23
 24 Now, there is your suggestion that the implementation
 25 of this means you that difficult because not all programs
 26 have the same non-personnel percentages of their budgets.
 27 I think that the figure that we have used, the 35-35 in

1 typical for the field programs. There may be certain classes
2 of programs which are somewhat higher or somewhat lower with
3 respect to percentage of the non-personnel items. I don't
4 think that those things are so disparate that they cannot
5 be dealt with in a funding distribution formula when the
6 time comes or when we have got this money. I think that
7 the 75-25 approximation is certainly sufficient to construct
8 a request to Congress.

9 So for all of those reasons I would urge you to add
10 to the costs of maintenance for field programs, \$2.75 million
11 dollars to cover this 9 and 13 percent approach to the
12 inflationary increase.

13 Now, the second item that we would urge be added to
14 the budget is an explicit one million dollars per client
15 advocacy activities. There was discussion earlier where
16 Jo Worthy asked about where that was in the budget and
17 to what extent and one of the answers is that there is
18 client advocacy and client involvement activities funded in
19 a number of alliance throughout the budget but what there
20 isn't is any kind of a focus effort by the Corporation to
21 promote the things like: pro se advocacy training; things
22 like alternative dispute settlement mechanisms in an
23 involvement of our programs and clients and those kinds of
24 things. There are some very important advocacy approaches
25 that we tend to ignore because we are professionally oriented

system for the field program. There may be some classes
 of programs which are somewhat different or somewhat
 different to the program of the non-program item. I don't
 think that those things are so different that they cannot
 be dealt with in a funding allocation formula when the
 item comes or when we have got the money. I think that
 the VV approach on the centrally sufficient to continue
 a program in progress.
 As for all of those reasons I would urge you to add
 to the point of reference for field program, VV will
 be able to cover this kind of program in the
 field program. I think
 Now, the second item that we would like to add to
 the budget is an explicit one which I think you should
 explicitly add to the budget. There was discussion in the
 to justify what about that was in the budget and
 to what extent and one of the answers is that there is
 in the budget and other investments and other things in
 a number of things that are in the budget but what there
 is a way of a loan effort by the Corporation to
 provide the thing if you are already having things
 like alternative dispute resolution mechanisms in an
 investment of our program and other things that are
 important. There are some very important things that
 that we need to have because we are professionally oriented

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1 in the way in which we provide services. There are lots --
2 as many questions as there are answers in that area, but we
3 should be starting and one of the ways to start is to ear-
4 mark a sum of money that says that we know this is an impor-
5 tant area and we are willing to spend something on it. PAG
6 had proposed one percent of the budget be spent in this
7 area. It is unrealistic, it seems, to be able to spend one
8 percent of \$353 million if the amount of money were somewhat
9 higher and if the competition among some of these items were
10 relieved, we would support that kinds of expenditure. At
11 least, there ought to be a significant, meaningful amount of
12 money earmarked and line item for these kinds of activities
13 and that is the idea I proposed, the one million dollars in
14 that area. Now, that means that there is 3.75 million
15 dollars that has to be found unless the amount of the budget
16 request exceeds the \$353 million and the fact that it wouldn't
17 offend us at all, I assume would be difficult to do at this
18 point.

19 In order to reach that goal, we propose the following:

20 First, that the technological improvements line be
21 reduced from 2.65 million dollars to \$650,000. Let me just
22 say a few words about that line.

23 It has been attacked both in the 1980 one-time money
24 and the 1981 budget at great length and I would like to advo-
25 cate a somewhat less aggressive and negative view of that

7 in the way in which we provide services. There are four
 8 no many questions as there are answers in this area, but we
 9 should be starting and one of the ways to start is to
 10 with a sum of money that we know is in an excess
 11 fund area and we are willing to spend something on it. We
 12 had received one percent of the budget to spend in this

13 area. It is unrealistic in terms of being able to spend one
 14 percent of \$2.1 billion if the amount of money were somewhat
 15 higher and if the competition among some of these items were
 16 relatively low, we would expect that kind of expenditure. As

17 first, there ought to be a significant amount of
 18 money entrusted and then from there kind of restriction
 19 on that in the idea I proposed, the one billion dollars in
 20 last year. Now, that means that there is \$1.5 billion

21 dollars that has to be found unless the amount of the budget
 22 request exceeds the \$2.1 billion and the fact that it would
 23 exceed on all. I assume you'd be different to do in this
 24 point.

25 In order to raise that goal, we propose the following:
 26 First, that the technological improvements that we
 27 reduced from 7.5 million dollars to \$250,000. That we just
 28 say a few more about that line.

29 It has been attached both in the 1980 and this money
 30 and the 1981 budget as about forty and I would like to advise
 31 only a somewhat less aggressive and realistic view of this

1 line item. What I think we have is a gap between the under-
2 standing that we all have on the Board in the field and the
3 like; what is good, what is bad; what is possible; and
4 what is not possible in this area.

5 I thought we ought to dismiss that. I think there is
6 a tendency to dismiss it somewhat easily. That goes on
7 among field people and among other people about: what is it
8 here? And you say computers for lawyers and they tend to
9 freak out, but I think that the plan to spend \$2.65 million
10 dollars in 1981 is not a good plan. I think it is moving
11 too quickly; it runs the substantial risk of either leading
12 to a substantial waste of money or creating something that
13 people will oppose because there has not been enough time
14 to demonstrate the strengths and weaknesses, ways to proceed
15 and not to proceed, it can become a symbol of the wrong kinds
16 of responses to our clients' problems, the technological
17 response, I think, there is a place for those kinds of re-
18 sponses, but we have to build them more slowly and more care-
19 fully in order for them to have support from the Board and
20 in the legal services community. For that reason, we don't
21 recommend that it be cut out completely, but that it be
22 reduced rather dramatically.

23 In the second place, we would suggest a reduction in
24 the Technical Assistance budget. The Technical Assistance
25 budget is proposed at \$1.75 million dollars. This year the

1 I think that the fact that we have a very serious problem
 2 regarding that we will have to do in the field and the
 3 fact that what is good, what is bad, what is possible, and
 4 what is not possible in this area.
 5 I think we ought to think that I think there is
 6 a tendency to think in somewhat easy, "What do you
 7 know that people and many other people want? What is it
 8 that they want? And you say computers for lawyers and they tend to
 9 look out, but I think that the plan to spend \$1.5 billion
 10 dollars in that is not a good plan. I think it is moving
 11 too quickly in some of the substantial kind of other funding
 12 to a substantial waste of money or creating something that
 13 people will oppose because there has not been enough time
 14 to demonstrate the strategy and mechanism, ways to proceed
 15 and not to hurry, it can become a symbol of the speed funds
 16 of resources to our clinical programs, the technological
 17 response. I think there is a place for these kind of res-
 18 sources, and we have to build them more slowly and more care-
 19 fully. I don't think we have to have support from the board and
 20 in the long term, community. For that reason, we don't
 21 recommend that it be cut out completely, but that it be
 22 reduced rather substantially.
 23 In the second place, we would suggest a reduction in
 24 the technical assistance budget. The technical assistance
 25 budget is proposed at \$1.5 million dollars. This year's

1 amount of money being spent in that area is \$750,000 and
2 if that is spent, that will be substantially more than what
3 has spent in past years. Although that amount has been bud-
4 geted in 1979, nowhere near that amount was actually spent.
5 We think that some growth of funding in this area is impor-
6 tant and supports an increase to a million dollars, but the
7 increase of a million dollars from .75 to 1.75 million
8 dollars seems not to be either necessary or prudent. There
9 is a limit to what we ought to be doing in terms of being
10 consultants for problems in field programs. We think more
11 use can be made of expertise that exists in the field and
12 we ought not to be promoting a sort of consultant arrange-
13 ment of individual members of the staff of one field program
14 getting paid to work with another, but that ought to be pro-
15 moted on expenses only on a pro bono basis, that we can do
16 plenty within a million dollars and we don't need this very
17 dramatic increase which is more than a doubling of what is
18 budgeted for this year and it is about five or six times what
19 has been actually spent in 1979 for these items. We are
20 in favor of targeted Technical Assistance that supports the
21 activities of the Office of Field Services, but we think
22 1.75 million dollars is overdoing it.

23 Finally, our proposal with respect to state and
24 national support and training activities was that the total
25 of \$10 million dollars be put in this area. The amount that

amount of money being spent in that area is \$750,000 and
 it is not as great, that will be substantially more than what
 we have in that area. Although that would be a very
 large amount, I think that some growth of funding in this area is impor-
 tant and would be an increase of a million dollars, but the
 increase of a million dollars from \$5 to \$6 million
 dollars seems not to be either necessary or prudent. What
 we think is what we ought to be going in terms of doing
 something for protection in that program. We think some
 use can be made of existing that exists in the field and
 we ought not to be promoting a sort of continuing program
 that is not really needed. The staff of our field program
 is getting paid to work with us, but that ought to be con-
 sidered an expense only on a pro rata basis that we can do
 only with a million dollars and we don't need this very
 much. A program which is more than a doubling of what is
 budgeted for this year and is about five or six times what
 we have actually spent in 1973 for that program. We are
 a lot of money of that kind. We think that supports the
 activities of the Office of State Services, but we think
 that \$1.5 million dollars is overdone.

Finally, our program, this program, is that and
 the total support and technical activities was that the total
 of 500 million dollars is not in this area. The amount that

1 has actually been put in that area exceeds 11 million dollars.
2 We would recommend cutting a million dollars. We are not
3 recommending specifically which of the items it should come
4 from at this point, but that million dollars should be
5 generated from that support and training pot in order to
6 support the two things that I am suggesting: The 9, 13
7 inflationary increase approach, and the 1 million dollars
8 for targeted client involvement in advocacy. Thank you.

9 MR. BRADLEY: If I could, not respond or rebut, let
10 me make a couple of observations to Bruce's presentation.

11 We have had a chance to talk about this. I also wanted
12 to commend PAT and FCC for putting together this budget,
13 especially Bruce, the other committee members also, but
14 especially Bruce. They came to Washington and practically
15 lived with us and argued with us and fought with us and
16 went through that kind of discussion which I think was very
17 helpful for all parties in the LA convention and unfortunat-
18 ly was able to observe that and hear some of the discussion.

19 However, I do in much of what Bruce is suggesting, in
20 much of my comment is basically judgment call. For instance,
21 and I may be wrong, but my judgement is that it would be
22 much easier for me, for this Corporation, to appear before
23 Mr. Hollands' Committee and Mr. Slacks' Committee
24 especially on the inflation increase. Every point that
25 you have made, Bruce, I can assure you I am going to try

has actually been put in that area exceeds 11 billion dollars
 we would recommend cutting a billion dollars. We are not
 recommending specifically which of the items it should come
 from at this point, but that billion dollars should be
 generated from that effort and training not in order to
 support the two things that I am suggesting. The 9, 13
 satisfactory because approach, and the 1 billion dollars
 for funding of long investment in research. Thank you.
 MR. HARRY: If I could, not respond or reply, for
 as far as a number of observations to financial presentation.
 He has had a chance to talk about this. I also wanted
 to remind you and you for cutting research this budget.
 especially from the other research number, also, but
 especially from the other research and particularly
 from the research and budget with me and fought with me and
 from through the kind of discussion which I think was very
 helpful for all of us in the convention and understand-
 ing what we do observe that and how we do the discussion.
 However, I do in fact of what there is suggesting, in
 much of my comment to financial judgment, which for instance
 and I may be wrong, but my judgment is that it could be
 that really for us, for the Corporation, to report before
 the Federal Committee and the United States
 especially on the inflation program, we've going that
 you have made, though I am sure you I am going to try

1 to make it more forcefully and more dramatically than you
2 have made it today and I am going to state to those at the
3 OMB in our meeting next Tuesday, that we realize that 8%
4 even if we accepted your approach to it, the 8 versus
5 13 and so forth, that still doesn't keep up with inflation.
6 We know that and they know that. I think that if I were
7 to ask Mr. Hollands and if I were to ask Mr. Slack which
8 of these arguments would more persuade them in terms of
9 getting the 25 million, it is my judgment and I might be
10 wrong, but it is my judgment that I can more effectively
11 argue our case with the flat-out 8 or 9 percent across
12 the board than I can with the kinds of explanations and
13 justifications and rationalizations in answering and
14 being defensive and saying "you are right, Mr. Hollands,
15 some of our programs, that is, the 20%, 25%, I think this
16 is just a clean, simple, easy approach. However, I do believe
17 and it is my intention to do this especially on Tuesday,
18 it is our responsibility to make OMB hear and hopefully
19 the Members of Congress hear the effect that inflation
20 is having on your program.

21 I think we can do that without getting into the
22 sophisticated analysis of 8 versus 9 versus 13 personnel
23 costs, non-personnel, you know, the fuel adjustment as
24 opposed to utility, that is my judgment.

25 Number 2, I agree with you; I want everyone to know

to make it more forcefully and more drastically than you
 have made it today and I am going to state to those of the
 OMB in the meeting next Tuesday, that we realize that we
 want to be consistent with your position to the B version
 and we don't want to go back to the old position
 the way that you know that I think that if I were
 to say that I was in the B and I was in the B which
 of those circumstances would mean backwards then in terms of
 getting the the million, it is by judgment of what I would do
 wrong, but in my judgment that I was more of a liability
 around our case with the Clinton B or C version version
 the board then I am with the kinds of conditions and
 jurisdiction and interrelations in investment and
 being decisive and saying "you are right, Mr. Johnson"
 none of our programs, that is, the 207, 207, I think this
 is just a clear, simple, easy approach, however, I do believe
 and it is my intention to do this especially on Tuesday,
 it is our responsibility to make OMB part and possibly
 the nature of response from the effort that I believe
 in having on your program.

I think we can do that without coming into the
 established analysis of B version 9 versus B version 13 program
 could, non-technical, you know, the final adjustment on
 opposed to utility, that is my judgment.

Thank you, I agree with you, I want everyone to know

1 and we talked about this repeatedly in the senior staff
2 meeting on the concept of earmarking and line iteming X
3 number of dollars for client involvement, pro se advocacy,
4 some of the things you enumerated, here again, it is my
5 judgment, we are talking if we get \$353 million and we are
6 going to advocate the \$353 million, if we get it. Here
7 again, this budget request, this Board come back and put
8 together the final operating budget and we are basically
9 talking, if we get it, another 10 to 12 million dollars
10 and something that we have been describing as national
11 support is training technical assistance, is client train-
12 ing, paralegal training, all of that. If we get it, we
13 got an addition to that, the current non-annualized grants
14 and that is funds are available, approximately another
15 10 million dollars. We are talking about next year, if
16 we get this appropriation, it would be 20 to 25 million
17 dollars and I would be the first to advocate once we get
18 that appropriation to come to this Committee and this Board
19 and say: Let's now address those issues that we have been
20 talking about and see if we can develop and plan and line
21 item X number of dollars to do this. It is my judgment
22 and Mary's, maybe if you want to hear her judgment, but it
23 is my judgment that here again, if I go and see Mr. Hollands
24 and Mr. Slack which I plan to do, I can better advocate
25 and present this total budget in the context of which we

and we talked about this repeatedly in the earlier staff
 meetings on the concept of earmarking and the timing of
 transfer of dollars for initial investment, pro or otherwise,
 some of the things you mentioned, here again, it is an
 important we are talking it we get \$200 million and we are
 going to allocate the \$200 million, it we get it. Here
 again, this budget request, this board goes back and put
 together the final operating budget and we are basically
 talking it we get it, another 10 to 12 million dollars
 and mentioned that we have been generating an amount
 support for training technical assistance in other train-
 ing programs, starting off of that. It we get it, we
 get an addition to that, the amount non-earmarked grants
 and that is that the available, approximately another
 10 million dollars. We are talking about next year, it
 we get this appropriation, it would be 20 to 25 million
 dollars and it would be the first to be allocated once we get
 the appropriation to cover the initial and the board
 can have. Let's now address those issues that we have been
 talking about and see if we can develop and plan and
 10 to 20 million of dollars to be used. It is my judgment
 that you want to have that judgment, but it
 is a judgment that has to be made, it is go and see Mr. Gold
 and the bank which I want to say, can better advocate
 and provide the total budget in the context of which we

1 have been talking about this morning and I can in trying to
2 say there is a new line item that says: pro se advocacy,
3 client advocacy, client self-help, client involvement and
4 I think what I would propose to do is not a compromise but
5 I just thought about it as I was listening, it seems to
6 me that the issues that Steve is addressing and the concerns
7 Josephine has raised this morning, that your staff in put-
8 ting together the fine narrative explanation of this budget,
9 that we can specifically in the whole enumeration of what's
10 the 10 or 15 million dollars that are funds, that we can
11 make a strong statement that these client involvement, the
12 priority setting which is now required of this Board and
13 all the things that we concerned about, you are concerned
14 about and I am concerned about, that we can do a very
15 effective job of incorporating that in the budget that we
16 have been discussing this morning, I think. This is purely
17 a judgment call, but I really think that we are going to
18 make vulnerable that issue that you are just articulating.
19 If I go back before those two committees and say: here is
20 a new emphasis, here is a new endeavor and this is the major
21 part of this Board and we want to try to convince those
22 persons that they should commit at the congressional
23 level a specific sum of money for these issues. I think
24 that if we put it all together and package it together, if
25 we get the appropriation and we do this in a package, then

have been talking about this morning and I am in trying to
 say there is a new line that says go on advance
 about strategy, about self-help, about involvement and
 I think what I would propose to do is not a compromise but
 I just thought about it as I was listening, it seems to
 me that the issues that have to be raised and the concerns
 regarding that raised this morning, that your staff in out-
 line together for the narrative explanation of this budget
 that we are specifically in the whole explanation of what
 the 10 or 15 million dollars that we have, that we can
 make a strong statement that there is about involvement, the
 primary activity which is now required of this board and
 all the things that we mentioned about, you are concerned
 about and I am concerned about that we can do a very
 effective job of implementing that in the budget that we
 have been discussing this morning, I think. This is really
 a judgment call, but I really think that we are going to
 take ourselves that issue that you are just mentioning.
 I do go back before those two committees and say: here is
 a new emphasis, here is a new endeavor and this is the major
 part of this need and we want to try to convince those
 persons that they should come to the congressional
 level a number of times for their support. I think
 that if we put it all together and package it together, it
 will give the negotiation and we do this in a package, then

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1 we can come back before this Committee and before this
2 Board and specifically line item and address those concerns.
3 Those are judgment calls and those happen to be my judg-
4 ments.

5 MADAME CHAIRMAN: Any other response from the Board?
6 Bernie?

7 MR. **VENEY**: My name is Bernard A. **Veney, National**
8 Clients Counsel. I guess I just wanted to support very
9 much what Bruce has said in major part. I have a couple
10 of problems with this budget as presented. I guess I
11 would be much stronger if Bill said you were talking about
12 operating budget versus one that you are going to submit
13 to OMB into the Congress. I don't view the \$353 million
14 any more than a wish. I must remind you that you set the
15 \$353 against the urging by the field and client community,
16 for whatever reasons, you decided to do that, having made
17 that particular decision, I think it is incumbent upon this
18 Board to begin making some of the harder decisions.

19 Number one, your first priority must be the maintenance
20 of the existing programs and to glibly slide over the fact
21 like the inflation level is 12, 15, 18% but we are only
22 to give 9% and in talking about maintaining what you just
23 achieved in terms of minimal access to mean maybe some on
24 the order of unconscionable.

25 Secondly, to deal with the question of maintenance of

we can have before this Committee and before the
House and especially the Senate and address those concerns
those are judgments call for the House to be in judg-

ment.
HAROLD COLEMAN - Any other response from the House
today?

MR. VERNY: My name is Vernon A. Verny, National

Political Council. I guess I just wanted to support your
and your House has and in major part. I have a couple
of questions with this budget as presented. I guess I
would be much happier if Bill and you were talking about
the other part versus one that you were going to submit
to the House. I don't know the \$33 billion
any more than I wish. I just want you that you got the
\$33 billion the money for the field and other community,
for whatever reason, you tended to be that being made
and political decisions, a little bit in the budget upon this
House to be in making some of the harder decisions.

Further, your that priority must be the maintenance
of the existing program and to simply ride over the top
like the situation level in 1977. If we are only
to give us in talking about maintaining what you just
submitted in terms of what would be more money some on
the order of an one hundred billion.
Secondly, to deal with the question of maintenance of

1 programs when we are talking about maintaining programs that
2 can only deal with 10 to 20% of established needs in their
3 communities is again something that I wonder very greatly
4 about. I think that this Board needs to begin to look at
5 what is in this budget in terms of "new efforts." I am
6 amazed at the fact that in the area of national support,
7 you would talk about new areas of national support without
8 major increases in the national support centers that you
9 now have. There have been nothing like commensurate
10 increases in National Support Centers to go along with the
11 increases in the field. How are those programs supposed to
12 be able to respond in any way but a horror story which is
13 the question that Howard Sacks raised this morning: What
14 are you not now able to do? You already answered that
15 question or you are beginning to answer that question by
16 the legal funding that you are providing for the National
17 Support Centers. I think that we as Clients' counsel have
18 to take some issue with the state support that the PAG
19 supports. I am not sure what those State Support Centers
20 are doing. Have you raised that question? Do you know
21 what you are getting for the 4 million dollars that is being
22 asked? I mean, some of those support centers are doing
23 excellent work, the support centers, but do you know what
24 the rest of that money would in fact go for? Isn't that
25 one of the hard choices that you have to make?

1 program when we are talking about maintaining programs that
2 can only last with 50% of established needs in their
3 communities in order to maintain that I wonder very greatly
4 about I think that this board needs to begin to look at
5 what is in fact under in terms of "new efforts". I am
6 amazed at the fact that in the state of national support
7 you would talk about new source of national support without
8 refer in any way to the national support that you
9 have. There have been nothing like commensurate
10 increases in national support funds to go along with the
11 increase in the field. How can those programs respond to
12 the need to expand in any way but a horror story which is
13 the question that I would like to raise this morning. What
14 are you now able to do? You already assured that
15 question of you are beginning to answer that question by
16 the fact that you are providing for the national
17 support program. I think that we as national counsel have
18 to take some issue with the state support that the PAO
19 represents. I am not sure what issue with the support program
20 are being. Have you asked that question. Do you know
21 what you are getting for the \$ million dollars that is being
22 asked. I would think some of those support centers are doing
23 excellent work, the support centers but do you know what
24 the cost of that money would in fact do for. I think that
25 one of the board officers that you have to make

1 The State Support Centers were set up despite this
2 Board, despite the Corporation by virtue of the interest of
3 the individual programs. You are now moving down the road
4 to what is a defaulted policy position. You have never,
5 as far as I know, considered the issue of whether there
6 should be those State Support Centers. I read something
7 like 4.725 million dollars going into that particular
8 activity.

9 I guess the last problem I have with this budget as
10 presented is that it reads to me as business as usual. I
11 mean it reads very clearly as though the only people who
12 can help resolve the problems and issues that impact poor
13 people are attorneys. We might, as Bruce has suggested,
14 spend some money and once and for all resolve the issues
15 that are arising between perhaps this Board and Clients'
16 Counsel and attorneys and clients and take a look in some
17 scientific, well-documented fashion as to whether or not
18 what clients say that they can do -- they can in fact do
19 and that is deal with it effectively and in the long range,
20 some of our own problems.

21 I must remind you that we have all conceded that the
22 funding ratio -- the funding level is not going to increase
23 dramatically over the next several years; if that is true,
24 if inflation is going to continue, what we are talking about
25 is cutting back in services as we get increased demands

The State support funds are being devoted to the
 health facilities the Government by virtue of the interest of
 the industrial equipment. You are now moving down the road
 to what is a detailed policy position. You have never
 as far as I know, considered the issue of whether there
 should be those State financial transfers, a real something
 like \$1.5 billion dollars going into that particular
 activity.

I guess the last problem I have with this budget as
 presented is that it tends to be a business as usual. I
 mean it tends to be *cheap* as though the only people who
 are being treated the problem and issues that impact poor
 people are attorneys. We might as well have suggested
 spend some money and time and for all resolve the issues
 that are existing between parties that have and efficient
 economic and attorney and others and take a look in some
 activities with a broad-based fashion as to whether or not
 what is the way that they can do -- they can in fact do
 and that is done with it effectively and in the long range,
 some of our own problems.

I must remind you that we have all concluded that the
 financial crisis -- the funding level is not going to improve
 dramatically over the next several years. It just is not.
 I therefore am going to continue, what we are talking about
 in relation to in activities as we get increased funding

1 from programs for more money to be put into personnel
2 meetings. If we are going to cut back in services, does
3 that mean the client community has got to be left where it
4 was in the 1960's, holding the bag or does it mean in some
5 fashion or other, through looking at alternative-delivery
6 mechanisms -- from looking at alternative resolution
7 mechanisms, we have armed the client community with
8 greater enough skills so that it does not have to rely on
9 attorneys , on staff to provide the answers to solutions
10 to some of the problems?

11 I think this Board, by setting the 353 has said
12 several things; I would ask you to look very closely at
13 what you are advertising, what message you are sending to
14 the world, to the client community by the way in which this
15 money now gets spent.

16 MADAME CHAIRMAN: Thank you, Bernie.

17 Any other comments?

18 Yes? Ramona?

19 I am sorry, sir, the Board first.

20 MS. SHUMP: In keeping with Bernie's remarks I cannot
21 help but look at the amounts that we have proposed to spend
22 to increase the pro bono effort. When I attended the
23 Audit and Appropriations meeting in D.C. on the 12th of
24 November, I had understood that at that time we were only
25 talking in terms of the \$50,000. Is that correct?

These programs are not easy to be put into personnel
 positions. If we are going to put back in services, then
 that means the client community has got to be left where it
 was in the first holding the bag or else it means in some
 fashion or other, through looking at alternative delivery
 mechanisms - then looking at alternative resolution
 mechanisms, we have tried the client community with
 a lot of things which we think it does not have to rely on
 strategy, on that to provide the answers to solutions
 to some of the problems.

After Ebla Berry, by asking the 323 has said
 several things. I would ask you to look very closely at
 what you are advertising, what message you are sending to
 the world, to the client community by the way in which this
 money may be used.

WALTER C. FARMER - Thank you, Senator.

Any other comments?

Yes, thank you.

I am sorry, did the board start?

MR. FARMER - To begin with Senator's remarks I cannot
 help but feel at the moment that we have proposed to spend
 to increase the pro bono effort. When I attended the
 Audit and Accountability meeting in 1981 of the USIP of
 government, I had understood that at that time we were only
 talking in terms of the \$70,000. In that context

1 MR. BRADLEY: The November meeting, I think, Steve --
2 the Committee -- maybe you had left, Ramona, but the
3 Committee --

4 MS. SHUMP: Anyway, there is only one thing; I am not
5 opposed to the figure. I just want some type of assurance
6 that that money that is going to be spent, that \$200,000
7 is going to be accessible to minority groups, to small
8 groups to provide services for the clients. That is all
9 I want.

10 I don't want that money going to all the powerful
11 Bar Associations, not that I am saying there is anything
12 wrong with them, I just wanted to make sure that these
13 small groups have a chance at that money first.

14 MS. WORTHY: I have to kind of back up what Ramona
15 said. I wasn't at the Committee meeting and I am really
16 sorry. I was sick at the time.

17 When I looked at that figure and that increase, it
18 is not that I am saying that the pro bono programs are not
19 working, because they are working very well in my area as
20 far as clients. But when I see that figure earmarked for
21 one group, I am saying I agree with you, but spread it
22 around. We have a group, I think, of attorneys in the area
23 that are doing a fantastic job out there. We have a women's
24 lawyer group that is doing work out there. I am saying this
25 because I have seen them. I have experienced it. I have

1 THE QUESTION: "THE NOVEMBER PROPOSAL" I THINK, STOVE
2 THE PROPOSAL: "THE NOVEMBER PROPOSAL" I THINK, STOVE
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1 talked with clients who have gotten some services and I am
2 saying, spread it around.

3 They have people out there doing good work; give them
4 a chance to give more support to clients. That is one of
5 my real concerns here, looking at this budget.

6 MADAME CHAIRMAN: Any other comments?

7 MR. ORTIQUE: I think that that should be noted and
8 that I am particularly pleased that Ramona, because for
9 some years, kind of lonely, you know, there is a trying to
10 advocate that the National Bar Association and women's
11 groups ought to be considered. I think we would do the
12 American Bar a favor if we go ahead and do it because these
13 are your members of the American Bar that we are doing these
14 things with. You know, and they are kind of at first,
15 they would be a little dismayed, but they can't very well
16 say anything about it. As a matter of fact, they may
17 take the credit for having decided: Look, see how liberal
18 we are getting. So, in the long run, I think there is an
19 excellent approach to it. I would also like to underscore
20 and I understand your explanation of what we can do. In
21 certain, you are in a better position -- it would appear
22 that Congress would be in a better position to make a
23 decision as to what your points of interests are to be
24 when we get our collective heads together.

25 Again, I certainly feel that we ought to place very

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1 high on our list of priorities, no matter what the figure
2 comes out, a substantial amount of money that says that
3 it would go to the field and to our constituency: Look,
4 this thing has now turned around, we are willing to put a
5 million dollars where our mouth is, be it in the client
6 advocacy or whatever we want to call that because I think
7 that will say much more than anything we can do in arguing
8 this budget at this time.

9 I would just like to add one other thing and that is
10 that I would hope that the client community does not feel
11 that it has to stand still on this and wait for this
12 Board to do certain things and I don't think that they
13 will, but that they will continue as strong as possible
14 and that's selfish feelings made known, so that when we
15 come up our position that they will be in the forefront
16 and we will in the Congress fall-back position as opposed
17 to our Congress interpreting us as the leaders in this
18 area. I would certainly hope that no one would feel stifled
19 in their efforts to get these things done.

20 MR. KANTOR: I haven't counted noses on this Board.
21 I think there is probably a consensus for the inclusion
22 of a substantial amount of money in the operating budget
23 for client advocacy, as Dan has noted, I agree with Dan
24 that it might not be either tactically wise or practically
25 feasible at this point to include it in the budget, but I

right on our part of performance, no matter what the future
 shows only a small initial amount of money that says that
 it would go to the field and to our constituency's look,
 this thing has now turned around, we are willing to put a
 million dollars where our mouth is, be it in the distant
 advance or whatever we want to call that because I think
 that with any such more than anything we can do in coming
 the budget at this time.
 I would just like to add one other thing and that is
 I would like to say that the other community do a lot of
 that has to stand still on this and wait for this
 about to do certain things and I don't think that they
 will, but that they will continue as strong as possible
 and that's what in fact we know, so that when we
 come up our position that they will be in the forefront
 and we will in the Congress fall back and an opponent
 in our Congress interested in the leaders in this
 area. I would certainly hope that no one would want
 to have efforts to get these things done.
 Well, I think I haven't covered most of this board,
 I think there is probably a consensus for the budget
 of a substantial amount of money in the operating budget
 for almost every, as far as I know, a year when that
 that it might not be that exactly what is possible
 because in the past to include it in the budget, but I

1 am not sure that is what is critical. I think just what
2 has happened is critical. I believe it is the only way
3 you really leave something in the community and that is
4 leave client advocacy and I think it is time we put a line
5 item in and I think the votes are here on the Board for
6 it and we should go ahead and do it if that is the appropriate
7 time. I think Dan and the staff are correct that in this
8 budget, it goes forward in this form and where it is going
9 that we are better off in the form that it is in right
10 now.

11 MS. ESQUER: Except that one of the things that we
12 talked about in the September Board meeting, we adopted
13 the guiding principles for this budget and I think I just
14 wanted to repeat this statement that I made at that time.
15 One of the principles that we adopted had to do with
16 increasing client involvement and I said that I would like
17 to see it displayed in the budget format and I just don't
18 see what it could hurt to have it displayed there as a
19 separate item for client advocacy.

20 MADAME CHAIRMAN: I guess all that we can do is either
21 make up our own mind as the Board decides to go ahead, but
22 at least insofar as the staff, particularly the president
23 has informed us that they do think it would hurt. It
24 would hurt politically, at least, or Congressionally or
25 tacticly even though it would be very satisfying and I

1 and not sure that in what is outlined, I think just what
2 has happened is sufficient. I believe it is the only way
3 you really leave something in the community and that is
4 leave object advocacy and I think it is time we put a line
5 there in and I think the votes are here on the board for
6 it and we should go ahead and do it if that is the appropriate
7 answer. I think Dan and the staff are convinced that in this
8 budget, it goes forward in this form and where it is being
9 that we are better off in the form that it is in right
10 now.
11 THE CHAIRMAN: I think that one of the things that we
12 talked about in the September board meeting, we adopted
13 the position, I believe for this budget and I think I just
14 wanted to report the statement that I made at that time.
15 One of the principles that we adopted had to do with
16 increasing client involvement and I said that I would like
17 to see it displayed in the budget forms and I just don't
18 see what it would have to have to display there as a
19 separate item for client advocacy.
20 BOARD CHAIRMAN: I guess all that we are doing is either
21 going up or down and as the board decides to go ahead, but
22 it goes forward as the staff, particularly the president,
23 has indicated as that they do that it would mean. If
24 would not be politically, at least on a conventional basis
25 that's even though it would be very unhelpful and I

1 think very reassuring to a certain of the legal services
 2 constituencies and I guess that since I agree with Mickey
 3 that there is a consensus on the board for us to begin
 4 experimenting or modeling or supporting or however we want
 5 to talk about client advocacy efforts in a variety of ways.
 6 I think that I have had to bow to the judgment of the
 7 president that it would not be appropriate for us to do
 8 that in a way other than through the narrative explanation
 9 of the budget which describes in some detail the variety
 10 of sorts of activities that can or will be undertaken.
 11 You know, of course, we can disagree with that judgment
 12 and force it on the president and tell him to do what he
 13 can, but I know that there has been a certain amount of
 14 questioning already directed toward him and -- by Mary
 15 Burdett about some of these new-fangled ideas that they
 16 hear coming from the Legal Services Corporation and I
 17 think that although they seem very sensible to us, they
 18 are very new and have to be presented perhaps more in a
 19 delicate way than we would prefer. But that is again
 20 what Dan says is judgment call.

21 Any other Board member comments?

22 Dan, do you want to add anything?

23 MR. BRADLEY: I am certainly -- by my statement I
 24 feel my position and correct me if I am wrong, as a way to
 25 accomplish what we are concerned about, dealing with the

1 think very reasonable in a certain of the local services
 2 could transfer and I guess that's what I agree with Wiley
 3 that there is a consensus on the board for us to begin
 4 experimenting on models of an approach or however we want
 5 to call about different ways of efforts in a variety of ways
 6 I think that I would like to see the impact of the
 7 president that it would not be appropriate for us to do
 8 that in any other than through the narrative explanation
 9 of the budget which describes in some detail the variety
 10 of kinds of activities that we will be undertaking
 11 you know, of course, we can disagree with that judgment
 12 and force is on the president and tell him to do what he
 13 can, but I know that there has been a certain amount of
 14 questioning already directed toward him and -- by many
 15 people about some of these new-fangled ideas that they
 16 have coming from the local business community and I
 17 think that although they are very sensitive to us, they
 18 are going to have to be presented perhaps in a
 19 different way than we would prefer, but that is again
 20 what you are judgment call.
 21 Any other board member comments?
 22 Dan, do you want to add anything?
 23 MR. BARNETT: I am certainly -- by my statement I
 24 feel my position and would be like in words, as a way to
 25 accomplish what we are concerned about, dealing with the

1 realities with which we have to present this budget, within
2 this budget, explain this budget and hopefully sell 2 very
3 very important Members of Congress of what we are trying
4 to do. I think and I would like to have the opportunity
5 to see if we can do it, I think if you will permit me I
6 can work with FCC and prove, as we have been doing, certain-
7 ly invite and welcome Bernie to be with us as well when we
8 intend to do that. I think that the narrative explanation
9 for that multi-million dollar item can be very craftily
10 written, stated very, very clearly in terms of the concerns
11 that each us have at this table and in this room today,
12 but in a way that still makes it possible for me to deal
13 with the realities of trying to present the budget and
14 lobby the budget through Congress and through OMB. Again,
15 that is my judgment. Maybe I am wrong, but my visit to
16 the "Hill" certainly some of the comments that are not
17 important for me to share right now -- is that if we
18 incorporate the concepts and concerns that all of us have
19 and I know there is a majority vote on this Board, this
20 majority I hope on my staff and I would hope in this room
21 that we need to express and put, as Revius would say,
22 Put your money where your mouth is.

23 I think we can do that. I think we have the capability
24 of this, incorporating in the narrative explanation and
25 verbal testimony to the 2 committees working closely with

within which we have to present this budget, within
 this budget, within this budget and hopefully only 3 way
 very important members of Congress of what we are trying
 to do. I think and I would like to have the opportunity
 to see if we can do it. I think if you will permit me
 to say with respect and grace, as we have known history, certainly
 to have and we have known to be with us as well when we
 intend to do that. I think that the narrative explanation
 for that will allow dollar item can be very quickly
 verified, stated very, very clearly in terms of the concerns
 that each of us have at that table and in this room today,
 but in a way that still allows it possible for me to deal
 with the realities of trying to present the budget and
 lobby the budget through Congress and through OMB. Again,
 that is my judgment. Maybe I am wrong, but my visit to
 the Hill certainly - some of the comments that are not
 important for me to state right now - is that it is
 important for the Congress and concerns that all of us have
 and I now there is a majority vote on this floor, this
 majority I hope on my staff and I would hope in this room
 that we need to examine and put, as Reubin would say,
 put your money where your mouth is.
 I think we can do that. I think we have the capability
 of that cooperation in the narrative explanation and
 verbal testimony to the Committee working closely with

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1 FCC, PAG, working closely with Bernie and his staff and
2 making sure that we incorporate the essence of what we are
3 talking about -- as my friend Mr. Kutak would say, The essence
4 of what it is that we are all about.

5 And I think we can do that without quite frankly --
6 I can't say any more candidly, it is my judgment, if we
7 line item in, put it on a sore thumb, it is going to very,
8 very hard for me to deal with certain people in trying to
9 sell them to say: We support that just as your Board
10 supports that.

11 I think we can do that in the context of a 10 or 15
12 or 20 million dollar appropriation and practically, Mickie's
13 point, when you come back again next spring or in the
14 summer and divide up our appropriation, then is the time
15 to put our money where our mouth is.

16 MR. KANTOR: Even-Steven.

17 MADAME CHAIRMAN: Any further comments? Is there any
18 question?

19 MR. GRESIMAN: My name is Don Greisman. I am Executive
20 Director of the Sacramento program which covered some of
21 our county's new merger and expansion and is applied to
22 expanding in a number of unserved counties in the State of
23 California. Our program very briefly: Our program is not
24 one that is isolated from a lot of things that you are dis-
25 cussing in this budget. One of our staff members provides

and working closely with Harris and his staff and making sure that we incorporate the essence of what we are talking about - as my friend Mr. Kitch would say, the essence of what it is that we are all about.

And I think we can do that without getting terribly - I can't say any more candidly, it is my judgment, it will line them in, put it on a scale, it is going to vary, very hard for me to deal with certain people in trying to sell them to say - We suggest that just as your Board suggests that.

I think we can do that in the context of a 10 or 15 or 20 million dollar appropriation and especially, think of point when you have had certain work going on in the manner and divide up our responsibilities, that is the time to put our money where our mouth is.

MR. KATZ: I would like to ask you whether concepts in these areas are questions.

MR. GREENMAN: My name is Don Greenman. I am Executive Director of the Bureau of Economic Analysis which covers some of our country's new money and expansion and is applied to expanding the number of services offered in the State of California, the program very briefly. Our program is not one that is based on a lot of things that you are discussing in the budget. One of our staff members provides

1 technical assistance to another program. In terms of
 2 priorities we have three staff members who provide training
 3 through corporation dollars and the Board member who provides
 4 training in terms of client training. Our president is
 5 actively involved in Clients' Counsel both at the state and
 6 regional level and also is secretary-treasurer of the PAG.
 7 So, we are programmed to try to get our technique also
 8 everywhere possible in terms of this preparation. And I
 9 have a couple of concerns in terms of the budget and some
 10 of the words you have been bandied around and I don't know
 11 whether I am calling the king undressed or not, but I sure
 12 as hell would like to know what you mean by "minimum access."

13 The last time I heard minimum access was 2-fold. One
 14 was two lawyers for every 10,000 people and minimum access
 15 was coverage in every single county in this country. The
 16 first one is a fiction if that is the one we are still re-
 17 ferring to.

18 In our program, we have 1 lawyer for every 12,000
 19 clients. That is with all the increase of money. That is
 20 still salaries that are not comparable to what is paid by
 21 the State; not comparable to what is paid by the county;
 22 not comparable to what is paid in the Bay Area. So, we have
 23 a hard time recruiting, especially minority and especially
 24 black attorneys to lay it out, but we got these problems
 25 because the budget doesn't continually address our needs

1 technical assistance to another country in form of
 2 guidelines we have three staff members who provide training
 3 through correspondence courses and the Board member who provides
 4 training in terms of client training. Our president is
 5 actively involved in United Nations work at the state and
 6 regional level and also in association of the WHO.
 7 So, we are prepared to try to get our technology also
 8 everywhere possible in terms of this preparation. And I
 9 have a couple of concepts in terms of the budget and some
 10 of the ways you have been bandied around and I don't know
 11 whether I am calling the king ungrateful or not, but I sure
 12 as hell would like to know what you mean by "minimum access."
 13 The last time I heard minimum access was 2-fold. One
 14 was two lawyers for every 10,000 people and minimum access
 15 was coverage in every single county in this country. The
 16 first one is a fiction if that is the one we are still re-
 17 ferring to.
 18 In our program, we have 1 lawyer for every 13,000
 19 citizens. That is with all the increase of money. What is
 20 still salaries that are not comparable to what is paid by
 21 the state; not comparable to what is paid by the country;
 22 not comparable to what is paid in the Bay Area. So, we have
 23 a hard time recruiting, especially minority and especially
 24 black attorneys to pay it out, but we got those problems
 25 because the higher doesn't continually address our needs

1 and the amount of monies that PAG has suggested. You should
2 have asked for it. For one field person is even too little.
3 Then at the inflationary rate of 13% that PAG is talking
4 about has got nothing of the fact of the 5-year lease ending
5 in 1980 and facing a one hundred percent increase in rental,
6 not 13%. These are factors also that seems to me have got
7 to weigh heavily in terms of your consideration; where you
8 are going to get the biggest bang for the buck as Bruce
9 has put it.

10 I got these concerns because I don't think we are
11 ever going to have this minimum access of these two attorneys
12 for every 10,000 clients, and maybe you understand that, but
13 I don't know. I only have met with you once before at the
14 Coronado in San Diego and here. I have got problems in
15 terms of that, and I hope, you know, that Bernie and Dan
16 can help tell me what they mean by those words when we use
17 them because they are not meaning what was promised to
18 Congress a few years ago, that minimum access would be meant
19 to have 2 lawyers for every 10,000 people.

20 It does seem to me that greater involvement of clients
21 in terms of the access of legal services is clearly something
22 that is necessary whether the wind is blowing toward the
23 fact that we are going to work ourselves out of a job sooner
24 than we thought. It is clear that the one area that has got
25 to be increased is the involvement of clients in delivering

and the amount of money that WAG has requested. You should
have asked for it. For one thing, a person is even too little.

Then at the beginning of 1988 that was talking
about has got nothing of the fact of the year less ending
in 1989 and facing a one hundred percent increase in rental,
not 178. There are factors also that seem to me have got
to weigh heavily in terms of your considerations; where you
are going to get the biggest bang for the buck as much

as you can.

I got these concerns because I don't think we are
ever going to have this minimum access of these two attorneys

for every 10,000 clients, and maybe you understand that, but
I don't know. I only have met with you once before at the

conference in San Diego and here. I have not worked in
terms of that, and a copy you know, that terms and the

can help tell me when they mean by those words when we are
that because they are not meeting what was promised to

concern a few years ago, that minimum access would be meant
to have \$ face for every 10,000 people.

It does seem to me that greater involvement of clients
in terms of the means of legal services is clearly something

that is necessary whether the word is being toward the
fact that we are going to work ourselves out of a job sooner

than we thought. It is clear that the one of that has got
to be involved in the involvement of clients in delivering

1 legal services to poor people. Whether or not that can also
 2 include a number of dreams that a lot of us out here carry --
 3 just for the last couple of days, the California programs
 4 through their administrators have been listening and learn-
 5 ing about work process and computerization and we were left
 6 hungry for the equipment to start battle against the
 7 District Attorneys and the County Counsel that have also
 8 got that same kind of equipment. We don't have the expertise
 9 or we don't have the knowledge but from what we hear from
 10 a person who not just counsels the government agency but
 11 also the private law firms, it is something that is happening
 12 in large and small law firms and that availability of good
 13 word processing and good computers can assist.

14 We also have required of us, that we have priorities
 15 and out of those priorities you and the Corporation are re-
 16 quiring that we have work plans. And that at least to some
 17 degree those work plans be out in evidence with the clients
 18 and in evidence with our opponents.

19 The development of work plans also takes time and they
 20 are also draining in some sense from that service to clients.
 21 On the other hand, they are exposing and they should expose
 22 the kind of ability to Clients' Counsel, but again the
 23 technology could assist us in spending less time filling
 24 them out and measuring them by use of word processors and
 25 computers, but I further indicate to you that yes, Technical

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...of services to poor people. Whether or not that can also
include a number of things that a lot of us have done
just for the last couple of days, the California program
through their administration has been listening and learn-
ing about work process and competition and we were left
hungry for the equipment to start battle against the
District Attorney and the County Council that have also
not that same kind of equipment. We don't have the exper-
tise or we don't have the knowledge but from what we hear from
a person who has just come to the government agency but
also the private law firm, it is something that is happening
in large and small law firms and that availability of good
work processes and good computers can assist.

We also have required of us that we have particu-
larly out of those priorities you and the Corporation are re-
quired that we have work plans. And that at least to some
degree those work plans be out in evidence with the clients
and in evidence with our associates.

The development of work plans also takes time and they
are also obtained in some sense from that service to clients
on the other hand, they are existing and they should expose
the kind of ability to District Council, but again the
technology could assist in coming to law firms and
then out and reaching them by use of word processors and
computers, but I further indicate to you that your technical

1 Assistance should be increased and here I would have to
2 break with Ruth.

3 I believe our program has benefited from Technical
4 Assistance in the development of Clients' Counsel and in
5 a number of other areas. I would hope there would be an
6 increase in money for technical assistance in the delivery
7 systems. We, as a program, you, as a corporation, are
8 facing new modes and methods of reaching rural communities.
9 And from what I hear the traditional outreach and satellite
10 offices are no longer functioning in rural areas and new
11 approaches have got to be developed and in that sense when
12 some program has learned a new technique, that technical
13 assistance has got to be shared with other programs. I
14 would hope also that some of the things that the Corporation
15 staff is doing in terms of planning, you would push back on
16 the local programs. I would hope that the planning process
17 that you go through or are about to go through if you are
18 not going through it now, would come back to us so that we
19 can do some planning for the future. We have to plan in
20 terms of having fewer staff; fewer capabilities in address-
21 ing things. We are basically programs who exercise the
22 word "no" far more frequently than the word "yes". It is
23 difficult on staff; it is difficult on you, I am sure as
24 you face the fact that only one out of seven people that
25 need us this year are going to be served, that only 15% of

1 Assistance should be furnished and here I would have to

2 break with him

3 I believe our program has benefited from technical

4 assistance in the development of U-2's' ground and in

5 a number of other areas. I would hope there would be an

6 increase in money for technical assistance in the delivery

7 systems, but as a program, you, as a corporation, you

8 finding new modes and methods of conducting such commercial

9 activities has been the traditional outgrowth and result of

10 offices and no longer functioning in rural areas and now

11 approaches have got to be developed and in that sense when

12 some program has learned a new technique, that technical

13 assistance has got to be shared with other programs. I

14 would hope also that some of the things that the corporation

15 still is doing in terms of planning, you would want to do

16 the long program. I would hope that the planning program

17 that you do through or are about to do through if you are

18 not doing through it now, would come back to us so that we

19 can do some planning for the future. We have to plan for

20 years of having fewer staff, fewer capabilities in addition

21 to the things we are presently doing and we would like

22 to have more people than the "now" and "then" that we

23 have at the moment. It is difficult to get a program as

24 you face the fact that only one out of seven people that

25 need in this world are going to be saved, that only 100 of

1 all the clients that need us this year are going to find a
2 lawyer with Legal Services. How do we best utilize our
3 resources in that this budget has got to address?

4 One final issue which is extremely selfish and very
5 localized in California but I don't know whether you know
6 it -- you shortchange us and you also require us to spend
7 that shortchange. It is very interesting that here in
8 California we are not funded for people who receive SSI.
9 All the Supplemental Security Income people, the elderly
10 and the handicapped in this state are not part of our
11 funding base because those persons are above the 125% of
12 the poverty level. If they are an exception, and out to
13 be an exception to the process by which we serve them so
14 that when Mary Burdett (phonetic) and her crew come to
15 our program along with Evergreen and others this past
16 year, studying for you, access of the elderly and the
17 handicapped, I am sure Allen Houseman (phonetic) will have
18 in the report that California is not funded for those
19 hundreds of thousands of handicapped and elderly clients
20 that we serve day in and day out and we would like that
21 money.

22 Thank you.

23 MADAME CHAIRMAN: Steve?

24 MR. ENGELBERG: I would like to, in all the comments
25 that have been made, move adoption of the 1981 budget as

1 All the things that need to be done are going to have to
 2 be done with local government. How do we deal with that?
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1 proposed by the staff.

2 MADAME CHAIRMAN: Is there a second?

3 MR. KANTOR: I second it.

4 MADAME CHAIRMAN: It has moved and seconded that we
5 accept the 1981 budget as proposed by the Staff subject to
6 the kinds of narrative and other operating budgetary revisions
7 that can be made at a later date, I assume, if it is the
8 way the Board feels.

9 MR. MCCALPIN: I assume we are accepting this for the
10 purpose of providing a base for the presentation to the
11 Congress and the appropriation hearings, that we are not
12 accepting it as an operating document?

13 MADAME CHAIRMAN: That is exactly right. Right.
14 Any further comments?

15 (No response)

16 MADAME CHAIRMAN: All those in favor signify by saying
17 "Aye".

18 MR. TRUDELL: Aye.

19 MS. ESQUER: Aye.

20 MR. KANTOR: Aye.

21 MR. ENGELBERG: Aye.

22 MR. BRADLEY: Aye.

23 MR. ORTIQUE: Aye.

24 MR. SACKS: Aye.

25 MS. SHUMP: Aye.

presented by the staff.

MR. WATSON: In these 2 records?

MR. WATSON: I second it.

MR. WATSON: I have moved and seconded that we

accept the FBI report as proposed by the staff subject to

the kind of narrative and other operating budgetary revisions

that can be made at a later date, I second it as the

way the Board feels.

MR. ROBERTS: I assume we are accepting this for the

purpose of providing a base for the presentation to the

Commission and the opposition hearings, that we are not

accepting it as an operating document?

MR. WATSON: That is exactly right, right.

Any further comments?

(No response)

MR. WATSON: All those in favor signify by saying

"Aye."

MR. WATSON: Aye.

1 MR. MCCALPIN: Aye.

2 MS. WORTHY: Aye.

3 MADAME CHAIRMAN: All those opposed?

4 (No response).

5 MADAME CHAIRMAN: Mr. Engleberg, do you have any
6 further matters to discuss?

7 MR. ENGELBERG: Yes, I would like to turn now to the
8 last item on my agenda which is the allocation of one-
9 time funds during fiscal year 1980 and I would ask you to
10 turn -- I assume everyone has got the Board book -- I
11 would like you to turn to page -- the table on page 30 which
12 is 52(a) which outlines the numbers which were approved by
13 the Committee at its meeting in November.

14 Let me just quickly -- again, there were many Board
15 members -- I think Revius, Ramona and Josephine weren't
16 there, but other than that, everyone else was there. A
17 few of you were missing. Let me just quickly sum up the
18 debate.

19 I think essentially there was basically that the Staff
20 had made proposals that half the money and a bunch of options
21 considered -- it was a very extensive debate on it. We
22 ended up making some changes in the Staff recommendation.
23 I think two principle issues were, without rehashing them,
24 were eliminated, I think, \$350,000 that the Staff recommended
25 we spend for planning and also eliminated \$250 -- I think

MR. WOODWARD: Yes.

MR. WOODWARD: Yes.

MR. WOODWARD: All those opposed?

(No response)

MR. WOODWARD: The majority do you have any

other questions?

MR. WOODWARD: Yes, I would like to turn now to the

last item on my agenda which is the election of one

of the judges during the term 1980 and I would ask you to

turn to the item on your agenda for the next item.

would like you to turn to page 10 the table on page 10 which

is 22(a) which outlines the answers which were approved by

the Committee at its meeting in November.

Just to put quickly -- saying there were any

changes -- I think that's correct and desirable.

There, just other than that, everyone else was there. A

few of you were absent, but we just quickly sum up the

debate.

I think essentially there was mainly that the staff

had made proposals that with the going and a bunch of options

was made -- it was a very extensive debate on it. We

ended up with some changes in the staff recommendations.

I think the principal changes were, without detailing them

very detailed. I think, 1980, and that the staff recommended

we spend for training and also eliminated \$250 -- I think

1 that was also recommended for the proposal -- I'm sorry,
 2 for the technological improvement, the reasons for elimina-
 3 ting planning money. I think simply a feeling on the Board's
 4 part -- Committee's part rather, that we want to kind of
 5 go at this in a more deliberative way, not really sure how
 6 we want to do the planning. The reason for, as far as I
 7 was concerned, for eliminating the technological improvement
 8 money was we were concerned about the rationale for the given --
 9 given the original proposal to spend \$850 and suddenly that
 10 got shifted down to \$300 or 350. In any event, items on
 11 table 52(a) basically does represent what the Committee
 12 did vote on and approve as a recommendation to the full
 13 Board.

14 Now, Madame Chairman, I would like -- I have a motion
 15 which I would like to make and it might take a couple of
 16 minutes and I think I have discussed at least with most of
 17 the people on the Board before. It has to do with the pro
 18 bono effort as there was a fairly extensive debate on the
 19 whole pro bono question which was really raised by one
 20 disappointed program by a CLO in New York. I think the
 21 Committee made it clear that it was not going to overrule
 22 the decision by the staff because it was satisfied to the
 23 Board that it was satisfied that the policy -- Board's
 24 policies had been followed. However, I personally out of
 25 that debate started thinking about it, about the notion

1 of several things -- one that I considered to be of extreme
2 importance of the Corporation supporting the pro bono
3 activities and secondly, the notion of a matching fund basis
4 which I am not sure we have ever really done in the past.
5 And I have talked to Mr. Bradley and other members of the
6 Corporation's staff and essentially what I would like to
7 propose and I would put it in a form of a formal motion --
8 outline it briefly first.

9 What I would like to propose as part of our considera-
10 tion, one-time money because it relates to that, that we
11 allocate a total on a match basis of \$500,000 for pro bono
12 activities; of that \$200,000 will be out of the F.Y. '79
13 unexpended funds that is contained in the table that was
14 voted on by the Committee and an additional \$300,000 will
15 come out of the Investment Income which, of course, is not
16 refunded.

17 Essentially, and I can go into more detail during the
18 discussion, but essentially what I would propose is that the
19 money be awarded to grantees on a one-time experimental
20 basis under a 50-50 cash match and I mean cash -- hard
21 dollars, not, you know- space of equipment or anything
22 else , with local non-governmental, non-corporation funds
23 as the match. That the bulk of the money be used to seek
24 new pro bono projects although some of it could go to
25 existing funds, that Legal Services Program and State and

1 local Bar Associations will be given a preference that the
2 grants would be for a period not to exceed 12 months and
3 that the -- basically at the end of that period, that the
4 Staff would report back to the Board concerning the experi-
5 ment itself and containing recommendations for additional
6 corporation support for pro bono activities. I will be
7 glad to speak to that.

8 MADAME CHAIRMAN: Basically, Steve, you've got two
9 motions: You've got the Committee motions and the alloca-
10 tion of 1981?

11 MR. ENGLEBERG: I haven't made any motion yet. I was
12 just trying to explain what I worked on, not --

13 MADAME CHAIRMAN: Okay, those are two different issues.
14 One is the adoption of the 1980 one-time allocation as
15 proposed by the Committee. The second is that in addition
16 to the pro bono money that is put forth in the Committee
17 recommendation, you personally would move that Investment
18 Income supplement that \$300,000?

19 MR. ENGLEBERG: That's right, and I suppose --

20 MADAME CHAIRMAN: Why don't we take it one at a time?

21 MR. BRADLEY: May I just explain one thing.

22 Steve, I am sorry if we displayed in a such a way that
23 might confuse the Committee, the three items on page 52(a)
24 that this Board, if the Committee in its August meeting and
25 this Board at your September meeting previously approved and

1 local war Associations will be given a preference that the
2 grants would be for a period not to exceed 12 months and
3 that the preference at the end of that period, that the
4 Board would report back to the Board concerning the experi-
5 ment itself and containing recommendations for additional
6 corporation support for the same activities. I will be
7 glad to speak to that.

8 MRS. BROWN: Thank you, Madam. Now, you've got two
9 motions. You've got the resolution motions and the motion
10 from Mr. BROWN.

11 THE CHAIRMAN: I haven't made any motion yet. I was
12 just trying to explain what I wanted to do.

13 MRS. BROWN: Okay, those are two different motions.
14 One is the motion of the Board and the other is
15 proposed by the Committee. The second is that in addition
16 to the grant money that is put forth in the Committee
17 recommendation, you personally would have that investment
18 factor investment that \$100,000.

19 MR. BROWN: Well, I think, and I suppose --
20 MRS. BROWN: They don't we take it one at a time?
21 MR. BROWN: Yes, I just explain one thing.
22 If we, I am sorry if we displayed in a way that
23 right before the Committee, the three items on page 22(a)
24 that this money, if the Committee in its final meeting and
25 this Board of some \$100,000 would personally approved and

1 that is -- and there are three of them, the one percent
2 basic grants, the 2.4 million dollars to be approved in
3 September. The second was the Legal Services Institute to
4 include -- you approved -- I am not suggesting you can't
5 revisit, I am just pointing that out. The third item that
6 you approved at that time was the \$300,000 and the Committee
7 meeting in November, the other items that I did not make
8 reference to, were the ones that the Committee debated on
9 discussed, and decided upon. I hope that I didn't confuse
10 it, but it is all in there together.

11 MADAME CHAIRMAN: I would suggest that we take what is
12 displayed here to this sheet first and move on to your
13 other motion later.

14 MR. ENGLEBERG: I will go ahead and just for the -- in
15 order to move the discussion along, I will move again this
16 was -- I wanted to emphasize for what it is worth, this
17 issue, one-time money issue was very thoroughly debated by
18 the Committee and there was a lot of thought given --
19 frankly, a lot of giving and taking and changes, obviously
20 the Board can reject what the Committee did as opposed to
21 the 1981 budget where we deliberately reached no decisions.
22 This one was very thoroughly thrashed out. I am talking about
23 the presentation you see on page 52(a), not my second
24 motion about pro bono, that is somewhat of a new avenue.

25 In any event, I will move adoption of the allocation of

and there are three of them, the one percent
 basic principle, the 2.5 million dollars to be approved in
 December. The record was the usual historical institution to
 be approved - you approved - I was not approving you can't
 review. I am just pointing that out. The idea is that
 you approved at that time for \$300,000 and the Commission
 meeting in November, the other items that I did not make
 reference to, were the ones that the Commission debated and
 discussed, and decided upon. I hope that I didn't confuse
 it, but it is all in there together.

CHAIRMAN: I would suggest that we take what is
 displayed here to the staff first and move on to your
 other motion later.

MR. WHEELER: I will second and move for the
 order to have the Commission stand, I will move with this
 was - I wanted to emphasize for what it is worth, this
 item, and also every item was very thoroughly debated by
 the Commission and there was a lot of thoughtful discussion
 frankly, a lot of giving and taking and generally, especially
 the Board on report what the Commission had an opinion to
 the 1981 budget, where we deliberately reached no decision.
 This one was very thoroughly debated out, I am talking about
 the presentation you see on page 28 (a), and my second
 motion about one item, that is composed of a few items.
 In any event, I will move subject of the discussion of

1 the 1980 one-time funds among the lines of the table on
2 page 52(a) of the Board book.

3 MS. ESQUER: I second it.

4 MADAME CHAIRMAN: The motion has been made and seconded.
5 Is there any discussion?

6 Bruce and then Bernie.

7 MR. MORRISON: I take it that it what the floor rate
8 now is, not what Steve is going to talk about?

9 MADAME CHAIRMAN: Only what is on 52(a).

10 MR. MORRISON: Okay. Very briefly. I think you ought
11 to make across the board, one percent, whatever it takes to
12 to that. I think it is bad marketing to give people 0.99
13 percent just for the -- what it looks like, field programs
14 will appreciate another 1 percent a little bit more. It
15 is only \$16,000 so I recommend you do that. I think that
16 you must --

17 MR. ENGLEBERG: Call it two percent.

18 MR. MORRISON: Make it -- we all can do our multiplica-
19 tion. In any case there is an item that was deleted from
20 the original staff recommendation and in the Board book,
21 there is -- staff does not recommend anything to the full
22 Board, but it is a deletion that I think was a mistake and
23 that I think it needs to be talked about and that was
24 this deletion of any funds in terms of planning for the
25 future. PAG took a very strong position that the vast

The 1980 one-time funds among the items of the table on

page 17 (b) of the Board book.

MR. WHELAN: A record of

THE BOARD CHAIRMAN: This motion has been made and seconded.

Is there any discussion?

None, and then motion.

MR. WHELAN: I take it that is what the Board vote

now is, not what I have in mind to talk about?

THE BOARD CHAIRMAN: Only what is on 22 (a).

MR. WHELAN: Okay, very briefly, I think you ought

to take across the board, one percent, whatever it takes to

to that. I think it is not making to give people 0.99

percent just for the - what it looks like, field programs

will appreciate another 1 percent a little bit more. It

is only \$25,000 or 1 cent more you do that. I think that

you would -

MR. WHELAN: Call it two percent.

MR. WHELAN: There it - we all can do our motion

then. In any case there is an item that was deleted from

the original staff recommendation and in the Board book,

there is - that's done and removed nothing to the full

Board, and it is a deletion that I think was a mistake and

that I think it needs to be talked about and that was

the deletion of any funds in terms of planning for the

future. The Board is very strong position that the vote

1 majority of the funds available on a one-time basis needed
2 to go to field programs to try to address the problems of
3 inflation, but one thing -- actually, two things other than
4 that which had top priority; one was the funding of
5 the Census Advocacy Effort which has been recommended.
6 The other was the putting of a substantial sum of money,
7 \$350,000 was the amount that was budgeted, you could argue
8 about the amount, but the concept is extremely important.

9 Dan talked about this -- about 1981 as a transitional
10 year. People in the field do not want 1981 to be the first
11 transitional year of 2 or 3 or 4 or 5 like the transitional
12 years from 1970 to 1975 while we languished and we didn't
13 grow and we didn't keep up with inflation and the like. We
14 are already behind in planning for the future. We should
15 have right now a funding philosophy for the 1980's which
16 we don't have because we sat on our minimum access cans
17 for the last three or four years and now we are at the end
18 and now it is all over and the engine which drove those
19 large increases is gone. Perhaps those of us in the field
20 feel it more acutely because we are the ones who are turning
21 down those six out of seven or seven out of eight clients
22 who come to the offices for services. We can't escape the
23 fact that we are not coming anywhere near meeting the legal
24 needs of poor people even if we use the totally inadequate
25 definition of "poor people" derived from the 1970 census.

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1 If you add the statutory language about being unable to
2 afford legal counsel, the numbers explode beyond recognition.
3 The point is that we have to get down to that business of
4 planning for the future at once. We cannot wait until
5 1982.

6 Now, I know that there is going to be discussion about
7 the Board involving itself in some kind of retreat in some
8 types of planning. I know there is a feeling on the Board
9 that we have had enough studies and we need to get down to
10 making decisions. There needs to be the money available
11 in 1980 to act on what you learn when you sit down together
12 and talk about the future. Those of us who have done that
13 involves people from the field and from the staff of the
14 corporation in a conscientious way over the past six to
15 nine months are convinced and we believe you all can be
16 convinced also. We don't know all the answers and there
17 are questions that will have to be studied. Right now we
18 have tried to put together a field staff task force which
19 I am sure will be called upon to prepare background materials
20 and make presentations to you when you sit down and make
21 these decisions. All of this takes money and I think the
22 cutting of planning for the future out of the budget is
23 a serious mistake and some allocation of money, whether it
24 comes from this or comes from the Investment Income, ought
25 to be made at this time as a statement that the Board under-

1 stands that we can't sit with minimum access for another
2 year.

3 One further point that I would like to make on a per-
4 sonnel level, this is not anything that is considered by
5 the FCC or PAG, but it seems imperative in the light of
6 what you have done for 1981 and that is that you have
7 voted to ask Congress at least for money to spend, 2.65
8 million dollars on technological improvements. You have
9 voted to spend no money in 1980. You don't have anyone
10 in the Corporation who was prepared to do the kind of back-
11 ground work which will mean if you put a substantial amount
12 of money in 1981, the background would have been done in
13 1980. The work on technological improvements are right
14 now being done by two people: Allan Houseman (phonetic)
15 and his staff in a way that over-extends them and means
16 that the job that is being done in that area is not adequate.
17 If you really want to spend 2.65 million dollars in 1981,
18 then you have to put together a small amount of money whether
19 it is \$30,000, whatever it is, to put on somebody in the
20 Corporation who is going to spend this year preparing for
21 1981 and learning what we have now. Perhaps that can be
22 found elsewhere but I think it is just a matter of good
23 planning. You ought not to not spend it if you are going
24 to spend it later.

25 MADAME CHAIRMAN: Thank you.

...with minimum income for another

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...I would like to make on a per-

...that is not *novel* that is considered by

...in the list of

...what you have done for that is that you have

...to get things at least for money to spend, \$1.5

...million dollars on technological investments. You have

...to spend no more than \$100. You don't have anyone

...in the corporation who was expected to do a kind of book-

...amount which will mean if you put a substantial amount

...of money in 1981, the program would have been done in

...1981. The work on technological investments are right

...now being done by two entities. William Rosenberg (phonetic)

...and his staff in a way that over-extends them and means

...that the job that is being done in that area is not adequate

...if you really want to spend 200 million dollars in 1981,

...then you have to get together a small amount of money whether

...it is \$30,000, whatever it is, to put on somebody in the

...Corporation who is going to spend this year preparing for

...1981 and thereafter and we have now. Perhaps that can be

...found elsewhere but I think it is just a matter of good

...planning. You ought not to not spend it if you are going

...to spend it later.

WALTER CHAMBERLAIN Thank you

1 Bernie?

2 MR.VENEY: I don't even know if I need to approach the
3 microphone. The national substantive coordination -- I am
4 not quite sure what it is that you are funding in this
5 particular area. I keep getting lost in this process and
6 I keep getting lost because I hear things like there has
7 been a whole state planning process in each state. How
8 groovy that has been, how well that has gone. How many
9 from the client community to program directors have been
10 involved and we have had all of this go on in the states
11 and suddenly we have got to reach for a national review
12 body to decide what, in fact, priorities should be in this
13 whole national support effort. I am just overwhelmed by
14 the fact that suddenly the Corporation has gone to taking
15 local control, local matters and making it a matter of
16 priority. How would you seem confused --

17 MR. ENGLEBERG: I don't think that it what it is for.

18 MR.VENEY: It says coordination.

19 MR. BRADLEY: Bernie, correct me, maybe we -- maybe
20 the semantics are wrong. I thought you were present at the
21 Committee meeting when we went into some great detail. This
22 is the issue. I think you were present in the meeting
23 room at the Albuquerque -- maybe not, but Allan, I thought
24 very effectively, very forcefully, simply and quickly stated
25 I mean, I thought he did a very good -- enumerated very

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2 MR. WARD: I don't even know if I need to approach the

3

4 not quite sure what it is that you are looking in this

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6 I know what you are looking for because I have things like there is

7 been a whole lot of things in our state. Now

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9 from the client community to present in doctors have been

10 involved and we have had all of this go on in the nation

11 and actually we have not to know how a national review

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1 specifically on page 32 of the Board book, you know, and I
2 know because we have talked about it. There is a specific
3 one-time national support need -- for instance, veterans
4 upcharge -- that discharge upgrades --

5 MR. VENEY: Dan, that is just the point, I am not sure
6 that that is anybody's priority. That priority came out
7 of the 1007H study, if and in fact the Corporation wants
8 to deal with that, it might use the alternative of going
9 back to the Congress to supplement the appropriation to
10 deal with --

11 MR. BRADLEY: Bernie, I am not arguing with you on the
12 merits, I am telling you that we have had -- I know the
13 senior staff -- I know there was extensive debate and
14 conversations and discussions on this with the FCC and, in
15 fact, Bruce can correct me, they voted this, if I can
16 characterize it as that, as one of their top priorities.
17 You know, that Congress just appropriated 1.3 billion dollars
18 to the Emergency Act and you know that CAS and the Department
19 of Energy are in the process right now of trying to get out
20 quickly 1.3 billion dollars before poor people freeze to
21 death in New Hampshire. Those types clearly identified as
22 one-time national vote supports needs that this \$300,000
23 was addressed.

24 MR. VENEY: Would you tell us what our role was, not
25 1.3 billion? If you can tell me what that is --

1 MADAME CHAIRMAN: That is what we are trying to find
2 out. That is the point as I see the --

3 MR. **VENEY**: Having thought very well, the consumer loss
4 center was in a major part responsible for the shape of
5 that legislation. They were responsible for the fact that
6 it came out in the way that it did and with the protections
7 and safeguards for low income people. I have no question
8 about the --

9 MR. BRADLEY: Look at some of this money.

10 MADAME CHAIRMAN: That is right. Let me interrupt.
11 I saw Mr. Janofsky and he -- I know he has been trying to
12 join us all day and I think it would be best for us to
13 greet him to say a few words to us.

14 If you would like to come forward, Mr. Janofsky, we
15 would be very happy to hear from you.

16 MR. JANOFSKY: I think I can make myself heard from
17 here.

18 Thank you very much, Dan and members of the Board
19 and friends of the Legal Services Corporation; I apologize
20 for not being here this morning. It wasn't that I wasn't
21 unmindful of the fact that I was supposed to be here, but
22 I had a press conference and I guess the representatives
23 of the ABA didn't have very much confidence in my ability
24 to handle it so they took more time than I anticipated to
25 prepared me for it. That is the reason why I am late.

MADAME CHAMBERLAIN: That is what we are trying to find

out. What is the point of it now then --

MR. WATKINS: Having thought very well, the common loss

of credit was in a major part responsible for the change of

that legislation. They were responsible for the fact that

it came out in the way that it did and with the production

and retention for low income people. I have no question

about that --

MR. BRANTLEY: Look at some of this money --

MADAME CHAMBERLAIN: What is right -- how do I know right?

I say Mr. Chamberlain and he -- I know he has been trying to

bring me all day and I think it would be best for me to

bring him to my own way of thinking --

I would like to come forward, Mr. Chamberlain, we

would be very happy to hear from you --

MR. CHAMBERLAIN: I think I can make myself heard from

here --

Thank you very much, Madam and members of the House

and friends of the Royal Canadian Corporation. I apologize

for not being here this morning. It wasn't that I wasn't

member of the fact that I was supposed to be here, but

I had a press conference and I guess the representatives

of the ABA didn't have very much confidence in my ability

to handle it so they took some time and I intended to

presented me for it. That is the reason why I am here.

1 All of you here know that the American Bar Association
2 has been vitally interested in the work of this group since
3 the time that Mr. Justice Powell was president of the
4 American Bar Association and I am just here to reaffirm to
5 all of you the strong and committed support of the ABA to
6 your requests for funding and also to your requests to
7 take off some of the inhibitions that have been -- and re-
8 strictions that have been placed on the activities that you
9 can engage in. And I want you to know if there is any way
10 at all that we and the American Bar Association can be
11 helpful that we want you to be free to call upon us. I am
12 sure that Bill here has and will in the future make **those**
13 views known to you, but it is a pleasure to be here and **to**
14 state the position of the American Bar Association directly
15 and publicly. I will be glad to answer any questions if
16 you have any.

17 MADAME CHAIRMAN: We appreciate very much your coming
18 and taking time out of your schedule to be with us and
19 many of us will stay for the next day or two to share in
20 the activities in consortium because there is some very
21 mutual concerns and interest. We welcome that.

22 MR. JANOFSKY: Thank you very much for the opportunity
23 to be with you.

24 (Applause.)

25 MADAME CHAIRMAN: Now, back to the family.

All of you here know that the American Bar Association
has been vitally interested in the work of this group since

the time that Mr. Justice Powell was a member of the
group and the Association and I've just here to mention to
all of you the strong and consistent support of the law to

your requests for funding and also to your requests to
take off some of the obligations that have been placed on
obligations that have been placed on the activities that you

can understand. And I want you to know it from in any way
at all that we and the American Bar Association can be

helpful that we want you to be there to help us. I am

and that will help you and will in the future make those

above know to you, but it is a pleasure to be here and to

take the position of the American Bar Association directly

and happily. I will be glad to answer any questions if

you have any.

WALTER CHALBRETH: We appreciate very much your coming

and taking time out of your schedule to be with us and

many of us will stay for the next day or two to share in

the activities in connection because there is more very

and our program and financial. We welcome that.

MRS. JAYBERRY: Thank you very much for the opportunity

to be with you.

(Applause)

WALTER CHALBRETH: Now, back to the family.

1 Bernie?

2 MR. BRADLEY: Bernie, I wish you would be talking to
3 my friend Allan.

4 MR. VEE: Allan and I had a discussion this morning
5 and we agreed to disagree. I think the point is made. I
6 think this Board ought to look at what, in fact, is meant
7 by National Substantive Coordination and the need for
8 coordination. The need for some definition at the national
9 level of issues that will be pointed to you. Allan has
10 been through an extensive review process and I will agree
11 he has come up with any number of issues that **need to be**
12 addressed if the available funds are available. I am not
13 sure within the complexity of the funds that have been
14 appropriated or being requested, that the funds are avail-
15 able.

16 And the next thing I suspect that everybody knows in
17 terms of the dues, that we have decided to pay to the
18 American Bar Association and I am both happy and sad that
19 the President has left.

20 I would like to pick up on something that I heard in
21 some remarks earlier in terms of what do we mean by "pro
22 bono"? What strictures are we going to put on pro bono
23 activities and why is it that we have gone from \$50,000 which
24 I thought was the original budget line to \$200,000 and now
25 this afternoon I find that we are at \$500,000. All right?

minutes

of patients who would be eligible for

the program

of the program

and we would like to see the program

of the program

1 We heard earlier -- you heard earlier from a number of
2 the pro bono projects the need to build in certain elements
3 into those pro bono projects. It is not simply starting
4 a pro bono project, it is making sure that there is support
5 and there is training and a number of other things which
6 Ester Larden (phonetic) and others who are running pro bono
7 projects under the Liberty system study told you, about all
8 those kinds of things, in fact, are going to be built into
9 this pro bono appropriation at whatever level.

10 The second question I would ask the Board to consider
11 is the question of -- given the effort of the consortium
12 over the next couple of days to look at whether or not
13 pro bono activities should be mandatory upon the -- whether
14 you want to make a decision about making a major contribu-
15 tion, but one of the ways that the pro bono group, the
16 consortium has looked at for meeting the mandatory obliga-
17 tion made, that may well be that some firms will contribute
18 money while other individuals contribute time. I want to
19 expand on the point that Ramona and Josephine made earlier
20 and I think when you talk about pro bono; who are you talk-
21 ing about? Are you talking about the sole practitioner,
22 the minority attorney, the attorney currently working in
23 low income areas? I suggest to you that they will not
24 fall into your definition of pro bono. They will not be
25 activated by your pro bono project despite the fact that

1 they are the people who know best how to deal with -- how
2 to help low income people. They are already working pro
3 bono because pro bono means "reduced fee". It don't mean
4 no charge, folks. We mean reduced charge. They are working
5 at reduced fees and they are working in a higher risk area
6 where their fees may not be paid. So, what we are saying,
7 without any elements of control, no standards for supervision,
8 no standards for quality control, no way to involve the
9 minorities and the low income folks, the sole practitioners
10 who may have just come out of legal services and now may
11 be setting up practice in low income communities who can
12 probably best serve low income people who are about to put
13 \$50,000 because we are only talking about the issues raised
14 on page 33, \$200,000 -- 52(a) -- I am sorry, we are talking
15 about \$200,000 and as soon as Steve gets to make his motion,
16 a half million dollars into uncontrolled activities at a
17 point in time when we are telling the programs to bite the
18 bullet. We are telling clients we may ha-e to shut down
19 access to some programs. It is not that much, but pro bono
20 is certainly not the answer.

21 I want to take just one more minute.

22 The movement of this Corporation toward pro bono --
23 without some assurances that the Congress would hold us
24 harmless, that they will not use the increases in a pro
25 bono activity to lower the level of funding is something I

1 they are the people who know how to deal with -- how
 2 to deal with low income people. They are already working for
 3 them to create a "middle class". It doesn't mean
 4 no money, folks. We mean reduced charges. They are working
 5 to reduce low and they are working in a fashion that even
 6 low income families can pay for. For what we are saying,
 7 reduction of earnings of control, no standards for regulation
 8 no standards for quality control, no way to involve the
 9 community and the low income folks, the self-organizers
 10 who are now just some sort of legal activities and how may
 11 be that the program in low income communities who are
 12 to reduce low income people who are about to get
 13 \$100,000 because we are only talking about the larger stated
 14 to pay it \$100,000 -- I am sorry, we are talking
 15 about \$100,000 and we need an above gain to take his action
 16 a half million dollars into underfunded activities as a
 17 total in time when we are telling the program to hit the
 18 bottom. We are talking clients we may have to shut down
 19 because to some programs. It is not that much, but you know
 20 it definitely not the answer.
 21 I want to take just a few minutes.
 22 The movement of this Commission towards one thing --
 23 without some assurance that the Congress would hold us
 24 harmless that they will not use the fact that it is a pro
 25 good activity to lower the level of funding for something.

1 think you need to look at very seriously. That has not been
2 addressed. There are no assurances from the Congress that
3 that will take place. We addressed it in our testimony
4 to the house oversight committee. I do not know that
5 Corporation has addressed that to proceed along a level of
6 funding pro bono activity so that you can show a sharp up-
7 curve in the graph without knowing that the Congress will
8 not then turn around and say, "Hey, folks, you are getting
9 x number of dollars in pro bono activity, therefore we will
10 reduce the funding by that amount," is, I think, something
11 you need to look at very closely.

12 MADAME CHAIRMAN: Any further comments or questions?

13 Ready to vote on the motion to adopt the allocation
14 of the 1980 one-time funds.

15 MS. HAMILTON: Just a minute. I want to ask one
16 question.

17 I want to know what input will the clients have in
18 this pro bono plan? It seems to give out -- what will they
19 I know the answer is none, I want you to tell me. Now, I
20 want to know; will we have control over the -- or what?
21 I just can't see -- I am tired of seeing you give money
22 and nobody have control over it and we have been saying;
23 don't mess up the deal, let it go to Congress, maybe the
24 clients look and will say, are we getting what we should or
25 do we need to talk to Congress to get what we should?

1 of you need to look at very actively. That has not been
 2 addressed. There are no answers from the Congress that
 3 that will take place. It addressed it in one testimony
 4 to the House Oversight Committee. I do not know that
 5 Corporation has addressed that to ground along a level of
 6 funding for some activity so that you can show a direct re-
 7 sponse in the report without knowing that the Congress will
 8 not take a stand and say, "hey, folks, you are getting
 9 a number of dollars in our foreign activity, therefore we will
 10 reduce the funding by that amount." I think, considering
 11 you need to look at very actively.
 12
 13 MARY GALETTI: Now in that context of national
 14 ready to vote on the motion to reject the resolution
 15 of the 1990 operating budget.
 16
 17 THE CHAIRMAN: That's correct. I want to ask one
 18 question.
 19
 20 I want to know what your bill the others have in
 21 this proposed plan. It seems to give out - what will they
 22 know the answer is what I want you to tell me now. I
 23 want to know, will we have control over the - or what
 24 I just want to know if you think of seeing you give money
 25 and nobody have control over it and we have been saying
 26 don't mess up the deal, let it go to Congress, maybe the
 27 others look and will say, even we getting what we should do
 28 do we need to talk to Congress to do what we should

1 I just need some input on what is going to happen.

2 MADAME CHAIRMAN: Well, I think it is appropriate for
3 you to address that since the Committee's discussion that
4 lead to this recommendation and envisioned that the President
5 would be making those decisions.

6 MR. BRADLEY: There is no -- Mary, some of the questions
7 that I think you are raising specifically is the issue that
8 Steve is going to talk about next, but the previous issue
9 about client involvement, you know and I know and we all
10 know for better or worse a lot of pro bono activity is going
11 on right now. Most of the pro bono activity, whether it
12 is a structured program and we have about 75 or 80 of our
13 programs that have something called a structured pro bono
14 program or if it is an unstructured program and there are
15 some pro bono programs that are not involved with us, they
16 are outside of Legal Services, but it is clear that the
17 pro bono activity that goes on in conjunction with and in
18 connection with our local programs, I mean, we would like
19 to think and Mary, you and I -- we know, but we would like
20 to think that that pro bono activity is, in fact, influenced
21 greatly by the local board which hopefully we would like to
22 think involves the client community. It is also true, I
23 mean, the Corporation is not unmindful of the fact that
24 some of those persons in the room today, it concerns us as
25 a matter of top priority of the Corporation that some of

I just want some input on what is going to happen
I think it is appropriate for
you to address that with the committee's decision in that
case to this recommendation and I would like to know
would be making those decisions
OK, I think you are asking specifically in the sense that
they go on to talk about that and the previous years
about what is going on, you know and I know and we will
know for the next year a lot of the good activity in doing
on that more. Most of the good activity, whether it
is a structured program and we have about 75 or 80 of our
programs that have been established a structure of the same
program of it is an unstructured program and there are
some good programs that are not involved with us, they
are outside of local levels, but it is about that the
program activity that goes on in conjunction with our
connection with our local programs, I mean we would like
to think and many, you and I, we know, but we would like
to think that that program activity in fact, I intended
specifically in the local level which probably we would like to
have involving the other community, it is also true, I
mean the connection is not essential of the fact that
some of those persons in the room today, it concerns an
a matter of the history of the connection that some of

1 pro bono programs that we have been funding under DSS do
 2 not, in fact, have client representation and we have now
 3 raised that point with them. We have had a major meeting
 4 at the highest levels of the Corporation involving our
 5 lawyers trying to address that issue because it seems to
 6 me, and I will be first to say so, if we are going to develop
 7 those pro bono programs and provide services to the client
 8 community, then if it makes sense, and I believe that it
 9 does, to have clients involved in our regular programs then
 10 it also makes sense, if not more so, than to have them in-
 11 volved in our pro bono programs. I would hope, depending
 12 on which this Board decides to do and what they instruct
 13 me to do, if I am given the staff responsibility of making
 14 decisions of this Board I will make sure that that is in-
 15 cluded and I will include what I can in good conscience
 16 and good faith to make sure that the clients participate in
 17 the allocation and management of those funds.

18 MARY: Then, you have just answered my question without
 19 even thinking about it. You are fixing to put out more money
 20 for pro bono, you don't know what is going on with the money
 21 that we already have. My problem is: How can you put more
 22 money out there without making sure the money you've got
 23 out there is producing?

24 MR. BRADLEY: Mary, I hope I didn't say that, maybe
 25 that was what I inferred. I do think that we do know what

1 is going on in pro bono programs now. It is true that the
 2 Delivery Systems study is a study and the results of that
 3 from the 4 factors that were being studied, we don't know
 4 that in terms that it is not on this table, but we do know
 5 it in terms of the staff. We do know that we have just
 6 gone through an exhaustive staff review process of those
 7 Delivery Systems studies and many of the pro bono programs
 8 were considered to be very effective, very efficient, very
 9 good delivery mechanisms for providing high quality legal
 10 services. And the client satisfaction aspect of those
 11 programs was unusually high for better or worse, so I can't
 12 say that that is the position of this Corporation, but that
 13 is some of the preliminary information that we had to find
 14 out before we made the decisions several weeks ago.

15 MADAME CHAIRMAN: Yes, Bill?

16 MR. MCCALPIN: Let me make a few remarks which will
 17 apply both to the items of the \$200,000 which is in the
 18 motion which is before us and which I won't repeat.
 19 When we may get to a subsequent motion and in a sense, I
 20 suppose, I ought to respond to some of the things which
 21 have been said.

22 First of all, the consortium in the next few days
 23 will not be addressing the question or certainly in any
 24 decision-making sense, whether each lawyer should have a
 25 pro bono obligation as part of his professional practice.

in going on in the home countries now. It is true that the
 collective systems which are a study and the results of that
 from the 4 countries which were not studied, we have to know
 that in fact that is not on this table, but we do know
 it a matter of the size. We do know that we have just
 come through an exhaustive study review program of those
 collective systems studies and many of the programs
 were found to be very relatively very different, very
 good delivery mechanisms for providing high quality health
 services. And the other nations report of those
 programs are generally high for better or worse, so I can't
 say that in the position of this transition, but that
 in some of the individuals' information that we have from
 one place we have the decision several weeks ago
 to have a study of the health care system which will
 study both to the extent of the \$200,000 which is the
 not on going to be done in the next few years.
 When we get to a significant point and in a sense I
 suppose I ought to respond to some of the things which
 have been said.
 First of all, the consensus in the next few days
 will not be addressing the question of security in any
 development and in some, whether each lawyer should have a
 and some attention as part of the professional person.

1 In terms of decision-making, that question is being
2 addressed by the Committee chaired by our Board member by
3 Mr. Kutak in terms of rewriting the rules or for the conduct
4 for the regulation of the profession and he indicated to
5 me a week ago today when I met with him that it was unlikely
6 that there would be included in the first publicized draft
7 of those rules which will be available in about February
8 or March, it is unlikely that there would be any mandatory
9 pro bono provision.

10 Secondly, it is my clear and firm understanding of
11 this \$200,000 item and the \$300,000 item that not one
12 dollar, not one dime will be used to pay any lawyer for
13 the provision of any legal services to any client. That
14 these funds will be used for the purpose of creating a
15 program under which the services will be rendered absolutely
16 without any compensation whatsoever. We are not talking
17 about Judicare; we are not talking about a discounted,
18 modified Judicare; we are not talking about a service
19 rendered absolutely for nothing and as Bernie said earlier
20 in connection with the proposed line item for Lay Advocacy,
21 let me echo it from another point of view.

22 It seems to me if there is to be any quantum advance-
23 ment in the number of clients to be served by the Legal
24 Service programs in the broad sense, in the foreseeable
25 future, it will be in either one or hopefully both of

1 two ways: One, it is the lay or pro se advocacy that
2 Bernie has described and the other is by involving lawyers
3 in providing more uncompensated service. Nobody can guaran-
4 tee you that this \$200,000 or the additional matching money
5 which would run to a million dollar program uncompensated
6 service, simply to get those programs created and operating,
7 I don't think anybody can guarantee you, at this point,
8 either that that program or the lay advocacy program will
9 do what we hope it will do, but it seems to me that these
10 represents our only two choices for a significant advance-
11 ment in the future. If we don't do it, it simply means that
12 we are foreclosing in one case or the other, the opportunity
13 for a substantial increase for the total number of clients
14 served in the resolution of their legal problems. I think
15 as it has been said that without a line item in the budget,
16 there is a substantial committment on the part of the Board
17 and the Corporation to proceed with \$10 million if that is
18 what becomes available to us in these funds in the 1981
19 fiscal year. Along the lines of lay advocacy: I don't
20 mean to infer all that money will be used, but some of that
21 money will be used. This is the other side of that coin.
22 The second string to the bone. The attempt to go the other
23 way to radically increase the number of clients that can
24 be served and it is only that contention, it seems to me
25 that it is appropriate or possible to go forward at this

1 time in the interest of the objective of all of us which is
2 to serve -- to find ways to serve the maximum of clients.

3 MADAME CHAIRMAN: Any further comments from the Board?

4 MS. WORTHY: I would just like to say and in looking
5 at the figures here and the money that Steve was talking
6 about that is going into the program, as I said before,
7 fine, the program in my area works. But I don't see anything
8 here that tells me that we are going to see by putting this
9 money out that we can say or talk about or attract it later
10 on, some of the things that you talked about, Bill, are
11 going to happen. It is not in writing, not anything here
12 that I can come back here and say: Putting all that money
13 out did not answer any of the problems that we have. I
14 don't see anything to support us given this money. I heard
15 Bill talk about it, but I want to be able to come back
16 later on and look at it as a Board member and as a client
17 and say that the money that I seconded here and approved
18 of putting into a program like that did the services that
19 I put the money in for -- it is not in writing, it is not
20 in the place and I know we have been in positions before
21 that we have allocated money and that we have come back and
22 sometimes we were confused because it was not in writing.
23 Why or what did we put that money there for? We can't sit
24 down and sometimes we can sit down and remember and come
25 up, so, I thought we allocated for such and such. I want

time in the interest of the objective of all of us which is
to move on to find ways to solve the minimum of clinical
MADAM CHAIRMAN: Any further comments from the Board?
MR. JORDAN: I would just like to say and in looking
of the program here and the money that Steve was talking
about that is going into the program as a raise before
that, the program in my view, but I don't see anything
more that I think we are going to see by putting this
money out that we can say or talk about or discuss in later
on, some of the things that you talked about, Bill, are
going to happen. It is not in writing, not anything from
that I can come back with and say. But I think all that money
out did not answer any of the questions that we have. I
don't see anything to be done in giving this money. I don't
Bill talk about it, but I want to be able to come back
later on and look at it as a board member and as a client
and say that the money that I received here was approved
of putting into a program like this did the money that
I got the money in for -- it is not in writing, it is not
in the place and I know we have been in position before
that we have allocated money and that we have made and
realized we were committed because it was not in writing,
but we said we put that money there, we said it
was and sometimes we can't do it and sometimes we can't
do it, so I should be allocated for such and such. I want

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1 to be able to come back and say: This is why I approved
2 that amount of money going out.

3 MADAME CHAIRMAN: Josephine, as to the \$200,000, it
4 was discussed at the Committee and it was written about in
5 the terms given the Committee in very brief explanation
6 along with some of the other projects that appear on page
7 32 that basically given the experience that the Corporation
8 has had with pro bono projects in a number of varieties
9 including those that had just recently been evaluated by
10 DSS analysts and it did seem worthwhile that we proceed
11 with that and the discussion at the Committee meeting was
12 very clear that the President would be held responsible
13 for how those funds are expended, what kinds of projects
14 they went to and to be imaginative about it, get it to where
15 it could do the most good and the like. I think at least
16 it is my recollection at the Committee meeting, is that we
17 did discuss it at some length based on the information that
18 was provided to us, and of course, there are a number of
19 different models that can be funded and followed, but it
20 is not a new project. I mean, pro bono has been around
21 for decades.

22 MS. WORTHY: I am aware of that, it is not a project.

23 MADAME CHAIRMAN: Certainly more experienced in
24 evaluating it whether it is good or not, whether it is
25 serving clients, whether lawyers are doing a good job or

1 to be able to come back and say: This is what I know
2 that amount of money could do.
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1 not and some other things we talked about. I think there
2 was quite a bit of discussion at the Committee.

3 MS. WORTHY: I am aware that it is not a new project.
4 I am aware of that.

5 What I am talking about is similar to what Bill said,
6 is they are saying they are using this money for --

7 MR. SACKS: I wonder if she got the sheet from Mr.
8 Engleberg dated December 4.

9 MR. KANTOR: It seems to me we are getting two issues
10 mixed up and confused. One issue is the use of the one-
11 time money which includes within it the \$200,000.

12 The second issue, of course, is Steve has an additional
13 motion which is not yet on the floor, add to that money
14 under a certain formula. I would suggest if you would so --
15 even better than that remove \$200,000 from the discussion.

16 MADAME CHAIRMAN: No, no. Let's vote on what is on
17 the page. The motion is to vote on what is on page 52(a).
18 The question has been called for. All those in favor of
19 voting on the allocation of the 1980 one-time funds as it
20 appears on 52(a) signify by saying aye.

21 MR. SACKS: We are voting on --

22 MADAME CHAIRMAN: We are just voting on the motion
23 to accept what we do with the one-time funds as set forth
24 on page 52(a).

25 MR. SACKS: We are voting on the Committee report?

not had some other things we talked about. I think that

was quite a bit of discussion at the Committee.

MR. WADSWORTH: I am aware that it is not a new project.

MR. WADSWORTH: I am aware of that.

MR. WADSWORTH: I am talking about the matter to what Bill said,

in they are saying they are using this money for --

MR. WADSWORTH: I wonder if the got the report from Mr.

Technology dated December 4.

MR. WADSWORTH: It seems to me we are getting two separate

reports and confused. One talks in the use of the one-

The money which included within it the \$200,000.

The second part of course, it shows an additional

motion which is not yet on the floor, add to that money

under a certain formula. I would suggest if you could so --

even before that that remove \$200,000 from the discussion

MR. WADSWORTH: No, not. Better vote on what is on

the floor. The motion is to vote on what is on page 25(a).

The motion has been called for. All those in favor of

motion on the allocation of the 1980 and 1981 funds --

appear on 25(a) simply by raising eye

MR. WADSWORTH: We are voting on --

MR. WADSWORTH: We are just voting on the motion

to accept what we do with the remaining funds as set forth

on page 25(a).

MR. WADSWORTH: We are voting on the Committee reports

1 MADAME CHAIRMAN: That is right. Voting to accept
2 or reject the Committee report.

3 All those in favor that we accept the Committee report,
4 please signify by saying aye.

5 MR. TRUDELL: Aye.

6 MS. ESQUER: Aye.

7 MR. KANTOR: Aye

8 MR. ENGELBERG: Aye.

9 MR. BRADLEY: Aye.

10 MR. ORTIQUE: Aye.

11 MR. SACKS: Aye.

12 MS. SHUMP: Nay.

13 MR. MCCALPIN: Aye.

14 MS. WORTHY: Nay.

15 MADAME CHAIRMAN: All those in favor of the Committee
16 report please signify by raising your right hand. Trudell,
17 Esquer, Kantor, Engelberg, Bradley, Ortique, Sacks, McCalpin.

18 All those who oppose please signify by raising your
19 right hand. Worthy and Shump.

20 All right, we now go on to wherever we go.

21 MR. ENGELBERG: Let me make the motion and let me
22 talk about the motion.

23 I would like to formally move that the \$500,000 be
24 made available during fiscal year 1980 for the support of
25 the pro bono activity. \$200,000 of this money will be --

MAJORS CHAIRMAN: That is right. Voting to accept

or reject the Committee report.

All those in favor that we heard the Committee report,

please signify by saying aye.

MR. THOMPSON: Aye.

MR. ROOPER: Aye.

MR. WATSON: Aye.

MR. HUGHES: Aye.

MR. BRADLEY: Aye.

MR. ORRISON: Aye.

MR. GARDNER: Aye.

MR. SHIBB: Aye.

MR. MCALPIN: Aye.

MR. MURPHY: Aye.

MAJORS CHAIRMAN: All those in favor of the Committee

report please signify by saying your first name, Bradley,

Thompson, Kooser, Cooper, Bradley, Orrison, Gardner, Shipp,

All those who oppose please signify by saying your

first name, nothing and thank.

All right, we now go on to the report we are

MR. HENNINGER: Let me take the motion and let me

talk about the motion.

I would like to formally move that the \$500,000 be

used exclusively during fiscal year 1959 for the support of

the program activity. \$500,000 of this money will be

1 will come from the unexpended fiscal year 1979 money which
2 we have just -- the additional \$300,000 will come from the
3 Investment Income for a total of \$500,000. This \$500,000
4 will be awarded to grantees on a one-time experimental
5 basis under a 50-50 cash match and by cash is meant U.S.
6 currency with local non-governmental, non-corporation funds.
7 That the type of pro bono activity funded will be on a
8 no-fee basis, that the bulk of the money again, this is
9 within the discretion of the staff, but that the bulk of
10 the money be used to seive new pro bono projects, that is,
11 projects which do not exist, that Legal Service programs
12 and state and local Bar Associations of any type or other
13 types of bar groups would be given preference, just preference
14 that the grants would be for a period not to exceed 12 months,
15 that the President would report back to the Board at the end
16 of this period based under an evaluation of these programs
17 and make a recommendation to the Board for additional
18 Corporation support for pro bono activities and that finally,
19 that final part of the motion would be within the discretion
20 of the President, appropriate client involvement in the
21 administration of this program both in terms of the award
22 of the money itself and in terms of appropriate client
23 involvement as I do -- I want to give the President discre-
24 tion and the -- for the grantees themselves be included, I
25 am sorry I didn't --

with some from the unexpended fiscal year 1977 money which
 we have from the additional \$200,000 with some from the
 investment money for a total of \$500,000. This \$500,000
 will be awarded to grants on a one-time experimental
 basis under a 50-50 cost match and by each in some U.S.
 currency with local non-governmentally recognized funds.
 The type of projects funded will be on a
 no fee basis, that the bulk of the money spent will be
 with the direction of the state, and the bulk of
 the money be used to solve any problems that the
 projects which do not exist, that local government
 and state and local government of any type or other
 type of that group would be given preference, just preference
 that the grant would be for a period not to exceed 12 months
 that the president would report back to the board at the end
 of this period based upon an evaluation of those programs
 and make a recommendation to the board for additional
 governmental support for projects and that finally
 that that part of the money would be within the discretion
 of the president, agencies of local investment in the
 operation of this program both in terms of the award
 of the money itself and in terms of appropriate effort
 investment as I do - I want to give the president discre-
 tion and the - for the program themselves be involved in
 an early effort -

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1 MR. SACKS: I second the motion.

2 MADAME CHAIRMAN: Now, is there any discussions?

3 MS. ESQUER: I just have a technical question, point
4 of information.

5 If your motion fails, does that mean you kick out
6 the first two?

7 MADAME CHAIRMAN: No.

8 MS. ESQUER: It doesn't mean that at all?

9 MR. ENGELBERG: No.

10 MS. ESQUER: Does it require that the first 200 be
11 awarded on a matching basis?

12 MR. ENGELBERG: No, if it fails, I suppose someone
13 could move to have the 200 awarded on a matching basis.
14 As it stands now, the 200 would just --

15 MADAME CHAIRMAN: However the President chooses.

16 MR. ENGELBERG: But this motion requires all 200 plus
17 the additional 300 of the Investment Income. At some point,
18 I would like to respond to some of the arguments made by
19 other Board members.

20 MADAME CHAIRMAN: Mr. Trudell?

21 MR. TRUDELL: Let me ask a question: What is the
22 status of the Investment Income right now? How much is
23 available?

24 MR. BRADLEY: A little over \$700,000 and if this --

25 MR. TRUDELL: It is earmarked for nothing?

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1 MR. BRADLEY: It is earmarked for nothing.

2 MR. ENGELBERG: Dick, also my understanding is that
3 if we are able to get the kind of approval which the
4 President thinks we will get from the Appropriations
5 Committee, that can hopefully be increased by shorter-term
6 investment of the Corporation funds.

7 I really would like some quiet.

8 MADAME CHAIRMAN: Could we have it quiet in the
9 back, please.

10 Yes, Ramona?

11 MS. SHUMP: Steve, answer two questions for me, if
12 you can: How realistic is it to start up again, experimen-
13 tation with pro bono efforts when have we just not completed
14 the Delivery Systems study that had in effect pro bono,
15 Judicare prepaid, what have you, type of programs that are
16 now being added as line items with continued funding from
17 the Corporation?

18 Now, are you telling me that this money that we are
19 going to put out there is only one-time money and that next
20 year at this time you are not or someone else isn't going to
21 be sitting there saying: We have got to set aside not
22 \$500,000 but \$750,000 to continue these and have more?

23 And if there are \$750,000 that are, you know, unalloca-
24 ted and we put in \$500,000 for this pro bono effort, are
25 we going to put the other \$200,000 out for our field pro-

1 the primary, it is considered for nothing.
2 All investment funds, which are understood as that
3 it was able to get the kind of approval which the
4 Commission thinks we will get from the appropriations
5 Committee, that can hopefully be increased by short-term
6 investment of the Corporation funds.
7 I really would like some other
8 BARRING INVESTMENT - could we have it prior to the
9 date, please,
10 your comments.
11 We will discuss it with the appropriate people. If
12 you can, how would it be to start up again, investment
13 with some effort when have we just not completed
14 the battery system study that had in effect had been
15 submitted to you, what is the type of program that we
16 now have under in this time with continued funding from
17 the Corporation?
18 Now, are you telling me that this money that we are
19 going to use and there is only one-time money and that next
20 year of this thing you are not or someone else isn't going to
21 be sitting there saying "I have got to get under me"
22 \$100,000 but \$250,000 to continue these and have more
23 And the money was \$250,000 that you know, sufficient
24 to have you in \$500,000 for this program effort. Are
25 we going to put the other \$500,000 out for our old pro-

1 grams or how do we justify the imbalance of money?

2 MR. ENGELBERG: Well, Ramona, let me address myself
3 first to the first question.

4 First of all, I think politically you are right that
5 while legally speaking, this is one-time money. None of
6 us should be, if the Corporation decides for whatever rea-
7 son to discontinue serving these grantees I'm sure we are
8 all going to be under a lot of pressure. My response to
9 that is: So what? I think we were under pressure this
10 year. We did not overrule the staff on a series of tough
11 decisions. As long as you are in the business of funding
12 organizations, you are always going to have disappointed
13 grantees particularly when you are handing out one-time
14 money.

15 Secondly, it has been suggested by some of the staff,
16 we limit this with my motion and I rejected this that the
17 motion be limited solely as pilot one-time basis to sort
18 of expire at the end of that period. I rejected that
19 because I, for one, would like to see and I think what is
20 the experimental aspect of it, although there is evidence
21 of similar matching programs and other federal programs, I
22 would like to see what the response is from around the coun-
23 try.

24 I would like to see, for example, in areas where there
25 has been no pro bono involvement at all, whether we induce

... how do we justify the hundreds of millions

... (Mr. BISHOP: Well, I know, but we're not going to

... the first question.

... I think you're right that

... while totally speaking, this is one-time money, none of

... should be, if the corporation decides for whatever reason

... to discontinue paying these dividends I'm sure we can

... to be under a lot of pressure, by reason of

... that far so what? I think we were under pressure this

... We did not override the will of a section of tough

... You're in the business of making

... organizations, you've always got to have disappointed

... about particularly when you're handling out on other

... money.

... Secondly, it has been suggested by some of the staff,

... we had to wait my motion and I rejected it, that the

... not to be limited solely as to what we should do with

... of capital at the end of that period. I rejected that

... because, I'm sure you would like to see and I think what in

... the experimental report of it, although there is evidence

... of similar material programs and other foreign programs. I

... would like to see what the response is from around the world.

... (BY)

... I would like to see, for example, in areas where there

... has been no prior investment at all, whether we induce

1 that by putting up 50 or 60 thousand dollars in cash, we
2 would match it, whether we can get vibrant effective pro
3 bono programs with effective client involvement and I would
4 like to see what happens and I think -- I don't want to
5 prejudge the question whether we would try to continue to
6 fund some of those programs or not. Legally speaking, none
7 of them have any right or entitlement to be refunded.
8 There will be some policy problems from this, first of
9 the staff and that they will have to address next year,
10 but I think it is not a reason to reject the concept because
11 it may create problems. You are absolutely right, it is
12 going to create additional problems, but I think we have got
13 to look at it on the merits and decide whether it is
14 worthwhile.

15 I would like to respond to some of the comments that
16 Bernie has made at an appropriate time.

17 MS. WORTHY: I was just saying --

18 MADAME CHAIRMAN: Yes, Bernie?

19 MR. VENEY: I would like to ask one question of Steve
20 and I would like Steve to check with the project directors
21 who are in this room. I heard that preference would be
22 given to local programs, but I also heard a requirement
23 for 50-50 match using non-governmental funds. What monies
24 do we think that programs have that would allow them to,
25 in fact, to match the monies they would be getting from

that by putting up \$5 or \$6 thousand dollars in cash, we
would make it whether we are not without effective pro-
grams with effective effort investment and I would
like to see what happens and I think -- I don't want to
confuse the question whether we would pay to continue to
fund some of these programs or not. I really speaking none
of them ever any kind of entitlement to be refunded,
it would be some policy problem from this, that is
the point and that they will have to address next year,
but I think it is not a reason to reject the concept because
it may create a precedent. You are absolutely right, it is
going to create additional problems, but I think we have got
to look at it on the merits and decide whether it is
worthwhile.

I would like to respond to some of the comments that
Bertie has made in an appropriate time.

MR. WATSON: I was just asking --

MAJANE CHAIRMAN: Yes, indeed?

MR. WATSON: I would like to ask our question of those
and I would like Steve to work with the project directors
who are in this room. I heard that programs would be
given to local programs, but I also heard a report that
for \$50 million in non-governmental funds. What would
do we think the program have that would allow them to
in fact, to watch the money they would be getting from

1 this \$500,000. My sense is that our programs are funded
2 by restricted monies that come from either the Corporation,
3 other federal sources or from sources such as United Way
4 where the restriction is it cannot be used as a match.

5 MR. ENGELBERG: First of all, the recommendation -- I
6 am not trying to dodge it. Dan will have to elaborate --
7 I would ask Dan to elaborate me formulate the plan. Dan's
8 recommendation, which I accepted, that the priority be
9 given to those local and service programs. I understand
10 that the money that the local programs would get would
11 have to come from the Bar or from other sources, but they
12 would have to raise non-corporation, non-federal, non-
13 governmental money if they want to participate. That would
14 be the requirement and I think the rationale for that, I
15 guess, it would give them an incentive to put the bite on
16 local bar associations. I have seen a lot of these will
17 be jointly run programs as some of the existing programs.

18 Bernie, I don't care who the grantees are. I don't
19 want this motion to try to lock Bradley's hands to who the
20 grantees are. What I want is to get an infusion of money
21 into an effort, as Bill says, to increase the number of
22 lawyers representing poor people.

23 We all know there aren't enough lawyers.

24 MR. VEE: Then, Steve, may I say: Why not make a simple
25 motion that would make available to field programs that wish

1 to pursue pro bono involvement with the local bar and make
2 that money available to the local programs. We might then
3 be able to assure that these kinds of things that the
4 Delivery System, pro bono people have already been told
5 that this is necessary, that there would be quality control,
6 there would be support, there would be those other things
7 that would go to make sure that the representation to poor
8 people would be appropriate and adequate.

9 MR. ENGELBERG: I am going to depend on Bradley and
10 Staff to make a decision.

11 In other words, I don't want to sit in this motion
12 to strictly limit it solely to local programs.

13 MADAME CHAIRMAN: In response to what Bernie said,
14 would you entertain the possible revision that only the
15 \$300,000 that you are talking about from Investment Income
16 would be the match money and the \$200,000 that we have
17 already voted on, committed could be used without match
18 depending on the President's discretion, the local programs
19 or other groups or whatever; is that possible?

20 MR. ENGELBERG: I don't understand what that is
21 designed to accomplish.

22 MADAME CHAIRMAN: What it is designed to accomplish
23 is partly the point that Bernie is raising. There may be
24 very valid situations where we want to promote pro bono,
25 you know, we are not talking about every local bar having

to provide the same involvement with the local bar and clubs
that money available to the local program. We might then
be able to secure that kind of thing that the
voluntary system, pro bono people have already been told
that this is necessary, but there would be quality control,
there would be support, there would be those other things
that would go to make sure that the registration to poor
people would be appropriate and adequate.

MR. HENDERSON: I am going to depend on Justice and
start to make a decision.

In other words, I don't want to sit in this position
to actively fight it away to local programs.

MR. CHATMAN: In response to what Justice said,
would you entertain the possible notion that only the
\$200,000 that you are talking about from investment income
would go to the match money and the \$300,000 that we have
already set up, committee could be used without match

depending on the Board's discretion, the local programs
on other groups or whatever, is that possible?

MR. HENDERSON: I don't understand what that is
concerned to accomplish.

MR. CHATMAN: What is intended to accomplish
is that the local bar and clubs be satisfied. There may be
some valid reasons where we want to provide pro bono,
but if we are not talking about every local bar having

1 the money that New York, Dallas has. We got a lot of small,
2 little, dinky bar associations like in Arkansas that couldn't
3 raise 15 cents to walk across the street because there are
4 only three lawyers in the county. I think there are some
5 places that could possibly be promoted or encouraged to
6 do pro bono work at a much more limited basis with a much
7 smaller grant that would not have to be matched and at least
8 to provide us with the flexibility, you know, to have the
9 kind of creative energy that would hopefully result in a
10 lot more pro bono work in very different kinds of situations.
11 That is just a suggestion. It is your motion that we are
12 talking about.

13 Any other Board people? I am only going to recognize
14 people that haven't been recognized before. We are hours
15 behind our schedule.

16 MS. ESQUER: I might as well go ahead and let you
17 know why I don't think I can support Steve's motion. I
18 am not really against pro bono activities. I think that
19 they are good and they really are beneficial and that is,
20 I agree with Bill that it does help us serve more people.
21 Where I come from, we have understated how much support and
22 how much involvement there already is with pro bono and I
23 think that Steve is trying to, you know, improve, help
24 improve our participation to private bars and I am for
25 that. That may -- the hesitation that Ramona expressed that

the money that New York, that's how. We got a lot of small
 things, things that are not like in Arkansas that couldn't
 really be done to walk across the street because there are
 only three lawyers in the county. I think there are some
 places that could possibly be granted or encouraged to
 do some work at a much more limited basis with a much
 smaller grant that would not have to be matched and at least
 to provide us with the flexibility you know to have the
 kind of creative energy that would hopefully result in a
 lot more good work to very different kinds of situations
 that in your opinion it is your opinion that we are
 looking about.

Any other good points? I am only going to recognize
 people that haven't been mentioned before. We are going
 to fund our activities.

MR. BURNER: I might as well go ahead and let you
 know why I don't think I can support Elroy's motion. I
 am not really against the good individual. I think that
 they are good and they really are beneficial and that is
 I agree with it that the good individuals serve more people.
 There's one thing we have mentioned but not reported and
 how much involvement there is with the good and I
 think that there is trying to you know, improve, help
 improve our participation to various jobs and I am for
 that. What are the localities that women expressed that

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1 has to -- the hesitancy that we are raising in those
2 projects that although you do fund them one-time funds, you
3 are coming pretty close to making a longer reigning
4 committee than the one-year and I think we are under a
5 budget where at least 1% of our funds are annualized and
6 there is very little flexibility to try and implement,
7 resolve whatever comes out DSS and other things that we
8 are awaiting and we go in with half a million dollars for
9 new pro bono activities and I think that it will hinder
10 being able to move quicker in response to anything that
11 the Board might want to do with the DSS and some of those
12 studies. It may be that after the final report comes in
13 that I could very easily support Steve's motion, but at this
14 particular time, I just think that we need sensibility and
15 even though Steve insists talking about one-time funds,
16 I don't think we are. I think we are talking about a
17 longer commitment and I would rather wait until we have
18 more information on DSS and other things so that we can
19 really properly meet, you know, our interests, and really
20 work better with the private bars.

21 So, for that reason, I don't think I could Steve's
22 motion.

23 MR. ENGELBERG: Can I respond to that?

24 You know, Cecilia, I think we have come to a point
25 where we are almost -- a lot of people could disagree with

and to the possibility that we are waiting in these
 profession that although you do find them one-time funds, you
 are coming pretty close to making a founder's salary
 considering that the one-year and I think we are under a
 budget where at least 17 of our funds are maintained and
 there is very little flexibility to try and implement
 relative whatever comes out of 1988 and other things that we
 are waiting and we go to with half a million dollars for
 any one long realization and I think that it will be hard
 being able to come quicker in response to something that
 the board might want to do with the end and some of those
 studies. It may be that some of the final report would be
 that I could very well suggest Steve's motion and at this
 particular time, I just think that we need sensibility and
 even though Steve looks like talking about one-time funds,
 I don't think we are. I think we are talking about a
 longer commitment and I would rather wait until we have
 more information on 1988 and other things so that we can
 really properly meet, you know, our interests, and really
 work better with the private law
 80, for that reason, I don't think I could Steve's
 motion
 or I would like to respond to that
 you know, actually, I think we have come to a point
 where we are almost a lot of people could disagree with

1 the motion and merits. There have been some good arguments
2 raised on the merits. I am not saying yours is not on the
3 merits. I think the problem that -- the notion that we
4 have to study this thing, to me, it seems so simple. If
5 you want a well run program as opposed to a badly run
6 program. If we can help get more lawyers who are not
7 assisting in the legal services program involved in a
8 quality way, appropriate client involvement, the represen-
9 tation of poor clients, I think, Bill, only two approaches.
10 There is this and there is the broad client advocacy. I
11 think that there are two different ways to achieve the same
12 thing. I think to say that we have to wait for further
13 studies, we have to look at DSS, I think is nonsense.

14 MS. ESQUER: Wait a minute. The thing is that DSS
15 is looking at other things besides pro bono. I brought this
16 up in another discussion that we had. Pro bono is not
17 really going to benefit the rural areas, the sparsely
18 populated areas. I think pro bono particularly benefits
19 the urban areas. I don't know how many private attorneys
20 there are, you know, exactly, in that statement that I
21 made. I don't know how many attorneys there are on the
22 reservations, I don't know how effective a pro bono project
23 will be there and I think DSS is looking at other things
24 besides just a strict pro bono thing and if there are some
25 types of participation with the private bar that can be

the motion picture. There have been some good arguments
 raised on the matter. I am not saying you are not on the
 matter. I think the evidence that is a motion picture
 does to show this thing, in fact, it seems as simple. If
 you want a well run program as opposed to a badly run
 program, if we can help get some lawyers who are not
 practicing in the legal advisory program involved in a
 quality way, appropriate direct involvement, the measure-
 ment of poor quality, I think, will only be approached
 there is this and there is the broad client advocacy. I
 think that there are two different ways to achieve the same
 thing. I think to say that we have to wait for further
 evidence, we have to look at what I think is necessary.
 Mr. ROBERT: With a minute, the chair in the US
 is looking at other things besides the bond. I thought this
 up in another discussion that we had. The bond is not
 really going to benefit the trust areas, the quality
 of the areas. I think you have particularly benefited
 the trust areas. I don't know how many why the attorney
 there are, you know, exactly, in that statement that I
 made. I don't know how many attorneys there are on the
 trust areas, I don't know how effective a bond program
 will be there and I think US is looking at other things
 besides just a matter of bond thing and if there are some
 types of participation with the private bar that can be

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1 effective in the rural areas, the sparsely populated areas,
2 that, I don't think we should be precluded from including
3 that type of participation and that is one of the reasons
4 that I would prefer to wait for DSS.

5 MR. ENGELBERG: It is inconceivable to me that you
6 now or a year now would oppose the allocation of some
7 money to support pro bono activities. I do not think
8 this excludes other types of activities. It is a fairly
9 simply motion and I think rural areas -- maybe we need
10 more information certainly with the existing type pro
11 bono programs. It is, you know, not a very complicated
12 process. You need a little money, and again, I am interested
13 in the concept of a match. I am not just interested in the
14 concept -- remember, we are talking about if that motion
15 passes, we are talking about infusion of a million dollars
16 more to help, to get a lot of lawyers involved in representing
17 poor people, if these people don't know what they are doing
18 I am not going to hand the money out. If they know what
19 they are doing, it is going to work right and I assume that
20 while they may not know anything else, they know how to
21 give out money. Otherwise we might as well pack our bags
22 and go home.

23 The only thing that the Corporation does, it gives
24 out money.

25 MS. ESQUER: -- going to work against the smaller
bars.

of activity in the area, the activity is not
that I would prefer to wait for 1988,
that type of political and that is one of the reasons

and I think it is important to see that you
now or a year now would open the allocation of some
money to support and some activities. I do not think
that either other types of activities. It is a fairly
strong position and I think that would mean we need
more information certainly with the existing type and
some programs. It is, you know, not a very complicated

to come, you need a little money, and what I am interested
in the context of a matter. I am not just interested in the
concept of membership, we are talking about a kind of
money, we are talking about raising of a million dollars

some to help, to get a lot of lawyers involved in representing
good people, if these people don't know what they are doing
I am not going to hand the money out. If they know what
they are doing, it is going to work right and I assume that
while they may not know anything else, they know how to
take our money. Otherwise we might as well put our hands
and do better.

The only thing that the Corporation does, it gives
out money,
we request it to go to work against the union

fund

1 MADAME CHAIRMAN: I raised that point, but I have to
2 say that, you know, the need is so great in so many cities,
3 that you know, I have firsthand knowledge about and have
4 read about that. I really can't see penalizing poor
5 people in New York or San Francisco or Los Angeles who
6 do have existing organized bar associations that might be
7 willing to participate because, you know, the 1500 poor
8 people in some small county in Arkansas or the Indian
9 reservations wouldn't have the benefit of that particular
10 kind of approach. And I agree with you that we need to
11 maintain flexibility. I think it may be mixing apples and
12 oranges to some extent because we are not sure of what kind
13 of pro bono effort, if at all, work in some of these more
14 difficult locations. And we are just going to have to go
15 with different approaches.

16 MR. TRUDELL: I agree with you that there are a lot
17 of different areas that probably have never really been
18 helped although I think what Cecelia has said is very
19 accurate in terms of we provide the money. The easiest
20 part of running a program is establishing a program and
21 the hardest part is keeping it going. That means they
22 are going to be back. After the Committee meeting we had
23 people come from New York to make a pitch and the same
24 thing will happen with the efforts in the pro bono areas
25 and some areas especially if there is a match requirement.

1 MADAM CHAIRMAN, I think that going, but I have to
 2 say that you know, the need is so great in so many places,
 3 that you know, I have firsthand knowledge about and have
 4 heard about that. I really don't see anything poor
 5 people in the South or the West or the Midwest who
 6 do have existing organized far associations that might be
 7 willing to participate because you know, the 1500 poor
 8 people in some small county in Arkansas or the Indian
 9 reservations wouldn't have the benefit of that particular
 10 kind of approach. And I agree with you that we need to
 11 maintain flexibility. I think it may be mixing up the and
 12 bringing to some extent because we are not sure of what kind
 13 of pro poor effort it will work in some of these more
 14 different locations. And we are just going to have to go
 15 with different approaches.

16 THE CHAIRMAN: I agree with you that there are a lot
 17 of different areas that probably have never really been
 18 helped although I think what Cecilia has said is very
 19 accurate in terms of we provide the money, the capital,
 20 part of running a program is establishing a program and
 21 the hardest part is keeping it going. What means they
 22 are going to be back. After the committee meeting we had
 23 weeks down town that to make a effort and the way
 24 that will work with the efforts in the pro poor areas
 25 and some areas especially if there is a much requirement.

1 The other thing that I am troubled with and I will
2 have to agree with Cecilia again is the motion here. We
3 are isolating on a particular motion that would, you know,
4 take \$300,000 out of a possible \$700,000, allocate it,
5 I guess, the other \$400,000 is up for grabs and it will be
6 a dogfight. Turn the clock back in terms of the way we
7 handle the Legal Service Institute, carve out the money,
8 we give it to them, what is left and we will have to create
9 a special process for the other people to compete for the
10 \$350,000. Whereas the Legal Services ought to walk away
11 with \$250,000.

12 MADAME CHAIRMAN: Howard, did you have your hand
13 up?

14 (No response.)

15 MADAME CHAIRMAN: Gerry?

16 MR. SINGSEN: I have just a small technical point.
17 In light of some of our earlier discussions, the Board and
18 -- the Committee before it, talked very seriously about
19 reaching basic policy decisions. We have talked today
20 about client involvement and private bar participation and
21 I think Mr. McCalpin has raised a very fundamental question
22 which is: whether our planning should base itself at all
23 on a prospect of any significant Congressional increase with-
24 in the next few years or whether it needs to look at other
25 sources -- other resources coming into the field, entries

1 The other thing that I am troubled with is why
 2 have to worry with food in Spain in the western part. We
 3 are talking on a budgetary motion that would, you know,
 4 take \$200,000 out of a possible \$300,000, of course. It
 5 is true, the other \$400,000 is up for grabs and it will be
 6 available. When the clock back in terms of the way we
 7 handle the food budget, that's what we've got to worry
 8 we give it to them, what it will and we will have to create
 9 a special program for the other people to compete for the
 10 \$300,000. When the food budget comes up to talk away
 11 with \$200,000.

12 HARRIS: How do you have your hand?

13 up?

14 (In response.)

15 HARRIS: Why?

16 MR. STUBBS: I have just a small technical point.
 17 I think of some of our earlier discussions, the words and
 18 the content of before, I talked very heavily about
 19 spending funds on technical. We have talked today
 20 about initial investment and return on investment and
 21 I think Mr. Stubbins has raised a very important question
 22 which is, when our program should have been at all
 23 of a program of our initial investment (because with
 24 in the next few years or whether it needs to look at other
 25 sources of other resources coming into the field, either

1 to service the poor. I think those are precisely the
2 questions that you are going to be chewing on in the next
3 couple of months and I am not sure it makes sense to isolate
4 one issue as Dick has suggested before you look at the group
5 of issues. There are very limited funds we now have and
6 limited flexibilities that we now have. The question I
7 am raising is a technical one: Is whether stating the
8 commitment to private bar participation and pro bono and
9 the feeling is very productive -- is necessarily followed
10 by the direct allocation of funds today as opposed to when
11 you look and make decisions on the range of issue.

12 MR. ORTIQUE: I am confused. I thought that the
13 Staff had thrashed this out and we knew what all the
14 answers were and now --

15 MS. WORTHY: No.

16 MR. BRADLEY: I think Gary was speaking to the point
17 and that was included in the memorandum that you have just
18 raised and Steve and I have discussed at length with Staff
19 and other Board members so that they would know what all of
20 the issues are in terms of making any informed decisions.

21 MADAME CHAIRMAN: Any further Board discussion?

22 MR. ENGELBERG: Can I response to what Dick said?
23 I think, you know, your point, the Legal Service Institute
24 funding thing was, I think, obviously, was the most difficult
25 thing we have to consider. I really do feel that this is

to review the book. I think those are probably the
 questions that you are going to be observing on in the next
 couple of months and I am not sure it makes sense to include
 one name or book has suggested before you look at the group
 of names. There are very limited things we now have and
 limited possibilities that we now have. The question is
 we staying in a technical one. Is whether we should be
 committed to getting our participation and our own work
 the book is very productive - is necessarily followed
 by the direct attention of funds today as opposed to when
 you look and make decisions on the range of items.

MR. GIBSON: I am confused. I thought that the

could have turned this out and we know what all the

answers were and now --

MR. WORTHY: Yes.

MR. BRADLEY: I think they were speaking to the point

and that was included in the memorandum that you have just

read and I have discussed it fairly with staff

and other Board members so that they would know what all of

the issues are in terms of asking any informed questions.

MADAME CHAIRMAN: Any further Board discussion?

MR. GIBSON: Can I respond to what Nick says?

I think, you know, your point. The paper review committee

finding that was a little obviously, was the most difficult

thing to have to consider. I really do feel that this is

1 quite different for one basic reason. You know, this is
2 a process. We are not trying to create a process to meet
3 the motion which the motion was set in the process. You
4 will agree it really was wide open. Nobody is going to be
5 favored. We are not saying we have got 4 grantees out
6 there that are ready to go. I do think there is a basic
7 difference between that and again, what I am trying to get
8 across and I, you know, in fairness to Dan I think, Dan,
9 I did talk to Dan about this. This is not a proposal
10 initiated by the Staff. If this is wrong for the Board
11 to initiate proposals, then I am sorry. I initiated this
12 proposal and I do so based on work at the last Committee
13 meeting. I don't think it is a very substantial risk. I
14 think the worse that is going to happen is that we may get
15 some programs started and may find out that maybe it is not
16 the effective way to go.

17 It is inconceivable to be how the money in any real
18 sense is going to be wasted. The President has assured
19 me that there is virtually no additional administrative
20 overhead in giving out the money and if, frankly, if there
21 were I would have had serious reservations about proceedings.
22 Again, I am trying to look and see if we can attract another
23 half million dollars into what I think is a very important
24 effort. If we can't attract it, then the money is not
25 going to be spent. Clearly, the motion requires cash match.

and a different for one party reason. You know, this is
 a situation. The one not trying to create a process to meet
 the nation which the nation was set in the process. You
 will agree it really was wide open. Nobody is going to be
 favored. We are not saying to have got a process set
 there that anybody is going to do. I do think there is a basic
 difference between that and what I am trying to get
 across and I know, in fairness to Dan a blind, then
 I did not say about that. This is not a proposal
 initiated by the Board. It is this is wrong for the Board
 to initiate proposals, they are sorry. I initiated this
 proposal and I do so based on work at the Law Commission
 movement. I don't think it is a very substantial matter
 that the worse that is going to happen is that we may get
 some program started and may find out that maybe it is not
 the effective way to go.
 It is theoretically to be how the money in any real
 sense is going to be wasted. The President has assured
 us that there is virtually no additional administrative
 overhead in giving out the money and it, frankly, it seems
 were a world have had serious reservations about proceedings
 again. I am trying to look out for the same interest whether
 half million dollars more or I think it is a very important
 effort. It would affect it, then the money is not
 going to be spent. Clearly, the notion requires some match

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1 It's money looking to see if it can attract other money.
2 It may or may not work.

3 MR. TRUDELL: I think that in coming to the Board
4 meeting and in looking at the agenda, I had no expectation
5 that there would be any kind of debate or discussion about
6 the agenda item that is not on the agenda really. If you
7 are dipping into the Investment Income, that I did not
8 expect to discuss. I didn't know how much money there was
9 and I was prepared to deal with what was in the agenda
10 book. I think we have dealt with it and now I think we
11 have gone beyond it and I think that it is only fair and
12 I think that as a Staff member I would like to point out in
13 terms of Gerry, there are a variety of things that we should
14 be discussing and I am all for Pro Bono Assistance. If
15 you get some free time from a lawyer, then that is great.

16 MADAME CHAIRMAN: Go ahead.

17 MR. ORTIQUE: One of the things that impresses me most
18 about this motion is a statement made by the Government and
19 that is there are two ways really to go with reference to
20 some of these things. Why can't we attempt to do both of
21 these with at least some of this investment money? Why
22 can't we immediately initiate some program with reference
23 to client advocacy? I don't know what figures we have got
24 to work with, but a reasonable amount of money and at the
25 same time do the experimentation; that is what it is all

It's money looking to me. It can attract other money.

It may or may not work.

MR. THURMAN: I think that in coming to the board

meeting and in looking at the agenda, I had no expectation

that there would be any kind of debate or discussion about

the agenda item that is not on the agenda itself. If you

are dipping into the investment program, that I did not

expect to discuss. I didn't know how much money there was

and I was prepared to deal with what was in the agenda

book. I think we have dealt with it and now I think we

have gone beyond it and I think that is only fair and

I think that as a staff member I would like to point out in

terms of a vote, there are a variety of things that we should

be discussing and I am all for the basic satisfaction. If

you get some from that from a budget, then that is great.

MR. THURMAN: Go ahead.

MR. THURMAN: One of the things that I think we need

about this motion is a statement made by the Government and

that there are two ways really to go with reference to

some of these things. They could be brought to the point of

them with the investment program. Why?

One of the things that I think we need to do is to

to think about it. I don't know what program we have got

to work with, but a reasonable amount of money and at the

same time do the expenditures that it is in all

1 about, experimentation with this pro bono thing. Both of
2 them havemerit. We are geared to at least -- I got that
3 we were going to talk specifically about big dollars for
4 the client advocacy program in 1981. Why can't we take
5 some investment money and also look at some experimentation
6 in that area also. Seems to me that you can do both of
7 them at the same time, that we would be finding out what
8 can be done -- what will be done and I just think that we
9 ought to give those an opportunity to come up with this
10 money. That is a saleable point that Steve's motion makes
11 and I would like to --

12 MADAME CHAIRMAN: I am going to ask those of you who
13 want to carry on another conversation to step outside.

14 I'm sorry. Judge, please go ahead.

15 MR. ORTIQUE: I would like to amend your motion to
16 include the expenditure of funds or the allocation of some
17 of that investment income to experimentation. Again, I
18 am willing to put it in the hands of Dan and let him deter-
19 mine what we can spend at this point appropriately, of
20 course, now, in that area and we do both things at the
21 same time.

22 MADAME CHAIRMAN: Mickie, do you have anything to
23 say?

24 MR. ENGELBERG: I don't know if I really understand
25 what you are saying. Are you suggesting that you are adding

about experimental situation with this one thing. But as
 these... we were going to talk specifically about the dollars for
 the... why can't we take
 some investment money and also look at some experimentation
 for that same time... because to me that you can do both of
 them at the same time, that we would be thinking out what
 can be done... what will be done and I just think that we
 ought to give them an opportunity to come up with this
 money... that is a sensible point that there's motion where
 and I would like to see
 MARIAN FALSMAN... I'm going to ask those of you who
 want to carry on another conversation to step outside
 the room... I'm sorry... I would like to hear your reaction to
 the... the... of some
 of that... I
 am willing to put it in the hands of the... but the...
 when that... the point...
 course, now in that area and we do both things in the
 same place
 MARIAN FALSMAN... do you have anything to
 say
 MR. FALSMAN... I don't know if I really understand
 what you are saying... Are you suggesting that you are adding

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1 additional income?

2 MR. ORTIQUE: Additional money from the Investment
3 Income. You are not taking out the entire income.

4 MR. ENGELBERG: Seems to me, yes, you are not talking
5 about the \$300,000.

6 MR. ORTIQUE: No, put the \$300,000 that you are
7 saying because apparently you thought that through in terms
8 of wanting to do a million dollars worth and I think that
9 is impact. I will be wanting to do something with real
10 impact money with reference to client advocacy, but I
11 want to set at the same time, put the money in there, give
12 an opportunity at least, it may not satisfy what Dick is
13 talking about, at least, given an opportunity for those
14 groups in their rural areas to get a bite at the Investment
15 Income money.

16 MS. SHUMP: Are you willing to go equal or if -- the
17 President finds that that is appropriate then I would say
18 that. I don't want to say a figure because I hadn't
19 thought through it. I just feel that the comments that
20 were made by Dick were appropriate and Cecilia also made
21 some comments about the rural areas where you may not be
22 able to do anything at all with the \$300,000, but you could
23 possibly do some things with the additional income monies.
24 That is why I want to amend his motion and I don't know
25 what your amount would be, I am willing to leave that up to

additional income.

THE QUESTION: Additional money from the investment

income. You are not taking out the entire income.

THE RESPONSE: From the way you are not taking

about the \$300,000.

THE QUESTION: No, but the \$300,000 that you are

losing because apparently you thought that though in terms

of wanting to do a million dollars worth and a third that

is money. I will be wanting to do something with that

invest money with someone to either manage, but I

want to retain the same time, but the money in there, give

an opportunity at least, if you not selling what did is

talking about, at least, given an opportunity for those

groups in their own areas to get a bit of the investment

income money.

THE QUESTION: Are you willing to do equal or less than

proportion finds that the proportion then I would say

that, I don't want to say a third because I don't

know that. I just feel that the company that

were made by the way, apparently and deal with the same

same company about the same areas where you may not be

able to do anything at all with the \$300,000, but you could

possibly do something with the additional income money.

THE QUESTION: I want to know the matter and I don't know

what your answer would be, I am willing to leave that up to

1 you and the Staff and decide if it can be equal. I certain-
2 ly think that Dan knows that that is our sentiment.

3 MADAME CHAIRMAN: Is that a formal amendment?

4 MR. ORTIQUE: It is a formal amendment.

5 MR. ENGELBERG: Let me speak.

6 MR. SACKS: Let me second that.

7 MR. ORTIQUE. Thank you.

8 MADAME CHAIRMAN: Are you going to talk to us or are
9 you going to --

10 MR. ENGELBERG: My concern is that I don't want to
11 raise a major process argument. I thought and I talked
12 to Dan that this was fairly simply. I must say that I
13 strongly disagree with the motion that we can't do one
14 thing without doing everything. If we are only going to
15 make decisions to serve this area. I don't think we will
16 be able to make any decisions given what I have heard so
17 far, renew the battle, that is why I just feel that I am
18 going to go back and proceed. I will withdraw the motion.
19 I think that it clearly needs further work in the Committee
20 which is too bad. I don't think the motion -- the motion
21 is fairly simply. Frankly, unless I thought in pretty
22 clear consciousness, I don't want to -- I don't sense
23 although we -- I think there is a lot of confusion, maybe
24 that is my fault. I don't think -- I think it is clear,
25 the sentiment of this Board and the sentiment is very

you and the staff and decide if it can be kept. I certainly
 think that you know that in our committee
 WADSWORTH CHAIRMAN: In fact, I think we should
 WADSWORTH CHAIRMAN: It is a formal agreement.
 MR. BERRY: Let me speak.
 MR. BERRY: Let me speak first.
 MR. BERRY: Thank you.
 WADSWORTH CHAIRMAN: Are you going to wish to us or are
 you going to --
 MR. BERRY: My concern is that I don't want to
 raise a question about the agreement. I should not be talking
 to you that this was fairly simple. I must say that I
 strongly disagree with the motion that we can't do one
 thing without doing everything. If we are only going to
 make decisions to serve this area, I don't think we will
 be able to make any decisions given what I have heard so
 far, namely the battle, that is why I just feel that I am
 going to vote and present. I will withdraw the motion.
 I think that it clearly needs further work in the committee
 which is too bad. I don't think the motion -- the motion
 is fairly simple. Namely, unless I think in purely
 clear consciousness, I don't want to -- I don't want
 to raise a question about this. There is a lot of confusion, namely
 that is my feeling. I don't think -- I think it is clear,
 the substance of this board and the agreement is very

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1 strongly in favor of pro bono activities, creates a feeling
2 of -- I think Dick's point is valid, that is serious. How
3 you spend the money of the Investment Income. It is possibly
4 best to refer the whole thing back to the Appropriations
5 and Audits Committees as the Provisions Committee illustrate,
6 presses the concept as another idea which may be good, if
7 not better in terms of other expenditures.

8 My own feeling right now, it is probably, you know,
9 not the point of today to provide -- to proceed. I am going
10 to withdraw or can it on the table.

11 MADAME CHAIRMAN: Why don't we just -- I think it is
12 obvious a provocative and interesting idea and it goes
13 along the line of a commitment that has already been expressed
14 Why don't we go ahead and have you withdraw your motion so
15 that it can be given further -- we are both on the Committee
16 Staff. When I heard Gary, he wasn't ready as a staff
17 person -- supposed to jump up and down about it, maybe that
18 is something we need to take into consideration because
19 we are going to ask the President to present us with a
20 series of alternatives for action by March that are going
21 to be much broader and bigger and hopefully more decisive
22 than the last hour's has been. So, I think if we do refer
23 it back to the Committee, then a lot of these concerns
24 that have been expressed today could be manipulated and
25 would be of benefit to the staff assistance.

1 strongly in favor of your being selected, because a feeling
 2 of -- I think it's quite the world, that is, a feeling. How
 3 you spend the money of the Government, that is, the possibility
 4 that the money will be used to the advantage of the
 5 and another Commission on the Prevention of Corruption. It is
 6 possible that some in another than which may be good. It
 7 is not possible to have of other organizations.
 8 My own feeling about you, it is probably, you know
 9 not the point of today to provide -- to provide. I am going
 10 to submit to you it on the table.
 11 MAJOR CHAIRMAN: Why don't we just -- I think it is
 12 obvious a progressive and interesting idea and it does
 13 along the line of a committee that has already been organized.
 14 Why don't we go ahead and have you withdraw your motion so
 15 that it can be given further -- we are both on the Committee
 16 staff. When I heard they had made a staff
 17 motion -- motioned to jump up and down about it, maybe that
 18 is something we need to take into consideration because
 19 we are going to ask the President to present us with a
 20 motion of alternatives for action by which that are going
 21 to be made broader and deeper and hopefully more decisive
 22 than the first time's has been. So I think if we do vote
 23 it back to the committee, then a lot of these concerns
 24 that have been expressed today could be satisfied and
 25 could be of benefit to the staff situation.

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All right. The next item on the agenda is a report from the Committee on Provision of Legal Services.

1 MR. BRADLEY: If you don't mind because I made
2 a mistake in the opening comments -- since we are still
3 dealing with the budget, please permit me to state that I
4 want to apologize for my colleague, Charles Ritter (phonetic);
5 would you stand again? I introduced you to Charles this
6 morning when I explained the work and the effort that has
7 gone in for the preparation of the Audit Report. I did not
8 give due credit to the person who made this report a very
9 good report and that is Charles Ritter and his staff.

10 Charles has been with the Corporation almost since
11 day one and in my negligence and oversight this morning, I
12 did not mention that he and his staff literally worked
13 around the clock -- him and Price Waterhouse (phonetic) and
14 Price Waterhouse told me and I am proud to repeat this: As
15 long as you got Charles Ritter in accounting for -- controlling
16 your funds, we assure you that the Corporation funds are in
17 good shape.

18 Charles, I apologize for not saying that this
19 morning.

20 MR. RITTER: Thank you.

21 MADAME CHAIRMAN: I am not sure that you should
22 brag on him like that because someone could walk in the door
23 and try to hire him away. They frequently do.

24 MR. ORTIQUE: Give him a raise and you won't
25 have to worry about it.

MR. BRADLEY: If you don't mind, I would like to

make a mistake in the opening comments -- I would like to

dealing with the budget, please permit me to state that

I want to apologize for my colleague, Charles Ritter (phonetic)

would you stand again, I introduced you to Charles this

morning when I explained the work and the effort that has

gone in for the preparation of the Audit Report. I did not

give the credit to the person who made this report a very

good report and that is Charles Ritter and his staff.

Charles has been with the corporation almost since

day one and in my negligence and oversight this morning, I

did not mention that he and his staff liberally worked

around the clock -- his and wife's Waterhouse (phonetic) and

Waterhouse told me and I am proud to repeat that. As

long as you get Charles Ritter in accounting for -- controlling

your funds, we assure you that the Corporation funds are in

good shape.

Charles, I apologize for not saying that this

morning.

MR. RITTER: Thank you.

Mrs. CHALMERS: I am not sure that you should

keep on him like that because someone could walk in the door

and try to take him away. They frequently do.

MR. ORTIQUE: Give him a raise and you won't

have to worry about it.

1 MADAME CHAIRMAN: More than six percent?

2 Okay. Mr. Trudell, are you ready for your report?

3 MR. TRUDELL: Yes. It will be a very short
4 report. The Provision of Legal Services Committee met on the
5 12th. Our meeting preceded the Appropriations and Audit
6 meeting and we discussed a number of items and there are only
7 two items. We came up with one recommendation and another
8 motion at which was unanimously adopted by the Committee.
9 The first recommendation was that a hundred thousand dollars
10 be made available for the reestablishment of the intern funds
11 and that has already been discussed and approved in terms of
12 one-time monies.

13 The second item that the Committee did take on and is
14 mentioned in the past motion -- unanimously was the motion that
15 the Native American and Alien Services Organization had
16 proposed to us and that resolution is in the agenda book here.
17 And for the benefit of the Reporter, if you have a copy of it,
18 then -- basically the Organization requested that the
19 uniqueness of the Natives Americans be reaffirmed in terms of
20 the Corporation, reaffirming its policy and practices. And
21 I think that all of the Board Members have read that particular
22 resolution and if so, at this point in time, I would like to
23 move that the Board adopt the resolution.

24 MADAME CHAIRMAN: Is there a second?

25 MR. McCALPIN: I second it.

1 CHAIRMAN: Now then sir, you're ready for your report?
 2 MR. TRUDGILL: Yes, it will be a very short report. The provision of local services Committee met on the
 3 14th. Our meeting preceded the Appropriations and while
 4 we discussed a number of items and there are only
 5 two items. We came up with one recommendation and another
 6 motion of which was unanimously adopted by the Committee.
 7 The first recommendation was that a hundred thousand dollars
 8 be made available for the establishment of the Indian Trade
 9 and that has already been discussed and approved in terms of
 10 one time motion.

11 The second item that the Committee did take on and is
 12 mentioned in the past action -- unanimously was the action that
 13 the Native American and Alien Service Organization has
 14 proposed to us and that resolution is in the agenda book here
 15 and for the benefit of the reporter, if you have a copy of it,
 16 then -- basically the organization requested that the
 17 membership of the Native American be certified in terms of
 18 the corporation, certifying the policy and practice. You
 19 think that all of the board members have read that resolution
 20 resolution and if so, at this point in time, I would like to
 21 move that the board adopt the resolution.

22 CHAIRMAN: Is there a second?
 23 MR. McGUIRE: I second it.

1 MADAME CHAIRMAN: The resolution that appears
2 on page 54, is there any discussion?

3 MR. TRUDELL: Yes.

4 MADAME CHAIRMAN: All those in favor signify
5 by saying "aye."

6 MR. TRUDELL: Aye.

7 MS. ESQUER: Aye.

8 MR. KANTOR: Aye.

9 MR. ENGELBERG: Aye.

10 MR. BRADLEY: Aye.

11 MR. ORTIQUE: Aye.

12 MR. SACKS: Aye.

13 MS. SHUMP: Aye.

14 MR. McCALPIN: Aye.

15 MS. WORTHY: Aye.

16 MADAME CHAIRMAN: All those against?

17 (No response.)

18 MADAME CHAIRMAN: Any further on the report?

19 MR. TRUDELL: Hillary, as pointed out, we only
20 really took up two items that we acted on in the field --
21 in the field, there are a number of items including the
22 concern about client participation or I guess the Board
23 composition in terms of regulations that have been discussed
24 at that Committee meeting and during the course of today's
25 Board meeting, I made a list of items that I guess I will

MADAME CHAIRMAN: The resolution that appears

on page 22, is there any discussion

MR. THURTELL: Yes.

MADAME CHAIRMAN: All those in favor signify

by saying "aye."

MR. THURTELL: Aye.

MR. PROUBLE: Aye.

MR. KANTOR: Aye.

MR. ENGELBERG: Aye.

MR. BRADLEY: Aye.

MR. GRIFFIN: Aye.

MR. SACKS: Aye.

MR. SHUMP: Aye.

MR. MCGARRIN: Aye.

MR. WORTHY: Aye.

MADAME CHAIRMAN: All those against

(no response)

MADAME CHAIRMAN: Any further on the reports

MR. PROUBLE: Military, as pointed out, we only

really look up two items that we acted on in the field

in the field, there was a number of items including the

concern about client participation or the board

composition in terms of regulations that have been discussed

at that Committee meeting and during the course of today's

board meeting, I made a list of items that I guess I will

1 discuss with the other Committee members so that we can
2 formulate our agenda fairly early and set the date in place
3 where the meeting will be held.

4 MADAME CHAIRMAN: Fine.

5 The next item on the agenda concerns --

6 MR. TRUDELL: I would like to make one final
7 comment.

8 MADAME CHAIRMAN: Go ahead.

9 MR. TRUDELL: At the Committee meeting I think
10 the Committee was very appreciative of the job that Clint
11 did because there were quite a few things on the agenda --
12 more than we had anticipated. The material was well prepared
13 and he had all the answers that we wanted.

14 MADAME CHAIRMAN: Clint deserves a vote of
15 thanks and appreciation for a lot of things. I will tell
16 you that.

17 Our next item concerns a short report on -- excuse me --
18 National Support Centers. While waiting for Alan, I was
19 looking for some -- I get all this stuff in the mail talking
20 about resolutions and I got a resolution the other day from
21 a county in Michigan which shall remain nameless, they were
22 telling me that the Board of Commissioners continues to
23 support its own legal aid programs now constituted to resist
24 any expansion by the National Legal Services Corporation and
25 they will continue to oppose that. It is nice to know that

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discuss with the other committee members so that we can
formulate our agenda fairly early and get the date in place
where the meeting will be held.

MADAME CHAIRMAN: Thank you.

The next item on the agenda concerns --

MR. THORNTON: I would like to make one final

comment.

MADAME CHAIRMAN: Go ahead.

MR. THORNTON: At the committee meeting I think

the committee was very appreciative of the job that I did

did because there were quite a few things on the agenda --

more than we had anticipated. The material was well prepared

and he had all the answers that we wanted.

MADAME CHAIRMAN: Did that deserve a vote of

thanks and appreciation for a job of that kind. I will call

your name.

Our next item concerns a short report on -- excuse me --

National Support Council. While waiting for Alan, I was

looking for some -- I got all this stuff in the mail talking

about resolutions and I got a resolution the other day from

a county in Michigan which shall remain nameless, they were

talking me into the Board of Commissioners continue to

support the own legal aid programs now considered to resist

any expansion by the National Legal Services Corporation and

they will continue to oppose that. It is time to know that

1 we are not just universally loved.

2 Alan, we are going to ask for a very short report
3 which is unfortunately very long, hard tedious work, but if
4 you could provide some overview. As you noticed this
5 morning, there was a number of questions about National
6 Support Centers. Any guidance you can give us, we would
7 appreciate.

8 MR. HOUSEMAN: I am the Director of the
9 Research Institute.

10 I have been asked to come here today to -- as well as
11 the Support Center directors as well as Si Rosenthal who
12 was the consultant hired to undertake the evaluations of the
13 existing Support Centers this year and I would, if possible,
14 like them to be able to present to you some of their
15 concerns and thoughts.

16 The only context which I want to make to their presen-
17 tation in addition to what is in your book is just to
18 briefly mention the current policy of the Corporation against
19 which you should understand the presentation that we made.
20 The current policy with regard to National Support is --
21 there are four primary functions of the National Support
22 Centers which are all fully funded National Support Centers.

23 Two, that they must emphasize two things: national
24 policy representation and support and assistance to local
25 programs.

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...which is unfortunately very long, hard tedious work, but it ...

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...MILL BOURNAN: I am the Director of the ...

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...two, that they must emphasize two things: national ...

...policy representation and support and assistance to local ...

...programs.

1 Three, that they must engage in an extensive
2 priority setting process and development of work plans
3 which in that process must involve field programs, staff
4 and clients not only those that are on their boards and
5 there are clients and field program staff on every Support
6 Center board, -- every Support Center board has to meet the
7 requirements of the Legal Services Corporation. They must
8 not only involve those clients in the field program staff
9 but others beyond them in the development of their priorities
10 and in their work plans.

11 The fourth aspect of our current policy is that we
12 are attempting to address if we have sufficient funds --
13 it is a criticality, unmet National Support aids and we do
14 that not necessarily by funding new centers. There are
15 several different type of mechanisms by which to do that
16 including the funding of legal programs which we did last
17 year and the funding of existing organizations which we also
18 did last year to address the critical unmet needs.

19 That is the scope and the scale of the policy as we
20 are currently operating.

21 One other thing, Mickie, Judge, Bill, I think -- no,
22 this maybe better than -- in any case, the National Support
23 Centers have been historically a subject of great Congres-
24 sional debate and concern through efforts of Dan and others
25 who are on this Board now. Dan and Mickie, Bill and Revius

1 They, that they must engage in an extensive
 2 priority setting process and development of work plans
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 5 their are clients and field program staff on every support
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 7 requirements of the legal services corporation. They must
 8 and also involve those clients in the field program staff
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 10 and in their work plans.
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 12 are attempting to address it we have sufficient funds to
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 22 this says better than -- in any case, the National Support
 23 Centers have been historically a subject of great Congress-
 24 ional debate and concern through efforts of you and others
 25 who are on this board now. Dan and Mike, Bill and Kevin

1 were preserved through the Phillip's Era through efforts of
2 the Corporation in the early days in interpreting the Green
3 Amendment. They were preserved and we now have at least in
4 '68, developed a support study that looked carefully not
5 only at State support but National support to evolve into
6 the policies we now have. That is the background.

7 The presentation will be made principally by three
8 people in addition to Andy Lewis who is on my staff and who
9 is principally responsible for the National Support. The
10 other three are: Si Rosenthal, whom many of you have worked
11 with and have known, who headed the Evaluation team. Si
12 has been a local Legal Services Project director. He is
13 also actively involved NLADA. He was former Chairperson
14 PAG and has in the past also worked at OAO and Office of
15 Legal Services.

16 Sylvia Ivy, who is currently Director of the National
17 Health Law project came to the Health Law project in 1976.
18 Previous to that, she was an attorney with the NAACP, Legal
19 Defense Fund. Previous to that, she worked on a book "Our
20 Brothers Keeper" about Indians. She was on the Defense Fund
21 from 1968 to 1976. She was a 1968 graduate of Howard Law
22 School.

23 The other director who will be making presentations is
24 Paul Nathanson. He has been Director of the Senior Citizens
25 Law Center since 1972. Previous to that, he was an attorney

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 Brothers Keep" about Indians. She was on the Defense Fund
 from 1968 to 1976. She was a 1968 graduate of Howard law

School.
 The other director who will be making presentations is
 Paul Nathanson. He has been director of the Senior Citizens
 Law Center since 1972. Previous to that, he was an attorney

1 with Olmely and Meyers (phonetic) which is a large law
2 firm in Los Angeles.

3 As most of you know, those are the people who will be
4 making the presentation.

5 MADAME CHAIRMAN: While we are changing places,
6 let's take a break so the Reporter can stretch and shake
7 her fingers. Five minutes max.

8 (Five-minute recess taken.)

9 MADAME CHAIRMAN: We are going to proceed with
10 the report on National Support that Alan introduced before
11 the break and -- which of you are going to speak first?

12 MR. LEWIS: Si is.

13 MR. ROSENTHAL: When Alan was briefly des-
14 cribing my background, I was reminded of an incident last
15 night. I am on the board of a local college. The college
16 is under an accreditation review and evaluation. During the
17 discussion with the distinguished gentleman who is one of
18 the evaluators, a student came up and demurely asked, "What
19 are your qualifications to be a certified student?"

20 The gentleman took that rather well and I should
21 emphasize that I never felt that I was qualified substantially
22 to evaluate the 12 centers in the various subject matters.
23 We therefore obtained at least three substantive experts to
24 join the team at each center and I should emphasize in most
25 instances, this is the first substantive evaluation is the

14

with timely and relevant (phonetic) which is a large law

from in our analysis.

As most of you know these are the people who will be

making the presentation.

MRS. CHAIRMAN: While we are changing places,

let's take a break so the reporter can stretch and analyze

for a few minutes. Five minutes max.

(Five-minute recess taken.)

MRS. CHAIRMAN: We are going to proceed with

the report on national support that Alan introduced before

the break and -- which of you are going to speak first?

MR. LEWIS: Sir.

MR. ROSENTHAL: When Alan was briefly heard

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to evaluate the 13 centers in the various subject matters.

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join the team at each center and I should emphasize in most

instances, this is the first substantive evaluation in the

1 establishment of the Legal Services Corporation. They have
2 been monitored in terms of regulation and compliance and
3 audited, but the substantive review has not taken place
4 here. I came to this particular task with what I would say
5 is an admitted philosophic bias that is in favor of the
6 type of activities the Center is suppose to perform. How-
7 ever, I had not been very much involved with Legal Services
8 during the most recent years and I think I can say that I
9 was quite neutral and perhaps appropriately ignorant of the
10 number of Centers -- what they have been doing in recent
11 years. I was very, very favorably impressed and my impres-
12 sions were in part the result of my own observations. In
13 greater part, the result of observations, listening, substan-
14 tive consultants who joined our various team.

15 The Centers have traditionally been mandated to
16 provide what we might call routine service and back up to the
17 field. They showed great sensitivity to that mandate. They
18 have developed in most instances, sophisticated packages of
19 material so that the more routinized request or common
20 request can be responded to not only verbally but by mailing
21 out relevant sample pleadings and briefs and other packages
22 of the materials and some aspects of the technology also in
23 this. That is in the process at a lot of the Centers.

24 The impact work that we have been doing has been for
25 clients and in the context of litigation, it has been also

establishment of the legal services corporation. They have
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1 co-counseling with local programs only in the rarest of
2 instances have the National Support Centers been counseled
3 in matters that did not involve local counsel with the
4 Legal Services project.

5 The Washington Advocacy Program which Andy may speak
6 to in a few minutes, has been an important and traumatic
7 new step forward for the Support Centers although a few of
8 them have been doing that for at least the last year, year
9 and a half. There has been substantial attention given to
10 that critical role and I believe that the impact obtained
11 is of great benefit to our clients throughout the country.

12 The communications work that Centers are doing are
13 somewhat inhibited until the last year and a half by the
14 prohibition of outside training, but since that prohibition
15 has been lifted by the Congress, the Centers have been
16 actively involved in training and substantive specialties
17 and again we received very favorable impacts.

18 One of the things that we didn't get to in a less-
19 than-purely-scientific way was to obtain a long list of
20 service recipients and randomly select from those lists at
21 the Centers, the names of individuals who were phone on
22 FTS, WATTS line and asked to comment about the services
23 received. I was surprised to comment about the services
24 received. I was surprised at the very strong positive
25 feedback I received from those individuals who had actually

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1 utilized the Centers. If you would call it a survey, it
2 was limited to people who have made use of the services,
3 generally staff attorneys and occasionally paralegals.

4 I think because of the time limitation, you should
5 cut my comments although I would be very glad to respond
6 to questions and you -- maybe, Andy, you want to briefly
7 discuss some of the Washington Advocacy and then the panel
8 members might want to cite some of the specific activities
9 that they have in their Centers, the ones they have attended
10 to and they are familiar from other Centers. So, you have
11 rather than just abstract concepts, you have concrete
12 examples.

13 MADAME CHAIRMAN: You said you were impressed
14 overall by the operations of the Centers of this particular
15 type?

16 MR. ROSENTHAL: I think it is a real pleasure
17 within a positive frame, to put it mildly, I was enormously
18 impressed. The quality of the work in general, it was very,
19 very high. The commitment of the staff of these Centers was
20 very, very strong. I believe it is an invaluable quality
21 service that is being performed and I guess alluding to a
22 few of the discussions that we had earlier today and at other
23 Board meetings, I would have to reiterate what was said and
24 what you have is a quality component in a place where it is
25 needed and they are performing a very valuable service.

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needed and they are performing a very valuable service.

1 It needs support. It needs financial support as well as
2 the other kinds of support that occur in our political
3 dynamics. The priority of preserving quality in legal
4 services in Support Centers is very high just as it is in
5 the field.

6 MADAME CHAIRMAN: Thank you.

7 Andy?

8 MR. LEWIS: We also performed evaluations on
9 the Washington offices and also a number of Support Centers
10 where we were doing legislative and administrative repre-
11 sentation. There were a few new Centers which were underway
12 and we felt it was unfair to walk in literally a few weeks
13 after they opened their door and do an evaluation. We will
14 be providing technical assistance of this sort to the
15 Washington arena to a number of those Centers using
16 principally the staff of the existing Support Center,
17 Washington offices.

18 I think one thing that is important to recognize here,
19 they are doing not only legislative work here on the Hill,
20 but there is growing concern with enforcement of the
21 victories that we do in the litigation arena. They are
22 working very closely and to have the administrative agencies
23 to try and insure that clients' rights are enforced after
24 we win the initial victory, I think that is something we
25 should encourage and it is very important, not something we

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It needs support. It needs financial support as well as
 the other kinds of support that occur in our political
 system. The priority of preserving quality in legal
 services to support centers is very high just as it is in
 the field.

MADAME CHIEF JUSTICE: Thank you, Mr. Justice.

And?

MR. LEWIS: We also performed evaluations on
 the Washington offices and also a number of support centers
 where we were doing legislative and administrative reform
 studies. There were a few new centers which were underway
 and we felt it was better to walk in literally a few weeks
 after they opened their door and do an evaluation. We will
 be providing technical assistance of this sort to the
 Washington areas to a number of those centers using
 principally the staff of the existing support centers
 in Washington offices.

I think one thing that is important to recognize here,
 they are doing not only legislative work here on the Hill,
 but there is growing concern with enforcement of the
 statutes that we do in the litigation arena. They are
 working very closely and to have the administrative agencies
 to try and insure that clients' rights are enforced after
 we win the initial victory. I think that is something we
 should encourage and it is very important, not something we

1 emphasized sufficiently in the past.

2 MADAME CHAIRMAN: How many Support Centers do
3 they have in Washington?

4 MR. LEWIS: I believe there are five who have --

5 MR. NATHANSON: Health, Welfare, Housing,
6 Consumer and Migrant. Migrants is based in Washington.

7 MR. ROSENTHAL: As is, the access --

8 MR. LEWIS: Unemployment also at the Washington
9 office.

10 MR. SACKS: About the Washington offices, I
11 seem to remember somewhere in the regulations, maybe it is
12 in the statute that there is some restriction on represen-
13 tation that it really has to flow from a client. And this,
14 of course, is very -- a very sensitive area and your
15 gentlemen's investigation of the Support Centers particularly
16 the Washinton offices, did you look in this phase and if so,
17 what did you find?

18 MR. LEWIS: We didn't in fact, look directly
19 at the issue and found that with no exceptions, they were
20 in fact, representing eligible clients. That was not their
21 ideas on what you had been supportive of for our clients
22 in certain National Support Centers, but they were really
23 operating -- representing specific client groups or
24 individuals.

25 MR. ROSENTHAL: Also in the field offices of

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emphasized substantially in the past.

MADAME CHAIRMAN: Now many Support Centers do

they have to Washington?

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MR. WATKINS: Health, Welfare, Housing,

Consumer and General. Minnesota is based in Washington.

MR. ROBERTSON: As to the access --

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in fact, representing eligible clients. That was not their

idea on what you had been supportive of for our clients

in certain National Support Centers, but they were really

operating -- representing specific clients groups or

individuals.

MR. ROBERTSON: Also in the field offices of

1 Centers, that, for example, Housing located in Berkeley,
2 can the branch office exactly come up with the same findings
3 and close coordination between the field offices and the
4 Washington branch?

5 MR. ORTIQUE: There is so much work out there
6 to be done, until they can spend all their time doing the
7 things that they can legitimately do without looking for
8 some additional work to do -- I served on the Board of the
9 National Senior Citizens Law Center until such time as they
10 sued the Corporation.

11 MR. SACKS: Couldn't mediate it.

12 MR. ORTIQUE: I believe, but I do know that
13 when the Great Panthers and Retired Teachers groups, and the
14 Association of Retired Persons came out with their legislative
15 agenda, that that was more than what we have resources to do
16 it with. It was very encouraging to see how that thing
17 operated. What is the name of that? Who is the head of
18 the Great Panthers?

19 MR. NATHANSON: Maggie Coon (phonetic). The
20 exciting thing about that kind of work is that we can get
21 involved in the legislative process but do it from behind
22 the scenes so that those organizations themselves are
23 setting up priorities.

24 MADAME CHAIRMAN: Who next do we hear from?

25 MS. IVY: Let me just tell you briefly a little

Center, that, for example, housing located in Berkeley, and the branch office exactly goes up with the same findings and close coordination between the field office and the

Washington branch?

MR. O'NEILL: There is no work out there to be done, until they can spend all their time doing the things that they can legitimately do without looking for some additional work to do -- I served on the board of the National Senior Citizens Law Center until such time as they need the corporation.

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when the Great Panthers and Retired Teachers group and the Association of Retired Persons come out with their legislative agenda, that that was more than what we have resources to do it with. It was very encouraging to see how that thing operated. What is the name of that? Who is the head of the Great Panthers?

MR. NATHANSON: Maggie Coon (phonetic). The

existing thing about that kind of work is that we can get involved in the legislative process but to it from behind the scenes so that those organizations themselves are setting up priorities.

MADAME CHAIRMAN: Who next do we hear from?

MR. IVY: Let me first tell you what's a little

1 about the National Health Law Program. We are a structure
2 of eight attorneys: six in Santa Monica, California; two in
3 Washinton D.C. We have a newsletter editor and a health
4 professional and two additional professional staff members.
5 We engage a number of functions including litigation,
6 training. We trained 260 field attorneys last year and held
7 three national training conferences in Health Law.

8 We have a newsletter that goes to 3,000 readers every
9 month. We do legislative and administrative advocacy both
10 from our Washington base and from our California main office
11 and let me just explain for a minute how that works.

12 In terms of the need, we perceive for the National
13 Health Law Program to be accountable at all times in both
14 our litigation and training activities and our lobbying
15 activities. We operate in a reverse triangle where the
16 field programs made known to us their desire with respect
17 to legislation. That is translated to the main office to
18 the litigating attorneys who in turn inform the Washington
19 branch so it is screened upward.

20 MR. BRADLEY: I am sorry.

21 MADAME CHAIRMAN: Alan, would you open that
22 door now so that we can get some ventilation? Thank you.

23 MS. IVY: In terms of our substantive activities,
24 our main priority is determined on a basis of the --
25 national priority determination is by field programs which

about the national health law program. We are a consortium of eight attorneys; six in Santa Monica, California; two in Washington D.C. We have a newsletter editor and a health professional and two additional professional staff members. We engage a number of firms including litigation consulting. We trained 350 field attorneys last year and this year. We have a newsletter that goes to 3,000 readers every month. We do legislative and administrative advocacy both from our Washington base and from our California main office and let me just explain for a minute how that works. In terms of the need, we perceive for the national health law program to be accountable at all times in both our litigation and training activities and our lobbying activities. We operate in a reverse triangle where the field programs made known to us their needs with respect to legislation. That is translated to the main office to the litigating attorneys who in turn inform the Washington branch so it is accented upward.

MR. BRADLEY: I am sorry.

MADAME CHAIRMAN: Alan, would you open that

door now so that we can get some ventilation? Thank you.

MR. IVEY: In terms of our substantive activities,

our main priority is determined on a basis of the

national priority determination as by field programs which

1 include Medicaid Entitlement and Hillburton Entitlement on
2 behalf of the clients. We have established extensive
3 networks of field and clients and paralegals who are
4 working in these areas and these are the networks we call
5 upon for priority settings both on a national basis and
6 within those particular substantive areas as we map up
7 choices between litigation and lobbying activities for the
8 particular year.

9 We have networks in addition that deal with issues
10 including national health insurance, health planning, race
11 discrimination and health availability which there is a
12 great amount which has never been addressed institutionally
13 by any public interest or legal service group on a
14 systematic basis and we are attempting to do that. We are
15 dealing with rural health issues, sterilization and abortion,
16 closure of public facilities. You may have heard about the
17 situation in New York City involving the closure of large
18 numbers of public hospitals. That is happening all across
19 the country. Our lawyers are involved in efforts to stop
20 those closures and retain those services.

21 I might spend just a moment to describe one of our
22 major substantive areas because it combines all the facets
23 of our work as well as anything else we are doing.

24 When the National Health Program was founded in the
25 late 1960s, one of the staff attorneys discovered a provision

includes Medicaid participation and Hillston enrollment on
 behalf of the client. We have established extensive
 networks of field and clients and hospitals who are
 working in these areas and there are the networks we call
 upon for priority services both on a national basis and
 within those particular subregional areas as we map up
 choices between litigation and lobbying activities for the
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 numbers of public hospitals. That is happening all across
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 those closures and retain those services.

I might spend just a moment to describe one of our
 major subregional areas because it combines all the facets
 of our work as well as anything else we are doing.

When the National Health Program was founded in the
 late 1960s, one of the early agencies discovered a provision

1 in the Hillburton Statute which had remained obscure and
2 uninforced which required hospitals which were built with
3 federal funds to give a certain amount of free service to
4 people unable to pay and to provide a service to the com-
5 munity in which the hospitals were built. Over half the
6 hospitals in the country were built with these Hillburton
7 funds. In fact, litigation was then undertaken to flush out
8 the meaning of the statute requiring those assurances from
9 the hospitals and collection actions by hospitals were
10 opposed by local attorneys on the basis that the hospitals
11 are not fulfilled -- these assurances. So both were from
12 a point of bringing affirmative litigation that had impact
13 and from helping individual clients who had built their
14 business that they couldn't pay this one isolated statutory
15 requirement and it had an enormous impact.

16 The regulations that were adopted by the HEW as a
17 result of the litigation that we brought were inadequate.
18 A seven-year effort to improve those -- included culminating
19 last year with a network of legal services that had developed
20 expertise in dealing with Hillburton, lobbying HEW. We had
21 I think 300 consumers come in to Washington. Our office was
22 able to coordinate that. They came to Washington. They
23 testified before HEW and they let people know that women
24 were still having babies, more packing losses because they
25 couldn't get in the door. They let people know that blacks

in the Hillman system which had remained obscure and
 unknown which required hospitals which were built with
 federal funds to give a certain amount of free service to
 people unable to pay and to provide a service to the com-
 munity in which the hospitals were built. Over half the
 hospitals in the country were built with these Hillman
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 able to coordinate that. They came to Washington. They
 testified before HHS and they let people know that women
 were still having babies, more pregnant women because they
 couldn't get in the door. They let people know that blacks

1 were still being refused on the basis of race. They let
2 people know that there were no services available if Spanish
3 or other languages desperately needed the communication and
4 the first time, I believe they saw the impact of the
5 non-enforcement of this obscure statutory regulatory require-
6 ment was. We now have regulations on the Hill that require
7 all Hill hospitals -- again that is over half of the hospitals
8 in the country -- not to refuse emergency service to patients
9 regardless of their ability to pay. This has never existed
10 in a federal regulation before. We now have a regulation
11 that prohibits discrimination on the basis of race. We
12 now have a regulation that requires written notice to all
13 people going to hospitals that are potentially eligible for
14 Hillburton service and we have an addition to those regula-
15 tions, a national network of legal services and attorneys
16 who are pursuing enforcement of these regulations, not only
17 that we have litigated the issue in Federal Court just in
18 September of this year, a Federal District Court in
19 Tennessee issued a finding -- one of the strongest findings
20 against a hospital. I think if the whole ten-year effort
21 in Health Law where we found that the hospital was in viola-
22 tion of their Hillburton obligation and indicated that they
23 were in civil contempt and that we would fine the board --
24 that board of that hospital \$2000 a day if they continued to
25 violate the rights of low-income people in the City of

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 that board of that hospital \$2000 a day if they continued to
 violate the rights of low-income people in the city of

1 Nashville to get that into their hospital. We are very
2 pleased of that and I think that will have a tremendous
3 impact on hospitals across the country which have essentially
4 ignored their obligation under the statute.

5 I will stop there to give Paul a chance to go on but
6 this is a very good example of what we tried to do in all of
7 the various areas that we are trying both educate the clients
8 and work with the attorneys in fighting for these health
9 entitlements in litigation and administrative and legislative
10 advocacy.

11 MADAME CHAIRMAN: Thank you very much.

12 MR. NATHANSON: Very briefly, I would like to
13 underscore what Bernie has said and what others here have
14 said in terms of existing quality programs receiving your
15 attention because to a certain extent, the National Support
16 Centers are dying on the vine (sic). We have had a tremen-
17 dous history of successes: the ones you have heard about
18 are the Consumer Law Center and Energy funds being put into
19 the legislation this year. We can go on and on but when
20 you have a program, for example, I can talk only about ours
21 that has ten attorneys who have in excess of ten years
22 average of experience out of law school who are earning less
23 than field programs in the surrounding Los Angeles, Southern
24 California area. I think you will have a potential for
25 problems in terms of having those Centers with the kinds of

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 2 pleased of that and I think that will have a tremendous
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11 MADAM CHAIRMAN: Thank you very much.

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 23 than field programs in the surrounding Los Angeles Southern
 24 California area. I think you will have a potential for
 25 problems in terms of having those Centers with the kind of

1 work they do to go on existing and provide the kinds of
2 services that they provided in the past. I am reluctant
3 just to talk about these that we have done -- obviously is
4 is the best we can do for the couple of years where we have
5 been active in trying to see that the field legal service
6 programs and clients received the benefit of the kinds of
7 expertise, perhaps it would be helpful nevertheless.

8 Several years ago we recognized that field legal
9 services attorneys were not particularly aware of the legal
10 problems of older people and in that regard, we proceeded to
11 go around the country and tried to sensitize them to do
12 training sessions, etc. After about a year of that, we
13 discovered that they were now sensitized and they were
14 interested in legal services to the elderly but that funds
15 were and this is now we are talking about, '73, '74, extremely
16 limited. So, one of the activities that we engaged in as a
17 Support Center beyond the traditional litigation role was to
18 try to work with legislative bodies, particularly in this
19 case, the Congress to expand funding for legal services
20 programs in the field out of sources other than -- you will
21 be please to hear that the Legal Services Corporation so that
22 now we have on the books in the Older Americans Act, the
23 substantial legal services for the elderly programmed. The
24 vast majority of the program, 300 to 400 programs, in the
25 programming who are receiving our Legal Services Corporation

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 vast majority of the program, 800 to 400 programs, in the
 programming who are receiving our legal services corporation

1 funded also, but they are now able to augment money and
2 focus on that particular client group. A lot of the work
3 was done by people in our Center. Dan was there, I think
4 in 1973 when we went to talk to Arthur Fledge (phonetic) who
5 is Commissioner on Aging, now still the Chairman of the
6 Civil Rights Commission to try to do that. That has borne
7 fruits.

8 We also as an example of the kind of field work, tried
9 to do, ~~put out this weekly newsletter~~ which I hope you will
10 get from our Washington office. The intent is really to
11 inform an ad hoc coalition of field people receiving the
12 newsletter. It goes every week to 6,000 groups and indivi-
13 duals, all of the legal services community, all of the aging
14 networks in the area, to the State Offices on Aging, all of
15 the CAP agencies; we have CSA to send to, CAP agencies, most
16 of the Hill, the elderly. What happens in effect and it
17 happens every week is that an ad hoc coalition forms, you
18 put an item in here and you tell people about either their
19 rights or potential problems on legislation, etc., people
20 from the CSA network, Aging network, Legal Services network,
21 join together around that issue of their particular interest
22 and you have a field task force working with you on that
23 problem. That is what we do primarily out of our Washington
24 office. Through that kind of a mechanism, that is really
25 what I would like to see other than what you have. It is

1 high time you started looking at the National Support Centers
2 as a major resource when you are talking about expansion
3 all over the country. How can we continue to provide that
4 kind of grass roots support which we are providing without
5 any expansion in our funds?

6 MADAME CHAIRMAN: You feel like that issue
7 has been adequately addressed within the staff or for the
8 1980 and '81 budget?

9 MR. NATHANSON: No.

10 MADAME CHAIRMAN: Can you say a little more?

11 MR. NATHANSON: All right. I think that again
12 there may well be in the past several years, there has been
13 a feeling that the National Support Centers were sort of to
14 be pushed under the rug, that they have a certain number of
15 enemies. Our efforts were the kinds of things that were
16 politically too sensitive and that therefore we were sort of
17 in the closet in terms of the kinds of, you know, efforts
18 and the presentations that we ought to be able to make to
19 the Board and I think that staff has been reluctant to
20 perceive the problems on the Hill or perceive the problems
21 with the Board to really fully address the kind of support.
22 I mean, our salaries are a disgrace for the kinds of experi-
23 ence that we have.

24 MR. ROSENTHAL: I would like to add to that,
25 that the ability of the National Support Centers to assist in

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as a major resource when you are talking about expansion
all over the country. How can we continue to provide that
kind of pass route support which we are providing without
any expansion in our funds?

MADAME CHAIRMAN: You feel like that issue

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MR. MATTHEWSON: No.

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a feeling that the National Support Centers were sort of to
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perceive the problems on the Hill or perceive the problems
with the board to really fully address the kind of support
I mean, our salaries are a handicap for the kinds of support
that we have.

MR. ROSENTHAL: I would like to add to that,

that the ability of the National Support Centers to assist in

1 the expansion areas is of extreme importance. A lot of the
2 feedback that I received on these phone services from
3 lawyers in -- essentially in the South and in parts of the
4 Mid-west is, well, it was very positive as to services they
5 had received. What would 800 phone numbers do in terms of
6 demands on Support Centers if the programmed lawyers could
7 make those phone calls?

8 One of my recommendations is in an overview report
9 is that the one-time money, that can't all be annualized at
10 one -- one-time money be directed -- giving the Support
11 Centers extra resources to involve themselves in expansion
12 areas more deeply than they have in the past. This has
13 Technical Assistance which crucially is important in these
14 areas.

15 MR. ENGELBERG: Can I just quickly respond to
16 what Paul said?

17 MADAME CHAIRMAN: Yes.

18 MR. ENGELBERG: You know, I can't speak for
19 the whole Board. I think my sense is that the vast majority
20 of this Board very strongly supports the work you are doing.
21 We are obviously very pleased by the size of the report. I
22 personally feel that I have always felt that way. I think
23 we are all aware of the potential problems of an effective
24 management. I think that nobody seems to have gone crazy in
25 the past five years. They know how to represent -- they are

the expansion program of extreme importance. A lot of the
 feedback that I received on these phone services from
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 management. I think that nobody seems to have gone crazy in
 the past five years. They know how to respond -- they are

1 eligible, free-lance -- lobbying is very dangerous, it is
2 a very sensitive issue, but I don't think that has been a
3 problem, at least to my knowledge. I for one happen to be
4 strongly in support of the expanded Washington effort. I
5 know the state governors are obviously very important. A
6 lot goes on in the State Legislature. We all know the mass
7 importance of the several people indicated on the panel in
8 the Congress Executive Branch. I would like to say that we
9 can prudently, very rapidly expand. I know there was a
10 concept several years ago, kind of a multipurpose Washington
11 office, which I think a lot of the people in the office.

12 I don't care procedurally however it is done. I
13 strongly favor its support and I would like to see over the
14 next year or so, beef up the Washington aspect. What you
15 are doing obviously has to make its own decision.

16 In any event, I don't think there is any reluctance
17 on this Board to continue to support as best we can and
18 obviously increase the support for the work you are doing
19 and I think the potential political problems are really
20 gone to the hat of what this problem is all about. Not just
21 Support Centers but Legal Services creating political
22 controversy and do your job and follow along the regulations
23 and we depend on our friends and supporters to protect us.

24 MR. ORTIQUE: I just wanted to suggest, Dan,
25 that in our next meeting I think we ought to have some ~~complan~~

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 support centers but legal services existing political
 controversy and do your job and follow along the regulations
 and we depend on our friends and supporters to protect us.
 MR. ORTIGUE: I just wanted to suggest, that
 that in our next meeting I think we ought to have some

1 comments from our staff on the option: Do we strengthen
2 our Support Centers or reduce our activity in research and
3 development activities in Washington or do we try to do both
4 of them on par or vice versa? Just seems to me that one of
5 the things that this Board has expressed concern about, I
6 know the Board prior to this expressed great concern about
7 was the increase in our Washington establishment, whether
8 these things could be gotten better some place else and I
9 am sure that we are mindful of that. And again, those
10 option situations, the Board I think would like to become
11 more involved in having options brought to them so they
12 can make a choice not to request.

13 MADAME CHAIRMAN: That is one of the things
14 that the President's Report will cover.

15 MR. SACKS: I was very impressed that with
16 everything I have heard and probably by a Member of this
17 organization, I was particularly impressed by what you had
18 to say about the work under Hillburton. I am wondering if
19 that couldn't be written up, if that is not too much trouble.
20 It is just the kind of thing that could be doubting. Tom
21 says, whether Legal Services really make a -- here is a
22 dramatic example of particularly an attractive area. Nobody
23 is against health. Could you do that?

24 MS. IVY: (Affirmative headshake.)

25 MADAME CHAIRMAN: Are there any further comments?

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MR. KATON: Just one moment. There are not
 as many things that make legal services unique as all of us
 would like to believe. There are many countries who have
 programs that provide legal services in a way that lawyers
 with desks and phones, wherever they need, still attorney
 model on a traditional model. A couple of things that have
 distinguished legal services both in DCO and now under the
 corporation, two of these involvements of choice which is
 absolutely unique, nowhere else in the world do you have that
 kind of education and the kind of control tied to a training
 program. And I would suggest that and I think that we all
 believe this without the latter, the former goes without
 saying. Without the latter, we would not have accomplished
 any small percentage of what we have accomplished in terms of
 impact, litigation, in changing some of the structural
 problems that face poor people in the country.
 So, the challenge, I think, for all of us is not a
 recognition of that but to be able to move forward and find
 in an alternate way and do as Steve and Paul said, protect
 ourselves as we do that. We protect the whole model.
 I just wanted to say that it always -- it is unique.
 Two aspects of an experiment we are involved in.

MAYNARD CHAIRMAN: That is right. Well, I know
 that you feel like you have been pushed this afternoon because
 of the schedule that we have. I do think there is a great

1 of interest in National Support Centers, I know that, at
2 least I have been in vote. We voted to have considerable --
3 to have a general introduction to National Support Centers
4 in San Diego so we have had an opportunity to look at the
5 Support Centers and what we are hoping now from the study
6 that Si and Alan and Andy and the others have done is some
7 very positive and concrete recommendation as to how every-
8 body loves Support Centers. We can translate that feeling
9 to some Support Centers and if you can present us with that,
10 that is what we really need.

11 What we need is a recommendation as to what we can
12 do for now. I hope that will be forthcoming.

13 MR. KANTOR: How about matching funds?

14 MADAME CHAIRMAN: AMA for matching funds, right?

15 MR. BRADLEY: Can we -- two points by several
16 Board members individually at other meetings had asked
17 questions and the other is about the Support Centers. All
18 of you know, I am sure that the Regional Office is, we have
19 an opportunity to evaluate our local programs, but it is not
20 all fun that we have the opportunity to assess a national
21 program. And we have had a comprehensive six-month long
22 assessment of each of the individual programs. We have
23 prepared an individual monitoring report that overviews
24 which Si has prepared and gave us an opportunity since most
25 of these persons are from California on just a visit with us

of interest in national support centers. I know that at least I have been in vote. We voted to have considerable -- to have a general introduction to National Support Centers in San Diego so we have had an opportunity to look at the support centers and what we are hoping now from the study that Al and Alan and Andy and the others have done is some very positive and concrete recommendations as to how everybody loves support centers. We can translate that feeling to some support centers and if you can present us with that that is what we really need.

What we need is a recommendation as to what we can do for now. I hope that will be forthcoming.

MR. KANTOR: How about national funds?

MADAME CHAIRMAN: Are you talking about raising money?

MR. BRADY: Can we -- two points by answer.

Board members individually at other meetings had raised questions and the other is about the support centers. All of you know, I am sure that the National Office in we have an opportunity to evaluate our local programs, but to not all that we have the opportunity to assess a national program. And we have had a comprehensive six-month long assessment of each of the individual programs. We have prepared an individual monitoring report that oversees what it has prepared and gave us an opportunity since most of these persons are from California or just a visit with an

1 briefly to report on a major and significant activity.

2 Also, I would like to point out in December, a good
3 friend of mine, Paul -- and incidently, Paul is leaving us
4 after many long years of leadership.

5 MADAME CHAIRMAN: Where are you going?

6 MR. BRADLEY: He is going to retire this
7 year because of the restrictions in the act on the comple-
8 tion of minimum access. You all know in the Committee this
9 staff money was -- we could, in the cost of service, increase
10 to the left-over about \$43,000 in annualized money. I
11 think the staff was unanimous of that -- there was no real
12 debate that that should go into National Support.

13 In addition, we have put some of the one-time money
14 and I would hope that the money that we are going to have
15 for the completion of minimum access, the 20 plus million
16 that the staff is capable of being creative in how we use
17 that money to make sure that the support which is an important
18 part to complete minimum access that it is done together.
19 And I am working closely with the staff now and we are
20 working through the Support Centers to try to make sure that
21 we do that. It is not enough. It is one-time money, but
22 it is better than nothing.

23 MS. ESQUER: I would like to commend the staff
24 on this information directory. I think that it is really
25 an excellent information item, but I am particularly impressed

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...to report on a major and significant activity.
Also, I would like to point out in December, a good
friend of mine, and I don't know if he is leaving to
offer any long years of leadership.

MANAGE DIRECTOR: Where are you going?

MR. HADLEY: He is going to visit this

year because of the contribution in the area of the center.
...of minimum success, for all four in the business this
year money was -- we could, in the case of business, increase

to the Government about \$10,000 in uncommitted money.

I think the state was unanimous on that -- there was no real

debate that that should go into national support.

In addition, we have put some of the one-time money

and I would hope that the money that we are going to have

for the completion of minimum success, the 50 plus million

that the state is capable of being committed in how we use

this money to make sure that the support which is an important

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and I am working closely with the state now and we are

working through the support centers to try to make sure that

we do that. It is not enough. It is one-time money, but

it is better than nothing.

MR. PERKINS: I would like to commend the state

on this information directory. I think that it is really

an excellent information item, but I am particularly impressed

1 with the reports with the Support Centers after the Support
2 Center and how they have been able to work and include
3 clients in their work plans. And then the thoroughness of
4 the, you know, the briefings and I think it is really a
5 helpful document and it is really well-put together.

6 MADAME CHAIRMAN: I second that. Thank you
7 all for coming today. Good luck.

8 MR. KANTOR: Are we opening --

9 MADAME CHAIRMAN: I would like Josephine Worthy
10 to handle the next item on the agenda. Authorization of
11 Board Committees. I noticed in the By-laws in -- it brought
12 to my attention by the staff of the Corporation that we do
13 need to formally authorize our Board Committees by resolution
14 once every two years or until we change our minds about
15 them. And so, there is a resolution prepared.

16 Josephine?

17 MS. WORTHY: Madame Chairman and President:
18 we discussed this and I am sorry that I was not at the
19 meeting and I was sick. We did not have a meeting of provi-
20 sions because we didn't feel that we needed it. We did
21 discuss this and I would like to say that I would like to
22 have the Board, about this resolution that is put before us
23 today on the two-year thing --

24 MADAME CHAIRMAN: Is there a second?

25 MR. SACKS: I second it.

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MR. SHORR: Yes.

MS. SHORR: Yes.

MR. WOODRUFF: Yes.

MR. WOODRUFF: Yes.

MR. WOODRUFF: All those opposed.

(No response.)

MR. WOODRUFF: The next item is the

President's Report and Dan provided us with a status report

those of you who were at the audit and Appropriations

Committee, we have to decide what this Committee is called.

We have just authorized an Appropriation and Audit so I

guess that is a Committee, discussed the issue of a

President's Report and Dan has prepared a written report

and will now add to it orally.

MR. BRADLEY: I am taking my key from my good

friend, Mr. Honeman, I will try to be as brief as possible.

We did an interesting -- two things -- first is a historical

matrix.

Mary has been in touch with some of you. We now are

in an important period of the preparation of our final

budget presentation that OMB, for their comment and final

appropriation for the budget will be delivered to the

bill.

Mary has arranged a Senator-staff. We will be meeting

with top officials with OMB next week that will be comparable

1 to an explanation of this process today and it is good that
2 it is coming on Tuesday. It gives most of us an opportunity
3 to say that these were issues that we debated and that were
4 discussed by the Board. I won't talk right now about how
5 each of you individuals and the Board may be able to help us
6 in the next month or month and a half, it is very, very
7 important that all of us be aware that the President doesn't
8 include our budget in his message to Congress, but it has
9 become -- he does have the right to comment on our budget
10 and in the past, many persons on the Hill have looked to the
11 President's comments as their guide for what our funding
12 level should be.

13 So, that is the first immediate issue that Mary and
14 our entire staff are working on and we will be in touch with
15 all of you in this room -- all of you in the audience and
16 the rest of the legal services community.

17 Finally, our budget report in January and we will go
18 forward immediately doing the best job we can explaining
19 our budget, presenting our budget, defending our budget,
20 justifying our budget, especially there at the Senate and
21 to the House. I know all of you are anxious and are willing
22 to help us and believe me we genuinely need you. This is
23 a very tight year.

24 OMB has made it clear to us that this is a tight year
25 for all programs, not just our program, except for the

to an explanation of the process today and it is good that
 it is coming on Tuesday. It gives most of us an opportunity
 to say that there were issues that we debated and that were
 discussed by the board. I won't talk right now about how
 each of you individuals and the board may be able to help us
 in the next month or month and a half, it is very, very
 important that all of us be aware that the President doesn't
 include our budget in his message to Congress, but it has
 become -- he does have the right to comment on our budget
 and in the past, many persons of the Hill have looked to the
 President's comments as their guide for what our funding
 level should be.
 So, that is the first immediate issue that they and
 our staff are working on and we will be in touch with
 all of you in this room -- all of you in the audience and
 the rest of the legal services community.
 Finally, our budget report in January and we will go
 forward immediately during the next job we can explaining
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 to the House. I know all of you are anxious and are willing
 to help us and believe we genuinely need you. This is
 a very tight year.
 Our message is clear to us that this is a tight year
 for all programs, not just our program, except for the

1 Department of Defense, but for all programs, it is equally
2 clear and I want to -- I have said this to the Audit and
3 Appropriations Committee, it is equally clear that it is
4 going to be a very difficult year and Captain Hill and I
5 have been trying to -- and my good friend, Mr. Sholeren (phonetic
6 our traditional strong, long-time supporters on the Legal
7 Services on the Hill have been saying: Gee, Dan, this is
8 the year that this is going to be tough for all of us but
9 we are still going to do the best we can in presenting our
10 case to them and we will be calling on you to help us.

11 Number two, and I will close on this point -- we did
12 have an interesting discussion that five or six of you were
13 involved in at the last Board meeting. The Committee
14 meetings have turned out to be in small Board meetings, but
15 which led to my preparing for you a brief status report
16 on some of the things that some of you expressed concern
17 about that you have been asking me about but the greater
18 issue, it seems to me, I don't know now how more eloquently
19 to state it than to say that now we have completed minimum
20 access and all that that means and you know as well as I do
21 what that means, the question is: Do we stop or do we go
22 forward and the obvious answer is of course, we go forward.
23 A lot of issues -- there are a lot of debates, a lot of
24 legitimate differences of opinions, a lot of conflicting
25 ideas on this Board on our staff and in the field and client

Department of Defense but for all purposes, it is equally
clear and I want to -- I have said this to the Audit and
Appropriations Committee, it is equally clear that it is
going to be a very difficult year and Captain Hill and I
have been trying to -- and my good friend, Mr. Sholomon (phonetic)
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case to them and we will be calling on you to help us.
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have an interesting discussion that five or six of you were
involved in at the last board meeting. The Committee
meetings have turned out to be in small board meetings, but
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on some of the things that some of you expressed concern
about that you have been asking me about but the greater
issue, it seems to me, I don't know how more eloquently
to state it than to say that now we have completed minutes
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forward and the obvious answer is: of course, we go forward.
A lot of issues -- there are a lot of issues, a lot of
legitimate differences of opinions, a lot of conflicting
issues on this board on our staff and in the field and clients

1 community and society at large. I don't view those issues
2 as insurmountable. I don't necessarily view those decisions
3 and those tasks as that difficult.

4 So, some of my staff, they like the Constitutional
5 kinds of issues. I am prepared. I am not prepared today
6 to tell you how we are going to proceed in addressing these
7 issues, making decisions, leading us into the 1980s and the
8 present, who will be involved in structuring the process
9 although I can tell you what if wouldn't be in terms of the
10 next steps.

11 I can tell you right now when we are going to make
12 these decisions or where we will go to convene ourselves to
13 do these things.

14 I have had a chance to talk to the Board Chairman and
15 the Committee Chairman and what I propose to do and my staff
16 and we will finalize before early February, a suggested
17 plan from your staff and from me to you dealing with the
18 Board, dealing with the Committee structures and dealing
19 with any other individual or any other group organization
20 in trying to help us focus in on what some of those basic
21 issues are, similar issues and tough decisions because in it
22 incumbent upon me as your President to make sure that we
23 provide you with the staff work, the information, the
24 analytical work, the options we have talked about, the
25 recommendations and frame them in such a way that you and

all of us can make decisions and I mean those decisions.
 I will promise you that to make sure that we do not
 at this time, this year and beyond and the others suggested
 that we come back here and I still disagree. When are we
 going to meet? How are we going to do it?
 My determination and commitment for better or worse,
 I want us to go forward and make some decisions. It may
 very well turn out that we may make some wrong decisions, but
 I hope we will make the right decisions.
 I firmly believe that we have enough intelligence
 sitting at this table, enough experience in this room,
 enough interest, enough commitment that we can just go about
 the task and address those issues and start moving immediately
 in the 1980s and beyond.
 And I will have that plan to you, speaking to most
 of you individually on the phone, visiting and I will have
 that and it will probably result in one or two things and
 the context which we have been discussing it, we might,
 in fact, have a meeting -- the interim meeting sometime
 between now and the end of March which is a regular
 scheduled board meeting. It very well may be depending on
 your schedules and our schedules and when we have these
 issues framed and some structure for which you to meet,
 debate, fight, argue or resolve and make decisions. It
 may very well be that all of this would lead up to the

1 March Board meeting which that is next on the agenda item.

2 We have previously agreed to meet for two days at
3 the end of March. March is traditionally, I think, a slack
4 time in terms of the decisions that this Board needs to
5 decide because the budget is already put to rest on sort of
6 a limbo, waiting for Congressional action and I think that
7 those two days will probably be a good opportunity since
8 we have already got that time blocked out for all of us
9 to come together and may be dealing with some of the issues
10 and make some decisions and move forward from there.

11 My intention, that is what I plan to do, devoting
12 most of my time -- as most of you know that I spend most
13 of the three, four months in the field. I cannot tell you
14 how important it was for me to visit the field programs, to
15 hear what the client community had to say, to hear the
16 comments and criticisms, the words of --

17 MS. WORTHY: -- of encouragement.

18 MR. BRADLEY: And I have spend a lot of time
19 unfortunately in Greyhound bus stations and trains and
20 airports. Now, it seems to me, incumbent, that if you have
21 gone through that and done it also, that we know get about
22 the business of managing this Corporation and moving us
23 forward into the next several years. And I am prepared to
24 do that. I know you are also.

25 MADAME CHAIRMAN: Thank you. Thanks, Dan.

ALL

... Board meeting which is next on the agenda item.

We have previously agreed to meet on two days at

the end of March. March is traditionally a slow

time in terms of the decisions and this Board needs to

decide because the budget is already put to rest on sort of

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we have already got that time blocked out for all of us

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MR. WORTHY: -- of encouragement.

MR. BRADY: and I have spend a lot of time

unfortunately in Germany and stations and trains and

airports. Now, it seems to me, important that if you have

done through that and done it also, that we know get about

the business of managing this corporation and moving us

forward into the next several years. And I am prepared to

do that. I know you're also.

MADAM CHAIRMAN: thank you, thank you.

1 Dan's comments certainly arise out of, I think, the
2 agenda, whether it is expressed by each of us individually,
3 at the Committee meetings or expressed to him at some other
4 point, that, you know, a lot of the questions that have
5 been raised and continue to be raised kept post poning
6 until the day of this meeting that minimum access occurred,
7 can no longer, nor do we want them to be postponed. I think
8 obviously that the Board has an activist posture, for better
9 or worse, participate in, if not, make a lot of the policies
10 that the Corporation will proceed under for the next couple
11 of years and we have asked and Dan has agreed in that the
12 status report is the first step to present to us very
13 clearly and straight forwardly, those issues that need to be
14 decided upon, funding formulas for the future and the like,
15 to give us a chance to have a crack at them whether they are
16 too complex or too difficult for us to deal with in that
17 frame or not.

18 We don't know because we feel that we have a lot of
19 time to think about them, a lot of information has been
20 presented, they are often, with these issues as previously
21 pointed out, various options.

22 We have to try to decide them. That is what we intend
23 to do and that process, Dan has agreed to expedite, to
24 provide us the benefit of the information, wisdom, which
25 resides within the staff and within the Legal Services

1 Dan's comments generally came out of, I think, the
 2 agenda, whether it is expressed by each of us individually
 3 or the Committee meeting or expressed to him in some other
 4 context, that, you know, a lot of the questions that have
 5 been raised and continue to be raised kept popping
 6 until the day of this meeting that minimum issues occurred,
 7 can we budget, how do we want them to be positioned, I think
 8 especially that the Board has an activist posture, for instance
 9 or worse, participants in it not, make a lot of the policies
 10 that the corporation will proceed under for the next couple
 11 of years and we have asked and Dan has agreed that the
 12 various report in the first step to present in various
 13 clearly and straight forwardly, those issues that need to be
 14 decided upon, funding resources for the future and the like,
 15 to give us a chance to have a week or two where they are
 16 too complex or too difficult for us to deal with in this
 17 frame or not.
 18 We don't know because we feel that we have a lot of
 19 time to think about them, a lot of information has been
 20 presented, they are often, with these issues as previously
 21 pointed out, various options.
 22 We have to try to handle them, that is what we intend
 23 to do and that process, Dan has agreed to expedite to
 24 provide us the benefit of his information, which
 25 resides within the staff and within the legal services

1 community so that we all are aiming for some decisions to
2 some of these issues, at least, by or at the March Board
3 meeting.

4 And as Dan pointed out, I am not sure that we are
5 going to be making the right decisions, second-guess minimum
6 access, all they want is a simplistic, forward -- where
7 we are for better or worse, by and large, I think that it
8 was a decision that was absolutely correct. Begin what
9 had to be done in order to move the entire legal services
10 field off dead center and it may be because of the change
11 of times and pressures in time to move any further in that
12 formula and we have to decide how best else we can present
13 to the Congress and also to the communities that we are
14 serving. And that is what we are going to be deciding,
15 the minimum access formula was not decided by a group of
16 900 year processes. It was finally, basically made as a
17 political decision that rested on the shoulders of those
18 people who made it and they were willing to shoulder it and
19 go on with it.

20 I think that is what is going to have to happen here.
21 I think it is time that we begin. Let us be willing to
22 sort of belly-up and say: We are going to do this, live
23 with it, whatever we have got.

24 Dan is going to be doing this for the next couple of
25 months. It will be of benefit to the Board as well as every-

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community so that we all are aiming for some decisions to
some of these issues, at least, by or at the Board
meeting.

And as I've pointed out, I am not sure that we can
be asked to be making the right decisions, second order minimum
answers, all they want is a simplified, forward -- where
we are for better or worse, by and large, I think that is
what a decision that was probably wanted. People want

had to be done in order to have the entire legal matters
field off head and they had to be done in order to have
of them and pressure in time to move any forward in that
direction and we have to decide how best we can present
to the Congress and also to the communities that we are
serving. And that is what we are going to be deciding.

The obvious source of power was not decided by a majority
of the production. It was literally, basically, made by a
political decision that rested on the shoulders of those
people who made it and they were willing to shoulder it and
go on with it.

I think that is what is going to have to happen here.
I think it is time that we begin to act as we willing to
sort of belly-up and say, we are going to do this, live
with it, whatever we have got. I think that is the only
way to go to be doing this for the next couple of

months. It will be of benefit to the Board as well as every-

1 body else who is interested in the issues and I hope that
2 he receives it so that we are at least given the benefit
3 of everyone's information, input.

4 MR. KANTOR: I think we did not acknowledge
5 though that we would like to: Gary, Judy, Dan and our
6 Committee on the Appropriation and Audit Committee that
7 A & A and for the fine work they did on the Budget with
8 tough, gruelling hours that they put in. It is not easy.
9 It is the toughest process that anyone here ever has to go
10 through.

11 I think it was done very well.

12 MR. SACKS: I just wanted to say Dan's excellent
13 report which is truly helpful and that is on page 7, Dan,
14 you referred to the development of standards and I just
15 wanted to say a word about one of the things that concerns
16 me. We don't seem to have much of a reward of excellence
17 in the world and something that would penalize inefficiency.

18 I have spoke to you in the field and you and I think
19 it is a very good answer. It is very hard to know who is
20 efficient and who is inefficient.

21 So, I would therefore just express as a personal
22 viewpoint, the hope that -- and the clients and the other
23 people involved in really making a maximum effort in the
24 next six months to develop standards so that we can begin
25 to put our scarce resources into the program, really making

body else who is interested in the issues and I hope that
 he receives at least what we have at least given the benefit
 of everyone's information, input.

MR. SANDER: I think we did not understand

though that we would like to see a copy, they can send out
 statistics on the Appropriation and their comments that
 A & B and for the time being they had on the budget with
 though generally have that they put in. It is not easy
 it is the toughest ground that anyone here ever has to go
 through. I think it was done very well.

MR. SANDER: I just wanted to say that's excellent

report which is truly helpful and that is on page 11 that

you referred to the development on standards and I just
 wanted to say a word about one of the things that concerns
 me. We don't seem to have such a word of standard
 in the world and something that would generally be interdisciplinary.
 I have spoke to you in the field and you and I think
 it is a very good answer. It is very hard to know who is

attendant and who is not attendant.

So, I would therefore just express as a personal

whenever the page list -- and the science and the other

people involved in really making a commitment effort in the

next six months to develop standards so that we can begin

to put our science resources into the program really making

1 use of it.

2 MADAME CHAIRMAN: I think that is very good.

3 MR. McCALPIN: Dan, I am not sure that I under-
4 stood exactly what you were describing, yourself, what the
5 staff is doing between now and the first of February; whether
6 it was taking these various on page eight of your memorandum
7 under conclusions and flush them out.

8 MR. BRADLEY: Bill?

9 MR. McCALPIN: Whether you were thinking about
10 doing -- whether you were going to be thinking of other
11 items that ought to be included on that page. Clearly,
12 those were just "for instances," it could have gone on for
13 page after page after page.

14 I guess the point that I really wanted to make was
15 that I think it would probably be a mistake to think that
16 we could solve all the problems of the world with legal
17 services in one sitting and I would hope that you would not
18 serve this whole smorgasbord up to one point.

19 I recognize that some of the items are inter-related
20 and you may have trouble drawing some lines.

21 On the other hand, I believe that we will do better
22 work and reach better conclusions and make better progress
23 if we could approach separate problems separately and not
24 try to solve all of these problems together with all of the
25 others that you and we could think of by sitting down for

MADAME CHAIRMAN: (No response.)

MR. McCAFFERTY: Don't make it more complicated

than it has to be.

MR. BRADLEY: We are going to rely on a lot

of common sense. Bill. A lot of common sense.

MADAME CHAIRMAN: Any other comments?

(No response.)

MADAME CHAIRMAN: The next item is the

listing of future meeting dates which we have before us on

the previous occasion. The issue is that Mr. Bradford has

invited us all to Memphis. That was your idea and we are

trying to decide whether we wish to meet somewhere other

than Washington and that is the issue for the next board

meeting at the end of March 28, 1962. We cannot meet in an

unaffiliated state.

Tennessee did it before they knew what they were

doing.

MR. ENGELBERG: Are these dates set?

These are set or do we have to approve them?

MR. BRADLEY: Those are the dates that have been

previously approved.

MR. ENGELBERG: I thought we eliminated Friday

and Saturday.

MADAME CHAIRMAN: The only question we have

before us is: Where we meet at the next meeting?

1 MR. McCALPIN: I think that depends on what is
2 most convenient for you.

3 MADAME CHAIRMAN: Memphis would be easier than
4 Washington then.

5 MR. ENGELBERG: I move that we meet in Memphis.

6 MR. BRADLEY: We have two members from the
7 State of Tennessee.

8 MADAME CHAIRMAN: If that is all right. I don't
9 want to inconvenience other people.

10 MR. ORTIQUE: I think that is great.

11 MR. SACKS: Different part of the country. Local
12 people are able to come and see us and have the community
13 talk with us or to us.

14 MADAME CHAIRMAN: We have decided we are going
15 to meet in Memphis.

16 Now, is there any other business to come before the
17 Board?

18 I know that at least one member of the public has
19 said that he wished to talk.

20 Would you please come to the microphone and give us
21 your name? You can sit down if you want to.

22 MR. ROSS: Thank you, Madame Chairman.

23 My name is Tom Ross. I am the Chairman of the Board
24 of Trustees of the Legalaid Center in Portland, Oregon.
25 Our board is made up like any other board; it is made up of

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MR. MCGILL: I think that depends on what is
 your conversation for you.
 MR. CHAIRMAN: Memphis would be covered then
 without you from
 MR. ENGLISH: I would think we need in Memphis
 MR. BERRY: We have two members from the
 State of Tennessee.
 MR. CHAIRMAN: It does in all right. I don't
 want to inconvenience other people.
 MR. ORTIZ: I think that is great.
 MR. GARD: Different part of the country. Poor
 people are able to come and see us and have the community
 talk with us on the
 MR. CHAIRMAN: We have decided we are going
 to meet in Memphis.
 Now, is there any other business to come before the
 board?
 I know that at least one member of the public has
 said that he wanted to talk.
 Would you please name to the microphone and give us
 your name? You can sit down if you want to.
 MR. GORD: The name is...
 My name is Tom Gord. I am the Chairman of the board
 of trustees of the Memphis Center for the Deaf and Blind.
 Our board is made up like any other board; it is made up of

1 attorneys and clients and I believe many boards also have
2 community representatives. I am not an attorney. I am a
3 member of the community who sits on our board.

4 Like many other boards, we often hear about what the
5 Legal Services Corporation does: whether it be the Board
6 or the staff, but that is generally something off in the
7 distance that we really don't participate in. Often times
8 boards don't understand that that is not something that is
9 peculiar to Legal Services.

10 I think you will find that that is true in most
11 community action type areas. Whether this one community
12 service, Administration on Aging or any of those types, the
13 boards generally are far removed from the paid organizations
14 that give them those restrictive funds, ear-marked funds
15 and even their great discretionary funds issue. It is a
16 concern to our board and it has been, the communications
17 between this Board and the local program boards. After
18 discussing that at some length the Board decided that it
19 wanted to send a representative to view your meetings and
20 hopefully participate and address you on that issue and to
21 ask questions on behalf of the board, ask you to begin to
22 pay some attention to that whole issue of your establishing
23 more formalized instant communications between yourselves
24 as the Board and the boards of the local corporations that
25 you fund monies to, whoever the relationship between your

attorneys and others and I believe many boards who have
 community representatives. I am not an attorney. I am a
 member of the community who sits on our board.

Like many other boards, we often hear about what the
 legal services corporation does, whether it be the board
 on the staff, but that is generally something off in the
 distance that is really don't participate in. Often times
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 that give some from restrictive funds, endowed funds
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 between this board and the local program boards. After
 discussing that at some length the board decided that it
 wanted to have a representative to attend your meetings and
 hopefully participate and address you on that issue and to
 ask questions on behalf of the board, and you to begin to
 pay some attention to that whole area of your relationship
 more formalized instead communications between yourselves
 as the board and the boards of the local corporations that
 you find coming to, however the relationship between your

1 staff and you do with yourselves. We would like to see you
2 opening communications to reinforce the role of local
3 boards. We talked about many issues today that I think
4 illustrates areas where you ought to give this consideration.

5 In the most recent one, as you were talking about the
6 March meeting where you are going to talk about a lot of
7 hard issues in a period of low - income areas, I think those
8 are the kinds of situations where you need to be thinking of
9 not only input from your staff and giving them input to the
10 kinds of alternative preparations that you want to make, give
11 some thought as to how you want to hear yourself from a
12 representative sampling of the community boards that you
13 fund.

14 And think about how you want to involve them in a
15 partnership with you in discussing issues, not that they have
16 an equal role with you in making decisions, but that they
17 have valuable information that you might want to hear
18 without having it sieved through many sieves before it
19 ever gets to you.

20 Your budget discussion this morning, I think raised
21 many issues where you ought to think about involving local
22 boards. Mr. Bradley opened his presentation talking about
23 how that was a transitional budget. I think many Board
24 members who are actively engaged day in and day out with the
25 Corporation would like to know the transition, to know the

staff and you do with yourselves. We would like to see you
 opening communications to reinforce the role of local
 boards. We talked about many issues today that I think
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 partnership with you in discussing issues, not that they have
 an equal role with you in making decisions, but that they
 have valuable information that you might want to hear.
 Without having it shared through many avenues before it
 ever gets to you.
 Your major discussion this morning, I think, raised
 many issues where you ought to think about involving local
 boards. We thought about the presentation talking about
 how that was a landmark budget. I think many board
 members who are actively engaged day in and day out with the
 Commission would like to know the transition, to know the

1 issues, some of the involvement in determining or having
2 instituted into a transitional period and having input, three
3 to five years down the road. Your future is planning
4 activities. That gets two and a half pages in your budget.
5 That is the kind of area where I think you need to involve
6 local boards so that they understand the issues that you
7 face; the issues that impact them; the issues that they
8 have some expertise and feelings on and that you ought to
9 think about involving it in both your long-range planning
10 systematically as well as your angle planning process.

11 The client-participation discussions, this is an
12 issue that some of us on our board, one of the things that
13 we are hopeful of is whenever you discuss this issue and
14 talk about how we involve clients, that we do it in ways
15 that reinforce clients' participation at a local level, that
16 reinforce clients becoming involved in participating in
17 local boards as well as your own or National Support Center
18 Programs or some other outside entity.

19 I think there are a number of other issues in your
20 budget, the discussion of sharing technical information,
21 research that is going on, I think, yourself, ought to be
22 looking at these areas. The product of those activities
23 and think of how you can distill that information whether
24 it relates to policies, needs consideration, distribute it
25 to local boards so that they have more information to base

1 issued, some of the involvement in determining or having
 2 limited into a transitional period and having input, there
 3 to five years down the road. Your future is planning
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 23 and think of how you can distill that information whether
 24 it relates to policies, needs consideration, distribute it
 25 to local boards so that they have more information to base

1 their decisions at the local level.

2 The pro bono discussion today, I think is the kind of
3 thing that I, myself, as a board member and our board would
4 like to have more information so that we understand the
5 kind of things you are planning for so that we can have
6 input.

7 The way you approached that discussion earlier today,
8 I don't think would be of benefit to the local bunch. The
9 money that would be used possibly for one year and maybe
10 during that year, we can get involved in the continuation
11 policies and have it for two or three years, that is not
12 an orderly way to us to be involved in planning programs
13 at the local level if a match is an issue.

14 There are a variety of ways to approach dumping the
15 money out for one year. Maybe you need to look at those
16 kinds of things as long-term plans where you have increasing
17 amounts of match required so that at the end of that period
18 of time, you are not just involved in the continuation of
19 politics hoping to preserve a few of the programs, but all
20 of those programs may continue because over a period of
21 years, bar associations or whoever, have taken a greater
22 share of the commitment at the end of that. They continue
23 to have that. Give them time to work and the local legalaid
24 support continued.

25 Again, in the general planning decisions, often times

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throughout the budget, in discussions that I heard, people
 mentioned not well, this is a small amount of money to be
 paid, a 50 million dollar budget, I think, if you talk to
 the people, I think, I think, I think, I think, I think,

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involve people. Obviously, my program knew that you were
 meeting here today otherwise I wouldn't be here. It took
 time to arrange, but those are things we had to seek out
 and, I think, was indeed in attending a meeting, parties
 regarding, I think that is very different from you as a
 board systematically saying it is part of your saying
 and your feeling as a board. You are going to systematically
 involve boards or clients or whatever. You might want to
 involve participation in meetings with identification groups
 or having some special newsletter or something to give
 or exchange information. And what I am asking for is a
 another level of participation in a more systematic manner.
 I think, I think, I think, I think, I think, I think,
 your giving us those views and we certainly will try to do
 better to include more people. If we possibly can, I think,
 Mr. ROSS: I would just like to thank the
 board for their time in thinking about your very next
 meeting and how you might involve board members as well as
 citizens more actively in that meeting especially if it is
 a policy issue discussion meeting.

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1 this Board. I was notified of that fact by a person who
2 works in the Corporation and at a higher level because
3 unfortunately, we were not able to get on the agenda. So
4 what I think is -- first of all, what you should do, if you
5 are going to have meetings in the communities, you should
6 let people know about a month beforehand that you are going
7 to have a meeting. You should also let the public know as
8 to exactly what issues you would like us to come and talk
9 to you about.

10 I am tired and you are tired and I feel guilty about
11 sitting up here and taking up your time. Maybe the public
12 should be number two on the agenda like our Board of
13 Supervisors do in Santa Clara County where you would have
14 time to sit down and listen to the public and not be like
15 this: I can't wait to get out of here and that is the way
16 it is.

17 I hope at your next meeting five years from now when
18 you come back to San Francisco, I may have an opportunity
19 talk to you. Thank you.

20 MADAME CHAIRMAN: Thank you.

21 Is there any other business to come before the Board

22 (No response.)

23 MADAME CHAIRMAN: Is there a motion to adjourn

24 All those in favor signify by saying "aye."

25 MR. TRUDELL: Aye.

1 this board. I was notified of that fact by a person who
 2 works in the corporation and at a higher level manager
 3 unfortunately, we were not able to get on the agenda. So
 4 when I think in terms of all, what you should do, if you
 5 are going to have meetings in the community, you should
 6 let people know about a month beforehand that you are going
 7 to have a meeting. You should also let the public know to
 8 to exactly what business you would like to come and talk
 9 to you about. I think that is the way to go.
 10 I am tired and you are tired and I feel pretty good
 11 sitting up here and talking up your town. Maybe the public
 12 should be number two on the agenda like my report of
 13 supervisors do in Santa Clara County where you would have
 14 time to sit down and listen to the public and not be like
 15 that. I can't wait to get out of here and that is the way
 16 to go.
 17 I hope all your work meeting this year from now on
 18 you come back to San Francisco. I may have an opportunity to
 19 talk to you. Thank you.

MADAM CHAIRMAN: Thank you.

19 Is there any other business to come before the board?

20 (no response)

21 MADAM CHAIRMAN: Is there a motion to adjourn?

22 All those in favor please say "aye".

23 MR. WOODRUFF: Aye.

1 MS. ESQUER: Aye.
2 MR. KANTOR: Aye.
3 MR. ENGELBERG: Aye.
4 MR. BRADLEY: Aye.
5 MR. ORTIQUE: Aye.
6 MR. SACKS: Aye.
7 MS. SHUMP: Aye.
8 MR. MCCALPIN: Aye.
9 MS. WORTHY: Aye.
10 MADAME CHAIRMAN: Meeting is adjourned.
11 MR. ORTIQUE: I second it.
12
13 (Whereupon, the meeting was adjourned at
14 6:15 P.M.)
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CERTIFICATE

This is to certify that the attached proceedings came on for hearing pursuant to notice on December 6, 1981 and that said proceedings were had as herein appears, and that this is the original transcript thereof.

Neal R. Gross
NEAL R. GROSS

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and Transcribers

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