

LEGAL SERVICES CORPORATION

BOARD OF DIRECTORS MEETING

OPEN SESSION

March 25, 1991

10:00 a.m.

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

BOARD MEMBERS PRESENT:

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

STAFF PRESENT:

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

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

1  
2 CHAIRMAN WITTGRAF: Good morning. This regularly  
3 scheduled meeting of the Board of Directors of the Legal  
4 Services Corporation will be in order.

5 We have a quorum present, eight of the members of  
6 the Board of Directors. I believe Mr. Molinari will be  
7 joining us shortly. Mr. Guinot and Ms. Pullen will not be  
8 able to be with us today, although Ms. Pullen will be  
9 available to join us by telephone on any roll call votes.

10 At this time you have before you the proposed  
11 agenda. The chair is prepared to entertain a motion for the  
12 approval of the agenda as drafted and as published.y

13 MR. DANA: Mr. Chairman.

14 CHAIRMAN WITTGRAF: Mr. Dana.

15 MR. DANA: I would recommend moving item 8 to the  
16 end.

17 CHAIRMAN WITTGRAF: Let me make a suggestion  
18 instead, if I might, Mr. Dana. Let's move items 9 and 10 and  
19 make them 7 and 8, and make items 7 and 8 numbers 9 and 10.

20 MR. DANA: Sounds like a winner.

21 CHAIRMAN WITTGRAF: Without objection the agenda  
22 will be modified in that fashion. With that amendment or

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1 modification, the chair is prepared to entertain a motion.

2 M O T I O N

3 MR. DANA: So moved.

4 MR. HALL: Second.

5 CHAIRMAN WITTGRAF: It's been moved by Mr. Dana,  
6 seconded by Mr. Hall that the agenda be approved as presented  
7 and amended. Is there discussion?

8 (No response.)

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

11 (A chorus of ayes.)

12 CHAIRMAN WITTGRAF: Those opposed nay?

13 (No response.)

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

16 You should have before you the minutes of the last  
17 meeting of February 22, 1991. Is there discussion?

18 Mr. Dana.

19 M O T I O N

20 MR. DANA: Mr. Chairman, I would move the minutes  
21 with a change on page 5. The motion, the original motion when  
22 we got to discussing the fiscal year 1991 consolidated

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1 operating budget was not the proposal printed in the board  
2 book. Therefore, I would delete the words as printed in the  
3 board book.

4 CHAIRMAN WITTGRAF: The draft minutes are before the  
5 board. Mr. Dana has moved to strike from the first sentence  
6 on the top of page 5 the words, "as printed in the board  
7 book." Is there a second?

8 MS. LOVE: Second.

9 CHAIRMAN WITTGRAF: There is a second by Ms. Love.  
10 Is there discussion?

11 (No response.)

12 CHAIRMAN WITTGRAF: Hearing none, those in favor  
13 will signify by saying aye.

14 (A chorus of ayes.)

15 CHAIRMAN WITTGRAF: Those opposed nay.

16 (No response.)

17 CHAIRMAN WITTGRAF: The ayes appear to have it, the  
18 ayes do have it. The amendment to the minutes as adopted.  
19 Further discussion regarding the minutes as amended?

20 (No response.)

21 CHAIRMAN WITTGRAF: Hearing none, we'll move to the  
22 adoption of the minutes. Mr. Dana.

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## M O T I O N

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MR. DANA: So moved.

CHAIRMAN WITTGRAF: Mr. Hall.y

MR. HALL: Second.

CHAIRMAN WITTGRAF: Discussion?

(No response.)

CHAIRMAN WITTGRAF: Hearing none, those in favor of the adoption of the minutes for the meeting of February 22, 1991, as amended will signify by saying aye.

(A chorus of ayes.)

CHAIRMAN WITTGRAF: Those opposed nay.

(No response.)

CHAIRMAN WITTGRAF: The ayes appear to have it, the ayes do have it. The minutes of our last meeting as amended are approved.

## CHAIRMAN'S REPORT

CHAIRMAN WITTGRAF: Agenda item number 3, the Chairman's Report, only one item of business that I have at this time. Mr. Molinari, who as I indicated will be joining us, I believe, in a few minutes, has a very busy personal schedule for the month of April in particular because of commitments that he has as president of the borough and in the

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1 New York City area.

2 He has asked be relieved of his responsibilities as  
3 a member of the board's Reauthorization Committee. At the  
4 same time Mr. Kirk has expressed a particular interest in  
5 serving as a member of that special committee.

6 At this time I'd ask that there be a motion  
7 consistent with the policy that we utilized in January of this  
8 year at our organizational meeting for the year that there be  
9 a motion to substitute Mr. Kirk for Mr. Molinari as a member  
10 of the special Reauthorization Committee.

11 M O T I O N

12 MR. RATH: So moved.

13 CHAIRMAN WITTGRAF: It's been moved by Mr. Rath, is  
14 there a second?

15 MR. DANA: Second.

16 CHAIRMAN WITTGRAF: It's been seconded by Mr. Dana.  
17 Discussion?

18 (No response.)

19 CHAIRMAN WITTGRAF: Hearing none, those in favor  
20 will signify by saying aye.

21 (A chorus of ayes.)

22 CHAIRMAN WITTGRAF: Those opposed nay.

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1 (No response.)

2 CHAIRMAN WITTGRAF: The ayes appear to have it, the  
3 ayes do have it. The membership of that committee is changed  
4 accordingly.

5 At this time the chair is prepared to turn to Mr.  
6 Martin for his report.

7 PRESIDENT'S REPORT

8 PRESIDENT MARTIN: Thank you, Mr. Chairman. I have  
9 a very brief few words to say.

10 First of all, I want to make a special welcome to  
11 Pat Batie who is the new corporation secretary and is seated  
12 in the front row on the left, and who will be with us at  
13 future board meetings.

14 Secondly, I wanted to report to you on the status of  
15 two things that came up in our last budget committee meeting,  
16 appropriation committee meeting, and that is the migrant funds  
17 status report that will be put up for bid and the availability  
18 of the Native American one-time grants.

19 First of all as to the migrant funds, on March 13,  
20 1991, we published a notice in the Federal Register of the  
21 availability of the funds. The funds available are  
22 approximately \$42,000 for Alabama, \$49,000 for Arkansas,

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1 \$180,000 for Mississippi and \$12,500 for the state of  
2 Tennessee.

3 These grants will be awarded on a one-time basis up  
4 to one year. The possibility of additional one-time grants or  
5 annualization will be dependent on the grantees performance  
6 during the term of this annual grant.

7 In addition to publishing in the Federal Register we  
8 have sent application packages to 6 grantees and 15 law firms  
9 that might be interested in it. Once the applications are  
10 returned to our office, Field Services Office, by April 22,  
11 we'll make selections, give 30-day notice of the proposed  
12 grant award and we hope to finalize at least one and perhaps  
13 all of them by June 1 of this year.

14 As to the Native American grant awards --

15 CHAIRMAN WITTGRAF: Mr. Martin, I was just wondering  
16 in regard to that matter, the available funds for the migrant  
17 programs or the use of those funds for migrant services, what  
18 interest, if any, is there thus far since the publication of  
19 the notice.

20 PRESIDENT MARTIN: I'm going to ask Ellen Smead to  
21 respond.

22 CHAIRMAN WITTGRAF: Thank you. At this time Ellen

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1 Smead appears before the board as the director of the Office  
2 of Field Services.

3 Ms. Smead.

4 MS. SMEAD: Thus far we have six grantees that  
5 requested that we send the application package to them. I  
6 think it was five of the law firms requested that we send the  
7 package to them, and that's the extent we've had so far.

8 CHAIRMAN WITTGRAF: Do you recall off hand how that  
9 breaks out geographically?

10 MS. SMEAD: Yes. We've had North Carolina, we don't  
11 know which state, they're just in, Texas asked for an  
12 application, Arkansas asked for an application and two  
13 programs in Mississippi and Migrant Legal Action Project.

14 CHAIRMAN WITTGRAF: Is my understanding correct,  
15 then, that the North Carolina and Texas programs or projects  
16 would be providing services in other states such as the states  
17 of Arkansas?

18 MS. SMEAD: Correct. Or Tennessee.

19 CHAIRMAN WITTGRAF: Or Tennessee in the case of  
20 North Carolina, right. Presumably those applications would be  
21 more than enough to utilize the available funds that Mr.  
22 Martin referred to?

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1 MS. SMEAD: Well, we don't know if anybody's  
2 interested in Alabama yet. We haven't really heard any  
3 interest from Alabama.

4 CHAIRMAN WITTGRAF: But at this point the interest  
5 that's been expressed would cover Arkansas, Mississippi and  
6 Tennessee?

7 MS. SMEAD: Assuming that they submitted the  
8 applications, only after we received the application.

9 CHAIRMAN WITTGRAF: If the process is completed,  
10 right.

11 Mr. Dana.

12 MR. DANA: Mr. Chairman, is the one-time basis you  
13 referred to, is that different in kind from the other migrant  
14 grants?

15 PRESIDENT MARTIN: Well, the other migrant grants  
16 are annualized.

17 MR. DANA: But they are annual grants?

18 PRESIDENT MARTIN: Yes.

19 MR. DANA: Assuming we grant funds to a program this  
20 first year, do they -- when next year arises are they in  
21 exactly the same -- will they be in exactly the same position  
22 as the other grantees for migrant funds?

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1           PRESIDENT MARTIN: I think we would have to look at  
2 their performance and I think they could be.

3           MR. DANA: All right. Thank you.

4           CHAIRMAN WITTGRAF: Did you wish to respond further,  
5 Ms. Smead, in that regard?

6           MS. SMEAD: They doing one-time grants at this time.  
7 That's the typical that we initiate new projects, we do it on  
8 a one-time grant basis and then we consider them for  
9 annualization later.

10           These terms for the grants we told in the  
11 application package, we said that they could be anywhere from  
12 seven months to one year in length. So supposedly there is  
13 somebody chose a seven-month grant term, then that would end  
14 in December, assuming we start June 1. We'd be considering  
15 whether to award them one-time or annualized grants in  
16 December.

17           MR. DANA: So these aren't different than the normal  
18 migrant grants?

19           MS. SMEAD: In that sense they're being treated as  
20 we do other programs, we're just initiating services so that  
21 we have another program or we're starting service, and that's  
22 a one-time thing, too, in the service area.

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1 MR. DANA: We have the statutory discretion to issue  
2 one-time grants in this area?

3 MS. SMEAD: My understanding is we do, yes.

4 MR. DANA: Could we just verify that one more time  
5 before we get too far down the road?

6 MS. SMEAD: Yes.

7 MR. DANA: Thank you.

8 PRESIDENT MARTIN: Mr. President, as to the Native  
9 American grant awards we, on February 28 of this year, we  
10 advised all programs receiving Native American funding and the  
11 National Support Center, that there was approximately \$68,000  
12 available for one-time grants during this fiscal year.

13 Thus far 20 programs have requested the application  
14 package and we are waiting to fund those -- review those  
15 applications and fund them.

16 CHAIRMAN WITTGRAF: What is the amount again?

17 PRESIDENT MARTIN: Sixty-eight thousand dollars.

18 CHAIRMAN WITTGRAF: The application forms that have  
19 been requested have been requested by existing grantees or by  
20 prospective new grantees?

21 PRESIDENT MARTIN: Existing as I understand it.

22 CHAIRMAN WITTGRAF: Ms. Smead?

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1 MS. SMEAD: They're all existing grantees.

2 CHAIRMAN WITTGRAF: Further discussion?

3 Mr. Hall.

4 MR. HALL: These aren't new service areas, this is  
5 just extra money for our old service areas?

6 MS. SMEAD: Correct. We've gotten one application  
7 for computers and other programs have indicated that's what  
8 they want to use the money for.

9 MR. HALL: That's probably why it's existing  
10 grantees that are the only ones.

11 MS. SMEAD: Correct. Right.

12 CHAIRMAN WITTGRAF: Further discussion?

13 (No response.)

14 CHAIRMAN WITTGRAF: Mr. President.

15 PRESIDENT MARTIN: Finally I just wanted to report  
16 to you my travels. I have been to the state of South  
17 Carolina, where I attended a very, I think, productive and  
18 interesting program involving all of the program directors in  
19 the state of South Carolina, but particularly focusing on the  
20 program in Greenville and Spartanburg.

21 I found it quite informative. I visited with the  
22 program in Greenville and met with its executive director and

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1 all their staff. Again, it was quite informative.

2 The week before that I was in Cleveland to visit  
3 with a -- I guess it was a rump or ad hoc regional meeting  
4 with the Ohio program directors. There were representatives  
5 from Michigan and West Virginia. Again, that was -- I guess I  
6 could call it a mini-forum. Quite informative, we viewed  
7 training video tape, computerized training program that they  
8 use.

9 Again, I found it quite informative. Ellen Smead  
10 joined me on that and it was very productive and very  
11 informative.

12 That concludes my report, Mr. Chairman.

13 CHAIRMAN WITTGRAF: Thank you, Mr. Martin. Did you  
14 wish to speak to the supplemental appropriation, or are we  
15 going to leave that to the legislative report?

16 PRESIDENT MARTIN: I was going to let Mr. Severson  
17 direct his attention to that. I see that's the next item on  
18 the agenda.

19 CHAIRMAN WITTGRAF: Fine. At this time the chair  
20 recognizes Allen Severson.

21 MR. SEVERSON: Good morning, members of the board.  
22 I'm going to bring you up to date on the two items that have

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1 occurred since your last meeting.

2 First of all, on March 13th Chairman Barney Frank of  
3 the Judiciary Subcommittee on Administrative Law and  
4 Government Relations, did hold a hearing on the outlook for  
5 reauthorization of this corporation in the near future. The  
6 hearing -- I know you've received in your board book copies of  
7 Mr. Martin's testimony. It was, I think, as expected.

8 We did get a couple of questions, one relative to  
9 timekeeping, which President Martin endorsed essentially that  
10 practice. As far as a specific in the reauthorization bill,  
11 the committee did ask us to quantify for them the degree to  
12 which timekeeping is used in the Legal Services community. We  
13 are pulling together that document for them. You may find it  
14 interesting reading as well. We will have that ready shortly.

15 We were asked essentially the administration's view  
16 on the reauthorization. We don't speak for the  
17 administration. On the other hand, it was noted that unlike  
18 in the years of the past the administration is proposing a  
19 \$327 million budget for this organization. That's a change,  
20 as you know, from some of the previous years, meaning that the  
21 mission of the corporation has been endorsed. That they began  
22 to reiterate, somewhat, what has been said in the past.

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1           The debate over the existence of this corporation,  
2 we hope, is closed and we can move ahead again. You're aware  
3 of this, and more aware than most, you've run into better  
4 pasture with the resources that we have.

5           There will not be a second day of hearings in Mr.  
6 Frank's subcommittee. He did exchange Mr. McCollum and Mr.  
7 Ginkiss there will be a mark-up in this subcommittee sometime  
8 in April, I would say by the middle of the month. They are  
9 currently in recess and won't return until sometime after the  
10 eighth. So I would expect mid-April for a mark-up in this  
11 committee, at which time Mr. Frank will introduce his own bill  
12 and that will be the vehicle.

13           Regarding the \$1 million supplemental, as Chairman  
14 Wittgraf mentioned and David Martin, there was \$1 million  
15 included in a supplemental fiscal '91 bill that has passed the  
16 House and the Senate. I understand that this is a partial  
17 restoration of funding that was removed from the Legal  
18 Services Corporation a year ago in a similar action of the  
19 Appropriation Committees. I think at that time it was  
20 described to the Patent Office.

21           At any rate, \$1 million unsolicited from this  
22 management and this board has been restored to the Legal

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1 Services Corporation for field programs. The report language,  
2 particular on the Senate side was, was fairly specific that it  
3 shall be for field programs and it shall be distributed  
4 proportionally to the field. That is in place, it was passed  
5 on Friday in conference and is pending the President's  
6 signature. It should occur, again, in the next week.

7 On April 11th, as mentioned before, we have a fiscal  
8 year '92 Appropriations Subcommittee meeting in the house, at  
9 which President Martin and Chairman Wittgraf will testify. At  
10 this point we are the only witnesses. That should be a fairly  
11 shorter hearing from the subcommittee. We anticipate it to  
12 be, again, comparable to the Senate from a month ago.

13 Regarding the confirmation --

14 MR. DANA: Excuse me, what was the date on that?

15 MR. SEVERSON: April 11th, 2:00 p.m. in the Capital  
16 Building. You, again, will receive copies of any testimony  
17 officials of this corporation deliver.

18 Regarding the confirmation, the Office of Government  
19 Ethics is in the final stages of review of the documents that  
20 have been submitted to them. It's my understanding that it's  
21 very close to completion, and that upon completion that OGE  
22 will forward those documents to the Labor and Human Resources

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1 Committee in the Senate, at which time the Senate will look  
2 closely at these and come up with some of its own questions.  
3 It may appropriate at that time, again, to direct those  
4 questions to any individual members of this board.

5 I suspect it will be tailored, there may be some  
6 general ones as well as this progresses in the next, I would  
7 say, two months. There may be requests for courtesy visits,  
8 these type of things that make sense if we are to persuade any  
9 members of that committee at all, this is the time to go and  
10 this is the board to go with.

11 So, again, I have no reason to be discouraged about  
12 it at the moment. I know that there may be progress on that  
13 review. We'll, again, keep you utterly posted on that and  
14 ultimately we'll have some news within the next week or two.

15 That's all I have for the moment.

16 CHAIRMAN WITTGRAF: I believe, Mr. Severson, since  
17 we had the last board meeting, we also were requested to  
18 appear before and did appear before the Senate Appropriations  
19 Subcommittee on Tuesday, March 5th. You mentioned the  
20 upcoming appearance, perhaps you want to make a couple of  
21 comments about that Appropriations Subcommittee hearing.

22 MR. SEVERSON: Only that, again, I think there were

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1 no particular surprises there. The -- I think much of the  
2 debate did focus on later testimony delivered by Mr. Muskie  
3 and others on legal means. Our approach generally, and I hope  
4 I'm speaking for my president here on this board, is yes, I  
5 think this board is asking for additional funding for the  
6 corporation. Whether it will be forthcoming from the Congress  
7 is an open question.

8 Also, we need to make, again, as efficient use of  
9 the resources we have and approach it that way. I'm not sure,  
10 again, whether the House will echo that particular opinion,  
11 but we'll be looking for it.

12 I don't know if David wants to add anything to that  
13 on his appearance there.

14 PRESIDENT MARTIN: Only that I thought it was a very  
15 favorable appearance. I think that the Chairman's remarks  
16 were well received and that Senator Hollings and Senator  
17 Rudman were quite supportive of the Legal Services Corporation  
18 and we pledged to work with them and to keep them apprised of  
19 how we're performing out job.

20 CHAIRMAN WITTGRAF: I have a concern looking ahead  
21 to FY 93. The last couple of executive budgets have simply  
22 included the same figure as came out of the prior year's

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1 appropriation. For FY 91 the recommendation was roughly \$306  
2 million, which had been the prior year's appropriation, the FY  
3 90.

4 In turn the executive budget coming out of OMB and  
5 from the President for FY 92 was 327 based upon the FY 91  
6 appropriation.

7 The past two springs or late winter, a year ago and  
8 then this past month, our board made recommendations based  
9 upon, particularly this past year, worked on by Audit and  
10 Appropriations Committee, while the corporation has a unique  
11 statutory existence, not technically being part of the  
12 government, but rather a quasi-government corporation, I think  
13 it behooves us as appointees of the President and having more  
14 influence in the overall budgetary process, to be heard as the  
15 Office of Management puts together its numbers in the fall of  
16 a given year prior to the President's presentation of his  
17 budget to the Congress so that we apparently aren't just in  
18 the position of having OMB and the President repeat the prior  
19 year's appropriation request.

20 So arguably we're not at odds with the President who  
21 appointed us, subject to Senate confirmation. My concern is  
22 as we approached the FY 93 budget mark, that you and President

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1 Martin make every effort to be communicating with OMB and to  
2 make sure we're a part of that process.

3 I'm not sure that in recent years anybody from OMB  
4 has particularly solicited any input from us. We've certainly  
5 been made aware of potential sequestration over the last  
6 couple of fiscal years, but I'm not sure anybody has asked us  
7 what our thoughts were about our budget mark for the coming  
8 fiscal year.

9 I think we'd be more complete participants in the  
10 whole process if we're able to get in earlier.

11 MR. SEVERSON: That point is well taken, and we'll  
12 be following up on it, most assuredly.

13 CHAIRMAN WITTGRAF: I'm a little uncomfortable with  
14 us apparently being at odds with the administration, with them  
15 suggesting one thing and then our coming in two months later  
16 and suggesting something else to the Congress.

17 Perhaps there is some basis for that in light of our  
18 unique statutory existence. I'd be more comfortable, at least  
19 if we're making our case as well with OMB and the  
20 administration.

21 MR. SEVERSON: Most assuredly noted.

22 CHAIRMAN WITTGRAF: Questions or comments for Mr.

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1 Severson?

2 MR. UDDO: I have question.

3 CHAIRMAN WITTGRAF: Mr. Uddo.

4 MR. UDDO: The Appropriations Committee hearing on  
5 the 11th, doesn't the Chairman of the Audit and Appropriations  
6 Committee also usually go to testify at that hearing because  
7 they sometimes get into how we got to where we recommended a  
8 figure?

9 CHAIRMAN WITTGRAF: Usual for me as chairman of the  
10 board is just one prior year, now this year, we didn't  
11 actually have functioning committees last year because we were  
12 all largely feeling our way, and most of what we did was  
13 essentially by committee of the whole. So it's certainly the  
14 case. Last year was that there was not a chairman of that  
15 committee.

16 Coincidentally because of dealings or work that Mr.  
17 Dana and Mr. Martin were doing on that same date, March 5th,  
18 Mr. Dana was in the city and did appear, although he didn't  
19 testify or wasn't questioned by the Senate Appropriations  
20 Subcommittee. I think it's probably a matter of the  
21 chairman's choosing, Mr. Dana's choosing.

22 Mr. Dana.

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1 MR. DANA: Well, our chairman did a superb job.

2 MR. UDDO: I'm actually talking about the 11th.  
3 There is a --

4 MR. DANA: The 11th is the --

5 MR. UDDO: April 11th.

6 CHAIRMAN WITTGRAF: The House Appropriation  
7 Subcommittee.

8 MR. DANA: It's a counterpart of what happened  
9 before the Senate.

10 MR. UDDO: Right. You were here for the March 5th,  
11 weren't you?

12 MR. DANA: I was, but only by coincidence really.  
13 I'm happy to stand in for the chairman.

14 MR. UDDO: I'm not suggesting standing in. I'm  
15 suggesting that the chairman of the committee would be there  
16 with the chairman of the board, because at least in some prior  
17 years the questioning got into some of the detail of how the  
18 committee arrived at some its recommendations and the like.

19 I think the chairman of the Audit and Appropriations  
20 Committee was in a better position sometimes to respond to  
21 those questions, but if that's not coming up, maybe it's not  
22 necessary.

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1 MR. DANA: We can reason together on that.

2 MR. UDDO: That's fine.

3 CHAIRMAN WITTGRAF: Further questions or comments  
4 from Mr. Severson?

5 (No response.)

6 CHAIRMAN WITTGRAF: Thank you.

7 I alluded earlier to the busy schedule being charted  
8 for the Special Reauthorization Committee. At this time I'll  
9 call upon Mr. Uddo as chairman of that committee to discuss  
10 what his plans are for the activities of that committee,  
11 particularly in light of the plans of Congressman Frank and  
12 his Subcommittee of the House Judiciary Committee.

13 Mr. Uddo.

14 MR. UDDO: Thank you, Mr. Chairman.

15 The Reauthorization Committee is charting a schedule  
16 of hearings and public comment for the month of April in an  
17 effort to try to develop some recommendation from the  
18 committee to the board in time for the April board meeting, in  
19 hopes that the board will develop a position on  
20 reauthorization, either in total or on specific parts of  
21 reauthorization, which would then be expressed probably to the  
22 full House committee, because the subcommittee most likely

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1 will have already done it's work and there may not be  
2 opportunity to get it into the process of the subcommittee.

3 For the full committee we hope that the board will  
4 have opportunity to make some recommendations. In an effort  
5 to facilitate the committee's recommendation to the board, we  
6 are holding our first meeting on April 5th in San Francisco.

7 On the day of the 5th we will take public comment on  
8 matters relative to reauthorization, either specific comment  
9 on the legislation that is pending at the time, or general  
10 comment about matters that organizations and individuals might  
11 be interested in. Then on April 20th in Chicago, the  
12 committee will meet again to take additional comment. On the  
13 20th, the next day, the committee will meet as a committee for  
14 purposes of deliberating and trying to adopt some  
15 recommendation that we could forward to the bard. As I say,  
16 in time for the April board meeting.

17 The list of folks that we intend to hear from is as  
18 broad and expansive as it ends up being. I've asked Mr. Boehm  
19 to try to develop as large a list as possible of organizations  
20 and individuals that have an interest in reauthorization, who  
21 have expressed an interest in reauthorization, who have  
22 testified before Congress or this board on matters relative to

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1 reauthorization, or the specific areas that will be affected  
2 by reauthorization.

3 So we hope to have as broad a group of people as we  
4 could possibly have to give us their thoughts on what the  
5 board's recommendation should be on the question of  
6 reauthorization.

7 I might also add that I didn't attend Congressman  
8 Frank's hearing, but I did submit testimony, the real version  
9 of which is longer than two paragraphs. Some people got a  
10 copy of it that was only two paragraphs long. But I think  
11 that that's been replaced now.

12 We contend, at least I assume the chairman would  
13 agree, that we intend to stay in existence beyond just the  
14 action in the house. Because even though it's not likely to  
15 occur this year, the Senate will be in the process eventually,  
16 too.

17 That's our immediate goal, to try to get enough  
18 information together to make a recommendation to the board by  
19 the April board meeting, so that the board can make some  
20 statement prior to the full House committee making its  
21 decision.

22 CHAIRMAN WITTGRAF: Thank you, Mr. Uddo. We'll hope

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1 that the existence of the Reauthorization Committee doesn't  
2 need to be as long as the existence of the other board  
3 committees, but it could be several years, you're right.

4 MR. UDDO: You're right.

5 CHAIRMAN WITTGRAF: If I understand it, you have a  
6 committee meeting for the purposes of receiving comment on  
7 April 5 in San Francisco, a committee meeting for the purpose  
8 of receiving additional comment on April 19th in Chicago, and  
9 then a committee meeting for deliberative purposes on April 20  
10 in Chicago?

11 MR. UDDO: Exactly.

12 CHAIRMAN WITTGRAF: It's my expectation, then, that  
13 the next board meeting will be Monday, April 29, and at that  
14 time we will be prepared as a board to receive the  
15 recommendations of that committee. We have five members of  
16 your committee. You're the chair, Mr. Kirk, Mr. Dana, Mr.  
17 Wittgraf and Ms. Pullen.

18 As with other committee meetings certainly any other  
19 board member who is interested in participating should feel  
20 free to be there to hear the comments that are made.

21 Let me ask you a procedural question. We do have,  
22 certainly, parameters in the area of reauthorization

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1 established by the 1990 House Appropriations Subcommittee  
2 bill, the so-called Frank Bill, on the other hand, by the 1991  
3 proposal introduced by Congressmen McCollum and Stenholm.

4 I think it's probably fair to say that between those  
5 two proposals, there are probably a couple of dozen issues  
6 that arise from them, certainly some more controversial than  
7 others.

8 Are you going to attempt, together with the  
9 assistance of Mr. Martin, Mr. Boehm and the staff, to  
10 structure the comment in any way to try to be responsive to  
11 the issues that necessarily come out of those proposals?

12 MR. UDDO: Yes. I discussed that with Mr. Boehm  
13 this morning. Everyone who expresses an interest -- actually  
14 it's going to be broader than that. Everyone that we send an  
15 invitation to, and certainly everyone who expressed and  
16 interest in testifying, will be given both pieces of  
17 legislation and asked to tailor their comments to that  
18 legislation, but not exclusively.

19 If there is something else outside of that  
20 legislation or something, I can't imagine what it would be  
21 that's not touched on by that legislation, they can comment on  
22 it, but they are going to be asked to be specific to the

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1 extent that they can with respect to those two pieces of  
2 legislation that you mentioned.

3 CHAIRMAN WITTGRAF: I think that will be helpful for  
4 us, and in turn with whatever we do helpful for the Congress.  
5 Also looking toward the hearings and then the meetings both of  
6 the committee and of the board, if my understanding is  
7 correct, a couple of days of hearings were held with Mr.  
8 Frank's subcommittee in 1989, a couple of more days of  
9 hearings were held by the same subcommittee in 1990, as well  
10 as the one day of hearing March 13 of this year.

11 Perhaps the members of the committee and even the  
12 members of the board could have copies of the materials that  
13 were presented in those five days of hearings. I think,  
14 thanks to Mr. Boehm, we already have the materials actually  
15 from the 5th of the most recent day of hearings, but from the  
16 four preceding days of hearings as well, so that we can have  
17 that background information available to us.

18 I'm not sure that views on the issues or the  
19 positions stated in those four prior days of hearings have  
20 changed necessarily, and perhaps that will give us an  
21 opportunity to prepare ourselves a little bit better as  
22 committee members going into the hearings.

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1 MR. UDDO: Mr. Boehm, Ken, have you sent that to  
2 committee members.

3 MR. BOEHM: The committee members should have it.

4 CHAIRMAN WITTGRAF: Mr. Boehm, why don't you come  
5 forward.

6 MR. BOEHM: Sure.

7 MR. UDDO: I think it's been sent to the committee  
8 members and we can just extend it and send it to all board  
9 members.

10 MR. BOEHM: In fact, we can do that very easily  
11 because we already have the copies made. The better thing, I  
12 think, might be to just mail it to your homes today.

13 CHAIRMAN WITTGRAF: You're referring to 1991, or to  
14 '89, and '90, as well?

15 MR. BOEHM: '89, I don't think they have it. I'll  
16 be glad to put that together.

17 MR. UDDO: But you're referring to 1990, right?

18 MR. BOEHM: Yes. In 1990, there were two hearings  
19 and that was sent to the five committee members. In 1989,  
20 there were some hearings and I will put that together and send  
21 that out to everyone.

22 CHAIRMAN WITTGRAF: Let me suggest that not all of

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1 us may have as good filing and retention systems as Mr. Dana.  
2 It may be that even if those materials were sent to us in  
3 1990, that we have misplaced them, if not discarded them,  
4 however thoughtlessly.

5 MR. BOEHM: Okay. Why don't I send a complete set  
6 to everyone.

7 CHAIRMAN WITTGRAF: It may be best to put together a  
8 set of the five days of materials so that we have a book or a  
9 set that we can all work from together, without having to  
10 prevail upon Mr. Dana to reproduce the materials that the rest  
11 of us haven't retained.

12 MR. BOEHM: It will look something -- I gave a copy  
13 to Mr. Kirk this morning, it will look something like that.  
14 It's fairly hefty.

15 CHAIRMAN WITTGRAF: There are some of us who do  
16 suffer from insomnia and we trust that this will be some  
17 assistance to us in curing our suffering.

18 MR. BOEHM: It works for me.

19 MR. UDDO: You'll send that to the entire board?

20 MR. BOEHM: Yes, I'll send it to the entire board  
21 this week.

22 CHAIRMAN WITTGRAF: Please, because I suspect that

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1 some board members will join us in San Francisco and Chicago  
2 who are not members of the committee, and it will allow them  
3 an opportunity, then, to prepare themselves for the  
4 deliberations we have at our next meeting on April 29.

5 MR. BOEHM: Certainly.

6 CHAIRMAN WITTGRAF: Further discussion regarding the  
7 matter of reauthorization, questions for Mr. Uddo?

8 (No response.)

9 CHAIRMAN WITTGRAF: If there's no further discussion  
10 on the matter of reauthorization, at this time the chair will  
11 turn, again, to President Martin to agenda item number 7  
12 regarding his thoughts as to study and activity in the area of  
13 competition.

14 Mr. Martin.

15 PRESIDENT MARTIN: Thank you, Mr. Chairman.

16 In the fiscal year '91 appropriation language, there  
17 is the following paragraph, "provided further that after  
18 October 1, 1991 (but not before the board of directors of the  
19 Legal Services Corporation shall develop and implement a  
20 system for the competitive award of all grants and contracts,  
21 including support centers, except that nothing herein shall  
22 prohibit the corporation board members or staff from engaging

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1 in in-house reviews or of holding hearings of proposals for a  
2 system of a competitive award of all grants and contracts,  
3 including support centers.)"

4 Based on that language, and after staffing it with  
5 the headquarters staff, I thought it advisable for us to at  
6 least bring to the board's attention for its consideration,  
7 whether or not you should authorize the staff to undertake a  
8 study and to work with a committee of the board to follow the  
9 language of the appropriation language to determine whether or  
10 not a system of competitive grants is viable, whether it makes  
11 sense, how it would work, and to just study the issue in  
12 general.

13 So, therefore, I have brought it to your attention,  
14 Mr. Chairman, and to Mr. Rath's attention, with a draft  
15 resolution which I would ask the board to consider and to  
16 discuss whether or not it wants to engage in such a study.

17 CHAIRMAN WITTGRAF: The chair of the board's  
18 Regulations Committee is Mr. Guinot. As I indicated earlier,  
19 Mr. Guinot is unable to be with us. He is in Puerto Rico  
20 today on business. At this time I'll turn to Mr. Rath to  
21 present for board consideration a resolution.

22

M O T I O N

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1 MR. RATH: Thank you, Mr. Chairman.

2 Again, I do this in the absence of the chair of the  
3 committee. Be it resolved that the board of directors of the  
4 Legal Services Corporation directs the president of the  
5 corporation, in consultation with the chairmen and members of  
6 the Regulations Committee of the board, to study the issues  
7 involved in development and implementation of a system for the  
8 competitive award of all grants and contracts, including  
9 support centers, and issue a report to the board by October 1,  
10 1991.

11 CHAIRMAN WITTGRAF: Is there a second to the  
12 resolution?

13 MR. KIRK: Second.

14 CHAIRMAN WITTGRAF: It's been seconded by the other  
15 member of the Regulations Committee, Mr. Kirk. Thank you.

16 Is there discussion? Mr. Dana.

17 MR. DANA: Yes. Do we have copies of that  
18 resolution?

19 CHAIRMAN WITTGRAF: We do not, I don't believe,  
20 before us. Perhaps Mr. Rath could read it again and then we  
21 can pass it around.

22 MR. DANA: If he could share it with me. Mr.

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1 Chairman, I would hope that the committee would not be  
2 constricted in its analysis. It seems to me that there may be  
3 situations where competition is more appropriate than in  
4 others.

5 This resolution talks about a system for the  
6 competitive award of all grants and contracts, including  
7 support centers. I think that would restrict the committee in  
8 its deliberations and I'm hopeful that the mover will delete  
9 the word all so that the committee would be free to look at  
10 the possibility of exploring alternatives to discuss making an  
11 approach.

12 CHAIRMAN WITTGRAF: I think, Mr. Dana, if I can  
13 speak for a moment before Mr. Rath does, that the wording is  
14 exactly the same as that used in the committee report and was  
15 done so with the purpose in mind.

16 Mr. Rath and Mr. Kirk can speak for the committee  
17 members, but I think most of us realize that to undertake  
18 something overnight and in toto is impossible.

19 MR. DANA: I understand that. It's not clear that  
20 all the proponents of competition do. While the legislation  
21 that permits a study and doesn't authorize it, permits the  
22 study of this cosmic alternative, which I think would be a

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1 disaster, I think our committee ought to study the possibility  
2 of approaching competition in whole or in part, and not be  
3 limited to the cosmic alternative that this resolution  
4 endorses.

5 CHAIRMAN WITTGRAF: Mr. Rath.

6 MR. RATH: Well, I guess I should note two things,  
7 Mr. Chairman. First, Mr. Dana's points are well taken and I  
8 think the record should not reflect that this resolution comes  
9 as a result of the meeting of the committee. In fact, the  
10 committee has not met, and the recommendation is one that I  
11 bring forward today at the suggestion of the president, and I  
12 think a well taken suggestion, to get the process moving.

13 The language that the president choose, I think,  
14 really does track exactly the language of the statute.  
15 Hopefully that was the most straight forward way to get the  
16 process moving.

17 Additionally, to the more conceptual elements of  
18 your comments, I would endorse them. Again, I think it would  
19 be premature to judge anything the committee is going to do  
20 until the committee actually starts doing something.

21 M O T I O N

22 MR. DANA: I would move that we amend the draft

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1 resolution by deleting the word all.

2 MR. RATH: I have no problem with that.

3 MR. DANA: I've got the only resolution.

4 MR. UDDO: I'll second that motion.

5 MR. RATH: As the maker of the motion, I'll accept  
6 the amendment if that will facilitate the parliamentary  
7 process.

8 CHAIRMAN WITTGRAF: Will you accept it as well, Mr.  
9 Kirk?

10 MR. KIRK: I'll withdraw my second, since it's been  
11 seconded by someone else.

12 MR. UDDO: I seconded his amendment.

13 CHAIRMAN WITTGRAF: Yes. Do you view that and  
14 accept that as a friendly amendment, Mr. Kirk?

15 MR. KIRK: I presume so. I kind of felt some solace  
16 in the fact we were tracking the congressional language. I'll  
17 go ahead and accept the amendment.

18 CHAIRMAN WITTGRAF: Fine. I think without objection  
19 the word all is stricken from the resolution. Let me read the  
20 resolution again for the benefit of all.

21 Be it resolved that the board of directors of the  
22 Legal Services Corporation directs the president of the

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1 corporation, in consultation with the chairman and members of  
2 the Regulations Committee of the board, to study the issues  
3 involved in development and implementation of a system for the  
4 competitive award of grants and contracts, including support  
5 centers, and issue a report to the board by October 1, 1991.

6 Is there further discussion, then, regarding that?  
7 Perhaps, Mr. President, you could share with the board members  
8 your thinking to the extent you've had a chance to develop it  
9 to date as to how such a study would go forward from a staff  
10 perspective prior to the time that the staff begins meeting  
11 with this committee of the board.

12 Mr. Martin.

13 PRESIDENT MARTIN: Well, I have created a  
14 Competition Committee in my own staff who have looked at a  
15 number of alternatives. What I wanted to do was bring on  
16 board on a temporary basis a full-time employee who  
17 understands grants, awards and has experience in that arena to  
18 conduct this study. That person would create a report, work  
19 with my in-house committee and prepare a report for the board.

20 CHAIRMAN WITTGRAF: Has such a person been hired or  
21 selected?

22 PRESIDENT MARTIN: No. We have noticed our interest

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1 in finding such a person.

2 Mr. Kirk.

3 MR. KIRK: Can you tell us who is on the committee  
4 that you've appointed so far?

5 PRESIDENT MARTIN: Emelia DiSanto, Ellen Smead, Ken  
6 Boehm. Are you on it, Dave?

7 MR. RICHARDSON: Yes.

8 PRESIDENT MARTIN: And Dave Richardson.

9 CHAIRMAN WITTGRAF: Mr. Kirk.

10 MR. KIRK: I think that it's important that part of  
11 the study be a means of finding a system for competition for  
12 all grant recipients as well as, as Howard says, what may not  
13 be practical, and isolate the others. I think we need to  
14 follow the congressional mandate and at least have studied  
15 that anyway.

16 MR. DANA: Mr. Chairman.

17 CHAIRMAN WITTGRAF: Mr. Dana.

18 MR. DANA: Mr. President, am I correct that there is  
19 no congressional mandate, that what we have is a congressional  
20 prohibition about implementing competition, but a  
21 congressional authorization for an in-house study should the  
22 corporation choose to do that?

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1           PRESIDENT MARTIN:       That's correct, or should  
2 legislation be enacted that directs it. That's correct, Mr.  
3 Dana. This is the second year that this kind of language has  
4 been in an appropriation bill.

5           MR. DANA: I just didn't want anybody on the board  
6 to have the impression that Congress has directed that the  
7 corporation study a system of competition for all grants.  
8 They have permitted it in the context of a blanket prohibition  
9 of our implementing such a program.

10          MR. KIRK: Thank you for the clarification.

11          CHAIRMAN WITTGRAF: Further discussion? There is a  
12 motion before the board, that motion is the resolution that I  
13 read a few moments ago.

14               (No response.)

15          CHAIRMAN WITTGRAF: Hearing none, then the motion  
16 made by Mr. Rath, seconded by Mr. Kirk, as amended by Mr. Dana  
17 and Mr. Uddo shall come to a vote.

18               Those in favor of the motion as amended will signify  
19 by saying aye.

20               (A chorus of ayes.)

21          CHAIRMAN WITTGRAF: Those opposed nay.

22               (No response.)

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1           CHAIRMAN WITTGRAF: The ayes appear to have it, the  
2 ayes do have it. The motion in the form of the resolution is  
3 adopted.

4           At this time it's the chair's pleasure to call on a  
5 gentleman who was good enough to appear before this board, or  
6 at least this board as it existed on March 26 of 1990, to make  
7 a presentation, as many other individuals did on that  
8 occasion, to appear again and to address the matter of self  
9 help.

10           At this time the chair recognizes William R. Fry,  
11 president of the National Public Law Training Center of  
12 Washington, D.C. The chair asks Mr. Fry to come forward and  
13 to highlight the written presentation which he's been good  
14 enough to share with us already, and to respond to any  
15 questions or comments that members of the board have.

16           Mr. Fry, good morning.

17           MR. FRY: Thank you very much. Thank you for giving  
18 me time to speak to you.

19           Some of you may recall just about two years ago in  
20 1989, LSC had a conference on self help in which lawyers,  
21 trainers and representatives of clients and people in self  
22 help came together. After exploring the subject and it's

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1 possible utility for expanding services to the poor,  
2 recommended that the corporation move forward and explore self  
3 help.

4 I believe the subject came up again at the  
5 anniversary meeting last December in which self help was  
6 raised and described as possible way of expanding service.

7 What I'm suggesting today and what the writing that  
8 I've circulated to you contains, is a recommendation that you  
9 now move forward and take a step in preparation of trying self  
10 help. I think preparation is needed because self help is a  
11 service delivery mechanism.

12 As I think many of you know, self help exists in  
13 many forms around the country already in service of the middle  
14 class. It's run as a business for a fee. There are roughly  
15 1,000 projects counted in California that are already serving  
16 people. They help with such matters as divorce, simple  
17 divorce, uncontested divorce, bankruptcy, housing problems,  
18 public housing and other matters which are simple which can be  
19 handled either by the person themselves, or more often with  
20 help.

21 One thing I want to emphasize to you is that I think  
22 the way self help operates is as a service delivery mechanism.

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1 In other words, a form of business. You need a staff, an  
2 office, procedures, forms, you need training for staff. All  
3 of those are steps that I think are necessary to be planned  
4 for before the corporation can try self help.

5 So that the proposal that has been submitted to you,  
6 which is for a nine month preparation, would lead to the point  
7 where the corporation was ready to try self help. It would  
8 prepare materials, it would set up for training of staff. It  
9 would set up office procedures, it would identify people ready  
10 to go.

11 It would consult with field projects and identify  
12 field projects that were prepared to associate themselves with  
13 such a program. I think it's essential that self help have  
14 lawyer backup, lawyer support.

15 So the proposal is to that end. I spoke with some  
16 of the board members before this meeting, and the word study  
17 was used. Mr. Kirk, I think you asked whether it was a study.  
18 To the extent that I acquiesced, I really want to modify that.  
19 I don't see that this is as a study.

20 I have been involved with self help for quite a few  
21 years. My partner is Catherine Jermany from California, who  
22 is the head of the National Association of Independent

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1 Paralegals, specializing in assisting people in setting up  
2 self help.

3 So I don't think of it as study, I think of it as  
4 simply necessary preparation to set up the structure, the  
5 tools, the training materials, the substantive materials and  
6 be ready to go. It does not commit the board or the  
7 corporation to actually run self help, it simply puts them in  
8 the position of being able to say here is what it will look  
9 like and here are the people who are ready to go, here are the  
10 materials, now we may do it.

11 Incidentally, I don't think it was spelled out in  
12 the proposal, but we would hope to work closely with a  
13 committee of the board, probably the existing committee on the  
14 provision of legal service, so that as the preparation  
15 evolved, at least that committee would know what steps were  
16 being taken.

17 So that is my suggestion and recommendation. I'd be  
18 glad to discuss any details.

19 CHAIRMAN WITTGRAF: Thank you, Mr. Fry. Are there  
20 questions or comments for Mr. Fry?

21 Mr. Kirk.

22 MR. KIRK: Mr. Fry, just to kind of repeat something

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1 that I said this morning -- well, let me ask you the question  
2 first.

3 Why do you have this, a large part of this,  
4 independent from the local offices, field offices, for them to  
5 do the training and things like that?

6 MR. FRY: Well, I don't see it as necessarily  
7 independent in its functioning once it's established, but  
8 there needs to be a close working relationship. I think of a  
9 few examples where it exists.

10 The Legal Services projects are a wonderful  
11 resource, and they provide guidance and assistance and some  
12 training and in some cases keep people abreast of changes in  
13 the laws that are important.

14 But the Legal Services programs are, first of all,  
15 overwhelmed currently. Secondly, I'm not sure that they have  
16 the kind of experience that's needed to set up a service  
17 delivery system involving training. One of the notions of  
18 self help is that it should be run by clients, non-lawyers who  
19 have experience and particularly clients.

20 So I think that some separation is healthy and is  
21 probably likely to produce a better business delivery system  
22 when the people who are doing it have the power and the

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1 responsibility to set it up. It may be, for example, that  
2 there are physical locations that are separate from where the  
3 projects are now. It may be there are new devices to be  
4 found.

5 So I think it would be first a burden to ask the  
6 existing projects to set these up themselves. Secondly, it  
7 would be asking them to do something that they're not  
8 necessarily experienced at.

9 Finally let me say that I don't think the ultimate  
10 shape of self help is determined by this preparation. It  
11 simply sets up a way of trying and investigating.

12 MR. KIRK: My own personal preference would be to  
13 see a focus on a way these could be maintained through the  
14 current field programs and supervised, but I'm only one  
15 person. It's just that if your proposal is, in fact,  
16 approved, I would like to see an emphasis on that and perhaps  
17 a phase in plan where we might start out with the field  
18 services, the field programs as being the progenitors of the  
19 initial programs.

20 MR. FRY: I might say that informally over the years  
21 we have talked to field programs about that possibility, and  
22 found some that were interested that wanted to do it. So it

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1 certainly isn't precluded by this approach. It's simply that  
2 I think a great deal of preferatory work has to be done with  
3 the projects that many of them just can't tackle right now.

4 In a sense it's a project we're interested in doing,  
5 yet they would probably want someone to do this preparation  
6 anyway.

7 CHAIRMAN WITTGRAF: Further discussion? Questions,  
8 comments?

9 Mr. Molinari.

10 MR. MOLINARI: One of the concerns that I would have  
11 for the corporation is that aspect of malfeasance. If, in  
12 fact, the corporation is funding a project, do we not run the  
13 risk that those who try to exercise self help may sue the  
14 grantees and/or the corporation, claiming that, in fact, they  
15 weren't properly advised and, therefore, they lost their  
16 action and seek recovery on a malfeasance basis?

17 MR. FRY: Well, I think that's a possibility that  
18 exists now in many self help services that are being delivered  
19 to the middle class. There have been virtually no incidents  
20 of liability or claims of liability, partly because the people  
21 delivering these self help services are extremely cautious.

22 I've been told, and I believe from their experience,

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1 that they recognize immediately when they are going beyond the  
2 point where they have competence and they simply don't take  
3 the case and they refer it to a lawyer.

4 So I think that caution and a clear understanding of  
5 the boundaries protect against that to a very considerable  
6 degree. One of the ideas of self help is that there is simply  
7 a large number of problems that are basically routine in  
8 processing.

9 That doesn't mean necessarily that the clients can  
10 immediately understand, for example, the six documents needed  
11 for an uncontested divorce and the time table and the place  
12 where they are filed. The process itself is very simple. If  
13 self help projects understand the boundaries and stop before  
14 they get into trouble, then it just is not likely to arise.

15 Everything has a slight risk, but the experience of  
16 self help to the middle class is that the risk is very  
17 limited.

18 MR. MOLINARI: If I can carry it one step further,  
19 in the background of self help you talk about that it has  
20 skirted the very poor, now you're talking about middle class.  
21 Would you not find with the very poor more difficult to work  
22 with them on a self help basis?

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1           MR. FRY: I think that's probably true. One of the  
2 things that happens in serving the middle class, of course, is  
3 that the clients are self-selected. They come in there  
4 because they understand that they'll be expected to do some of  
5 this work themselves.

6           I don't think we have enough experience, frankly,  
7 and one of the things that we would do in the preparation is  
8 to try to get a better handle on that. I think if there's a  
9 difference, it's only one of degree. I think there are many  
10 people eligible for Legal Services who can, with guidance,  
11 handle their problems. Others cannot and need various degrees  
12 of assistance.

13           I may give, for example, the Social Security  
14 Administration has funded something called SSI Outreach, in  
15 which the 25 projects around the country are now mandated to  
16 find people who are eligible for SSI and get them to apply.

17           It's kind of similar to self help, because when they  
18 find a person who is potentially an applicant, they have to  
19 guide them and assist them and give them information about the  
20 process and the steps and so forth. It may be that self help  
21 for the very poor will have to emphasize outreach more than  
22 the middle class.

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1           The middle class simply receives advertisements.  
2           You can get a divorce for \$75 in Oakland, California. It's  
3           advertised and people who want to do it that way come in. I  
4           think a self help project may have to do more outreach, a  
5           little bit more explaining, but I think it will just be a  
6           difference of degree, the extent to which poor people can  
7           solve their problems.

8           CHAIRMAN WITTGRAF: Mr. Rath.

9           MR. RATH: Mr. Chairman, I have, I guess, a process  
10          question and I -- it's probably my newness. Are we going to  
11          be asked to approve this grant?

12          CHAIRMAN WITTGRAF: I think in my judgment where we  
13          will be when we complete our discussion, is that I will ask  
14          that Mr. Fry's proposal be referred to the Provision of Legal  
15          Services Committee of the board.

16          Not only I think do we want to utilize the committee  
17          structure as we've been attempting now the last couple of  
18          months, but in addition and to delve into the subject more  
19          deeply, and I think the members of the committee and Mr. Kirk  
20          actually did meet this morning with Mr. Fry, but in addition  
21          to that two larger questions.

22          First is I'm not sure that we want to get too far

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1 down the road of having people come before the board making  
2 so-called grant applications. Second, I'm not sure that the  
3 corporation, under its management and administration account  
4 for fiscal year 1991, has the funds available.

5 Mr. Hall, Ms. Love, Ms. Wolbeck, in conjunction with  
6 Mr. Dana and his committee are going to have to look at  
7 whether the money is available, assuming that they feel it's  
8 worthwhile going forward.

9 So this is, at the urging of some board members, an  
10 opportunity for Mr. Fry to visit with us again to let the  
11 board members know of his suggestion and to raise any  
12 questions they wish. It will go to the Provision of Legal  
13 Services Committee, as I think Mr. Fry anticipated by his  
14 comment earlier.

15 MR. RATH: The chair has anticipated my concern. I  
16 would really like to see it put in a broader matrix before we  
17 pass on it.

18 CHAIRMAN WITTGRAF: Further questions for Mr. Fry or  
19 discussion?

20 (No response.)

21 CHAIRMAN WITTGRAF: Thank you, Mr. Fry. As I just  
22 indicated a moment ago to Mr. Rath in response to his query,

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1 we will ask the Provision of Legal Services Committee of the  
2 board consider the proposal and to do so in conjunction with  
3 our Audit and Appropriations Committee as to what our  
4 financial situation is.

5 We're in the middle of fiscal year 1991, of course,  
6 and I assume it's fair to conclude that this matter could be  
7 for funding either for fiscal year 1991, or fiscal year 1992,  
8 beginning in October of 1991, and that either year or a  
9 bridging of the two years would not be objectionable or  
10 impossible as far as you're concerned.

11 There is no timing that's unique or particular of  
12 which we should be aware.

13 MR. FRY: Not that goes beyond simply a desire to  
14 move forward.

15 CHAIRMAN WITTGRAF: Thank you very much.

16 MR. FRY: Thank you.

17 CHAIRMAN WITTGRAF: At this time the chair is  
18 prepared to move to the anticipated executive session,  
19 leaving agenda items 9 and 10 until after we complete  
20 executive sessions.

21 Mr. Dana, did you have a question?

22 MR. DANA: Did you want a motion, a formal motion

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1 referring that, or are you just going to refer it to the Audit  
2 and Appropriations -- I mean, to the Provisions Committee?

3 CHAIRMAN WITTGRAF: I believe that I can refer it  
4 and have referred it.

5 Further discussion?

6 (No response.)

7 CHAIRMAN WITTGRAF: For the benefit of staff and  
8 friends who are with us this morning, my expectation is that  
9 we will be in executive or closed session until approximately  
10 12:30 p.m., that we will have lunch then between approximately  
11 12:30 and 1:00 p.m. and that we'll return to open session at  
12 approximately 1:15 p.m.

13 We have voted previously telephonically to go into  
14 executive session at this time. In addition to that, I would  
15 ask at this time that there be a motion made in open session  
16 here that we do proceed to executive or closed session for the  
17 discussion of matters of personnel, litigation and similar  
18 matters.

19 Mr. Hall.

20 M O T I O N

21 MR. HALL: So moved.

22 MS. LOVE: Second.

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1 CHAIRMAN WITTGRAF: It's been seconded by Ms. Love.  
2 Discussion?

3 (No response.)

4 CHAIRMAN WITTGRAF: Hearing none, those in favor  
5 signify by saying aye.

6 (A chorus of ayes.)

7 CHAIRMAN WITTGRAF: Opposed nay.

8 (No response.)

9 CHAIRMAN WITTGRAF: The ayes appear to have it, the  
10 ayes do have it. We will proceed to executive session.

11 (Whereupon, at 11:17 a.m., the Board of Directors of  
12 the Legal Services Corporation was adjourned to Executive  
13 Session.)

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## A F T E R N O O N   S E S S I O N

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CHAIRMAN WITTGRAF: At this time we're returning to open session to complete the deliberations listed in our agenda. At this time we're on amended agenda item number 9, Consideration of the Audit Appropriations Committee's Recommendation on the Revised Fiscal Year 1991 Consolidated Operating Budget.

Mr. Dana?

## M O T I O N

MR. DANA: Mr. Chairman, board members who do not have a copy of the green Audit and Appropriations Committee book may wish to get one. But following our last board meeting on the 5th of March, as sort of a representative of my committee, I met with David Richardson and David Martin at headquarters and we had what sometimes is referred to as a frank exchange of views.

Management has developed a COB within the range that the board had indicated it would endorse and it appears on page 52. The M&A breakdown appears on page 52 of the green book. It's the very last page just this side of the cover. Your committee has also received and I think you have received an analysis of that, which is contained in this book, and two

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1 very helpful letters from the administration explaining its  
2 personnel needs and an indication that those needs have been  
3 covered here.

4 I'm happy to report that your Audit and  
5 Appropriations Committee unanimously last night recommends the  
6 adoption of the COB set forth on pages 51 and 52 of the book.  
7 On 51 is the full COB. On 52 you have the matrix for the  
8 corporation. I would recommend to the board the COB for 1991  
9 or the committee recommends to the board the COB for 1991 as  
10 recommended by management and as set forth on pages 51 and 51  
11 of the green board book.

12 CHAIRMAN WITTGRAF: The chair receives that as a  
13 motion. Is there a second?

14 MR. UDDO: Second.

15 CHAIRMAN WITTGRAF: It has been moved by Mr. Dana  
16 and seconded by Mr. Uddo that the revised Fiscal Year 1991  
17 consolidated operating budget be adopted. Is there a  
18 discussion?

19 (No response.)

20 CHAIRMAN WITTGRAF: One question I have, Mr. Dana,  
21 we had a presentation this morning, of course, from Mr. Fry  
22 and a request that will be considered by the Provision of

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1 Legal Services Committee of the board. What, if any, monies  
2 are available for what might be called board initiatives?

3 MR. DANA: In this budget absolutely nothing. There  
4 are funds that are not appropriated here that are carry over  
5 funds and line items. For instance, there is money in the  
6 migrant line left over from last year that we haven't done  
7 anything with. We were encouraged at the last meeting not to  
8 take money out of a Provision for Legal Services line and move  
9 it into the M&A line. But arguably that's a board decision  
10 that could happen at some point if the board so decided to do  
11 that. But I do not believe -- it is possible that there are--  
12 - obviously in any budget there are estimates. It is possible  
13 that on the consulting line that a surplus may develop,  
14 although it's management view that that was -- the money here  
15 is necessary for that.

16 Later on in the year, it is possible that management  
17 would come and say that it looks like we're going to have a  
18 surplus. That typically turns into a carry over, but if we  
19 were to spend the carry over this side of the end of the year  
20 it wouldn't be a carry over, but might be available to us to  
21 spend. That could be any number of things, including interest  
22 on funds or recapture of funds. But as of this time, there is

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1 no money in the budget for board initiatives unlike our  
2 request to congress for next year.

3 CHAIRMAN WITTGRAF: The consulting items listed on  
4 attachment B on page 52 does include then, does it, monies  
5 that would facilitate the study regarding competition that we  
6 discussed this morning?

7 MR. DANA: I believe that that is -- I don't think  
8 it is on the consulting line. I think it is somewhere else.

9 CHAIRMAN WITTGRAF: At this time the chair is happy  
10 to recognize Mr. Richardson, in full voice, the treasurer and  
11 comptroller of the corporation. Mr. Richardson?

12 MR. RICHARDSON: Thank you. In answer to your  
13 question, the money for the competition study is on the  
14 temporary employee line. Because of the way the statute was  
15 written, it has to be an employee of the corporation and  
16 hiring a temporary employee we felt was the best way to go.

17 CHAIRMAN WITTGRAF: Further discussion regarding the  
18 budget?

19 MR. HALL: Mr. Chairman?

20 CHAIRMAN WITTGRAF: Mr. Hall?

21 MR. HALL: David, so that means we have \$232,000 set  
22 aside for studying competition? I'm just confused.

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1 CHAIRMAN WITTGRAF: Mr. Richardson?

2 MR. RICHARDSON: There is \$45,000 in the Office of  
3 Field Services set aside for the study.

4 CHAIRMAN WITTGRAF: Further discussion? Mr. Kirk?

5 MR. KIRK: Can we talk about what was finally put  
6 into the raises for the people?

7 CHAIRMAN WITTGRAF: Certainly. Mr. Dana?

8 MR. DANA: Yes. We have -- some of the positions,  
9 the continuing employees have received, I believe, as of the  
10 first of the year, received a 4.1 cost of living increase.  
11 David and I have just been discussing it. I think that -- and  
12 if you look on this book, look in this book and take the  
13 executive office, for instance, and move then onto the third  
14 page where you can see the employees listed, this page, it  
15 appears on every -- there is a number down there for the 4.1  
16 percent, which is the cost of living.

17 There is, also, two down, another number for step  
18 increases. A combination of those two represents  
19 approximately nine percent, I think, we figured the nine  
20 percent for continuing employees.

21 MR. RICHARDSON: At this point it's closer to about  
22 seven-and-a-half.

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1 MR. DANA: That includes the --

2 CHAIRMAN WITTGRAF: Seven-and-a-half would include  
3 the cost of living adjustment?

4 MR. RICHARDSON: Yes.

5 CHAIRMAN WITTGRAF: Mr. Kirk?

6 MR. KIRK: Mr. Martin, I thought that you had said  
7 that the step increases you were going to stop or something.  
8 Did I misunderstand the conversation?

9 MR. MARTIN: I think you might have. There are two  
10 classes of employees in the corporation. There are those who  
11 are classified as part of a merit system. They are in steps  
12 one through seven and they are evaluated -- those employees in  
13 that merit system are evaluated on an annual basis and are  
14 eligible for step increases in that system.

15 MR. KIRK: Right.

16 MR. MARTIN: That we are committed to and cannot  
17 eliminate at this point. We are looking at that towards  
18 revising that system in connection with the COLAs that was  
19 authorized for the rest of the federal government. I am now  
20 studying a combination of the COLA plus merit, and I'm trying  
21 to come up with a program that incorporates both so that we're  
22 relying more on merit as opposed to a COLA.

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1 MR. KIRK: That was for the future, our  
2 conversation?

3 MR. MARTIN: Yes.

4 MR. KIRK: What you're talking about now is for the  
5 future?

6 MR. MARTIN: Now, we are watching very carefully the  
7 recommendations that come to me and to the other managers for  
8 step increases and annual evaluations. Until we can change  
9 the system, the system is in place.

10 MR. KIRK: When you and I had talked, I thought that  
11 that was in effect, that that's what had happened for the  
12 past. But that's what you're planning on for the future?

13 MR. MARTIN: That's correct.

14 CHAIRMAN WITTGRAF: Further discussion?

15 (No response.)

16 CHAIRMAN WITTGRAF: Questions? Mr. Richardson, I  
17 have one question. As you look at the attachment B and the  
18 figures that are listed down the right hand column, and those,  
19 of course, are full fiscal year figures, but which ones, such  
20 as consulting or in addition to consulting, would be the most  
21 speculative or the ones in which there would be the greatest  
22 potential for some left over funds that could be the subject

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1 of so-called board initiatives?

2 MR. RICHARDSON: Well, certainly the consulting is  
3 the bigger portion. There's also money that could be through  
4 travel and transportation. Those are the two areas you have  
5 the most flexibility in because you can cancel a trip or take  
6 less people on a trip and have savings there.

7 CHAIRMAN WITTGRAF: Thank you. Further discussion?

8 (No response.)

9 CHAIRMAN WITTGRAF: Hearing none, those in favor of  
10 the motion which is to adopt the Fiscal Year 1991 Consolidated  
11 Operating Budget of \$10,770,337, as presented, will signify by  
12 saying aye.

13 (A chorus of ayes.)

14 CHAIRMAN WITTGRAF: Those opposed, nay?

15 (No response.)

16 CHAIRMAN WITTGRAF: The ayes appear to have it, the  
17 ayes do have it, the motion is adopted.

18 Mr. Dana?

19 MR. DANA: Mr. Chairman, the motion was adopt the  
20 COB that is set forth on 51 and 52.

21 CHAIRMAN WITTGRAF: I'm sorry. Yes, I referred only  
22 to the management administration part. I guess, because that

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1 was the one that we discussed at greatest length last month  
2 and again this month. But, thank you. Actually the adoption  
3 is for the full consolidated operating budget, yes. It's only  
4 that little portion that we have much say in it.

5 We're going to wait just a moment here. I think, as  
6 I indicated this morning, Ms. Pullen is going to join us by  
7 telephone for purposes of agenda item 10. I believe we're  
8 waiting for her to call in.

9 MR. RATH: Mr. Chairman?

10 CHAIRMAN WITTGRAF: Mr. Rath?

11 MR. RATH: Just in anticipation of that call before  
12 we pass off the last item, on my part, I want to commend both  
13 the management and the committee because I know we spent a  
14 fair amount of time trying to sort that out and I think that  
15 the cooperative approach adopted is by far the path of choice.  
16 So, I appreciate it.

17 CHAIRMAN WITTGRAF: Mr. Dana?

18 MR. DANA: I said yesterday at the meeting the whole  
19 committee extends its appreciation to management. David  
20 Martin and David Richardson helped us come along. It is  
21 difficult when you live with something the way they do to deal  
22 with people who come in periodically and want to exercise

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1 their responsibilities. I think that I feel better now than I  
2 did before and I appreciated the help we got from management,  
3 in particular.

4 CHAIRMAN WITTGRAF: Let us proceed, then, with  
5 agenda item 10 and if and when Ms. Pullen is able to join us,  
6 we can do what's necessary to fill her in on our  
7 deliberations. Mr. Dana?

8 MR. DANA: As the other item that occupied us at  
9 prior meetings and occupied our committee at prior meetings,  
10 as well as last night, was the whole question revolving around  
11 board compensation. As the board may or may not know, our  
12 compensation is statutorily set and, I believe, the  
13 president's salary or legal limit are divided by the number of  
14 working days in the year. So that you take the president's  
15 salary and divide it by, I think, it's 250, you get pretty  
16 much the maximum per diem that can be paid to a board member.

17 That amount is \$389 at the present time. We are  
18 currently paid a per diem of \$261 a day, which has been \$261,  
19 I think, for five or six years. In the old days, if I may use  
20 that phrase, which consists of 1975 to 1982, board members  
21 were paid for all their service on behalf of the board, that  
22 included such things as study at home, travel, going out to

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1 visit the programs, attendance at congressional hearings,  
2 committee meetings, board meetings.

3           However, since the beginning of 1983, first at the  
4 insistence of congress and then at the -- for whatever reason,  
5 the boards have only paid themselves for attendance at board  
6 meetings and attendance at committee meetings where they were  
7 committee members. There was some discussion of this last  
8 year and the committee wanted to address that, and the  
9 committee has one, basically has one, motion which is  
10 relatively innocuous and let me read it.

11           It recommends to the board the restructuring of  
12 board compensation taking into consideration various  
13 activities and adopting guidelines for board compensation.

14           Charitably that is passing the buck to the board.  
15 It seemed that at last night's meeting, that seemed like a  
16 good idea. We had as many board members not on the committee  
17 expressing a view as we had committee members at the head of  
18 the table. So that is our recommendation. It's really not  
19 something that you need act on, but -- no, I take that back.  
20 I think you can act on that.

21           At Mr. Kirk's suggestion, maybe a variation of his  
22 suggestion, I went around and personally polled every member

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1 of the board to get their views on this subject. I think I  
2 have developed and I'm proposing to make a motion which -- I  
3 think, if I have done my -- if I read my communications -- if  
4 I read you correctly -- should be relatively noncontroversial.

5 M O T I O N

6 MR. DANA: That motion is, and I would so move, that  
7 we recommend that the daily rate be raised from \$261 to \$320  
8 and that it be paid for attendance at board and committee  
9 meetings (whether or not the member is a committee member) and  
10 for board service requiring a member's presence in Washington.

11 Although a majority of the committee and a minority  
12 of the board feel that some compensation is appropriate for  
13 board travel, board study, board service away from Washington,  
14 there is not the sufficient consensus on this board to pass  
15 that at this time. I would urge this board to refer that back  
16 to the committee where it probably will languish for another  
17 year and you may never see it again.

18 But we do think that there is a need to raise the  
19 rate to \$320, which is halfway between where it is now and  
20 where it could go and to encourage board participation by  
21 paying board members to attend committee meetings even if they  
22 aren't members of the committee and to recognize that some

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1 board members are required to be in Washington primarily  
2 testifying before congress and that they should be -- I think  
3 a majority of us feel that that service should be compensated  
4 as well as committee work.

5 CHAIRMAN WITTGRAF: Mr. Dana, right. For  
6 clarification and for the record, will you restate your  
7 motion?

8 MR. DANA: Yes. I recommend that the daily rate be  
9 raised from \$261 to \$320 and that it be paid for attendance in  
10 board and committee meetings (whether or not the member is a  
11 committee member) and for board service requiring members  
12 presence in Washington.

13 CHAIRMAN WITTGRAF: You've heard the motion. Is  
14 there a second?

15 MR. RATH: Second.

16 CHAIRMAN WITTGRAF: The motion has been made by Mr.  
17 Dana and seconded by Mr. Rath. Discussion?

18 MR. HALL: Mr. Chairman?

19 CHAIRMAN WITTGRAF: Mr. Hall?

20 MR. HALL: I'd like to know what kinds of things you  
21 mean when you say requiring presence in Washington, voluntary  
22 meaning something you want to do or something that you have to

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1 do, like George does, testifying as the chairman of the Legal  
2 Services? What type of things? That seems like a wide open-

3 -

4 CHAIRMAN WITTGRAF: Mr. Dana, did you wish to  
5 respond?

6 MR. DANA: I'd be happy to. I think the emphasis is  
7 on board service requiring a member's presence in Washington.  
8 I don't know what that would be necessarily. It might well be  
9 -- it certainly is testifying before congress. It might well  
10 be meeting with corporate officials. It might be -- I suppose  
11 now that you mention it, it might be attendance at a  
12 confirmation hearing. It might well be -- I don't think that  
13 it is coming in to see the flowers in bloom or other things.  
14 I think it is where one's service to the corporation requires  
15 his or her presence here.

16 CHAIRMAN WITTGRAF: Mr. Hall, if I might make a  
17 comment, then Mr. Uddo. As a practical matter, all -- as I  
18 think you know, all of our requests for payment or  
19 reimbursement require the approval or specific authorization  
20 of the president, and I trust if any of us develop a pattern  
21 of abuse or questionable use that began to develop of that  
22 authorization for payment and reimbursement that the president

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1 would bring his concern to the Audit and Appropriations  
2 Committee.

3           It's somewhat self-definitional, but I view the  
4 president's role in the actual finance process as being  
5 something of a safeguard and we'll have to rely, I guess, upon  
6 the good judgment of the 11 members of the board in describing  
7 for themselves what those activities. I think Mr. Dana has  
8 touched on the likeliest ones, but in the reauthorization  
9 process, for example, Mr. Uddo could be asked to come in to  
10 confer with, say, Congressman Frank and Congressman McCollum  
11 to help discuss some ideas or concerns they had regarding  
12 pending legislation.

13           I, for one, at least, would certainly view that as  
14 business of the corporation and the board requiring the  
15 presence of Mr. Uddo, to use my hypothetical example. So, I  
16 think it's somewhat self-definitional, but with the check or  
17 the fail safe of the president's review of all of that.

18           Mr. Uddo?

19           MR. UDDO: I was just going to, I guess, say pretty  
20 much what you said, but I'll use the example of just the week  
21 before last. I think when Howard came here as the chairman of  
22 the Audit and Appropriations Committee to meet with the staff

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1 in preparation for this meeting, it saved the board hours of  
2 deliberation. They were together in Washington hammering out  
3 the things that might have taken yet another whole meeting to  
4 hammer out. I think that's service to the corporation. I  
5 think it's something that the president would approve of  
6 because it certainly manages to facilitate the process.

7 I think, that's the kind of thing that I would be  
8 talking about, congressional hearings and other instances  
9 where you -- required may be the wrong word, where it's  
10 facilitating the work of the corporation, again, subject to  
11 the check and balance of the president authorizing it, to come  
12 to the Washington to meet with staff, congressmen, whatever.  
13 I think that's legitimate service to the corporation.

14 CHAIRMAN WITTGRAF: Mr. Kirk?

15 MR. KIRK: I am going oppose this. My grounds for  
16 opposing it are that five years since the \$260 was set,  
17 applying the cost of living increase to that should put it  
18 somewhere between \$290 and \$300 a day as opposed to \$320. My  
19 second is although I see a great benefit in certain members  
20 being able to go to committee meetings where they're not  
21 members, I think in principle I need to object to that. The  
22 third reason is that I feel that trips to Washington should be

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1 only when there's a meeting or there is something where a  
2 member of congress has requested the appearance or attendance,  
3 or there is a congressional hearing. So, those are the  
4 grounds on which I'm going to oppose it.

5 CHAIRMAN WITTGRAF: Mr. Molinari?

6 MR. MOLINARI: Mr. Chairman, I have board member,  
7 Penny Pullen, on the wire and she would like to express her  
8 opposition to an increase in the per diem. If anybody wants  
9 to verify that, we don't have the hook up here, but she's on  
10 right now.

11 CHAIRMAN WITTGRAF: Further discussion? Hearing  
12 none, those in favor of the motion will signify by saying aye.

13 (A chorus of ayes.)

14 CHAIRMAN WITTGRAF: Those opposed, nay.

15 (A chorus of nays.)

16 CHAIRMAN WITTGRAF: The ayes appear to have it. The  
17 ayes do have it. The motion is carried.

18 Further business?

19 M O T I O N

20 MR. UDDO: I move that we adjourn.

21 CHAIRMAN WITTGRAF: Is there a second?

22 MR. DANA: There is.

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1           CHAIRMAN WITTGRAF: We have a motion by Mr. Uddo,  
2 seconded by Mr. Dana, that we adjourn. Those in favor will  
3 signify by saying aye.

4           (A chorus of ayes.)

5           CHAIRMAN WITTGRAF: Opposed, nay. The ayes appear  
6 to have it. The ayes do have it. We are adjourned as a board  
7 until our next regular board meeting at 9:30 a.m., Monday,  
8 April 29, 1991, in a place to be determined in Washington.

9           (Whereupon, at 2:05 p.m., the proceedings were  
10 adjourned.)

11                           \* \* \* \* \*

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