

LEGAL SERVICES CORPORATION

BOARD OF DIRECTORS MEETING

OPEN SESSION

Saturday, May 10, 1997

9:05 a.m.

Legal Services Corporation
750 First Street, N.E.
Washington, D.C. 20002

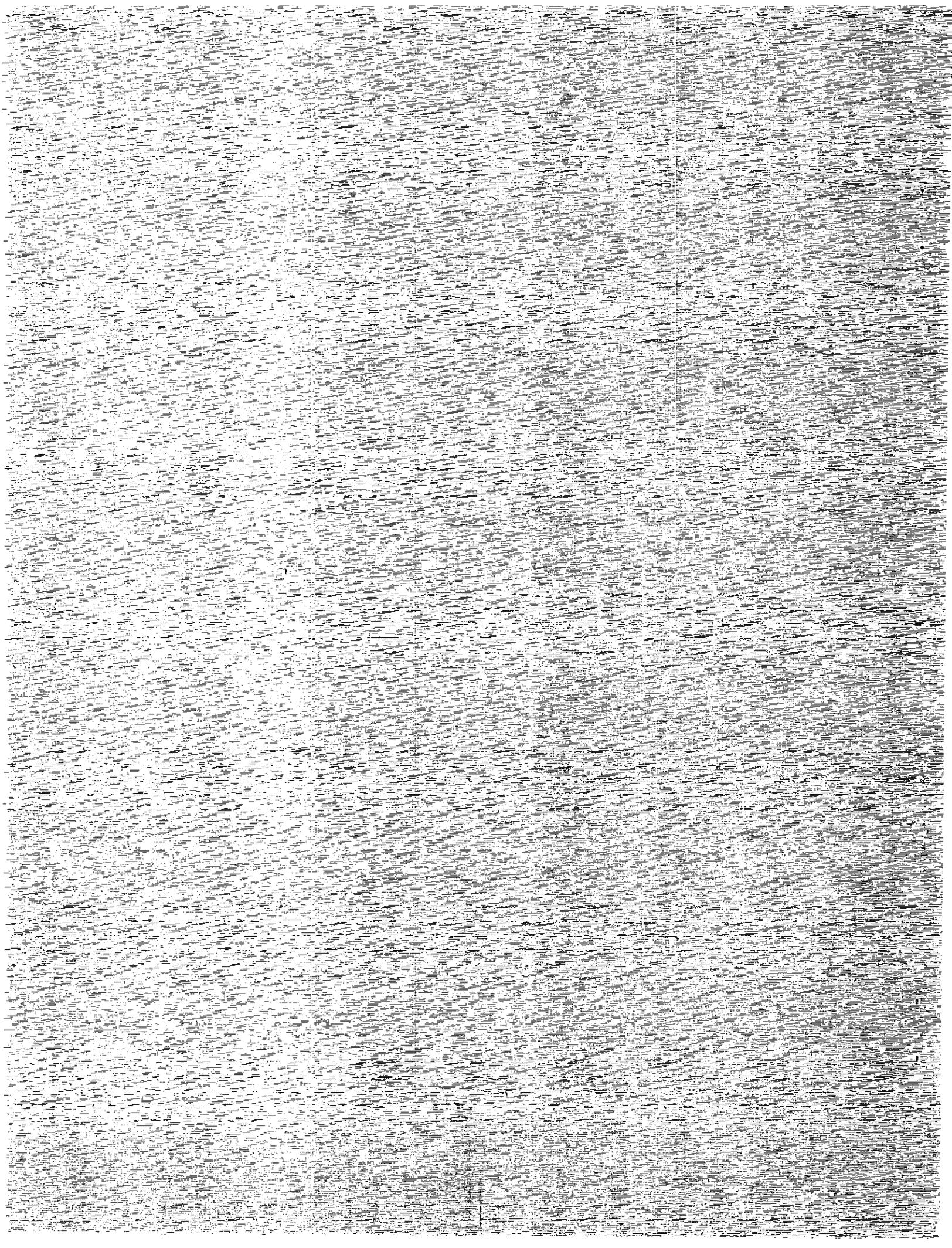
BOARD MEMBERS PRESENT:

Hulett H. Askew
LaVeeda M. Battle
John T. Broderick, Jr.
Douglas S. Eakeley, Chairman
John N. Erlenborn, Vice Chairman
Nancy H. Rogers
Thomas F. Smegal Jr.
Ernestine P. Watlington
Edna Fairbanks-Williams

STAFF PRESENT:

Martha Bergmark, President
Victor Fortuno, General Counsel & Corporate Secretary
David L. Richardson, Treasurer and Comptroller

Diversified Reporting Services, Inc.
1025 VERMONT AVENUE, N.W. SUITE 1250
WASHINGTON, D.C. 20005
(202) 296-2929



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P R O C E E D I N G S

1
2 CHAIR EAKELEY: Let me call the meeting to
3 order, welcome everyone and especially welcome a very
4 distinguished former member of the Board, now in an
5 official observer capacity for the Senate Committee on
6 Midways and indigent defendants, but also in an
7 unofficial capacity as representative of the Supreme
8 Court of Maine, Howard Dana. Justice Dana, it's a
9 delight to have you with us.

10 JUSTICE DANA: It is a delight to be here in
11 any capacity.

12 CHAIR EAKELEY: You all have the agenda. Are
13 there any corrections or additions to be made to that
14 agenda? Hearing none I'll take a motion to approve the
15 agenda as submitted.

M O T I O N

16
17 MR. ERLNBORN: So move.

18 MS. BATTLE: I'll second the motion.

19 CHAIR EAKELEY: All those in favor.

20 (A chorus of ayes.)

21 CHAIR EAKELEY: Opposed?

22 (No response.)

1 CHAIR EAKELEY: The ayes have it. Minutes
2 were circulated with the Board materials of our March
3 8th meeting. Are there any corrections or additions to
4 be made to those minutes?

5 Hearing none is there a motion to approve the
6 minutes of the March 8, 1997, meeting Board meeting?

7 M O T I O N

8 MR. ERLENBORN: So move.

9 MS. FAIRBANKS WILLIAMS: Second.

10 CHAIR EAKELEY: All those in favor?

11 (A chorus of ayes.)

12 CHAIR EAKELEY: Opposed?

13 (No response.)

14 CHAIR EAKELEY: The ayes have it.

15 Likewise, you had circulated in advance of
16 meeting, the minutes of the March 23, 1997, Board
17 meeting. Are there are corrections or additions to be
18 made to those?

19 Hearing none, is there a motion to approve the
20 minutes as circulated of the March 23, 1997, Board
21 meeting?

22

5/97D

M O T I O N

1
2 MS. BATTLE: So move.

3 MS. FAIRBANKS WILLIAMS: Second.

4 CHAIR EAKELEY: All those in favor?

5 (A chorus of ayes.)

6 CHAIR EAKELEY: Opposed?

7 (No response.)

8 CHAIR EAKELEY: The minutes of -- we also were
9 -- had circulated under separate cover, copies of the
10 Board's executive session minutes of March 23, 1997.
11 Are there any corrections or additions to be made to
12 those?

13 (No response.)

M O T I O N

14
15 CHAIR EAKELEY: All those in favor?

16 (A chorus of ayes.)

17 CHAIR EAKELEY: Opposed?

18 (No response.)

19 CHAIR EAKELEY: The ayes have it.

20 All right. Chairman and members' reports. I
21 really don't have too much to report. We had a good
22 meeting at the White House and met with the new counsel

1 to the President, Charles Ruff, and Deputy Chief of
2 Staff, John Podesta, and a number of other of the
3 individuals to talk about this year's program strategy
4 appropriations.

5 I later met with section leaders of the ABA
6 and with Eric Holder, who was at the same ABA
7 litigation section luncheon that I attended and met
8 which I was presented an award which really is -- I
9 took in my representative capacity with and on behalf
10 of the Legal Services Corporation.

11 But Eric Holder has been nominated to be
12 Deputy Attorney General of the United States, and I
13 think that as his predecessor, Jamie Gorelick had been
14 the administration's designated spokesperson for the
15 Legal Services Corporation so to Eric Holder will
16 become in effect our designated spokesperson within
17 Justice. And given his law enforcement background, I
18 think that that's going to be a very worthwhile voice
19 to add to a hopefully increasingly harmonious chorus.

20 I've also met with John McKay, who is here
21 today, and whom I would like to welcome. And we are in
22 the process of negotiating out the details of -- not

1 very detailed -- employment agreement and I will bring
2 that back to the Board at our next meeting for your
3 ratification. And it's been my fault that I don't have
4 it now, but we didn't have it on the agenda for today
5 anyway, so if you'll forgive me and bear with John,
6 we'll get to you in July.

7 That's the -- that's it for now. Martha,
8 President's report.

9 MS. BERGMARK: Well, we've had an interesting
10 couple of months since last you met. I'll give reports
11 on the political front and on the internal programmatic
12 front. We -- I keep watching for the name, Legal
13 Services Corporation, in the paper as the budget bill
14 happens, and that seems to be somewhat unraveling.

15 And sure enough this morning in today's New
16 York Times, we appear in the front-page article. I
17 didn't bring it with me because it's a real no/no at
18 our house to walk out with any section of the morning
19 paper before afternoon. But we're -- it's an
20 interesting article about the fact that they didn't
21 quite nail down the details of this budget bill before
22 they announced that they had one.

1 And the -- it's reported that the
2 Administration is taking the position that the budget
3 bill has set in place the Administration priority
4 programs including -- and there's a string site, but
5 Legal Services Corporation is there. So that's helpful
6 to know after -- I guess -- it was last weekend on one
7 of the Sunday morning shows -- one of the House
8 leadership folks, reported -- named -- Legal Services
9 as one of the programs that they were still intending
10 to target. So it was nice to hear that there's at
11 least some dispute about that. So we'll see what
12 happens.

13 In my most recent round of conversations with
14 Hill staff people, including in the last couple of
15 days, I've been plumbing for information on what this
16 budget bill might mean and the signals are fairly
17 helpful as you might imagine.

18 The worse that can happen to us is that we
19 will continue to be just part of the normal
20 appropriations fight, you know, that there would be not
21 necessarily an assumption that we were protected in the
22 budget bill, but at least a -- an expectation that we

1 would go through the normal process.

2 The good news is that discretionary domestic
3 spending is slated to rise, and the issue is going to
4 be that it's, you know, it's targeted on certain
5 things, and there's now some dispute about what it's
6 supposed to be targeted for. So we'll see that play
7 out over the next few weeks.

8 The best information I have about timing is
9 that -- well, within the last couple of days, before
10 the -- there were leaked reports about what's happening
11 to the budget bill. It seemed that we might have
12 budget resolutions by the time of the Memorial Day
13 recess. And I guess that's true. We'll just have to
14 watch the papers and see whether that happens.

15 In the course of the Budget Committee's -- on
16 the House and Senate side -- deliberations they set
17 what are called the 602(a) allocations, and those are
18 the amounts of money that get sent to the
19 Appropriations Committee to allocate among the
20 subcommittees and those are what are called 602(b)
21 allocations.

22 Our allocation will be set only after the

1 budget committees finish their work, and that is
2 clearly going to be after the Memorial Day recess,
3 meaning that they are running very far behind in even
4 getting a planning number for Commerce and Justice.
5 And the House side staff didn't expect to have such a
6 number before early June, probably, and as it was with
7 me, "We're not working late nights over here yet." So
8 we're not -- we don't expect too much new information
9 on that front right away.

10 The signals as well on what's happening with
11 the appropriations process are that this is a sort of a
12 good news/bad news notion. We understand that they are
13 working on some language to address continuing concern
14 that there is about the situation with the Val Verde
15 voting case in Texas.

16 The good news part of that is that they
17 wouldn't be working on language if they didn't expect
18 to have us in a bill, so while that's not great news,
19 it's an indication that they're thinking about us in
20 terms of that might suggest that we would have an
21 appropriation sometime along the way.

22 CHAIR EAKELEY: You don't think there's some

1 people there who would impose a restriction on top of a
2 zero appropriation if they could?

3 MS. BERGMARK: If they could, right, they
4 could do that. I don't know that that's necessarily
5 unheard of. We did get a new restriction placed on us
6 in the last few days. The -- Suzanne, do you have
7 copies of that -- I'm sorry -- I should have checked
8 with you on the assisted suicide restriction?

9 MS. GLASGOW: Yes, I do have it.

10 MS. BERGMARK: There is a newly signed into
11 law act restricting assisted suicide and there is a
12 provision in that bill prohibiting our funds from being
13 used to handle cases involving assisted suicide.

14 CHAIR EAKELEY: Does that require any
15 regulation movement or --

16 MS. BERGMARK: Well, we had a preliminary
17 conversation about that yesterday afternoon. Probably
18 not when we, for example, do not have a separate
19 regulation on abortion representation. The provision
20 itself is sufficiently clear. It doesn't seem to, you
21 know, need further regulation and we'll have to look at
22 that and see whether that seems to call for some

1 implementing regulation but it seems unlikely.

2 LaVeeda, I know you'll be happy to hear that. Yes.

3 MS. BATTLE: Section 5 and Section 9.

4 MS. BERGMARK: Okay. It's a very tiny little
5 short provision, "Assisted Suicide Funding Restriction
6 Act of 1997," and we appear in one of those provisions.
7 So you see, they do think of us over there. We have --
8 we're going to schedule meetings for John McKay, and
9 some of those with -- including Mr. Erlenborn -- to
10 meet with members.

11 We have a meeting scheduled with Chairman
12 Rogers for, I think, the 21st of May and some other
13 meetings starting to line up. That will be the first
14 opportunity for John to get over there and then that
15 will be followed very shortly by the Memorial Day
16 recess, so he'll get a fairly prompt break and will be
17 able to proceed with some internal orientation over
18 here. And that's really the political report.

19 And some items on the internal agenda are --
20 have already been covered in the various committees,
21 but to come up with a couple of things that we may not
22 hear about from reports, we're well on our way in the

1 midst of the '98 funding cycle for competition.

2 Provisions Committee members heard about that yesterday
3 and you'll hear a little bit more about that.

4 We want to welcome two new staff members.
5 Program counsel, Bob Gross and Carolyn Morrel, began
6 work -- they're not here this morning -- but began work
7 since your last meeting and both very experienced legal
8 services folks. We feel lucky to have gotten them to
9 come on and welcome them aboard.

10 We have very good news on our information
11 system front. We're ahead of schedule as the Finance
12 Committee discussed yesterday. We're ready to move
13 forward ahead of schedule with implementation of the
14 next phase of our information system development into
15 our accounting system and human resources system.
16 We've asked the Finance Committee to recommend to you
17 -- and they've agreed to do so -- a move of some money
18 that's available elsewhere to be able to move forward
19 ahead of schedule on that phase. We're very pleased
20 with that.

21 The -- I think -- Provisions Committee heard
22 yesterday about the implementation of the phase one of

1 the grant information management system, and the new
2 Fact Book, we're going to mail this to you rather --
3 these are just now being printed. The -- I don't think
4 they got circulated yesterday, did they?

5 CHAIR EAKELEY: No.

6 MS. BERGMARK: Thought we'd not give you one
7 more thing to weigh down your baggage, but we will be
8 mailing this to you within the week. Fact Book is out
9 as promptly and as completely as it is because of GIMS,
10 the Grant Information Management System. We had more
11 than a hundred out of 300 or so programs reporting to
12 us over the internet electronically on their grant
13 information this year for the first time.

14 The rest of them sent it in on disks. We're
15 sort of in transition with some of them, but that's
16 coming along ahead of schedule and the -- in addition
17 to that, we will be -- a portion of this -- the '98
18 competition submission -- will be done electronically
19 as well.

20 So we're -- we feel like we've moved
21 remarkably promptly, given everything else that's going
22 on around here, to be in the forefront of grant making

1 in a technologically advanced way. So you'll get the
2 Fact Book shortly. And we're working on orientation
3 materials for John.

4 We are -- we expect a briefing for you, John,
5 by the end of next week and have ideas about
6 orientation sessions with various of the operations
7 here to get you up and ready. So we're -- we've been
8 working on that as well. Senior management has
9 discussed that and prepared for that over the last
10 couple of weeks. So that's it.

11 CHAIR EAKELEY: I just want to underscore one
12 thing, that is, the fax closed the -- we heard in the
13 Provisions Committee yesterday about the competition
14 process, but the way it's starting it seems to be
15 working and it seems to be interactive in the best
16 sense of the -- we've got a capacity that we didn't
17 have before to actually solicit self-improvement by
18 grantees and to support that and to advise and educate
19 and the communications pieces is coming into play as
20 well, and I know that it is reflective of a great deal
21 of extremely hard work, but it shows. And I'm just
22 really proud of just all the things that are getting

1 accomplished here, just under such extraordinary
2 circumstances, just word of thanks and congratulations
3 are definitely in order from this Board to management
4 and the staff.

5 I -- now that we have our California member, I
6 want to just go back and see whether we have any
7 reports from any of the members of the Board that --
8 would anyone like to report in before we call our
9 Inspector -- our next witness?

10 MR. SMEGAL: Well, I'd like to say I've been
11 in several meetings where there was a legal services
12 community -- have been honored. I was at the Pro Bono
13 Institute in St. Louis in March since our last meeting.
14 And generally speaking I think the American Bar
15 Association and lawyers in general are responding to
16 the call to fill in this gap that's become so dramatic
17 in the delivery of legal services through the federal
18 program that we serve.

19 It's upbeat. There was -- as many of you know
20 -- in sense a march on Washington. Larry Fox, John
21 Fox' younger -- older -- whatever -- brother, a section
22 officer conference, organized a section leader

1 gathering here in Washington, D.C., on April 15th. I
2 wasn't able to be here. I was in Europe, but you've
3 already reported, you spoke to that group.

4 They were overwhelmed by the number they had.
5 I believe there were over a hundred bar leaders that
6 came to Washington to feather the coattails of the
7 congressional people regarding legal services, in
8 particular in our program. So it's a very heart
9 rendering. The ABA is responding very effectively, I
10 think, and trying their best to fill in this tremendous
11 chasm that's being created by Mr. Reed's former
12 employer, I guess, if I understand correctly, Mr. Reed
13 is no longer there. In any event, the ABA is wide and
14 well and doing its best.

15 CHAIR EAKELEY: Thank you. Justice Broderick.

16 MR. BRODERICK: Sure. And I just wanted to
17 say without letting this moment pass that I've been
18 here since November of 1993, approximately. And for
19 all or most of my attending here, Martha Bergmark has
20 been with your Corporation. And she has served this
21 corporation with incredible energy, insight, and
22 distinction.

1 And she has served us phenomenonly well as our
2 president, and I have had the privilege and the
3 obligation to serve as chairman of the Search Committee
4 for this corporation. And we made a very difficult
5 decision. But I want to note it publicly as one member
6 of that group that Martha Bergmark was considered by
7 all of us in the highest regard, and we all have great
8 respect for her and her unusual confidence.

9 And I wanted to thank her publicly, not only
10 for her inspiration of this Board member, but for her
11 considerable accomplishments over a professional
12 lifetime in legal services, and we owe you an enormous
13 debt of gratitude.

14 MS. BERGMARK: Thank you, John.

15 CHAIR EAKELEY: I think we all share those
16 sentiments and many more, and there will be, hopefully,
17 an opportunity to provide a better means of expressing
18 them.

19 Other members' reports? All right. I didn't
20 hear a vote. Inspector General's report.

21 MR. QUATREVAUX: Thank you, Mr. Chairman. I'd
22 like to begin this morning with a very pleasant task.

1 I'd like to introduce to you our new Assistant
2 Inspector General for Audit, Alexis Stowe.

3 CHAIR EAKELEY: Good morning and welcome.

4 MR. QUATREVAUX: Alexis is well known in the
5 IG community in the audit and accounting and financial
6 management community. She comes to us from being a
7 principal at Gardner Kenyon & Associates, which is a
8 local CPA firm, where she supervised a staff of
9 approximately 40 professionals.

10 She has been the principal in -- on audits of
11 more than a dozen federal agencies and some of those
12 was the principal on the audit of the financial
13 statements of some of the departments. She has
14 numerous professional certifications and affiliations,
15 has served on various advisory panels in the federal
16 community and served as expert witness.

17 She is also quite a published author with
18 numerous articles appearing in various professional
19 journals so we're very pleased to have her here. And
20 yesterday was her first day.

21 CHAIR EAKELEY: That was the one question I
22 was going to ask. When can she start?

1 MR. QUATREVAUX: She's here and Monday will
2 get into it fully.

3 CHAIR EAKELEY: Already well versed in AIMS.

4 MR. QUATREVAUX: That's right. I'd like to
5 inform you that since the last meeting the contract --
6 I had extended the contract that we have with the firm
7 of Thompson, Cobb, Bazillo that does our annual
8 financial statement audit. It was a three-year
9 contract and rather than go into a competition period
10 that where we had a peaked workload, we negotiated with
11 them and got the same rate that we've had over time.
12 So it's a good deal for all concerned.

13 Also in this period, I know I mentioned to you
14 last time that we had been performing a peer review of
15 another IG in the Equal Opportunity -- at Equal
16 Employment Opportunity Commission. And we had to issue
17 the final report on that to the Agency IE.

18 Tuesday, I and a handful of other -- of about
19 60 other IGs -- met with the chairman and ranking
20 member of the Senate Governmental Affairs Committee.
21 It's a periodic sort of get together and staff.

22 CHAIR EAKELEY: Ed, excuse me. Could you

1 speak up a little bit.

2 MR. QUATREVAUX: I'm sorry.

3 CHAIR EAKELEY: Thank you.

4 MR. QUATREVAUX: We met with the Senate
5 Governmental Affairs Committee Chair and a ranking
6 member and staff. It's part of a periodic meeting, get
7 together, to discuss items of mutual interest. We
8 heard how much they supported us and so on and so
9 forth. But we also -- I was struck by quite lengthy
10 and rather intense support and comments related to
11 Government Performance and Results Act, which came from
12 that Committee.

13 And it's clear to me that there is a strong
14 intent to make that act work. And that act requires
15 essentially strategic planning and performance reports
16 on how the plan worked out. It's got a whole
17 timetable. It does not apply to the Corporation, but
18 the federal agencies will, by the end of September of
19 this year, be required to file strategic plans with
20 Congress.

21 I had a package of correspondence exchanged
22 between congressional leadership and the Director of

1 the Office of Management and Budget. And it's very
2 interesting. It deals with consultation by the
3 executive agencies with the congressional committees on
4 the strategic plan. And it's intended to be an iterate
5 of sort of process. As I told you last time, we're
6 going to try to comply with the act. I can see already
7 there are pieces of time that don't quite fit here, and
8 -- but our goals have strategic plan by September 3rd.

9 What I would like to do, I will be meeting and
10 setting up meetings with management so that we can get
11 feedback on our views as reflected in a draft plan.
12 But I also want to get the Board's input. And one of
13 the time lines -- it's very difficult -- the
14 congressional leadership has asked for consultations to
15 begin immediately and be concluded prior to the August
16 recess, and I just don't think that's feasible.

17 In our case, I don't think we're going to get
18 that kind of entre given all the other plans coming
19 into the Department of Defense and Health and Human
20 Services. I don't think we're going to have enough
21 time to do that. What I would like to do -- try to
22 do -- is submit to the Board a draft strategic plan --

1 and these are rough -- that's the draft strategic plan
2 before the end of June or at any rate soon enough for
3 us to get your feedback at the July Board meeting.

4 CHAIR EAKELEY: Well, I -- well, you're not
5 talking about this, but I was thinking that maybe for
6 the July meeting, we might have an agenda item on
7 initiating or re-initiating a strategic planning
8 process. And I'm also wondering whether or not there
9 are among the packet of materials you got -- I don't
10 want -- I don't think I want -- well, I don't know --
11 but if there are things within the packet that might be
12 helpful for the Board to read, maybe we could circulate
13 them to the whole Board and get us sort of thinking
14 about this new act, and hopefully not so new process,
15 but a process that needs to be renewed.

16 MR. QUATREVAUX: It's a staged implementation
17 over a three-year period. But --

18 CHAIR EAKELEY: What congressional committee
19 is it that we're supposed to consult with? Is it --

20 MR. QUATREVAUX: Well, that's vague, but I
21 think it's sort of the same thing that IGs deal with.
22 The common interpretation is the authorizing and

1 appropriating committees for the entity involved as
2 well as the government oversight committees.

3 CHAIR EAKELEY: So six?

4 MR. QUATREVAUX: Six. I'm not hopeful of
5 being able to even finish the first round by the time
6 of the August recess, but we'll see.

7 CHAIR EAKELEY: I would be very interested in
8 what the House Judiciary Committee thinks our strategic
9 plan ought to be anyway to be fruitful.

10 MR. QUATREVAUX: That's all I have at this
11 time.

12 CHAIR EAKELEY: I think I know the answer to
13 that.

14 MR. QUATREVAUX: Well, that concludes my
15 report Mr. Chairman.

16 CHAIR EAKELEY: Any questions of the Inspector
17 General? All right. Thank you very much. We're going
18 to get to the Provisions Committee report and part of
19 that involves your report to them, but I thank you for
20 this report.

21 Finance Committee report. Unfortunately, the
22 Finance Committee chair could not be here today, and

1 because of the need to finalize Regulation 1610, we had
2 to go ahead and meet in Maria Luisa's absence. But do
3 we have a report from the Finance Committee?

4 MR. SMEGAL: Yes. It was with great
5 difficulty that the remaining members of the Finance
6 Committee met in the absence of the chairperson
7 yesterday. We did our best. We were also limited by
8 the fact that apparently the reporter that would have
9 been there, had she been there, decided in her absence
10 not to be there either. But Justice Broderick and I
11 did meet and with the able assistance from Martha and
12 Dave and Joan Kennedy, we were able to get through the
13 agenda.

14 Now, the good news is that there were no
15 binding votes taken by the Committee that bound the
16 Board in any way because the matter that we considered
17 at some length was the fiscal year '97 budget and some
18 internal budgetary adjustments to the consolidated
19 operating budget.

20 And the good news is that because of the
21 economies put in place by our acting president and Dave
22 Richardson, there are some funds that we were able to

1 move around within the budgetary lines. And the good
2 news is that the computer system installation and
3 operating is being advanced from fiscal year '98 about
4 \$71,000 worth of additional computer upgrading occurred
5 in this fiscal year based from some economies within
6 the various lines of our budget.

7 Those movements within our budget -- M&A
8 budget -- can be done by the president, don't require
9 action of this Board, did not require action of the
10 Finance Committee, although Justice Broderick and I
11 ratified their acts. Thank you, Mr. Chairman. That's
12 the end of the Finance Committee report.

13 CHAIR EAKELEY: I think just -- it's rather
14 remarkable --

15 MR. SMEGAL: You may have to excuse me. The
16 President reminds me that we do probably technically
17 have to have Board approval on the consolidated
18 operating budget at this interim period, so I would
19 move with the second of my co-conspirator.

20 MR. BRODERICK: I would be willing to do that.
21 It was a brief meeting, but one that which appears that
22 we got to have it again. I've also based a report that

1 through the efforts of the President of this
2 Corporation and the day that Joan Kennedy took over, we
3 have apparently leased out all of our space so that we
4 won't have to sit through any more meetings talking
5 about unleased space. I'm delighted to see that, but
6 it's quite an accomplishment to have done that.

7 CHAIR EAKELEY: Do you want to -- I don't know
8 whether there are any questions, but you might as well
9 sit down while we're waiting to see.

10 MR. SMEGAL: Well, while David is getting in
11 position, I might add that there's an incredible effort
12 that's gone on and as a result of what John was just
13 referring to, he -- both the IG and our staff will have
14 more space. They're moving -- IG is moving from 10 to
15 11 and some of our other staff is moving from 11 to 10,
16 the result of which is that each have more room. It's
17 amazing. I couldn't understand how they do that, but
18 it was the greatest thing I've ever seen.

19 CHAIR EAKELEY: What I'm looking for -- and I
20 don't think it's in the Board materials. In the Board
21 materials, we had on April 8, 1997, a report to the
22 Finance Committee Chair by David Richardson on the

1 consolidated operating budget and results achieved to
2 date. And then there was a separate memo presenting
3 the budget adjustments that was -- that's the document
4 that we need to be approving and, therefore, if we
5 could circulate it.

6 Basically, as I understand it --

7 MR. SMEGAL: Well, two things are there.

8 CHAIR EAKELEY: Yeah, it's actually -- it's
9 after the second -- the first was in --

10 MR. SMEGAL: There's some internal adjustments
11 from pluses and minuses, but the result of which was
12 more at \$111,600 of available funds of 6106 of which
13 comes from -- I'm sorry -- 50,000 of which are going to
14 come from a contingency fund that we had and we're not
15 going to have to use. And the other 61,000 will come
16 out of interest on our reserves that are, in fact, in
17 excess of what we had budgeted.

18 CHAIR EAKELEY: But just to be specific, it's
19 the May 6, 1997, report on operating expenses
20 objections which presents in turn that reallocation
21 that the Finance Committee approved and they were asked
22 to approve as the Finance Committee's motion.

1 MR. RICHARDSON: That's right. And there is
2 one other item that I'd like to highlight. We have
3 collected a little over \$80,000 in grant recoveries and
4 we're asking the Board to recommend that we establish a
5 grant from other funds available to be included in the
6 budget. It's item 1-A-5, and this will help us to
7 address some one-time needs within the field to provide
8 some funding for the grantee upon the grant recoveries
9 that the Corporation is receiving.

10 MS. BERGMARK: And that reminds me about all
11 of that something that I really should have mentioned
12 in the President's report. Pending in the Congress is
13 a supplemental appropriations bill largely aimed at
14 addressing the flooding situation in North Dakota and
15 Minnesota. And it's bogged down right now in some
16 other issues such as whether there should be a rider to
17 prevent close down of the government again. You know,
18 it's very bogged down at the moment, but it's very
19 likely that they'll conclude work on that supplemental
20 before the Memorial Day recess, just out of a sense
21 that they have to get it done somehow.

22 Our arrangement with OMB is that although

1 nothing will appear in the supplemental bill itself
2 concerning anything specific about assistance for a
3 legal services that are emergency needs as a result of
4 the flooding, we do -- we have put into operation our,
5 you know, arrangement with OMB to make sure they know
6 we will have a request in for some assistance to
7 programs affected in that area. It's Legal Assistance
8 of North Dakota and I think Northwest Minnesota are the
9 two legal services programs involved. So we're -- we
10 have that process in motion, but it's on hold at the
11 moment until the supplemental happens.

12 As David reports, we have virtually nothing at
13 this point in any sort of fund that permits us to make
14 one-time grants, and using this grant recoveries money
15 would permit us to have a little something. It's often
16 been used as something like a revolving fund actually,
17 where we're able to help a program immediately before
18 they can get help from their -- under insurance
19 coverage or whatever.

20 So it gives us -- it's an extremely tiny
21 amount of money, and Mr. Dana may remember the time --
22 and maybe Mr. Erlenborn you were on the Board, too,

1 then -- when we had a somewhat larger emergency
2 contingency fund, but at least it's something that
3 would be there for this.

4 CHAIR EAKELEY: So we really have two motions,
5 the first presented which is to approve the
6 reallocation of expenses in funding as presented in Mr.
7 Richardson's memo of May 6, 1997, to Maria Luisa
8 Mercado. Then Mr. Smegal has addressed the \$111,600.
9 And then we'll get to the second one -- the special
10 contingency fund -- after we deal with the re-
11 allocations. Right? Is that right?

12 MR. RICHARDSON: That's fine.

13 MR. SMEGAL: Well, it's two parts of the same
14 report, I think, that are movements within COB.

15 CHAIR EAKELEY: Yeah. All right. We can --
16 the recommendation is that we do it as one. Edna.

17 MS. FAIRBANKS-WILLIAMS: She said prior to
18 insurance settlements or whatever. Would these grants
19 be payable back to us or would they just be one-time
20 grants that the --

21 MS. BERGMARK: Well, there are two kinds of
22 situation. One is where the program itself has had a

1 disaster of some kind, a hurricane or a flood or
2 whatever, and itself needs assistance in order to
3 remain operational.

4 The other situation concerns the emergency
5 need for services that is created by a disaster, and
6 we've -- where it's the former, it sometimes can be a
7 revolving sort of fund, where we're able to make an
8 immediate grant to help out and then we get some or all
9 of it back. Where it's emergency assistance that's
10 being covered, then it's simply a grant for that
11 service. It's that one-time assistance.

12 MS. FAIRBANKS-WILLIAMS: So both of these
13 would be in this fund?

14 MS. BERGMARK: The possibility for that would
15 be in that fund, yes. Good question.

16 CHAIR EAKELEY: And that's the grants from
17 other funds available?

18 MS. BERGMARK: Right.

19 CHAIR EAKELEY: For field programs category
20 that we're being asked to create on a one-time basis?

21 MR. RICHARDSON: That's correct.

22

M O T I O N

1
2 CHAIR EAKELEY: All right. So if I can
3 restate the motion, the motion is to approve the re-
4 allocation of unincumbered funds to the items
5 identified on Mr. Richardson's memo of May 6th, and to
6 create a special field program category of grants from
7 other funds available and to re-allocate 85,000 to that
8 from field grants that have been recovered.

9 MR. RICHARDSON: That is correct, sir.

10 MR. SMEGAL: That's mine.

11 CHAIR EAKELEY: And is there a second?

12 MR. BRODERICK: I second.

13 CHAIR EAKELEY: Is there any further
14 discussion? All those in favor?

15 (A chorus of ayes.)

16 CHAIR EAKELEY: Opposed?

17 (No response.)

18 CHAIR EAKELEY: The ayes have it. We thank
19 you very much.

20 MR. RICHARDSON: Just to make you aware since
21 we did approve this yesterday in Committee and
22 anticipated the Board would approve it today, last

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1 evening we had proposed the April general ledger of the
2 financial statements for the Board. Won't go over them
3 at this time, but just report to you that 58 percent
4 through the year, we're approximately 55 percent of the
5 new budget spent, and I'll make this available to you
6 before you leave today.

7 CHAIR EAKELEY: In other words, right on
8 budget --

9 MR. RICHARDSON: Yes, sir.

10 CHAIR EAKELEY: -- which is a very difficult
11 job under any circumstance, but a very well-done job.

12 MS. BERGMARK: I'd like to take this
13 opportunity to thank -- as you did, Tom -- David and
14 Joan and Leslie. I should have recognized Leslie
15 actually by name in recognizing him for the technology
16 and information system accomplishments, but we had a --
17 I think we had an excellent budgeting process at the
18 senior staff level. And that's largely thanks to the
19 three of them with their assistance on that.

20 CHAIR EAKELEY: Thank you. All right.
21 Laveeda, the Board's Operations and Regulations
22 Committee report.

1 MS. BATTLE: Thank you, Doug. We actually
2 have three as opposed to four -- as is listed on the
3 agenda -- items to present to the Board today. The
4 first is the item consider and act on final revisions
5 to 45 CFR Part 1610 in the Corporation's regulation
6 which governs the use of non-LSC funds.

7 On yesterday, the Committee considered a final
8 regulation pertaining to the use of non-LSC funds. And
9 just briefly by way of background, as a result of some
10 constitutional challenges to the initial regulation
11 which we promulgated in response to the appropriations
12 Act, Section 504, we decided to take a new look at 1610
13 in light of those constitutional issues to see if we
14 could conform our regulation to that standard.

15 And we did so in our initial proposed interim rule and
16 received comments from the public with regard to our
17 initial proposal. And in light of those comments on
18 yesterday made some changes to 1610.

19 One of the things that we did was we -- in
20 looking at it -- decided to take out the provision
21 which essentially was a former provision that we had, I
22 think, in our audit guide which related to interrelated

1 or affiliate organizations. And in taking that out, we
2 tried to mirror more specifically the case which really
3 addresses that constitutional standard RUST in coming
4 up with a test which we now call the Program Integrity
5 Test.

6 And what you -- what we looked for is
7 objective integrity and independence from any
8 organization that engages in restricted activities.
9 And we came up with a test which really -- in even a
10 greater way than our initial offering of a proposed
11 rule mirrors the test in RUST as to how you ascertain
12 whether you had met the constitutional standard of
13 allowing reduction of size at the same time that you
14 meet your governmental responsibility with regard to
15 the restriction.

16 So we, this time, decided to make that change
17 and as well to clarify what a transfer is in this
18 instance. And we decided since there were several
19 questions from the field as to how one could ascertain
20 -- our test is not a bright-line test. The RUST
21 standard is not a bright-line test.

22 But we required all programs to certify to us

1 that they in, an affirmative way, have met the review
2 and can certify to us that they are not engaged in any
3 restricted activities and that to the extent that they
4 have non-LSC funds that pass through to any other
5 organization, that they can meet this test. And if
6 there are questions regarding this, we invited that
7 people submit those questions to our general counsel
8 for use to resolve on a case-by-case basis. Those are
9 the changes that we have to 1610.

10 CHAIR EAKELEY: And is there a motion to
11 approve it as submitted?

12 MS. BATTLE: And I would move -- I'm sorry.

13 MR. ERLENBORN: I might first ask is this the
14 copy of the regulation as approved by the Committee
15 yesterday?

16 MS. BATTLE: Yes.

17 MR. ERLENBORN: I may have grabbed the wrong
18 one. But this was before me on the desk and if you
19 look --

20 MS. BATTLE: Okay. We have the actual changes
21 that we made, there's -- you should be -- have one that
22 doesn't have a commentary on the front. It should only

1 have the final rule as the final.

2 MR. ERLENBORN: I see.

3 MS. BATTLE: Okay.

4 MR. ERLENBORN: I wanted to make sure about
5 the 90 and 180 days.

6 MS. BATTLE: Oh, yes. It is in --

7 MR. ERLENBORN: The version I was looking at
8 had the 90 days.

9 MS. BATTLE: The version that you should have
10 before you now has 180 days. We did have some
11 discussion about that. In recognizing that number one,
12 we're asking boards to report to us, that they can
13 certify that they have met the standards set out in
14 1610, and that there may be some who have questions
15 that we have to answer, we established that 180-day
16 time frame.

17 We certainly want people to do this
18 immediately but this is the outer limit for receiving
19 certification in the first year. And we also have a
20 provision which requires an annual certification from
21 this point forward.

22 MR. ERLENBORN: All right.

1 CHAIR EAKELEY: Good. Does that mean you
2 second the motion?

3 MR. ERLENBORN: I second the motion.

4 MS. BATTLE: Okay.

5 CHAIR EAKELEY: Is there any -- are there any
6 questions, any further discussion? Hearing none, all
7 those in favor of adopting Section 1610 as a final
8 regulation?

9 (A chorus of ayes.)

10 CHAIR EAKELEY: Opposed.

11 (No response.)

12 CHAIR EAKELEY: Thank you. That was an
13 extraordinary job, and a lot of people contributed to
14 it, but this is an extraordinary job.

15 MS. BATTLE: Yeah, and I will say this. I
16 could say this on each of the regs. We just had
17 extraordinary help from our staff, from Suzanne and
18 from Linda and from others who have helped us to
19 understand and to do better what we do in making
20 regulations that we meet the responsibility of the
21 congressional restrictions and our constitutional
22 standards in this instance. So we thank you for help

1 on this.

2 CHAIR EAKELEY: Now do you want to present the
3 1639?

4 MS. BATTLE: The other regulation that we
5 addressed on yesterday is 45 CFR Part 1639, the
6 Corporation's regulation proscribing involvement in
7 welfare reform. And in this instance, we've had two
8 political issues and we've heard from the field. We
9 also heard from the ABA, and we've heard from executive
10 directors of programs about their major concerns, given
11 the impact this will have on a broad sweeping number of
12 our client constituents.

13 There were two specific issue areas that we
14 addressed. The first had to do with our definition of
15 existing law, and there was some debate about whether
16 truly a regulation is existing at all particularly if
17 that regulation does not conform to the welfare reform
18 law.

19 And the question was raised whether in an
20 effort to assure that any regulation promulgated
21 conformed to the existing law or statute of which gave
22 rise to its promulgation. A lawyer raised that as an

1 issue, under the pretext, of course, that a regulation
2 is possibly not law.

3 We understand that that could happen. That is
4 a real live problem. Our view was that in our efforts
5 to ascertain what Congress intended when it talked
6 about existing law that regulations indeed are law.
7 And so the difficulty with trying to ascertain some
8 distinction for any purpose to distinguish a regulation
9 from law would probably be very difficult for us to do
10 and very difficult for us to monitor.

11 M O T I O N

12 MS. BATTLE: So ultimately we decided to
13 include a regulation in existing law, and I have a
14 specific amendment to the Section which addresses
15 existing law which is 1639 Part .2, under the
16 definition Section "B," and it should read, "Existing
17 law as used in this Part means federal, state, or local
18 statutory laws or ordinances which are enacted as an
19 effort to reform a federal or state welfare system and
20 regulations issued pursuant thereto that had been
21 formerly promulgated pursuant to public notice and
22 comment procedures."

1 And part of the reason for this was that we
2 felt that if a regulation has been promulgated pursuant
3 to public notice and comment procedures, that would
4 give adequate due process to allow the public to
5 comment on its appropriateness as it relates to the
6 actual welfare law that it was promulgated to
7 implement.

8 CHAIR EAKELEY: Now, LaVeeda, was the
9 amendment that you've read to Section 1639, 2-B,
10 approved by the Committee as well or is this a late-
11 breaking development?

12 MS. BATTLE: This is -- what was approved was
13 in essence the language that we have here is
14 regulations that have been formally promulgated
15 pursuant to public notice and comment procedures. And
16 all we're adding is "pursuant thereto." I mean it's --

17 CHAIR EAKELEY: Yeah. That's just reread.

18 MS. BATTLE: So in essence, it's a rewrite of
19 the essence of the policy decision that was made by the
20 Board that regulations would be included.

21 CHAIR EAKELEY: All right. Is there a second
22 to the motion to --

1 MS. BATTLE: There's a second part of this.

2 CHAIR EAKELEY: I'm sorry.

3 MS. BATTLE: There's a second part to this
4 which has to do with the whole issue of -- when we
5 first considered the proposed regulation, at that time,
6 the Personal Responsibility Act had not been enacted,
7 so there was a legitimate question as to what welfare
8 reform is.

9 And we took our best stab, given the state of
10 the law at that time, of coming up with a definition of
11 what welfare reform is. And subsequent to our having
12 published the proposed rule, the Personal
13 Responsibility Act was passed, and so then we had to
14 reconsider again our definition of what welfare reform
15 is.

16 And we did that and looked at all of the
17 various constituent parts to the welfare -- to Personal
18 Responsibility Act -- and determine that child support
19 which applies very broadly and not necessarily just to
20 our clients in large measure should be excluded from
21 the definition of welfare reform. And we decided that
22 we would implement and reshape our definition to fit

1 what Congress has now said is welfare reform, with one
2 exception and that exception is child support.

3 CHAIR EAKELEY: Okay.

4 MS. BATTLE: So, now, that covers all of the
5 major changes that were made to 1639, and I would so
6 move its adoption by this Board.

7 MR. ERLNBORN: Second.

8 CHAIR EAKELEY: Any questions or comments?
9 Hearing none, is there a vote? All those in favor of
10 adopting Part 1639 as presented?

11 (A chorus of ayes.)

12 CHAIR EAKELEY: Opposed?

13 (No response.)

14 CHAIR EAKELEY: Again, thank you very much.

15 MS. BATTLE: And I'd again like to thank
16 everybody. We had a spirited discussion on yesterday
17 about these issues, and the Board had to make a
18 really -- the Committee at least -- had to make a very
19 tough decision about this, but we heard the concerns
20 and we acknowledged all the concerns before making our
21 decision, and I think it was a good decision.

22

M O T I O N

1
2 MS. BATTLE: The final recommendation from the
3 Operations and Regulations Committee pertains to
4 essentially a continuation of our function in
5 overseeing operations. We considered a grievance
6 procedure which would address grievances against the
7 President and the Inspector General. And I don't know
8 if that is something that all of you have before you,
9 but we gave some consideration to coming up with that
10 and discussed generally that it would be done.

11 Bill McCalpin and John Erlenborn did a
12 tremendous amount of work in coming up with a process
13 after doing significant background work on the issue of
14 jurisdiction and authority to resolve these grievances
15 as it relates to the President or the Inspector
16 General, and came up with a five-part procedure.

17 And that procedure would allow, first, for the
18 grievance to be filed with the Director of the Office
19 of Administration and Human Resources. And from there
20 it would be transmitted to the chair of this Board with
21 a copy going, of course, to the person who has been
22 grieved upon, either the President or the Inspector

1 General.

2 The next step is that the Chair would at that
3 point make a determination as to whether the grievance
4 warrants Board action, and secondly, it's within the
5 power of the Board to resolve. And if it is within the
6 power of the Board to resolve, then the Board would
7 make a determination as to whether it would do its own
8 investigation or send the matter out for a neutral
9 party to ascertain the facts involved in the dispute
10 and to make a report back to the Board.

11 If a determination is made that it is not
12 resolvable by the Board, then the grievance would, of
13 course, be dismissed. But in either case, we
14 determined that we wanted to try to handle grievances
15 as promptly as possible and that the Board should not
16 later than either 60 days or the next scheduled Board
17 meeting after the grievance is filed take such action
18 as it deems appropriate with regard to the grievance.

19 MR. ERLENBORN: I'd just like to find out does
20 everyone have a copy of the proposal because I didn't
21 find one here and I have a earlier draft.

22 MS. BATTLE: Oh, do you?

1 MR. ERLNBORN: Yeah.

2 MS. BATTLE: I'm sorry. Can we get copies for
3 everybody? I apologize. I mentioned that and then I
4 kind of looked around to see if everybody had copies.
5 But I have just basically gone through all of the
6 provisions in that, and as I said both John and Bill
7 did a significant amount of work in working through and
8 ascertaining precisely what would be an appropriate
9 procedure to undertake to address as promptly as
10 possible grievances. And this procedure is one of
11 the --

12 CHAIR EAKELEY: And I believe that process
13 included consultation with the IG and his counsel as
14 well.

15 MS. BATTLE: And the President. That is
16 absolutely right.

17 CHAIR EAKELEY: Are there any questions while
18 we're waiting for copies of the text of the motion?

19 MR. ERLNBORN: I might say that I think Bill
20 McCalpin has done an excellent job on this. It was
21 something we never anticipated when we went back in the
22 personnel manual that a grievance may be filed against

1 the IG or the President. And we have made no provision
2 for it. It is a very difficult thing -- or it appeared
3 to be a very difficult thing -- to determine just what
4 we ought to provide.

5 The Board, in my opinion, is the only body
6 that can resolve grievances against the IG or the
7 President. I don't think that there's any outside
8 group that could do that. I don't think that any other
9 official or employee of the Corporation can do that.
10 So it really is incumbent upon the Board to be prepared
11 to act in grievances filed against those two people.

12 It is very difficult to contemplate every time
13 this might happen -- which I expect would be very
14 rare -- but having the Board meet and take evidence and
15 so forth, would take up time of the Board that I don't
16 think we really would have. And so Bill and I
17 suggested that it would be better to have a neutral
18 third party if there was a fact finding necessary.

19 In some cases, fact finding may not be
20 necessary. It may be just an interpretation of our
21 regulation, and we wouldn't need to have an independent
22 fact finder. I made some inquiry as to where we might

1 find independent fact finders. I think probably the
2 most logical place to do them would be American
3 Arbitration Association, although there are other
4 groups.

5 Some of them are called in front a judge but I
6 think that the AAA is probably the best place to go.
7 With that, let me say I'm pleased with the outcome of
8 the consideration of this procedure and hope that the
9 procedure would be adopted.

10 CHAIR EAKELEY: Have a seat Renee. Let me
11 just get this to the a point where we can solicit
12 comments. So you have a motion, then a second and the
13 text of the procedure that's the subject of --

14 MS. BATTLE: Oh. Well, let me move it.

15 CHAIR EAKELEY: All right.

16 MS. BATTLE: I so move its adoption by the
17 Board --

18 MR. ERLNBORN: Who seconded it?

19 MS. BATTLE: And now it is seconded.

20 CHAIR EAKELEY: All right. Are there any --
21 does the Board have any comments or questions? Renee.

22 MS. SZYBALA: I think you'd have to check the

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1 transcript, but my understanding with the discussion
2 was the Board wanted -- the Committee wanted -- to
3 assure that there was a Board meeting that allowed them
4 to talk about the action to be taken on a grievance
5 before a decision was made. I'm not sure this language
6 does it. I think it would be done if the pencilled-in
7 language or "next scheduled Board meeting, whichever
8 comes later," that is it is 60 days or the next
9 scheduled Board meeting, whichever is the last to
10 occur.

11 M O T I O N

12 MR. ERLBORN: I would move that amendment.
13 That is that understanding that we had.

14 MS. SZYBALA: Thank you.

15 CHAIR EAKELEY: Would you read what "E" should
16 read?

17 MS. BATTLE: I would read -- yes.

18 CHAIR EAKELEY: Please.

19 MS. BATTLE: It should read now "In either
20 case the Board shall not later than 60 days after the
21 grievance is filed or next scheduled Board meeting,
22 whichever comes later, take such action" -- well, I

1 think it should really go up after 60 days.

2 "In either case the Board shall not later than
3 60 days or the next scheduled Board meeting, whichever
4 comes later" -- put it back where it was. Let's put it
5 back after the word, "files." "In either case, the
6 Board shall not later than 60 days after the grievance
7 is filed or the next scheduled Board meeting, whichever
8 comes later, take such action as it deems appropriate."
9 That reads the best.

10 CHAIR EAKELEY: How about "or next scheduled
11 Board meeting thereafter." A Martha Bergmark, she
12 improved it.

13 MS. BATTLE: Thereafter.

14 MS. FAIRBANKS-WILLIAMS: Yeah. Somebody said
15 yes to the ER, at the next Board meeting scheduled
16 after the 60 days.

17 CHAIR EAKELEY: I think the "thereafter," will
18 capture it.

19 MS. BATTLE: Yes. That's good.

20 M O T I O N

21 MR. ERLNBORN: I accept the amendment to my
22 amendment.

1 MS. BATTLE: Okay.

2 CHAIR EAKELEY: Okay. We now have a motion
3 that has been amended and amended, but as amended, is
4 there any other comment, any other suggestions? Renee.
5 You were holding back.

6 MS. SZYBALA: No, I wasn't. We went -- this
7 is kind of full circle. This was discussed at the
8 Committee meeting. I just want to state that the way
9 it's now amended, the 60 days may run out the day after
10 a Board meeting and the next Board meeting may be
11 another 60 days, 90 days in the future.

12 So you're extending this to a possible four-
13 or-five-month time period. I'm not sure that was the
14 intent, but there is a -- there's substantial
15 difference between "60 days after the next Board
16 meeting," or "60 days or the next Board whichever comes
17 later." There's a difference in reality.

18 MS. BATTLE: Edna, what was your language?
19 What did we say yesterday?

20 MS. FAIRBANKS-WILLIAMS: Well, at next Board
21 meeting scheduled after the 60 days.

22 MS. BATTLE: That was our intent yesterday.

1 MS. BERGMARK: Because if it's just next
2 scheduled Board meeting, and the next scheduled Board
3 meeting can be long before the 60 days, and then you
4 don't have enough time to really do it.

5 MS. SZYBALA: Then the next "whichever comes
6 later."

7 MS. BATTLE: Well, I think that Edna actually
8 picked up the language that we discussed yesterday
9 because it was our intent to say "60 days," and then
10 "the next scheduled Board meeting after that 60 days."
11 And so that what we're talking about is having a time
12 frame for fact finding and the decision at the next
13 available opportunity when the Board meets --

14 MS. FAIRBANKS-WILLIAMS: Even if we had to do
15 it by telephone after we found the facts finding.

16 MS. BATTLE: Yeah. We talked about doing it
17 by telephone, but I guess my point was I wanted to at
18 least provide for an opportunity for a face to face.

19 MS. FAIRBANKS-WILLIAMS: For a fact finding,
20 yeah.

21 MR. ERLBORN: I am puzzling over this and I
22 believe I have to agree with Renee. I think it our

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1 intention -- and probably should be our intention as a
2 Board -- to see that these grievances are handled
3 expeditiously. We don't want them dragging out. And
4 if you use the "60 days or the next scheduled Board
5 meeting, whichever is later," that would give you a 60-
6 day period and possibly -- well, I'm still puzzled.

7 MS. BATTLE: No. Sixty days is your outer
8 limit because what you're saying is you may meet before
9 60 days is up, but you've got to decide within 60 days.

10 MR. ERLNBORN: The outer limit, that's right.

11 MS. BATTLE: Yeah. So you --

12 CHAIR EAKELEY: Well, if it's the outer limit
13 why do we need "next scheduled Board meeting"? Why not
14 just say --

15 MS. BATTLE: Because your next scheduled --

16 CHAIR EAKELEY: -- "the Board shall not later
17 than 60 days after the grievance is filed take such
18 action"?

19 MS. BATTLE: Well, our concern is this, that
20 we may not be meeting within a 60-day period. And this
21 will propose to hold a telephone conference and decide
22 a grievance simply because this provision says 60 days.

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1 And so what we were intending to do was to allow it a
2 maximum amount of time of 60 days, and then if
3 necessary allow for a meeting to decide it at the next
4 available Board meeting after that 60 days, but not a
5 situation where you would exhaust that 60 days on the
6 back end of a Board meeting that was taking place.

7 So --

8 MR. ERLENBORN: I think what Renee suggested
9 captures that. "Sixty days or the next scheduled Board
10 meeting whichever is later," that would make the 60
11 days the outer limit. No, maybe it doesn't.

12 CHAIR EAKELEY: It would make the Board
13 meeting --

14 MR. ERLENBORN: It would make the Board
15 meeting the outer limit.

16 MS. SZYBALA: Only if it's later than 60 days.

17 CHAIR EAKELEY: Yeah. But we want it 60 days
18 or less, and just commit to having a Board meeting
19 within that period or a conference call or something.

20 MS. BATTLE: Well, we can't -- I don't know
21 that it makes sense for us to commit right now to
22 holding a Board meeting to resolve a grievance.

1 CHAIR EAKELEY: Then it's whichever is later.

2 MS. FAIRBANKS-WILLIAMS: And you don't know
3 how long if you have to send it outside for a fact
4 finding thing, you just can't snap your fingers and say
5 "Boys, come now." You may have to wait a week or so
6 for somebody to get organized to do a fact finding and
7 things like that.

8 MS. BATTLE: Okay. Let me just read through
9 what we said and then let's make sure that we're all on
10 the same sheet of music on this. "In either case the
11 Board shall not later than 60 days after a grievance is
12 filed or at the next scheduled Board meeting
13 thereafter, whichever comes later, take such action as
14 it deems appropriate." Seems to me that that language
15 captures the outer limit of a 60-day time period or the
16 next Board meeting, and that's it.

17 MR. ERLENBORN: Well, that means the next
18 Board meeting, which could be more than 60 days.

19 MS. BATTLE: Right.

20 CHAIR EAKELEY: Yeah.

21 MR. ERLENBORN: And I think it was our
22 intention yesterday when we discussed this to make 60

1 days the outer limit with the concept that we could
2 have a telephone Board meeting or a specially-called
3 Board meeting.

4 MR. BRODERICK: Why don't we just say -- this
5 reminds me of a Woody Allen movie.

6 (Laughter.)

7 MR. BRODERICK: Take your money and run. Why
8 don't we just say "In either case, the Board shall not
9 later than 60 days after the grievance is filed at a
10 special or regularly scheduled meeting of the Board,
11 take such action as it deems appropriate." That way
12 you'd have --

13 CHAIR EAKELEY: Well, I think the problem is
14 that there's no consensus about what the Committee
15 consensus was. Was it a 60-day outer limit or was it a
16 60-day-plus outer limit and --

17 MS. BATTLE: It was 60-day-plus outer limit
18 with the opportunity for the Board to meet face-to-face
19 with either the President or the Inspector General to
20 resolve the grievance rather than having 60-day time
21 frame which somehow falls because the grievance is --

22 CHAIR EAKELEY: What about Edna's point. If

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1 we refer a matter out to the American Arbitration
2 Association for fact finding, and they don't constitute
3 themselves and take evidence and render a decision
4 within 60 days, what -- are we committing ourselves to
5 act in the absence of the arbitration board?

6 MR. ERLNBORN: I think this -- I think that
7 would be within our control. What we do with the
8 triple "A" would merely ask for a list of names, and
9 then we would contact some of the people on that list
10 and ask them if they would be available to conduct a
11 hearing and make a fact finding within the time limit
12 that we -- the Corporation or the Board wants. That
13 would only be within our control.

14 MS. FAIRBANKS-WILLIAMS: Douglas, Tom had his
15 hand up.

16 CHAIR EAKELEY: I'm sorry.

17 MR. SMEGAL: Well, I was going to suggest an
18 alternative of what John was suggesting.

19 CHAIR EAKELEY: This is unlike --

20 MR. SMEGAL: Which would be for "E," which
21 would -- and I think capture what Renee was concerned
22 about, what I -- what John and I would second

1 certainly, "In either case at its next scheduled Board
2 meeting, but in no event not later than 60 days after
3 the grievance is filed, the Board shall take such
4 action."

5 MS. BATTLE: No. That won't work.

6 CHAIR EAKELEY: Yeah. I mean if you're going
7 to -- if you want to impose a 60-day limit, you just
8 have it right here. "The Board shall not later than 60
9 days after the grievance is filed take such action as
10 it deems appropriate." You don't need next scheduled
11 Board meeting. If the intent is to give the Board a
12 little bit extra time if there's no regularly scheduled
13 Board meeting, you can do it that way, but you run into
14 the ambiguity that Renee points out, that it could --

15 MS. BATTLE: I don't think there was any
16 ambiguity yesterday quite honestly. I thought it was
17 very clear when we discussed it that our intent was to
18 place some time frame. My argument was that 60 days
19 sometimes is a very abbreviated time frame depending on
20 what the circumstances are and what the grievance is.
21 And so but there was a strong feeling by the Committee,
22 that we needed to promptly address grievances once

1 they're filed and that's where the 60-day time frame is
2 intended to do.

3 CHAIR EAKELEY: Couldn't we leave it with the
4 60 days without "the next scheduled Board meeting"
5 language and couldn't it be possible that "appropriate
6 action" might be further fact finding or further
7 something that we're not ready to decide, we need more
8 time, but the appropriate action would be further
9 discussion, analysis, fact finding?

10 MS. BATTLE: Yeah.

11 MR. ERLNBORN: That introduces another
12 ambiguity that I hadn't thought of. I thought
13 "appropriate action" meant that its disposition of the
14 grievance and not just a decision that we're not ready
15 to do anything yet.

16 CHAIR EAKELEY: Yeah. Next Board meeting is
17 more than 60 days from now.

18 MS. BATTLE: And so, for instance, if we had a
19 grievance right now under this policy, we would before
20 we met the next time, have to resolve it. We'd have to
21 resolve it by telephone, receiving a fact finding
22 report from someone we've never seen, and having a

1 conversation over the telephone to resolve it. That
2 was the whole purpose for saying "the next scheduled
3 Board meeting."

4 I don't think -- I think it is important to
5 resolve these issues, but I think that if there's a
6 grievance filed against the Inspector General or the
7 President, that it rises to the level that we need to
8 have a face-to-face meeting to resolve it. That's my
9 view.

10 CHAIR EAKELEY: All right. Well, I think that
11 we need to give ourselves the flexibility to resolve
12 what are likely to be complicated matters if, as, and
13 when they arise while declaring our intention to
14 resolve such matters as expeditiously as we can. And I
15 don't know you can write all of that into this, but
16 maybe we go back to where we started and do with the
17 "whichever is later." Suzanne has an absolute winner
18 of a proposal for a further amendment.

19 MS. GLASOW: How about "not later than 60 days
20 after the grievance is filed or the next scheduled
21 Board meeting after the 60 days." I think Renee and I
22 both are okay with that language.

1 CHAIR EAKELEY: No.

2 MS. BERGMARK: I'm not expressing my opinion.
3 I'm just trying to keep -- relate what I thought
4 happened in the Committee meeting. We really kind of
5 need the transcript, but the problem with that -- I
6 mean we had this discussion in the Committee meeting --
7 is that the grievance gets filed the day after the
8 Board meeting, and then 60 days takes you to the next
9 Board meeting, and then so it's 60 days after. So
10 that's basically a four-month period.

11 CHAIR EAKELEY: But how often are we going to
12 have grievances filed --

13 MS. BERGMARK: Very rarely, so it doesn't
14 really matter.

15 CHAIR EAKELEY: Yeah. I'm going to exert a
16 Board Chair prerogative and suggest that the amendment
17 to the report that we vote on read as follows.

18 "The Board shall not later than 60 days after
19 the grievance is filed or at the next scheduled Board
20 meeting whichever is later take such action as it deems
21 appropriate."

22 MR. ERLENBORN: Might I comment on that?

1 MR. BRODERICK: I think you need "in either
2 case."

3 CHAIR EAKELEY: That wasn't in there, but do
4 you want to wait for the transcript to find out what --

5 MS. BATTLE: No. I think we need to go ahead
6 and vote on this.

7 MR. ERLENBORN: If I may comment on that by
8 saying that I will support that suggestion with the
9 concept that we don't always have to wait until the
10 last minute.

11 CHAIR EAKELEY: Yes.

12 MR. ERLENBORN: We at least are putting outer
13 limits on it. And if it is necessary to expeditiously
14 determine the grievance, we could have a special Board
15 meeting. We wouldn't have to wait until the next one.
16 And I would hope that that's what the Board would do.

17 CHAIR EAKELEY: Yeah. I think that can
18 reflect the sense of the Board in adopting this
19 procedure.

20 MS. BATTLE: I'll accept the amendment. I
21 think I moved it already.

22 CHAIR EAKELEY: I agree.

1 MS. BATTLE: Okay. I did.

2 CHAIR EAKELEY: Suzanne.

3 MS. GLASOW: I have another technical question
4 for the record. Is this intended to be included in the
5 personnel manual?

6 CHAIR EAKELEY: What is Joan Kennedy's
7 recommendation?

8 MS. KENNEDY: Yes.

9 CHAIR EAKELEY: It should be included in the
10 personnel policy manual. All right. I think that that
11 is binding. All right. All those in favor of the
12 grievance procedure as amended.

13 (A chorus of ayes.)

14 CHAIR EAKELEY: All those opposed?

15 (No response.)

16 CHAIR EAKELEY: The ayes have it. Thank you
17 very much.

18 My intention is to ask Victor to contact the
19 American Arbitration Association promptly and to get
20 the fact finding process in process expeditiously to
21 deal with the grievance that is pending.

22 MS. BATTLE: We had one other -- I'm sorry.

1 MS. ROGERS: I don't know whether the
2 reference to a third-party provider is a Board action,
3 but in the event that it is, or failure to speak up, I
4 want to abstain on the question of who the third party
5 provider is.

6 CHAIR EAKELEY: Yes, I understand.

7 MS. ROGERS: Because I may have a conflict of
8 interest. I'm not sure.

9 CHAIR EAKELEY: It is the Chair's -- I think
10 the way this procedure works, it's you're protected.
11 All right.

12 MS. BATTLE: I wanted to mention that we had
13 one other item that we deferred that was on our agenda
14 which had to do with the draft personnel rule which we
15 did not undertake, so we don't need to have that. But
16 just to close out, I just thought yesterday that we
17 were going to be able to celebrate a momentous occasion
18 of having promulgated all 15 regulations that fell out
19 of our Appropriations Act some two years ago. But I
20 understand we've got one more to go so we're not
21 completely -- or maybe two -- depending on what this
22 new restriction is going to be.

1 But we have undertaken, I think, an enormous
2 task and the staff has done a tremendous job. And
3 Suzanne has, I think, done a yeoman's job and I would
4 put her up against any other reg writer in the world.
5 I mean she has really done a tremendous job, and she's
6 to be thanked for it.

7 (Applause.)

8 MS. BATTLE: Also John Tull -- John Tull, who
9 has risen to the task and come in particularly when
10 we've had programmatic-type regulations and provided
11 skill and depth and insight into our work in a way that
12 we never could have gotten it done without him so I
13 want to thank him as well.

14 (Applause.)

15 MS. BATTLE: And Joan Kennedy. That
16 regulation that pertains to personnel, I mean this has
17 been a long haul, and we've gotten a tremendous amount
18 done, and I want to thank her.

19 (Applause.)

20 CHAIR EAKELEY: And we planted one new tree
21 for each regulation we've adopted. I also want to
22 thank the hard-working Ops and Regs Chair and Committee

1 members because this really has been a herculean
2 effort, and it's just very impressive, and we owe you
3 all a debt of gratitude.

4 MR. SMEGAL: Yeah. I abstained from the vote
5 on this grievance procedure. I wasn't sure why but now
6 I think I know why. I am one of the panelists on
7 American Arbitration Association. In case they call me
8 on to arbitrate matters, I don't know that I have a
9 conflict but I abstain from that last vote for whatever
10 reason I couldn't think of.

11 CHAIR EAKELEY: On the last vote should
12 reflect all voting aye except for Mr. Smegal abstaining
13 and Ms. Rogers abstaining. All right. Bucky, the
14 Provisions Committee report.

15 MR. BRODERICK: Yes.

16 CHAIR EAKELEY: You looked surprised.

17 MR. BRODERICK: No. I thought LaVeeda was
18 still going.

19 The Provisions Committee met yesterday
20 afternoon. The agenda is on page 20 of your book. The
21 agenda is -- was very much like our agenda at our last
22 meeting. We heard reports from the Office of Program

1 Operations and the Office of Inspector General. There
2 are no action items for the Board coming out of our
3 meeting.

4 The Office of Program Operations, Merceria
5 Ludgood reported to us on the status of competition.
6 She gave us a final 1997 report summary of how we ended
7 up in 1997. And then an overview of plans for 1998
8 competition. LaVeeda will be pleased to know that
9 there will be no regulatory changes suggested for 1998.

10 One-third of the grants will be competed this
11 year under our new scheme. And that gives the staff
12 additional ability to work more closely on the
13 competition process because not every grant is being
14 recompeted. GIMS, which Martha referred to is being
15 implemented. That stands for Grant Information
16 Management System.

17 I learned yesterday -- which I hadn't -- was
18 not aware of -- that there was a grant condition on
19 this year's grants requiring every program to have
20 access to the internet this year, and so more of what
21 we're doing can be done electronically and will be done
22 electronically as the year goes on.

1 The notice of intent to compete is due here by
2 July 1. RFPs are going out on May 21. The notice of
3 intent to compete from prospective grantees is due July
4 1. Proposals are due July 21. Our Committee will be
5 meeting in between those two dates in Los Angeles, and
6 we'll hear a report from the staff about how many
7 notices we've received.

8 Decisions this year will be made before
9 Thanksgiving which is earlier than in the past so that
10 there will an earlier decision-making process.

11 Merceria wanted it noted for the record that Kathleen
12 Welch made that commitment, not Merceria, so if the
13 date slips, it's Kathleen who made that promise.

14 Our Committee will meet again in July, and
15 we'll review the statuses of competition, of where it
16 stands at that stage, but as I reported, there will be
17 no regulatory changes required. So that's where we are
18 with that.

19 The Inspector General reported to us on 509
20 compliance which was a follow-up report to our March
21 meeting. The main item we discussed at some length was
22 the AIMS project, the Audit Information Management

1 System, which has now been implemented with the audits
2 that were due April 30. We had quite a lengthy
3 discussion of the -- what that means and how it's
4 working in coordination between the IG and the Office
5 of Program Operations.

6 We heard from Mr. Quatrevaux that 92 percent
7 of the audits were received on time -- I believe that's
8 the number he gave us -- and that the system is working
9 from the Inspector General's perspective. And the data
10 is being transferred electronically to our database
11 here at the Corporation by the independent auditors for
12 the programs and that so far things have gone
13 relatively smoothly although we're only about nine days
14 into the month, so it's all happening very quickly. We
15 will hear further reports on that at our next meeting.

16 We had some discussion with the staff about
17 communications with the field and some interest was
18 expressed especially by our Board Chair about our
19 ability to communicate with our programs about changes,
20 especially about new developments in terms of delivery,
21 and that is staff is paying attention to that and I
22 think there will be developments in that area. With

1 that, that concludes the report unless there are any
2 questions.

3 CHAIR EAKELEY: Any questions of Bucky or of
4 the Committee? I thank you for the report and for all
5 the work that's going on making competition work to
6 improve delivery as well as to fulfill the -- that was
7 the intention of the Congress in requiring competition,
8 but it's -- it was just a very encouraging report as it
9 was the report on the implementation of the new
10 responsibilities under Section 509. Nancy.

11 MS. ROGERS: I might mention one of the things
12 from the Committee meeting that we were very pleased
13 with is that Merceria has found a way to communicate,
14 in this next round, those areas of concern in terms of
15 quality that arose as a result of the first round so
16 that the next set of RPs, if I understand it, would
17 speak to any areas of concern that were raised by
18 staff.

19 So essentially they have found a way, even
20 though this system is sort of a mechanistic system, we
21 use the system to encourage better quality. We were
22 really impressed that they had come up with that means.

1 It's very good.

2 CHAIR EAKELEY: Thank you very much. The next
3 is item 11, "Consider and act on possible amendment to
4 the Corporation's communications policy as developed on
5 March 8, 1997. Mr. Erlenborn.

6 MR. ERLENBORN: In Bill McCalpin's absence, I
7 will propose this amendment. You may recall that -- I
8 believe it was at our last Committee -- Board meeting --
9 - that we adopted a revised communication policy.
10 Thereafter, Bill and I met with the staff of the House
11 and Senate Oversight Committees, and we went over this
12 policy that had been adopted by the Board. And they
13 had some reservations which we believe were also
14 expressed by the Inspector General at the time that we
15 adopted the policy.

16 In consultation with the Inspector General,
17 Bill doing the -- most of the work on that -- we have
18 come up with this proposed revised policy. You have
19 before you the draft of the policy as it would read,
20 plus attached to that what we call a redline -- copies
21 so that you can see what the additions and deletions
22 are being proposed.

1 There are two processes that we now would
2 address in this new revised policy. One would apply to
3 regular audit procedures. The other would apply to
4 other communications by the Inspector General or the
5 President. The first procedure having to do with audit
6 reports would take into account the requirements that
7 are imposed upon the Inspector General in handling
8 audit reports and forwarding them.

9 The procedure as contemplated in this proposal
10 would be that the Inspector General would take the
11 audit, would send the final draft of the audit to the
12 corporate officers and to the Board -- the Corporate
13 Office and the Board. And there would be an
14 opportunity to for the Corporation and the Board, if
15 they desire, to comment on that final draft.

16 That would then go to the Inspector General,
17 who might respond to those comments or might not. And
18 then the final report would be prepared by the
19 Inspector General, and a copy of that final report
20 would be furnished again to the Corporation and to the
21 Board.

22 If the Board or the Corporation had any

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1 further comments, they would have a 15-day period
2 before the report was sent to whoever is to receive it
3 on the Hill and wherever else it is sent. If the
4 Corporation or the Board still had further comments at
5 that time, the Corporation or the Board could send
6 within the 15-day period a copy of those comments and
7 append to that the final version of the report. So
8 that's what we would do with the audit procedures.

9 As to other communications -- that's in
10 paragraph 7 -- any other written communications -- the
11 Inspector General would, if time permits -- and there
12 could be times when he would have to respond more
13 rapidly than the 15-day period -- but if time permits
14 would furnish the final version to the Board and would
15 not distribute that final version for a 15-day period
16 unless within that time the Chair of the Board informs
17 the Inspector General the communication could be
18 transmitted to its recipients.

19 If time does not permit the 15-day delay, the
20 Inspector General would inform the Chair of the Board
21 of the deadline date for distribution. Any Board
22 response or comment provided to the Inspector General

1 by the Chair of the Board within the 15 days or a
2 shortened period would be distributed by the OIG.

3 The purpose of this communication policy was
4 to make certain that if the Inspector General is
5 communicating with the Congress on policy matters that
6 the position of the Board and of the Corporation it is
7 in some way in variance with the Inspector General
8 would be presented to those on the Hill, the recipients
9 of the communication at the same time as the Inspector
10 General or the President's communication.

11 That, in sum and substance, is what we
12 provided. I think that there is complete agreement now
13 after final consultation, I hope, with the Inspector
14 General. As a matter of fact, Renee drafted this final
15 version, and I approved it, so I don't know how there
16 could be anything wrong with it.

17 MS. FAIRBANKS-WILLIAMS: There is.

18 (Laughter.)

19 MS. FAIRBANKS-WILLIAMS: In number 8, the last
20 sentence, it says "which may affect the programs or
21 operations, the Corporation." I think it should say
22 "affect the programs or operations of the Corporation."

1 It's a typo.

2 CHAIR EAKELEY: Thank you, Edna. I think Mr.
3 Erlenborn will accept that as a friendly amendment.

4 MR. ERLENBORN: Yes, and I have had to
5 withdraw my prior statement.

6 (Laughter.)

7 CHAIR EAKELEY: And I take it that this meets
8 with your approval also?

9 MR. ERLENBORN: Yes, it does, Mr. Chairman.

10 CHAIR EAKELEY: Any further questions? Then
11 do we have a motion to --

12 M O T I O N

13 MR. ERLENBORN: I'll move the adoption of the
14 policy.

15 MS. BATTLE: I will second.

16 CHAIR EAKELEY: All those in -- is there any
17 further discussion? All those in favor?

18 (A chorus of ayes.)

19 CHAIR EAKELEY: Opposed? Abstaining?

20 (No response.)

21 CHAIR EAKELEY: Thank you very much.

22 We had added as agenda item number 12, and I

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1 apologize for not remembering this when I asked to
2 approve the agenda as submitted, but we only received
3 the -- we only -- it was a timely receipt but the
4 Inspector General's semi-annual report to Congress came
5 in, I think, it was last week for the period October 1,
6 '96 to March 31, '97.

7 We have to respond to that. I had hoped that
8 we might have the draft for the Board to consider at
9 this time, but we don't have and we'll have to
10 circulate it, and we'll have to either take a
11 notational vote or have a conference call Board meeting
12 to approve it. But that will be something that will
13 need to be tabled for today and resumed, taken up
14 again, in a week or two.

15 That means that we are at that portion of the
16 agenda that is to be in closed session. I'll need a
17 vote to go into closed session. My intention would be
18 we take the vote. We go into executive session. We
19 take a five-minute break. And then we meet in closed
20 session.

21 For those who are not invited to stay for
22 closed session, my best estimate is that that closed

1 session will be about 15 minutes. I'm smiling because
2 I just said to President Bergmark a few minutes ago
3 that this Board meeting is going about twice as rapidly
4 as I expected. And this is not -- and it may have
5 something to do with the fact that Mr. McCalpin is not
6 here.

7 (Laughter.)

8 CHAIR EAKELEY: But I think that if you --

9 MS. FAIRBANKS-WILLIAMS: I was trying to take
10 his place.

11 (Laughter.)

12 CHAIR EAKELEY: If you people want to hang
13 around, we'll be back in open session later, but first
14 I need a motion to go into executive session for the
15 purposes identified in the agenda.

16 M O T I O N

17 MS. BATTLE: I'll so move.

18 MS. FAIRBANKS-WILLIAMS: Second.

19 MS. WATLINGTON: Second.

20 CHAIR EAKELEY: All those in favor?

21 (A chorus of ayes.)

22 CHAIR EAKELEY: We're in executive session.

LEGAL SERVICES CORPORATION

BOARD OF DIRECTORS MEETING

OPEN SESSION

Saturday, May 10, 1997

11:25 a.m.

Legal Services Corporation
750 First Street, N.E.
Washington, D.C. 20002

BOARD MEMBERS PRESENT:

Hulett H. Askew
LaVeeda M. Battle
John T. Broderick, Jr.
Douglas S. Eakeley, Chairman
John N. Erlenborn, Vice Chairman
Nancy H. Rogers
Thomas F. Smegal Jr.
Ernestine P. Watlington
Edna Fairbanks-Williams

STAFF PRESENT:

Martha Bergmark, President
Victor Fortuno, General Counsel & Corporate Secretary
David L. Richardson, Treasurer and Comptroller

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P R O C E E D I N G S

1
2 CHAIR EAKELEY: Next item on the agenda is
3 "Consider and act on making available to the incoming
4 President of the Corporation copies of selected
5 executive session transcripts or excerpts for the
6 purpose of providing him with background on specific
7 issues relating to the Corporation in its operations."

8 Basically what it -- I had contemplated was
9 making available to John McKay, Alex Forgers
10 description of the job as he's experienced it. And
11 since that was done in executive session, and we can't
12 get notational votes for things like this which are
13 unanimous --

14 MR. FORTUNO: We did get the notational vote.

15 CHAIR EAKELEY: We did?

16 MR. FORTUNO: This was here just in case we
17 didn't get the vote.

18 CHAIR EAKELEY: Oh. So it's not on the
19 agenda.

20 MR. FORTUNO: It's been taken care of.

21 CHAIR EAKELEY: All right. Good. I was
22 assuming that Wayward Fletcher had voted less than

1 unanimous again.

2 Then we got scheduling of Board and Committee
3 meetings. The first -- the next meeting is booked in
4 Los Angeles, and it was pointed out that if we reserved
5 our flights and booked them and stayed over on a
6 Saturday night if, you know, those who wanted to,
7 substantial savings could be accomplished. I don't
8 know whether -- what happens with the nonrefundable
9 nature of the tickets, but it seems to me we ought to
10 find a way to get to California with the least cost by
11 way of airfare.

12 MR. FORTUNO: I think that if we get them
13 under the agreement we have that entitles us to the
14 government rate, we can, in fact, cancel if we need to.
15 We do have some Board members who prefer to get them
16 directly -- I think a couple -- and those, on the other
17 hand, may be cheaper than the government rate. But it
18 all gets stuck with those if they're not used.

19 CHAIR EAKELEY: Yeah, well, that's the point I
20 was groping for. I think there can be a substantial
21 differential in price between government rate and what
22 is available through the airlines if you book four

1 weeks in advance and stay over Saturday night. And if
2 we can get better rate, is there a way to just assure
3 that the Board members who have to commit to that don't
4 get stuck with a nonrefundable ticket or maybe the
5 Corporation can exchange those tickets for others, for
6 other people's travel needs.

7 MS. BERGMARK: Why don't we let our
8 administrative staff and our travel coordinator work
9 with you on that.

10 CHAIR EAKELEY: Great suggestion.

11 MR. ASKEW: Is there a -- where these dates
12 may change; is that the problem?

13 CHAIR EAKELEY: No, there's not.

14 MS. BERGMARK: The point is that they aren't
15 going to change, and so, therefore, we might want to
16 consider possibly a less expensive way to do it.

17 MR. SMEGAL: I might suggest that the penalty
18 actually isn't the price of the ticket, but \$50. If
19 you don't use the ticket, the airlines will take it
20 back and let you -- and reissue it for another time,
21 will add a \$50 penalty.

22 MR. FORTUNO: Well, Mr. Smegal here has to be

1 the most experienced traveler we have.

2 CHAIR EAKELEY: He's an expert. Let's find
3 out the cheapest way we can get there and get there
4 safely. But that means that people have to plan their
5 trips more in advance than normally --

6 MS. FAIRBANKS-WILLIAMS: I would have to fly
7 out on the Saturday anyway.

8 CHAIR EAKELEY: Most of us would. The east
9 coast would. But it's just -- I get around to booking
10 flights down here because it doesn't make any
11 difference but the day before which is about when I
12 know what my schedule is going to be. But I'm just
13 exerting myself and the rest of you to think ahead for
14 the next Board meeting, plan accordingly and see
15 whether we could realize some cost savings with the
16 guidance of our travel office. Barbara, why don't you
17 just -- let Barbara --

18 MS. BERGMARK: Joan actually lives here and if
19 you would let Jean know about this discussion and we'll
20 be in touch.

21 CHAIR EAKELEY: John.

22 MR. ERLNBORN: I just wanted to say I raise

1 this issue because I occasionally go to the west coast
2 and I know when I'm buying a full fare coach ticket
3 that it's about \$1700, and yet if I buy one of these
4 advanced purchase, it is less than 500. So it's a very
5 substantial difference.

6 CHAIR EAKELEY: Nancy.

7 MS. ROGER: Just a note. I noted this when we
8 planned it, but I have an obligation those days that I
9 can't change so I will not be able to attend.

10 CHAIR EAKELEY: All right. We'll miss you.

11 MR. FORTUNO: One thing we are open to do is
12 to reserve a block of rooms at our rate so that field
13 representatives who attend get the benefit of our rate
14 as opposed to booking an individual room. We get a
15 volume discount.

16 MR. QUATREVAUX: What hotel are we in?

17 MR. FORTUNO: It's the Omni downtown Los
18 Angeles. I'm not sure if there's more than one. There
19 may be. But it's an Omni Hotel.

20 CHAIR EAKELEY: All right. Now, are there --
21 are we -- remind me -- this is an item on the agenda
22 because we've scheduled through the rest of the year

1 but we have to rethink it or --

2 MR. FORTUNO: No. It's just there on the off
3 chance that there is need for some discussion. We have
4 dates and they're fixed. There's really no flexibility
5 --

6 CHAIR EAKELEY: Are the September dates
7 coincident with the equal justice library dedication?

8 MR. FORTUNO: That's correct. The dedication
9 is on the 19th.

10 CHAIR EAKELEY: That's September?

11 MR. FORTUNO: The 18th and the 19th, and our
12 meeting is the 19th and 20th. And they've told me that
13 they're going to be contacting us when it's worked out.

14 CHAIR EAKELEY: Why don't you just describe
15 the event again for us.

16 MR. FORTUNO: All I know is that the National
17 Equal Justice Library, which is located here at
18 American University, will be dedicated during that two-
19 day period. They've invited the First Lady to speak,
20 and folks from the ABA and the field and others will be
21 present.

22 And they'd like Board participation -- our

1 board participation -- so that that's why they worked
2 with us to arrange for the meetings to coincide and are
3 hoping for something Friday evening, some sort of
4 formal presentation and dinner. That would Friday the
5 19th, the first day of meetings. There will also be
6 activities on the afternoon of the 19th, so those who
7 would be free to attend, could do so. But they
8 understand that some folks may have committee commitments.

9 CHAIR EAKELEY: We may have committee meetings
10 over there. Then after that, Victor, the next and last
11 Board meeting for the year?

12 MR. FORTUNO: November the 14th and 15th which
13 is a Friday and Saturday. The only one this year
14 that's not a Friday and Saturday is the L.A. meeting.
15 That is scheduled to be a Sunday, Monday combination.

16 CHAIR EAKELEY: All right.

17 MS. BATTLE: And the November meeting is, of
18 course, scheduled in Washington?

19 CHAIR EAKELEY: Yes.

20 MR. FORTUNO: Only the July meeting is
21 scheduled outside Washington. All the others are here.

22 CHAIR EAKELEY: We could move that somewhere.

1 We don't have a budget for it. Never mind. Forget it.

2 I didn't say it. All right.

3 Next agenda item, public comment. I see two-
4 and-a-half members of the public here. You're half,
5 John. You start next Friday, first full day?

6 MR. MCKAY: Yes. I'll be in transit on
7 Thursday. My meager personal belongings are presently
8 someplace between here and the great state of
9 Washington. I don't know exactly where, but will be
10 here the first full day, I think, on Friday.

11 CHAIR EAKELEY: Any other public comment? Any
12 other business? A motion to adjourn would be in order.

13 M O T I O N

14 MS. BATTLE: So move.

15 MS. FAIRBANKS-WILLIAMS: Second.

16 CHAIR EAKELEY: All those in favor?

17 (A chorus of ayes.)

18 CHAIR EAKELEY: All those opposed?

19 (No response.)

20 CHAIR EAKELEY: Meeting stands adjourned.

21 Have a safe trip home everyone.

22

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