

**RETURN TO CORPORATION  
WJN SECRETARY ARCHIVES FILE**

**LEGAL SERVICES CORPORATION**

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**BOARD OF DIRECTORS OPEN MEETING**

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8th Floor Conference Room  
733 - 15th Street, N.W.  
Washington, D. C.

Friday,  
September 5, 1980

The meeting was convened, pursuant to notice, at  
9:00 a.m., MS. HILLARY RODHAM, Chairman, presiding.

**APPEARANCES:**

**BOARD MEMBERS**

- MS. HILLARY RODHAM, Chairman
- MR. STEVEN L. ENGELBERG
- MS. CECILIA D. ESQUER
- MR. F. WILLIAM MC CALPIN
- MR. HOWARD R. SACKS
- MS. RAMONA T. SHUMP
- JUDGE REVIUS ORTIQUE
- MR. RICHARD TRUDELL
- MS. JOSEPHINE WORTHY
- MR. DAN J. BRADLEY, ex-officio

**ALSO PRESENT:**

- MS. MARY BOURDETTE  
Director, Government Relations

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P R O C E E D I N G S

(9:23 a.m.)

1  
2  
3 CHAIRMAN RODHAM: We want to get started and the  
4 first thing is that we do not have a sound system so every-  
5 one on the board will have to speak up and if there is  
6 anyone in the audience who might have trouble hearing, if  
7 that person can move closer so that they could hear every-  
8 thing that went on at the board discussion, it might be  
9 easier because we do not have any help this morning.

## ADOPTION OF AGENDA

10 The first item on the agenda is the adoption  
11 of the agenda. Is there a motion that we proceed as  
12 the agenda is proposed tentatively in the board book?

13 MS. SHUMP: So moved.

14 CHAIRMAN RODHAM: Is there a second?

15 MS. WORTHY: I second.

16 CHAIRMAN RODHAM: All those in favor, please  
17 signify by saying "aye."

18 (A chorus of "ayes.")

19 CHAIRMAN RODHAM: All those opposed?

20 JUDGE ORTIQUE: I want to oppose because I do  
21 not see anything about whether we meet in December in  
22 New Orleans or not. We are going to take that up today.

23 CHAIRMAN RODHAM: We are going to take that.  
24 Future meeting dates. That is right.

25 JUDGE ORTIQUE: All right.

MEMORANDUM

(Page 2)

MEMORANDUM FOR THE BOARD: We want to get started and the  
 thing is that we do not have a good reason to say  
 one on the board will have to speak up and if there is  
 anyone in the audience who might have trouble hearing, it  
 that person can move closer so that they could hear every-  
 thing that went on at the board discussion. It might be  
 better to have a sign that says "If you need help, this is the  
 person to go to." The sign on the agenda is the subject  
 of the agenda. In this a motion that we proceed as  
 proposed is proposed tentatively in the board body.

MEMORANDUM FOR THE BOARD: We moved.

MEMORANDUM FOR THE BOARD: In these records

MEMORANDUM FOR THE BOARD: I moved.

MEMORANDUM FOR THE BOARD: All those in favor please

say "aye" or "yes".

(A motion of "aye")

MEMORANDUM FOR THE BOARD: All those opposed

say "nay" or "no". I want to speak because I do

not want anything about whether we meet in December in

the Orleans or not. We are going to take this to body

MEMORANDUM FOR THE BOARD: We are going to take this

to the board and that is right.

MEMORANDUM FOR THE BOARD: All right.

MEMORANDUM FOR THE BOARD:

APPROVAL OF MINUTES

1 CHAIRMAN RODHAM: The second item on the agenda  
2 is the approval of minutes of the June 20, 1980 meeting.

3 Is there a motion that the minutes be approved?

4 MR. MC CALPIN: I move approval.

5 CHAIRMAN RODHAM: Are there any additions or  
6 corrections?

7 (No response.)

8 CHAIRMAN RODHAM: All those in favor of approving  
9 the minutes, please signify by saying "aye."

10 (A chorus of ayes.)

11 CHAIRMAN RODHAM: Opposed?

12 (No response.)

13 CHAIRMAN RODHAM: The minutes are approved.

14 The next item on the agenda is a report on the  
15 Congressional reauthorization and the 1981 appropriation.

16 Mary, are you going to give that report?

17 REPORT ON STATUS OF CONGRESSIONAL  
18 REAUTHORIZATION AND FY 1981 BUDGET REQUEST

19 MS. BOURDETTE: I will try to talk loud enough.  
20 It is going to be hard.

21 First, on the appropriation. Yesterday, the  
22 Senate Appropriations Subcommittee finally marked up and  
23 approved a recommendation of \$321.3 million for legal  
24 services for 1981.

25 They also deleted the so-called "alien rider"

CHAIRMAN: The second item on the agenda

is the approval of minutes of the June 30, 1980 meeting.

Is there a motion that the minutes be approved?

ALL ARE IN FAVOR. I move approval.

CHAIRMAN: Are there any additions or

amendments?

(No response)

CHAIRMAN: All those in favor of approving

the minutes please signify by saying "aye."

(A chorus of "ayes.")

CHAIRMAN: Opposits

(No response)

CHAIRMAN: The minutes are approved.

The next item on the agenda is a report on the

organization's reorganization and the 1981 reorganization.

May you want to give that report?

THE BOARD OF DIRECTORS OF CONGRESS  
REORGANIZATION AND 1981 REORGANIZATION

CHAIRMAN: I will try to call that up.

(No response)

Let's go to the reorganization. Yesterday, the

Board of Directors submitted finally wanted up and

approved a reorganization of 1981. I believe for that

purpose.

There is also included the so-called "action items"

1 and "gay rider" that have been attached to our appropri-  
2 ations bill in the House and were very strong in opposition  
3 to riders.

4 We owe a lot of thanks to Senator DeConcini,  
5 Senator Hollings, Senator Bumpers and other members of the  
6 subcommittee who really were firmly in support of the 321  
7 figure for us.

8 The bill now must move to the full Senate  
9 Appropriations Committee and the full Senate floor. I  
10 think, however, that we have overcome really the last major  
11 hurdle on our appropriation.

12 I think it is very fair to say that the \$321.3  
13 million figure is very, very safe at this point. There  
14 could possibly be attempts to cut it but I think any  
15 attempts at this stage we can easily overcome.

16 The alien rider and the gay rider may be some-  
17 what different. There may be changes either on the floor  
18 or in conference on either one of those and we will keep  
19 you informed of that but, as I say, I think we can be very  
20 certain at this stage that we have got a \$321.3 million  
21 appropriation.

22 The timing on that I know is important to you  
23 in many aspects. I fully expect that it will be, the bill  
24 will be completed and signed by September 30th. Therefore,  
25 there will be no need for a continuing resolution for our

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and "any other" that have been attached to our appropriate  
actions bill in the House and were very strong in opposition

to them.

We owe a lot of thanks to Senator DeLoach,

Senator Holloman, Senator Bumpers and other members of the  
minority who have really been strong in support of the bill.

It is not surprising

that the bill now must move to the full Senate.

Appropriate Committee and the full Senate floor.

It is, however, that we have overcome many of the last major

points of our opposition.

I think it is very fair to say that the REACT

bill is very, very close to this point. There

could possibly be attempts to cut it but I think my

estimate of this bill is that we can easily overcome

the other side and the pay riders may be very

well handled. There may be changes of course in the floor

and I am sure that one of them may be with a good

you informed of that but, as I say, I think we can do very

well on this side and that we have got a REACT bill for

opposition.

and I think on that I know in favor of you

on many points. I fully expect that it will be the bill

will be reported and signed by September 30th. Therefore

there will be no need for a continuing resolution for our

WALTER D. REAGAN  
PRESIDENT OF THE UNITED STATES  
WASHINGTON, D.C. 20503

1981

1 program or others covered by that bill.

2 I think if it is not signed by September 30th,  
3 we are nevertheless in a fairly safe position because we  
4 will be together with the whole Department of State,  
5 Department of Justice and my guess would be the whole  
6 Federal Government.

7 I would suggest that either our bill is signed  
8 by that time or probably all the appropriations bills will  
9 be held up. I do not think, as I say, I think at this  
10 stage we can be fairly certain we are getting 321 and  
11 fairly certain it will be signed by September 30th, end  
12 of the fiscal year.

13 On the authorization there is not a lot more to  
14 report. Our bill, HR-6386, is still pending before the  
15 House. We have gone through all the committees. We have  
16 had a rule assigned to the bill and we are just awaiting  
17 floor action.

18 Now, the House is scheduled to recess on October  
19 4. Obviously that time is approaching very quickly and it  
20 is absolutely essential that we get that bill taken up  
21 before October 4th.

22 We are attempting to do everything possible to  
23 make sure that happens. So far there have been eight  
24 amendments filed in the Congressional Record to add, in all  
25 cases, restrictions to our act, additional restrictions to

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programs or others covered by that bill.

I think it is not aimed by number 3011,

and now we're in a fairly early position because we

will be working with the whole Department of State,

Department of Justice and my guess would be the whole

Federal Government.

I would suggest that either our bill is aimed

by that kind of broadly all the appropriations bill will

be included in it, I do not think as I say, I think we think

about we can be fairly certain we are getting the new

bill, certainly it will be argued by September 30th, and

of the fiscal year.

of the authorization items is not a lot more to

report, our bill, HR-3011, is still pending before the

committee. We have your support all the committee. We have

been very helpful to the bill and we are just awaiting

their action.

Now, the bill is scheduled to pass on October

15, obviously that is a negotiating very quickly and it

is absolutely essential that we get that bill taken up

before October 15th.

The way that we are negotiating is to try to get it

passed as quickly as possible. Do you think there have been other

attempts to do that in the Government's record to add, in all

these negotiations to our own, additional contributions to

WILLIAM J. BROWN  
DIRECTOR OF THE BUREAU OF INVESTIGATION  
U. S. DEPARTMENT OF JUSTICE  
WASHINGTON, D. C.

1 our act. All of those we are opposed to at this point.

2 Those restrictions, none of them are new. We  
3 have heard about them and talked about them before.

4 Further restrictions on abortion proceedings. Restrictions  
5 similar to those imposed in the Senate on attorneys' fees.  
6 Restrictions on representations of aliens, on legislative  
7 representation.

8 Two judicare proposals, mandatory judicare  
9 proposals and two proposals to reduce the authorization  
10 level and the number of years.

11 There could well be additional amendments that  
12 will be filed prior to House action and we will keep you  
13 up to date on those. We know certainly one will be an  
14 amendment someone dealing with the ABA resolution proposing  
15 or requiring the opportunity for substantial involvement  
16 of the private bar in the delivery of legal services.

17 The attorneys' fees amendment is the only one  
18 at this stage that we have attempted to work a substitute  
19 amendment out and our working with various members of  
20 Congress and many people from the field to try to come up  
21 with an alternative to the Bumpers amendment in the Senate  
22 and the one pending in the House that we could live with  
23 and that would certainly, most importantly, protect the  
24 ability of programs to receive attorneys' fees.

25 The timing on the authorization, as I say,

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one set. All of those we are opposed to at this point. These restrictions, none of them are new.

have heard about them and talked about them earlier.

that for restriction on abortion proceedings. Restriction on abortion to those imposed in the Senate on attorney's fees. Restriction on representation of attorney, on legislative representation.

two indirect proposals, mandatory jury duty proposals and two proposals to reduce the number of years and the number of years.

There could be additional amendments that will be filed prior to House action and we will keep you

in touch on those. We know certainly one will be an amendment concerning dealing with the NSA monitoring program.

or regarding the opportunity for substantial investment of the private bar in the delivery of legal services.

The attorney's fees amendment is the only one at this stage that we have attempted to reach a consensus

and we are not out and out working with various members of Congress and many people from the field to try to come up

with an alternative to the program amendment. In the House and the one pending in the House that we could live with

and that would certainly, most importantly, protect the ability of Congress to receive attorney's fees.

The timing on the authorization, as I say,

1 is getting very short. It is politically necessary that  
2 we have it before October 4th but it is not legally  
3 necessary.

4 If in fact our authorization is not passed by  
5 October 4th, when they are scheduled to recess, there are  
6 several possibilities after that. The first one is that  
7 Congress is talking seriously about a post election session.  
8 That may or may not happen. We probably won't know for  
9 sure because the leadership probably won't decide for  
10 sure until very close to the October 4th recess, depending  
11 on how much work that is still pending.

12 It is entirely possible that even if there was  
13 a post election session, it would be limited to particular  
14 pieces of legislation. The one that is talked about the  
15 most is the second concurrent budget resolution, which  
16 they may hold up until after the election.

17 It is possible that it could be open for any  
18 number of bills and that possibly we may come up at that  
19 time. I would not want to count on that and, therefore,  
20 we have to make every effort to have it come up before  
21 the post election session.

22 If it doesn't come up in either of those times,  
23 then we have to start over again next year in the Senate  
24 and the House. Go all the way through committees again  
25 and on the floor of the Senate again.

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in getting very short. It is politically necessary that

we have it before October 4th but it is not likely

to

It is fact our authorization is not passed by

October 4th when they are intended to return, there are

several possibilities after that. The first one is that

Congress is talking seriously about a cost reduction in order

to bring it up and probably we probably won't have the

time to pass the authorization probably won't happen

until very close to the October 4th because, considering

on the other hand that is still pending.

It is entirely possible that even if there was

a cost reduction session, it would be limited to particular

areas of expenditure. The one that is talked about the

most in the news is the budget reduction, which

they may hold up until after the election.

It is possible that it could be done for any

number of bills and that possibly we may come up at least

before I could not want to count on that and, therefore,

we have to make every effort to have it done up before

the cost reduction session.

It is difficult to come up in either of those cases,

then we have to think over again next year in the same

and the answer to all this way through authorization would

be to get the authorization of the Senate early.

UNITED STATES SENATE  
COMMUNICATIONS AND TRANSPORTATION  
1000 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20540

1 I think without any doubt we are going to have,  
2 at least in my mind, a more conservative Senate and House  
3 and we will have more difficulty in an authorization next  
4 year than we would have this year.

5 I think it is crucially important that we get it  
6 through.

7 However, we can certainly operate without an  
8 authorization. The authorization is simply an authorization  
9 for appropriation purposes. The act continues, the program  
10 continues. As long as we have our money, there is no legal  
11 reason why the authorization has to be completed by the  
12 end of this year.

13 As I say, there are very important political  
14 reasons that it really must be completed before October 4th.

15 As I say, there is a lot going on on these many  
16 issues and I would be happen to answer any questions or  
17 discuss any of them further if you would like me to.

18 Otherwise, the only other thing pending before  
19 Congress right now very importantly are the nominations.  
20 And, as you know, three of you, three of the nominations  
21 were reported out of the Senate Labor and Human Resources  
22 Committee two weeks ago. Two of you were held for really  
23 procedural reasons but now they must be confirmed, five  
24 must be confirmed by the full Senate.

25 There are very strong indications that the

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I think without any doubt we are going to have  
at least in my mind, a more conservative Senate and House  
and we will have more difficulty in an authorization task  
year than we would have this year.

I think it is crucially important that we get it  
through.

However, we can certainly operate without an  
authorization. The authorization is only an authorization  
for authorization purposes. For all practical purposes, the program  
continues as long as we have our money, there is no real  
reason why the authorization has to be completed by the  
end of this year.

As I say, there are very important problems  
concerning the early start of the program. I think  
the I say, there is a lot of work to be done in  
January and I would be happy to answer any question you  
raise any of these further if you would like to for

otherwise, the only other thing pending before  
congress right now very early only are the amendments  
and, as you know, three of you. One of the amendments  
was reported out of the Senate Labor and Human Resources  
Committee two weeks ago. Two of you were told that  
procedural reasons but they must be resolved, they

must be confirmed by the full Senate.  
There are very strong indications that the

1 Republicans are attempting to hold up all Democratic  
2 nominations at this stage on the theory that they expect  
3 to have the presidency next year and that they are not  
4 going to let any further nominations go through.

5 This happens every four years in Congress. It  
6 is nothing unusual. It happens with both parties so it  
7 is not the Republicans but it is very iffy whether the  
8 nominations, I think, will be confirmed prior to October 4.

9 CHAIRMAN RODHAM: Any questions or comments?

10 MR. MC CALPIN: You say there are two judicare  
11 amendments. One of them I assume is the 50 percent ---  
12 what is the other?

13 MS. BOURDETTE: There is another one by  
14 Congressman Huckaby of Louisiana which is similarly 50  
15 percent of the funds be made available for private attorneys  
16 through a judicare delivery model but rather than defining  
17 the 50 percent by state, it is done by Congressional  
18 District. It is very similar to the Huckaby amendment.

19 JUDGE ORTIQUE: His is very political, as Dan  
20 will explain to you.

21 He really did that because he didn't like a  
22 decision that was made with reference to the selection of  
23 one group, of one arrangement there in North Louisiana as  
24 opposed to another one.

25 It was not for judicare or anything else.

Republicans are attempting to hold up all Democratic  
nominations at this stage of the theory that they expect  
to have the presidency next year and that they are not  
going to let any further nomination go through.

This happens every four years in America. It  
is nothing unusual. It happens with both parties so it  
is not the Republicans but it is very likely whether the  
nominations I think will be decided before the October  
election. Any question on nominating

MR. MC CARTHY: You say there are two hundred  
nominations. One of them I assume is the 50 percent  
which is the others?

MR. WOODRUFF: There is another one by  
the majority of the States which is slightly 50  
percent of the States for each available for election.

through a judicial delivery model but not from delivery  
the 50 percent by state. It is done by representation  
rather. It is very similar to the judicial system.

MR. WOODRUFF: It is very similar to the  
will explain to you.

So really did that because he really did  
election that was made with reference to the judicial  
one group of one hundred that is from the States  
system to another one.

It was not for judicial or anything else.

WILLIAM J. WOODRUFF  
COUNCIL MEMBER THE SENATE  
1700 AVENUE OF THE STARS  
WASHINGTON, D.C. 20006

WILLIAM J. WOODRUFF

1 It was just that he had to find a vehicle as indicated,  
2 I think quite brusky in a letter to you, Dan. I will  
3 find a way to get you is really what he said.

4 MR. MC CALPIN: I think that the Wisconsin  
5 controversy has the same origin. Satisfaction over grant  
6 expansion in that state.

7 CHAIRMAN RODHAM: Cecilia.

8 MS. ESQUER: I just really want to congratulate  
9 Mary and her staff for really doing an excellent job on  
10 this thing.

11 I couldn't believe that when the figure came out  
12 that there was just no argument or discussion about the  
13 figure. You know, maybe it shouldn't be so easy but I  
14 think it just kind of reflects the excellent work that Mary  
15 and her staff did.

16 Even on getting the amendment stricken from the  
17 House bill, I think that that went really well. I just  
18 think she deserves a lot of congratulations, along with  
19 her staff.

20 MS. BOURDETTE: Thank you, Cecilia.

21 MR. BRADLEY: If I can say actually, since we  
22 are passing out accolades, the fact that Cecilia went with  
23 us yesterday and Hillary had spoken with Senator Bumpers  
24 the day before the meeting and I think the contacts that  
25 you made with those two Senators, especially with DeConcini,

It was just that he had to find a vehicle to transport  
I think quite possibly in a letter to you, but I will  
find a way to get you to really what he said.

WILLIAM WATSON I think that the Wisconsin

convention has the same order of business over again

operation in that matter.

CHARLES WATSON I think

WILLIAM WATSON I just really want to say that

you and her that for really being an excellent job in

this thing.

I couldn't believe that when the liquor came out

that there was just a movement of disapproval about the

liquor. You know, maybe it shouldn't be so easy but I

think it just kind of reflects the situation and that the

and that's right.

Even on getting the members together from the

house bill, I think that that went really well. I just

think she deserves a lot of congratulations. You know with

it really.

WILLIAM WATSON I think you should

WILLIAM WATSON I think you should really

and having out accident. The fact that they were with

on yesterday and today had spoken with Charles Watson

the day before the accident and I think the fact that

you made with those two Senators especially with the

WILLIAM WATSON  
WILLIAM WATSON  
WILLIAM WATSON  
WILLIAM WATSON

WILLIAM WATSON

1 we clearly would not have, I do not think, won on deleting  
2 those issues that were deleted if Cecilia had not met with  
3 the Senator beforehand and if Hillary had not spoken with  
4 Mr. Bumpers the day before.

5 All of this coming together resulted in a very  
6 sweet victory yesterday.

7 MS. BOURDETTE: Also, very importantly, we have  
8 had just an incredible support and help all over the  
9 country from clients, field people, organizations, civil  
10 rights organizations, various types of organizations who  
11 have just been incredible in their support and assistance  
12 to us.

13 There is just no way we would have ever achieved  
14 321 if we had been doing it ourselves. It just would not  
15 have been possible. It is so nice to know that the commu-  
16 nity is all together this year.

17 CHAIRMAN RODHAM: Mary, you know Dick and I are  
18 in the category that is being called "dead ducks," and  
19 opposed to Joe and Steve and Cecilia who are being called  
20 "lame ducks." Dick has other names for the rest of you  
21 who are in neither of those categories.

22 Do you think the dead ducks will move up to the  
23 lame ducks next week or do you think that we will stay  
24 dead for the foreseeable future?

25 MS. BOURDETTE: It is possible but it is very



1 hard to say. If the committee has another executive  
2 meeting, which they are planning to have, certainly  
3 Senator Cranston is monitoring and is watching them very  
4 carefully and is making every effort to have them voted on.

5 They finished most of their legislation in that  
6 committee. There are no bills pending and so other than  
7 for nominations, they don't have to meet. The chairman of  
8 the committee, as you know, is in some trouble, Senator  
9 Williams. It is very iffy but we are hopeful and we are  
10 doing everything possible to make sure that they are.

11 MR. BRADLEY: You are a lame dead duck is what  
12 you are, or a dead lame duck.

13 CHAIRMAN RODHAM: Are there any questions from  
14 the audience for Mary or any comments about the Congres-  
15 sional situation?

16 (No response.)

17 CHAIRMAN RODHAM: Dan, do you have anything you  
18 want to add?

19 MR. BRADLEY: No, Mary touched on it. I just  
20 wanted to reiterate it, based on some meetings we have had  
21 in the last few days.

22 We had the four major hurdles to get over. We  
23 are over three of them but the highest hurdle is the one  
24 to come and that is on the floor of the House and our  
25 reauthorization.

hard to say. The committee has not been able to  
 meeting, which they were planning to have monthly  
 Senator Graham is monitoring and in fact doing in a way  
 constantly and in making every effort to have some word on  
 they finished most of their legislation for that  
 committee. There are no bills pending and so far as  
 for legislative, they don't have to meet. The chairman of  
 the committee, as you know, is an expert in the field  
 witness. It is very likely out of my field and we are  
 doing everything possible to make sure that they are  
 MR. BRADLEY: Now are you sure that is what

you are, or a good idea.  
 CHAIRMAN ROBBINS: Well, I am not sure that  
 the audience for that or any committee report. It is

related situation  
 (In response)  
 CHAIRMAN ROBBINS: Now, do you have anything to  
 want to say?

MR. BRADLEY: I am sorry, I am not sure  
 wanted to reference it, based on some of the things that  
 in the last few days.  
 the in the form of a number of other things  
 are over there of that in the legislative process. It is  
 to come and that is on the floor of the House and the  
 committee.

1 I guess I am a little pessimistic on some of the  
2 amendments. We are doing all that we can but I think the  
3 true test comes in terms of what Mary just indicated, how  
4 well we do on these amendments that have been filed.

5 I think it is going to be very, very difficult,  
6 the closer we get to adjourment. Mr. Kastenmeier and  
7 Mr. Railsback are basically in the driver's seat and they  
8 have got other pending legislation coming from that com-  
9 mittee and it is just very difficult to predict what is  
10 going to happen.

11 I am a little, I guess pessimistic but hopeful.

12 MR. MC CALPIN: Mary, you I assume from one  
13 comment that you made, are fully aware of the fact that  
14 there is what I would have to characterize as more than  
15 the usual push behind an ABA resolution in connection with  
16 this one, about the private bar.

17 This Wisconsin Bar has sent out at least two  
18 memoranda. The state bars all over the country in the  
19 last month --- state bars are writing in the Washington  
20 office of the ABA saying what are you going to do?

21 To which my response has been we will do what we do  
22 all the time. We will just send a letter to the chairman  
23 of the committees, which we have done with all of the  
24 resolutions but there is a good deal of push to do more  
25 and your comment about the possibility of another resolution

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I guess I am a little pessimistic on some of the  
members. We are doing all that we can but I think the  
time has come in terms of what Mary just indicated, how  
well we do on these amendments that have been filed.  
I think it is going to be very, very difficult,  
the closer we get to adjournment, the more difficult  
it is probably and probably to the detriment of it and they  
are not other people's political needs that some-  
times are in just very difficult to present and in  
some instances.

I am a little, I guess pessimistic but honestly  
for the future, Mary, you know from our  
comment that you made, the only way of the fact that  
there is what I would have to understand in more than  
the next year behind an AIA resolution to deal with  
this case about the private part.

With Wisconsin, how far we have come out of the two  
members. The state has all over the country for the  
last month -- a state party organization for the last  
years of the AIA saying what are you going to do  
to which my response has been we will do what we can  
of the time. We will just need a letter to the effect  
of the conditions, which we have been working on all of the  
conditions that there is a good deal of work to be done  
and some comment about the possibility of a letter would be

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Executive Director  
The Wisconsin  
WISCONSIN STATE PARTY

1 in that area is, I think, very cogent.

2 MS. BOURDETTE: We are working very closely with  
3 Bob Evans and the ABA staff here to keep in touch with  
4 what will be proposed and have as much effect on that as  
5 is possible.

6 Also, we have had several state bar and we are  
7 attempting to get other state bar associations to go on  
8 record in opposition to the Wisconsin Bar proposal and  
9 we have had some success.

10 CHAIRMAN RODHAM: It is the general practice  
11 section resolution that we are concerned about, isn't it?

12 Wisconsin taking the general practice resolution  
13 and embraced it.

14 MS. BOURDETTE: The Wisconsin Bar is still push-  
15 ing for its mandatory judicare amendment. So, even though  
16 the general practice section resolution was the one that  
17 passed, there is certainly still a push by some state bars  
18 for a mandatory judicare amendment.

19 CHAIRMAN RODHAM: Well, do you think there is  
20 any possibility that part of the reason Wisconsin is still  
21 pushing so hard is to stake out a position against which  
22 the general practice resolution will appear to be a  
23 compromise?

24 MR. MC CALPIN: Well, I think that really, take  
25 the strongest part, their position, which is kind of a

in that area is, I think, very good.

MR. BOARDMAN: We are working very closely with

Bob Brown and the AIA staff here to keep in touch with

what will be proposed and have an input into the plan as

far possible.

Also, we have had several other cases and we are

attempting to get other areas for consideration to go on

needed in addition to the Wisconsin that we proposed and

we have had some success.

CHIEF OF POLICE: It is the general practice

to have a resolution that we are concerned about, that is,

Wisconsin makes the general practice resolution

and enforce it.

MR. BOARDMAN: The Wisconsin resolution is a

one for the mandatory practice resolution. It is, of course,

the general practice resolution and the one that

we have, there is certainly still a gap by not having

the mandatory practice resolution.

CHIEF OF POLICE: Well, do you think that is

any possibility that part of the reason Wisconsin is not

enforcing it is to state that a resolution is not

the general practice resolution will appear to be a

conspiracy?

MR. BOARDMAN: That is a very good question, and

the important part of that question is what is the

1 misrepresentation is that the Sensenbrenner amendment is  
2 the implementation of the general practice resolution.

3 Obviously that is not true and the very decisive  
4 vote against the Wisconsin amendment, I think makes it  
5 clear that there was no sentiment for any rigged formula.

6 But I think it is a bargaining matter and that  
7 is the strong position to take and recede toward something  
8 like the general proposition.

9 CHAIRMAN RODHAM: Thanks, Mary.

10 MS. BOURDETTE: Thank you.

11 CHAIRMAN RODHAM: The next item on the agenda  
12 is the report from the committee on appropriations and  
13 audit. Steve, Bill, Cecilia or Gerry?

14 REPORT FROM COMMITTEE ON APPROPRIATIONS  
AND AUDIT

15 BUDGET MODIFICATIONS PROCEDURES

16 MR. SINGSEN: Good morning. I will try to speak  
17 loud enough so that everyone can hear but it happens that  
18 you cannot, please just wave or something so that I can  
19 get my voice up again.

20 The committee met in Bolton Valley, Vermont on  
21 the 21st of August and considered four areas in the course  
22 of the day.

23 The first portion of the discussion had to do  
24 with the budget modifications procedures that the  
25

...the implementation of the general principle resolution  
...obviously that is not true and the very decisive

...vote against the financial agreement, I think what is  
...about that there was no individual for me which is more

...is the second position to have and really lower resolution  
...the general proposition

...the Board of Directors, I think you  
...the Board of Directors, I think you

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1 corporation has been using and the issues around the  
2 possibility of revising those procedures to more appropri-  
3 ately and adequately deal with the board's combined  
4 accountability and oversight responsibilities with regard  
5 to the way that the corporation employs funds appropri-  
6 ated by Congress.

7           As you may remember from the board book, some  
8 procedures, options on procedures have been proposed.  
9 The committee had had a prior discussion of the issue and  
10 during the committee meeting a combination of the different  
11 options was proposed by Mr. McCalpin as perhaps a desirable  
12 approach for the future.

13           The committee member discussed that and I think,  
14 and obviously I would ask the committee please to fill on  
15 this if I am not stating correctly the conclusions, reached  
16 a conclusion that basically the procedure for the future  
17 should involve no staff modifications of the budget adopted  
18 by the board without coming to the committee and the board  
19 prior to making those modifications. The use of the  
20 unallocated, yes.

21           That where we have present unallocated funds,  
22 the staff would be given the discretion to use the unal-  
23 located funds. This year, for example, we started with a  
24 contingency reserve in the administrative area of \$200,000  
25 which would be this kind of fund, to pick up changes in

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1 cost estimates to carry out the programs which had been  
2 identified and adopted by the board when the budget was  
3 adopted.

4 The unallocated would not be used to start new  
5 programs. Those kinds of modifications would be brought  
6 to the board, as they are now, before they were undertaken.

7 In addition, the committee in order to have the  
8 staff enjoying some flexibility in managing the budget so  
9 that it is possible to carry out the programs without  
10 excessive detailed review, which the committee did not  
11 think was necessary, discussed the consolidated operating  
12 budget and the categories that the board approves when it  
13 adopts the budget and concluded that it would probably be  
14 desirable to have far fewer categories stated in the budget  
15 presented to the board and adopted by the board at the  
16 December meeting.

17 I think your memo said, Bill, that from 53  
18 categories that we now seem to list, we might be talking  
19 about 19 categories as a more appropriate level of detail  
20 for the board approval and therefore for the standard  
21 against which the staff manages the money and comes back,  
22 if it needs to modify, between those categories.

23 The committee concluded that the issue of the  
24 level of detail in the consolidated operating budget  
25 merited further discussion and asked the staff to come back

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each estimate to every one of the program which has been  
identified and adopted by the board when the program was  
adopted.

The board would not be held to the program now  
proposed. These kind of modifications would be made

to the board, they are now before they were mentioned  
in addition, its committee in order to see the

that it might be possible to carry out the program without  
any other special review, which the board would

think was necessary, discussed the committee's special  
study and the committee that the board approved when it

adopted the budget and concluded that it would probably be  
best to have the laws introduced at the beginning

presented to the board and adopted by the board at the  
beginning meeting.

I think your committee will find that the  
committee that we have set up will be helpful

and I anticipate an early report from the  
committee that the board approved and therefore for the committee

agreed which the staff reviewed the program and committee  
it is made to help between these committees.

The committee concluded that the time of the  
board to help in the committee's operating budget

and to help in the committee's operating budget  
and to help in the committee's operating budget

1 to it with several varieties of detail levels presented as  
2 options for discussion at the next committee meeting and  
3 proposes to come to the board in December with a complete  
4 procedure to present both as to the modifications approach  
5 that I discussed before and the consolidated operating  
6 budget for 1981 with regard to the level of detail of that  
7 budget.

8 Another thing that was pointed out was that when  
9 we initially adopt a budget, we have a statement of the  
10 sources of funds that are being used in that budget. The  
11 appropriation, the balances forward, investment income,  
12 whatever other sources of funds there may be. Donated  
13 services, for example.

14 But that our practice in the past has been only  
15 to present an expense statement against the budget at the  
16 quarterly review stage. What was suggested was that in  
17 the future we present a sources of funds statement which  
18 reveals all funds allocated in the year in that budget and  
19 states any funds which are not allocated during the year  
20 but are available to the corporation for allocation.

21 The primary source of such funds this year, for  
22 example, is the unallocated investment income on which  
23 you have received separate statements in each quarter.  
24 But the suggestion was made that these be integrated and  
25 presented as a whole package for the board's review.

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to it with several variations of detail levels presented in  
 options for discussion at the next meeting which had  
 proposed to come to the board in January with a complete  
 procedure to present both as to the modifications proposed  
 that I discussed before and the detailed operating  
 budget for 1981 with regard to the level of detail of that  
 budget.

Another thing that was decided was that when  
 we initially adopt a budget, we have a statement of the  
 sources of funds that are being used in that budget. We  
 appropriate for the balance toward investment funds,  
 whatever other sources of funds there may be. Some of  
 services, for example.

But that our practice in the past has been only  
 to present an expense statement against the budget at the  
 quarterly review stage. What was suggested was that in  
 the future we present a source of funds statement which  
 reveals all funds allocated in the year as well as budget and  
 states any funds which are not allocated during the year  
 but are available to the corporation for allocation.

The primary source of funds would then be for  
 example, for the manufacturing investment funds as which  
 you have received separate statements in past years.  
 But the corporation was under that there be substantial and  
 presented as a whole package for the board's review.

1           So, the committee on the first item, the budget  
2 modifications procedure, concluded not to present a speci-  
3 fic recommendation for action today but proposes to come  
4 in December with such a specific recommendation.

5           I do not know, Bill and Cecilia, whether you  
6 want to add anything at this stage?

7           MR. MC CALPIN: I would only add that we have  
8 suggested also that the staff review the existing cate-  
9 gories, what they have put together and what is separated  
10 with a view to seeing whether the present arrangements in,  
11 I think, eight major Roman Numeral categories and numerous  
12 subcategories in that really reflects the operation and  
13 the realities of the situation as of this time.

14           An obvious example is III, expansion funds and  
15 the question of whether it is really significant to have  
16 that particular budget category.

17           Another one that I think is worth thinking about  
18 is whether the cost of service adjustment ought to be  
19 separated from the funds allocated to the field. You do  
20 not really know what are the funds going to the field by  
21 looking at IA, I think it is, because over in IIA, which  
22 is the cost of service adjustment which is \$11 million or  
23 thereabout, a significant portion of that also goes to the  
24 field.

25           All we ask is that the staff take a look at that

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1 to the committee on the 13th of the month  
 2 modifications regarding the cost of the  
 3 the recommendation for the 13th of the month  
 4 in December with a similar recommendation  
 5 it do not know, Bill and Cecilia, whether you  
 6 want to add anything to this strategy  
 7 MR. MC GABRIEL: I would only add that we have  
 8 approved also that the staff review the various  
 9 parties, what they have put together and what in general  
 10 with a view to seeing whether the present arrangements are  
 11 I think, right major financial elements and not  
 12 substantial in that really we have to provide a  
 13 the solution of the situation as of this time.  
 14 An obvious example is the 13th of the month  
 15 the question of whether it is really right to have  
 16 that party that budget authority  
 17 Another one that I think is worth looking at  
 18 is whether the cost of the major adjustment and the  
 19 reported from the 13th of the month, for the  
 20 not really know what are the things that are  
 21 looked at, I think it is, because over the 13th of the  
 22 the cost of service adjustment, which is 13th of the  
 23 throughout, a significant portion of that also goes to the  
 24 field.

1 in terms of putting together the fiscal 1981 budget and  
2 have some ideas as to whether the present structure of the  
3 budget is appropriate at this time in our history.

4 THIRD QUARTER BUDGET REVIEW FOR FISCAL YEAR 1980

5 MR. SINGSEN: Let me then go to the second  
6 element of the committee's meeting which is a review of the  
7 1980 consolidated operating budget as at the end of the  
8 third quarter, that is June 30, 1980.

9 Attachment A in your board book, starting at  
10 page 32 is the statement of the consolidated operating  
11 budget and presents the original budget, the modifications  
12 adopted by the board in the June meeting, reflecting  
13 modifications through March 31. Expenses after nine months.  
14 Balances and in column 5, some proposed modifications to  
15 the budget. Column 6, the budget as it would be stated if  
16 those proposed modifications were adopted.

17 Previously, on the board book, starting at page  
18 23, there is a discussion of each of the modifications and  
19 a brief explanation. The committee at its meeting,  
20 discussed each of these modifications in some detail.  
21 Reviewed them, questioned them, but after reviewing them  
22 concluded to recommend to the board that the modifications  
23 presented in column 5 be adopted.

24 A couple of the modifications and one comment  
25 I think that was discussed during the meeting, should be  
mentioned here specifically.

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1           One is the census impact project where there is  
2 an allocation out of the unallocated administrative budget  
3 into the census impact project. \$74,000, I believe is the  
4 amount.

5           The purpose of that money is to carry out some  
6 activities related to the under count in the census,  
7 particularly under count as it relates to minority, poor  
8 persons in this country.

9           You may remember when we established that project,  
10 the board was quite clear on the high priority to be given  
11 to this effort. What has happened is that having carried  
12 out the first part of it, that which related to how the  
13 count was conducted itself, we have reached the conclusion  
14 that there are some litigations and some efforts with pro-  
15 grams that need to go on with regard to what is very clear.  
16 That is that there has been an under count in many parts of  
17 the country.

18           To do that, we are putting some more money into  
19 this project above the level originally anticipated so that  
20 we can do that work. This is something that we had discus-  
21 sed back at that board meeting. We explicitly said to use  
22 the contingency reserve if we made that determination and  
23 that is what we have done with that modification.

24           Most of the other changes, just as an aside, as  
25 they usually do, reflect changes in our cost projections or

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in the same level of present where there is  
 an additional set of the most needed activities budget  
 into the current budget project. I believe the  
 amount of  
 the amount of that money is to carry out some  
 activities related to the major event in the country,  
 particularly under current conditions in many of our  
 persons in this country.  
 for the amount of that money is to carry out that project  
 the board will be able to carry out that project in a  
 to this extent, I believe that the amount of that money is to  
 out the board of that project in a way that will be  
 amount was considered that we have reached the conclusion  
 that there are some differences in some of our work  
 to be carried out in a way that will be  
 that is that there has been an understanding in some form of  
 the country.  
 to do that we are looking for some way into  
 has project above the level of the board in some  
 we can do that work. I believe that we have had that  
 the board of that project in a way that will be  
 the board of that project in a way that will be  
 that is what we have done with that project.  
 from the board of that project in a way that will be  
 they would be able to carry out that project in a

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1 the experience of actual costs in these times being some-  
2 what different than we anticipated they would be. They are  
3 not policy changes in the other columns there.

4 There are two minor matters that should be  
5 mentioned. One of them is that the QUIP budget for 1980  
6 anticipated expenses in 1980 which are going to take place  
7 in 1981. So money originally allocated in 1981 as part of  
8 the total QUIP project of \$4 million we are now intending  
9 to spend in 1981. That is the reason for the change in the  
10 QUIP budget item.

11 The other is that it has been the corporation's  
12 practice over the last few years to reflect certain kinds  
13 of returns of funds in the budget statement by reducing  
14 the amount of expenses stated in the current year.

15 Let me explain this. It is technical. The com-  
16 mittee is going to come back in December with a recommenda-  
17 tion for how to handle it in the future but the issue is  
18 this:

19 We make a contract, for example, to write a  
20 manual and we contract to spend \$200,000 to do it and it  
21 only costs \$170,000. That means that \$30,000 wasn't needed  
22 by the contractor. That money comes back to us. It may,  
23 in fact, have never left our hands, depending on the pay-  
24 ment arrangement under the contract but because of the  
25 manner of bookkeeping, the accrual manner that we use,

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the operation of several years in those three major areas -  
 what different than we anticipated they would be. They are  
 not going to be in the same column that  
 there are two major areas that should be  
 considered, one of them is that the PWT budget for 1980  
 authorized expansion to \$1.5 billion which was going to be placed  
 in 1981. So money originally allocated to 1981 in part of  
 the total of the project is \$4 billion we are now intending  
 to spend in 1981. That is the reason for the change in the  
 1980 budget plan.  
 The other is that in the past the corporations  
 could over the last few years to reflect certain things  
 of interest of funds in the budget. Payment by receiving  
 the amount of program which in the current year.  
 for the first time in the budget, the cost  
 of it is going to be paid in 1980. This is a recommendation  
 from how to handle it in the future but the amount is  
 there.  
 We make a contract, for example, to which a  
 contract and we contract to spend \$200,000 for the year of  
 only cost \$150,000. That means that \$50,000 will be  
 in the contract. That money goes back to the  
 in fact, over the last few years, expansion of the program  
 that investment which is a contract for a contract of the  
 other of budget plan, the amount we want to spend for the

1 when we make that contract, we would write the \$200,000 as  
2 expenses at the time the contract is executed.

3 So that, for example, if we did that in 1979,  
4 we would show \$200,000 of expenses for that purpose. If  
5 it is 1980 when the contract is finished and the \$30,000  
6 is realized back, we need to reflect that \$30,000 in our  
7 books. We have already closed 1979. The whole \$200,000 is  
8 shown as an expense.

9 So as a standard accounting practice, what we have  
10 done is to reduce the amount shown as expenditures in that  
11 category in 1980. What that gives us over the two years is  
12 a correct statement of total expenditures in that category.  
13 What it also does is show less money being spent in 1980  
14 than we actually spent and more in 1979 where we can no  
15 longer change it because the audit is complete than was  
16 actually spent. That is the practice we followed over the  
17 last few years and you will see that reflected in several  
18 of the footnotes of the statement where there are expenses  
19 written down as a result of funds which came in having been  
20 previously listed as expended in the prior year.

21 The committee's feeling was that it would be  
22 better to find a practice where significant amounts of  
23 money are involved of presenting such returns other than  
24 just writing down the expenses. That they would rather  
25 have an accurate statement of the amount that went out,

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when we were first contacted we would write the \$200,000 an

expenditure of the time the contract is executed

to that, not counting, it was bid that in 1979

we would have \$90,000 of expenses for that period, it

is in 1980 when the contract is finalized and the \$20,000

is included back, we need to include that \$20,000 in our

books, the same already stated 1979, and about \$200,000 in

expenses for that period.

As for a liability, according to the contract we have

been in the contract the amount about \$200,000 in that

category in 1980. What that gives us over the two years in

a contract amount of total \$200,000 in that category.

What is also going to show that we were paid in 1980

then we actually paid and were in 1979, then we had to

include that in our books, the same in 1979, then we

actually spent that in the period we had to pay over the

first two years and we will see that included in our

of the balance of the contract, when there are expenses

with us over the period of the contract, then we have to

probably listed as expense in the period.

The contract is not a liability, it would be

rather to find a liability when it is not a liability of

money and inventory of general and other things that

that will be done the expense, if it they would rather

have an amount of the amount that they are

WILLIAM H. HARRIS  
CHIEF FINANCIAL OFFICER  
1980-1981  
WILLIAM H. HARRIS

1 at least in the way that the returns are presented. And  
2 the returns presented separately so the committee could  
3 consider and the board could consider whether they wanted  
4 to keep those returns in that same budget area or possibly  
5 allocate them differently.

6 I said that was technical and maybe hard to  
7 follow in an oral explanation but we will be coming to  
8 the committee at its next meeting presenting some options  
9 in terms of how to present that information and I think  
10 in December presenting a recommendation for how in the  
11 future we record such situations.

12 CHAIRMAN RODHAM: How about bigger print?

13 MR. SINGSEN: Bigger print?

14 CHAIRMAN RODHAM: I am serious. I am not being  
15 facetious at all. It swims, I mean I have to just take  
16 my finger and sort of figure out where I am and what I am  
17 doing.

18 MR. SINGSEN: Let me just ask you and this is a  
19 silly question, almost, to have bigger print, particularly  
20 as we get through the year and we need to present several  
21 columns of former budgets, we are using reduction obviously  
22 now. We would need to give you longer of pieces of paper  
23 which don't fit in the book. Would you like that? We can  
24 obviously do that.

25 CHAIRMAN RODHAM: Well, if I am the only one on

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1 who cares about it, it doesn't make any difference but  
2 if anybody else cares about.

3 MR. SINGSEN: We could even present it both ways.

4 CHAIRMAN RODHAM: Or blow it up and put it on the  
5 wall.

6 MR. MC CALPIN: We will work that out.

7 MR. BRADLEY: Gerry, I think maybe it makes it  
8 less technical if we indicate, at least in terms of magnitude,  
9 what we are talking about.

10 What happened was that we had a fund of about  
11 \$650,000 which had accumulated over a period of two, three  
12 or more years and suddenly in this year that \$650,000 was  
13 in effect recaptured by the corporation and shows as a  
14 reduction in expenditure in this one year in that category.

15 That obviously distorts the expenditure picture  
16 with respect to that category. If we were to look on a  
17 comparative basis, year-to-year, of how much we spent for  
18 a particular item and we suddenly see that we spent  
19 \$650,000 less in this year and more by perhaps 3/4 million  
20 more next year, we begin to wonder why there was this  
21 distortion and that is how we really got to it. It was  
22 not just piddling sums of money that we were talking about.

23 MS. SHUMP: Gerry, I am unclear as to where the  
24 additional \$50,000 came from on page 33, column 6 for the  
25 private bar participation.

and then about it. It doesn't seem like it's important but

it's really the same thing.

the other way. We could even present it both ways.

the other way. We could even present it both ways.

and

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the other way. We could even present it both ways.

1 I do not sit on the audit and appropriations  
2 committee and I am sure that I have missed something that  
3 has gone before me but right now I am puzzled because we  
4 have got under expenses ----

5 MR. SINGSEN: Yes, I understand the question.  
6 The answer goes back to about a year and a half ago when  
7 we decided to enter into a joint project between the  
8 corporation and the ABA around private bar participation  
9 and legal services and we committed \$50,000 this year,  
10 \$50,000 last year, I think it was last year, to that  
11 project.

12 So that the \$50,000 which you see here has been  
13 expensed and was expensed at the beginning of the year as  
14 for our share of the cost of that joint project. The  
15 \$500, of course, is the pro bono project that was discussed  
16 and adopted by the board in June.

17 MS. ESQUER: Gerry, what I think she doesn't  
18 understand is why there is still a total of \$550,000 on  
19 your column 6. I think she thinks that that means it is  
20 going to continue into 1981.

21 MR. SINGSEN: I see. All right. The \$550,000 is  
22 the total amount in our budget this year for private bar  
23 participation.

24 MS. SHUMP: Right.

25 MR. SINGSEN: The \$50,000 is spent. The \$500,000

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and the other side of the street.

1 is not spent yet. As with all of these categories, it  
2 reflects what we say we intend to spend this year. When  
3 we adopt a budget for next year, we can already say,  
4 because I think the \$500,000 will not have been spent for  
5 before the end of this month, we will have a \$500,000  
6 budget for that pro bono project in our 1981 budget.

7 The \$50,000 item would only reoccur if we were  
8 going to continue that joint project and put another  
9 \$50,000 into it in 1981.

10 MS. ESQUER: The question she has is does  
11 the figure show that we have made that commitment? It does  
12 not show that we have allocated another \$50,000 for 1981.

13 MR. SINGSEN: No, it does not. This speaks  
14 only about 1980.

15 MS. SHUMP: Right. It just seemed to me that  
16 all of a sudden we had somehow added another \$50,000 to  
17 the \$500,000 that we had already said we were going to  
18 commit for that purpose. That upset me so I figured I  
19 would ask for some explanation.

20 MR. SINGSEN: If you look back in column 1 on  
21 the same, in that column you will see that we started the  
22 year at \$250,000 and then in June we added the \$300,000  
23 so that it is not a change that happened during the year.  
24 We started with that \$50,000 already in. We started at  
25 \$250,000.



1 MR. MC CALPIN: But the June column says another  
2 \$250,000.

3 MR. SINGSEN: No, look in column 5 where the  
4 modification is. That reflects the June decision.

5 MR. MC CALPIN: Oh, oh.

6 MR. SINGSEN: We had a budget of \$250,000 back in  
7 December. We continued that at the June board meeting when  
8 we adopted the budget modifications through the second  
9 quarter, the end of March, we still had a budget of \$250,000.

10 That is the second column here. The third  
11 column, which is expenses, shows that the \$50,000 was spent  
12 during that, has been spent by now. In fact, it was spent  
13 right at the beginning of the year.

14 That left the \$200,000 to which we added the  
15 \$300,000. So you have got the \$50,000, plus the \$200,000,  
16 plus the \$300,000 making up the \$550,000.

17 CHAIRMAN RODHAM: Does that answer your question?

18 MS. SHUMP: Yes.

19 CHAIRMAN RODHAM: Are there any other specific  
20 questions from anyone? Bill or Cecilia, do you have any-  
21 thing to add?

22 MR. MC CALPIN: I move that we approve the  
23 modifications to the budget indicated in column 5 of  
24 Attachment A, page 32 of the agenda materials.

25 MS. ESQUER: I second that.

and we will be in the same column again another

\$250,000.

FOR BUDGET: Now look in column 5 where the

total is \$250,000. What is the difference between the two columns?

THE DIFFERENCE IS \$100,000.

FOR BUDGET: I had a budget of \$250,000 back in

1960. The government had at the time had a budget which

we adopted the budget for the year 1961.

At the end of 1961, we had a budget of \$250,000.

What is the second column here? The total

column which in summary shows that the \$250,000 was spent

during the year. It was spent by me. It was spent

in the budget of the year.

What is the \$100,000 to which we added the

\$250,000? You have got \$250,000 plus the \$250,000.

That is \$500,000 more of the \$250,000.

FOR BUDGET: Does that mean your position

is \$500,000?

FOR BUDGET: Yes, from my other position.

What is the total? \$750,000. Is that correct?

That is right.

FOR BUDGET: I mean that was the

total in the budget which is \$250,000.

That is correct. It is a total of \$250,000.

FOR BUDGET: I would like

to see the

total amount of the budget

and the amount which is

being spent.

That is right.

1 CHAIRMAN RODHAM: Any further discussion or  
2 questions about the motion?

3 (No response.)

4 CHAIRMAN RODHAM: All those in favor, please  
5 signify by saying "aye."

6 (A chorus of "ayes.")

7 CHAIRMAN RODHAM: Opposed?

8 (No response.)

9 CHAIRMAN RODHAM: Gerry, do you want to go on?

10 STATUS OF FISCAL YEAR 1981 BUDGET  
11 ALLOCATION

12 MR. SINGSEN: The third item that the committee  
13 considered was allocations for the 1981 fiscal year, the  
14 year that we will enter October 1.

15 Here the committee had a problem. We do not have  
16 an appropriation. We haven't got anything yet that we can  
17 explicitly be sure we will be able to spend.

18 In addition, as you will recall from prior years,  
19 while we have estimates of the amount of money that will  
20 not be spent during 1980 and will be available for one time  
21 allocations in 1981, we will not have firm figures on which  
22 everybody can rely confidently until late in October or  
23 even early November, depending on precisely the day we  
24 close the books and the audit activities of our auditor.

25 We do have an estimate and the estimate essentially is that, well, on two levels. You have already heard

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to maintain any further discussion of

the above mentioned matter.

(Continued)

any further discussion of the above

mentioned matter.

(Continued)

any further discussion of the above

mentioned matter.

any further discussion of the above

mentioned matter.

(Continued)

any further discussion of the above

mentioned matter.

any further discussion of the above

(Continued)

any further discussion of the above

mentioned matter.

(Continued)

any further discussion of the above

1 that we have got fairly high levels of confidence now.  
2 That our appropriation for 1981 will be \$321.3 million,  
3 an increase of \$21.3 million.

4 Our estimate is that --- well, let me back one  
5 step up. The staff's recommendation to the committee in  
6 Vermont was that a 7 percent cost of living without  
7 deciding for the moment whether it would all be annualized  
8 or whether a percent would be in one time funds, be given  
9 to field programs and be given to the corporation's basic  
10 operations.

11 That would cost \$20.9 million.

12 In addition to that 7 percent, the staff  
13 presented an estimate of available funds after the 7 per-  
14 cent of \$3.7 million. Basically these are carry over funds.  
15 Funds that would not be needed during 1980, based on the  
16 budget that you have in front of you and our own projections  
17 of expenditures through the end of this month.

18 \$3.7 million, which could be allocated to what-  
19 ever purpose the board should decide. The committee, in  
20 reviewing the situation, concluded that at this time, given  
21 the very small amount of money that could be discussed in  
22 terms of one time allocations --- you may remember last  
23 year we were able to talk about \$6, \$7, \$8 million of  
24 one time funds at a comparable time --- that the committee  
25 felt 6 percent was the most that it would be appropriate

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1 to indicate would be allocated for cost of living at this  
2 stage.

3 And so the committee's recommendation is that  
4 6, rather than 7 percent be considered as the cost of  
5 living figure for 1981 at this time. Looking at the  
6 \$3.7 million, plus the \$3 million which is not allocated  
7 if we use 6 instead of 7 percent, gives us \$6.7 million  
8 to talk about for allocation beyond a 6 percent cost of  
9 living.

10 The committee asked the staff to come to the  
11 next committee meeting and present to the committee a range  
12 of options. Options that involve more than the use of just  
13 \$6.7 million and to have at that committee meeting, when  
14 hopefully the appropriation will be known and surely the  
15 one time figure will be known firmly.

16 The discussion that lead to recommendations to  
17 the December board about the specific consolidated opera-  
18 ting budgets for 1981 using all of the funds available to  
19 us. On that issue there is an aside. That committee asked  
20 that in addition to the \$6.7; that is, that source of  
21 funds which I have already described, that the staff present  
22 a complete source of funds statement.

23 The investment income funds, for example, that  
24 were available for allocation should be included. We are  
25 estimating as of September 30 about \$880,000 in that area.

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to indicate would be allocated for cost of living at this

single

And in the committee's recommendation in that

to amount from V percent be considered as the cost of

living figure for 1981 at this time, looking at the

50.5 percent, which is the 50.5 percent which is not allocated

to living, but of V percent, given as 50.5 million

to living, but allocated beyond a 6 percent cost of

living

The committee asked the staff to come to the

next meeting to explain and present to the committee a range

of options. Options that involve more than the use of just

50.5 percent and to have at that committee meeting, when

possibly the proportion will be lower and surely the

will be lower than the 50.5 percent.

The committee then had to recommend to the

the committee about the specific consolidated account

and debate for 1981 using all of the funds available to

of the total amount there is an added. That committee had

that in addition to the 50.5 percent that would be

that would have already been established, that the staff

to suggest a range of living adjustment.

The Government Finance Agency, for example, has

been established for allocation should be included. We are

indicating an amount of about \$30,000 in that area.

1           And any other sources of funds that we may have.  
2 So that the full possibilities available to the board would  
3 be considered by the committee and recommendations would be  
4 made to the board for allocation of all the available funds  
5 at the December board meeting.

6           The staff presented to the committee and it is  
7 in your materials as well, the directions that it is now  
8 taking with regard to its recommendations to the committee  
9 and the board regarding 1981.

10           Basically, what the staff is doing as it is doing  
11 in 1982 as well, is trying to use what funds are available,  
12 not a lot of them. There are not very many. To carry  
13 forward the preparation for the future, the creating of  
14 the future and the maintenance of the present concerns  
15 which the board has been discussing in the context of  
16 Professor Sack's paper and the goals and directions that  
17 are laid out in that paper.

18           There are four areas of recommendation that the  
19 staff is now working with. The first of those is state  
20 support where the staff is working towards a recommendation  
21 that somewhere in the neighborhood of \$2.5 million be  
22 annualized into state support activities. This would make  
23 a big step but no means a complete step towards placing  
24 a full state support structure throughout the country to  
25 work with local field programs.

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And now other sources of funds that we may have  
to that the Bill responsibilities available to the board would  
be available by the committee and recommendations would be  
made to the board for utilization of all the available funds  
in the most judicious manner.

The bill is presented to the committee and it is  
to your committee as well, the intention that it is now  
taking with regard to the recommendations to the committee  
and the board is contained in the

testimony, what the staff in doing with in doing  
in 1982 as well as trying to see what funds are available  
not a lot of them. There are not very many. To carry  
forward the program for the future, the amount of  
the funds and the utilization of the present resources  
which the board has been discussing in the context of  
the program for the future and the goals and objectives that  
are laid out in that report.

There are four areas of recommendation that the  
staff is now working with. The first of them is what  
is not what the staff is working with is recommendations  
to the board on the utilization of staff and how to  
staffing that will be needed to carry out the program  
and what are the major areas of responsibility which  
should be assigned to the staff. The second is

work with local level officials

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B  
1           A second area the staff is working on is an  
2 allocation of \$700,000 for client advocacy work, client  
3 involvement work to move from the stage in which I think  
4 we all perceive ourselves to have been until now. That is  
5 testing a few things but not really carrying forward ideas  
6 that we think might work to a place where we have allocated  
7 some more funds in the budget along with funds, for example,  
8 now going for client board training to get more going on,  
9 to support the work of client advocacy which we all, I  
10 think, believe is very important but about which we need to  
11 know more.

12           A third area into which we are discussing the  
13 placement of funds is the area of coordination between  
14 state and national support and field programs. Coordi-  
15 nation particularly focused on substantive issue work,  
16 not process. The attempt here is to see the network that  
17 we have. The many field programs working on issues, the  
18 growing, and we hope growing more, state support efforts  
19 and the national support efforts as a whole.

20           Through training, through substantive work  
21 between parts of this network to develop much more our  
22 capacity to work for impact. Our capacity to use our  
23 resources more effectively.

24           Here we are talking of \$3/4 million as a  
25 possible allocation level.

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A second area that we want to discuss is the allocation of \$100,000 for other advocacy work. I think involvement work to move from the stage in which I think we all perceive ourselves to have been until now - that is, leading a few things but not really carrying forward them - that we think might work to a place where we have allocated some more funds in the budget along with funds for example, now doing our direct point training to get more going on. To support our work off of that advocacy which we will do. This, however, is very important but about which we need to know more.

I think more into which we are discussing the placement of funds in the area of coordination between state and national support and local operations. Good thing for our country toward an alternative in the event, not because the things are to be done but because we have the many field programs working on issues. The growing and the hope of having more, that support efforts and the national support efforts as a whole.

Through leadership through substantive work we have been able to do work to develop our own capacity to work for people. Our capacity to run our own work is a priority.

Now we are talking of \$3 million as a possible allocation level.

WILLIAM H. BROWN  
 Director, National Center for  
 the Study of Public Opinion  
 University of Michigan

1           The fourth area is the technological improvements  
2 area where we want to move forward on work we have already  
3 done this year, work that relates to programs being able to  
4 avoid making mistakes, programs being able to have packages  
5 that work effectively and cheaply for them, taking advant-  
6 age of modern technology so that they have more money  
7 available for delivery of services and so that they have  
8 the technology supporting a higher quality level of  
9 services. There we are talking in the neighborhood of  
10 \$1/2 million.

11           If you take the four figures I just mentioned  
12 and add them up, it is more than the \$3.7 million. As you  
13 know, we are recommending an additional one percent on cost  
14 of living. More than the \$6.7 million total and we  
15 obviously have some hard choices.

16           There are additional hard choices that the staff  
17 is also working on. We, of course, have our base budget.  
18 OUR base administrative operation. It may very well be that  
19 in order to, pay raises to our staff and to keep in with  
20 the increasing costs of operations, that we are going to  
21 have to propose some decisions to this board that have to  
22 do with not continuing to do some of the things that are  
23 now part of our budget. There simply may not be enough  
24 money to do everything and it may be of higher priority  
25 to do some of the things that I discussed a minute ago.

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1 To add another one percent in cost of living  
2 than to continue some of our activities within the corpora-  
3 tion.

4 So, we will be coming to the committee after  
5 extensive discussions, of course, with the field, with the  
6 client community and then with the committee around the  
7 options, the priorities with some recommendations, options  
8 presented with ranges in terms of the possibilities so that  
9 the committee can see choices and then the committee will  
10 be coming to the board in December with recommendations.

11 At this time the only specific recommendation  
12 from the committee with regard to 1981 would relate to that  
13 6 percent and if we obtain the \$321 million, being able to  
14 move forward to allocate that 6 percent cost of living in  
15 the grants.

16 Here there is a processing issue to be mentioned.  
17 That is that the applications are now being received from  
18 programs for 1981. The fiscal 1981 operations of programs,  
19 their grant years begin January 1, for the most part.

20 We put out the money to them in a first check  
21 that goes out about December 1 and that means that the  
22 processing of those applications, the setting of the grant  
23 amounts and the cutting of the check has to take place in  
24 November, which creates a problem.

25 Yes?

to add another one percent in cost of living

1

to continue some of our activities with the company

2

that

3

we will be coming to the committee with

4

extensive discussion of course, with the field, with the

5

effectiveness and then with the committee around the

6

course, the parties with some recommendations, options

7

and contact with regard to some of the possibilities in the

8

the committee has now adopted and then the committee will

9

be coming to the board in December with recommendations

10

of this kind to give you a general idea

11

from the committee with regard to ERRI would relate to that

12

to contact and as we discuss the ERRI relationship with

13

more because to adjust that 6 percent cost of living to

14

the committee

15

then there is a question that has to be answered

16

about it that the application was now being received from

17

company in the ERRI, the ERRI operations of program

18

that your young people January 1, for the first time

19

we put out the money to them in a lump sum

20

that comes out about \$600,000 and that was the first

21

time that of those applications, the nature of the plan

22

is to have the cutting of the check for the first time

23

to have a problem

24

Yes

25

ERRI  
1000 ...  
...

...

1 JUDGE ORTIQUE: You are suggesting that we ought  
2 to go ahead and adopt a 6 percent base so that the process  
3 can go forward?

4 MR. BRADLEY: We discussed this in Vermont and  
5 I apologize because I have not had a chance to discuss it  
6 with Cecilia and Bill. I did discuss it briefly with Steve  
7 earlier today. Mary and I consulted yesterday and I think  
8 that I am willing to almost guarantee the board that we are  
9 going to have a \$321.3 million appropriation.

10 I was going to ask Bill and Cecilia and the  
11 committee to consider going a step farther than what we  
12 talked about in Vermont. That is in effect passing a  
13 motion that would be predicated on if the Congress passes  
14 and if the President approves a \$321.3 million appropri-  
15 ation.

16 By the time we have to issue the grants and  
17 prepare the checks which will be in the month of November,  
18 prior to the board meeting, you authorize us to go ahead  
19 and do that.

20 Otherwise, it just simply means that at the  
21 December board meeting, that we will have to do everything  
22 twice. We will have to go back and prepare second grant  
23 documents and second checks to reflect that 6 percent.

24 I do not think it is a risk. I do not even think  
25 it is a remote risk but it is something that ---

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... you've established that we ought  
to be afraid and about a ...  
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1 JUDGE ORTIQUE: If you do not have the money,  
2 you do not have the money. I understand that.

3 MR. BRADLEY: I think that it is important to  
4 put it in perspective. There certainly seemed to be at  
5 the appropriation committee and there is certainly unanimous  
6 staff recommendation and I think the unanimous FCC field  
7 recommendation in the groups that we have met with, that  
8 all of the parties and all of the directions which Gerry  
9 just enumerated, above all that our first priority is at  
10 least a 6 percent annualized cost of living increase to  
11 our existing programs.

12 And I do not think that all of the discussions  
13 that the committee and the board will have between now and  
14 doomsday, meaning December the 5th and 6th, is going to  
15 change that priority.

16 If the board feels that there is a good possi-  
17 bility that you may not move in that direction, then that  
18 is a different issue. But I think that it is clear that  
19 of what we have discussed and what we have projected and  
20 what we are planning will move us in that direction.

21 If that is in fact the case, I do think that this  
22 board could pass a resolution or a motion that is contin-  
23 gent upon the appropriation bill passing. If it doesn't  
24 pass and is not approved, then we do not do it. If it does  
25 pass and it is approved, then we would have the opportunity

JUDITH: If you do not have the money,

you do not have the money. I understand that.

MR. WATSON: I think that is important to

me in the perspective. There certainly seems to be a

the organization committed and there is certainly something

which is commendable and I think the members of the

organization in the groups that we have met with, that

all of the people and all of the directors which group

just mentioned, above all that our task is to

look at a program which is to be living in terms of

our entire program.

And I do not think that all of the discussion

and the committee and the board will have between now and

probably, maybe, maybe the 20 and 25, in going to

change that priority.

If the board feels that there is a good point

of view that we may not have in that direction, then that

is a different issue. But I think that it is clear that

of that we have discussed and what we have proposed and

what we are planning will move us in that direction.

It is not in fact the case, I do think that this

board could have a resolution or a motion that is similar

to that of the organization. It is desirable

and in not approved, then we do not do it. It is done

and it is approved, then we would have the opportunity

WILLIAM A. WATSON

CHIEF EXECUTIVE OFFICER

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1 to do the paperwork, the computer work, the processing  
2 work to get the checks out on time as we have in the past  
3 been able to do.

4 MR. MC CALPIN: I would say, Madam Chairman,  
5 that that is certainly consistent with what the appropri-  
6 ations committee discussed, considered and agreed to at  
7 Bolten Valley two weeks ago.

8 There were some other things that were not so  
9 unanimously agreed to but I think that there was solid  
10 consensus of agreement on the 6 percent increase and I think  
11 that it would be an unnecessary burden on everybody not  
12 to recognize that, particularly in the contingent phase  
13 Dan has just suggested in processing the applications  
14 and getting those first checks out before this board is  
15 scheduled to meet again.

16 CHAIRMAN RODHAM: Is that motion then from  
17 either of you?

18 MS. ESQUER: So moved.

19 CHAIRMAN RODHAM: Is there a second?

20 MR. MC CALPIN: Second.

21 CHAIRMAN RODHAM: Any further discussion or  
22 questions?

23 (No response.)

24 CHAIRMAN RODHAM: All those in favor, please  
25 signify by saying "aye."

In the pastwork, the computer work, the procedure  
was to get the check out of the bank and have it  
sent to the bank.

THE BANK WORKS: I would say, that the  
bank that is currently connected with the  
current computer database, conditions are good to  
be in the Valley two weeks ago.

There were some other things that were not  
mentioned, but I think that there was a  
connection of agreement on the present situation and a  
plan to be a necessary action on overall  
to improve that, particularly in the current  
and that just suggested in general the  
of getting them started on before the  
submitted to each other.

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plan to be a necessary action on overall  
to improve that, particularly in the current  
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submitted to each other.

1 (Chorus of "ayes.")

2 CHAIRMAN RODHAM: All those opposed?

3 (No response.)

4 CHAIRMAN RODHAM: Gerry, do you want to continue?

5 MR. MC CALPIN: What are you going to next?

6 MR. SINGSEN: I was heading toward 1982.

7 MR. MC CALPIN: Then I would like to stop a  
8 minute at this point.

9 There was a lot of discussion at the audit and  
10 appropriations committee which was on Thursday about another  
11 1 percent to the field, a cost of service adjustment and  
12 there was a very strong recommendation made by the staff  
13 and I suppose I was the sand in the gear box.

14 MS. ESQUER: You sure were.

15 (Laughter.)

16 MR. MC CALPIN: At that point. The next day we  
17 met with the PAG group and sat and listened to them as  
18 they discussed this and first of all, the sentiment that  
19 was sensed that I sort of got out of it was that there were  
20 a lot of concerns among the members of that group present  
21 in that room and many of their concerns went beyond  
22 additional cost of service adjustment and I had the feel-  
23 ing that at least some of them would like some other things  
24 before they got the next 1 percent.

25 There was not certainly the unanimity of feeling

(Name of "eyes")

CHARLES ROBERTS: ALL those people

(to respond)

CHARLES ROBERTS: (very) do you want to

MR. MC GILBERT: That was you going to

MR. ROBERTS: I was looking toward

MR. MC GILBERT: When I would like to

where in this point.

There was a lot of discussion in the

committee which was on the subject of

I found in the field, a sort of

there was a very strong recommendation

and I suppose I was the hand in the

MR. ROBERTS: You were

(amplify)

MR. MC GILBERT: At that point, the

with the two groups and was

they discussed this and that of

was found that I sort of got out of

a lot of discussion among the

in that case and many of their

additional sort of adjustment

and that in fact some of these

before they got the rest of

there was not generally the

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UNITED STATES DEPARTMENT OF JUSTICE  
WASHINGTON, D. C. 20535

100-100000

1 with respect to that additional 1 percent that there was to  
2 a basic 6 but I didn't get a chance to discuss it with  
3 Cecilia or Ramona who were there but one additional idea  
4 that I got and I passed on in a written note to Gerry  
5 before I left was really the question of whether if we do  
6 go that 1 percent, it ought to be straight across the board  
7 or whether, as in the past, it ought to be considered in  
8 terms of sort of a weighted adjustment to programs who are  
9 funded below, way down, low level.

10 I have forgotten, there was a phrase that was  
11 used years ago for that kind of a use of some of the  
12 cost of service money. I do not remember the two-word  
13 phrase.

14 MR. SINGSEN: Are you thinking of equalization?

15 MR. MC CALPIN: Was it equalization? I do not  
16 know but the question is, and I have asked Gerry to consi-  
17 der this, if we do go an extra 1 percent cost of service  
18 adjustment, whether it ought to be across the board or  
19 whether it ought to be used to bring the poorer funded  
20 programs up a little closer to the average or higher level  
21 funding programs.

22 At the moment I have not expressed any view about  
23 that but it seems to me we at least ought to know what we  
24 might be able to accomplish in that direction with an  
25 extra 1 percent.

With respect to that additional I believe that there was to

in certain I think that a chance to discuss it with

Goodman or someone who were there but one additional thing

that I don't want to do is to have a meeting with you

before I tell you really the position of what I do so far

of that I believe, it ought to be straight across the board

of whether as in the past it ought to be considered in

terms of what of a variety of alternatives to be proposed and

which I believe you would have to

I have forgotten, there was a thing that was

and you're not for that but of a new kind of thing

kind of new idea, I do not remember the wayward

change

MR. ROBERTS: And you thinking of an additional

and I'd like to see if you could have a

know but the problem is, and I have not had time to think

then this, if we do go on with a present sort of system

the question, whether it ought to be present, the fact of

whether it ought to be there to bring the present thing

to appear in a third element to be covered or might I say

kind of program

At the moment I have not covered any of the

that but it seems to me we should have to look what we

might be able to accomplish in that direction with an

other I believe

MR. ROBERTS: I believe  
I believe I believe  
I believe I believe  
I believe I believe

MR. ROBERTS

1           Certainly there was a lot of discussion at the  
2 PAG meeting about that kind of extra subsidy for the pro-  
3 grams which are funded at the low end of the scale.

4           MR. TRUDELL: Bill, were there any examples  
5 given in terms of areas of the country or pockets that  
6 would need some kind of equity in funding?

7           MR. MC CALPIN: All I can really remember is that  
8 basically it was the people sitting at that sort of corner  
9 of the room. I do not remember exactly where they came  
10 from.

11           I do not remember, Dick, that there was any  
12 particular geographic area or any particular kind of pro-  
13 gram. There was a discussion about that "equalization," if  
14 that is the word, concept.

15           CHAIRMAN RODHAM: Cecilia.

16           MS. ESQUER: Bill, I think I like the ideas that  
17 you are proposing. I think the thing that I would like to  
18 be a little bit more cautious about is whether we should  
19 actually be talking about that 1 percent which would total  
20 7.

21           Whether we should be talking about that 1 percent  
22 in the equalization thing. What I would like to do is  
23 wait until we have some of the year end balances and talk  
24 about the possibilities, see if there is a possibility of  
25 an additional 1 percent for the purposes that you are

1 Certainly there was a job of discussion at the  
 2 BAC meeting about that kind of extra impetus for the  
 3 process which was ended at the end of the year.  
 4 MR. ROBERTS: Will you have any questions  
 5 given to learn of some of the country or political  
 6 would need some kind of equity in financing.

7 MR. DE CALBERT: All I can really say is that  
 8 certainly it was the people sitting at that table  
 9 of the room. I do not remember exactly where they were  
 10 then.  
 11 I do not remember, Rich, that there was any  
 12 particular discussion or any particular kind of  
 13 great thing was a discussion about that particular  
 14 item in the word, concepts.

15 WILLIAM ROBERTS: (inaudible)  
 16 MR. ROBERTS: Will I think I think I think I think I  
 17 you are speaking. I think the thing that I would like to  
 18 be a little bit more certain about is whether we should  
 19 actually be talking about that program which would be  
 20 A

21 whether we should be talking about that program  
 22 in the equity situation. What I would like to be  
 23 sure until we have some of the year and have some  
 24 about the possibilities, and if there is a possibility  
 25 an additional program for the purposes that you are

1 proposing.

2           What I would really like to see us consider is  
3 that if the balances and things like that would allow the  
4 total of 7 percent across the board and still allow for  
5 the activities that the board has undertaken for future  
6 planning, I would then like the third consideration of  
7 what you are talking about to see if there is an additional  
8 1 percent for that type of activity.

9           I really think that this year is crucial that we  
10 do try to achieve a total of 7 percent across the board.  
11 I feel very strongly about that and I do not think that  
12 this would be the year to be talking about the equalization.

13           I think that, you know, the inflation thing, the  
14 whole economic thing is pretty gross. I heard the same  
15 things you heard at that meeting but I do not think they  
16 necessarily would cut against that 1 percent.

17           MR. TRUDELL: I could not agree more. I think  
18 7 percent is at a minimum just with the increase in taxes  
19 and everything else next year and then what the President  
20 is talking about in terms of federal employees. I do not  
21 think we should be setting ourselves up to have a pocket  
22 of money that people can play with. Lock it in and forget  
23 it.

24           MS. ESQUER: I am almost assuming that Gerry's  
25 figures are a little bit conservative as to what the total

proposing

that I would really like to see a committee

that is the business and things like that would like the

form of V. I would want to be part of it and I think the

the activities that the board has undertaken in the

planning, I would like to be part of that and I think

what you are talking about is to have an additional

percentage for that type of activity.

I really think that your is a real thing we

do try to achieve a lot of V. I would want to be part of

I feel very strongly about that and I do not think that

this would be the way to be talking about the organization

I think that, you know, the activities that the

activities that they are really going to have to do

things you have to do that would be a lot of things that

necessarily would be a part of that I would

but I think that I could not agree with you on that

I would like to see a situation just with the business and I

and everything else that you are talking about and I think

I would like to see a situation just with the business and I

think we should be talking about it in a way that

of money that people can give with it in and we can

11

MR. BROWN: I am almost finished with that

question and a little bit more as to what the

1 amount of money would be available.

2 I really hope that they can really squeeze and  
3 find a second 1 percent.

4 MR. MC CALPIN: I certainly was not suggesting we  
5 do anything about it today. Only pointing out that hope-  
6 fully you will come back to us the next time the audit  
7 appropriations committee meets and they will have all of  
8 these possibilities totaling, at our suggestion, more than  
9 the money available to force us to make the kinds of  
10 difficult decisions that are involved.

11 MS. ESQUER: I think that I would be pushing very  
12 strongly against the equalization thing if the total is  
13 only 7 percent. I just think I could not support that  
14 equalization concept.

15 MR. MC CALPIN: I am certainly not committed to  
16 it. I just wanted to see what we could do with it.

17 MR. BRADLEY: I want to emphasize one thing  
18 that Gerry pointed out and make sure that you understood  
19 what he was saying.

20 You remember last year we made the tough decision  
21 to reduce the administrative cost of the corporation by  
22 10 percent.

23 The exercise that we are going through right  
24 now especially with --- because they represent the  
25 largest portion of our activity, that we are taking

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amount of money would be available.

I really hope that they can really improve and

find a way and I percent.

WILLIAM W. WADSWORTH I certainly was not suggesting we

do anything about it today. Only pointing out that hope

fully you will come back to us the next time the staff

representatives committee meets and they will have all of

these possibilities of feeling all our representatives were that

the money available to them in to make the kind of

difficult decisions that are involved.

WILLIAM W. WADSWORTH I think that a good deal of money was

strongly against the commission this is the total of

only 7 percent. I just think I could not suggest that

commission concept.

WILLIAM W. WADSWORTH I am certainly not opposed to

it. I just wanted to see what we would do with it.

WILLIAM W. WADSWORTH I want to suggest to you that

that Gary pointed out and also that you understand

what he was saying.

You remember that year we had the fourth session

to review the administrative part of the commission by

10 percent.

the committee that we are doing through this

now especially with -- because they represent the

largest portion of our activities, that we are taking

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WASHINGTON, D.C. 20540

1 the staff, we started meeting yesterday and we are  
2 continuing meetings.

3 We are taking a very, very detailed, close look  
4 at all aspects of our budget allocations that may result  
5 in some proposals from the staff that will drastically  
6 change, possibly reduce, cut back a lot of the activities  
7 of the corporation and some of our past programs.

8 I do not know that we should do that. I just  
9 wanted to let you know that we are looking at those issues  
10 that might result in programatic changes, cut backs and  
11 reductions.

12 That is consistent with the request that you  
13 made of us up in Vermont and we are doing that probably  
14 for the first time in the history of the coporation because  
15 we have not had the tight financial crunch before because  
16 of the massive increase of expansion funds.

17 MS. SHUMP: I have some very serious concerns  
18 about making sure that we give the largest possible increase  
19 to --- people. I have an even larger concern, that is  
20 to insure that within our own house we have some equity in  
21 salaries.

22 On top of that, of course I have got to say  
23 I would hope that we would insure that our clients are  
24 definitely right up there alongside of the other two.

25 I do not know exactly how much money we are

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going some up with but I know that we are not to have to  
 look at everything very closely. In order to keep the  
 people that we have, many of them who have been around for  
 a long time and are extremely dedicated and work very  
 very hard and insure that our clients are also allowed the  
 opportunity to participate.

Our own staff feels justified in devoting the  
 work and the long hours that we ask of them that we are  
 going to have to look at anything differently from other  
 areas to insure that that comes across.

JUDITH OSTROM: I do not want to pretend that  
 discussion but there is another aspect to this that I  
 think that ought to come on the table.

Bill, I would hope that you wouldn't just keep  
 all these your position might vary because it has extreme  
 merit in my view and we ought to look at it of them  
 possibilities a great deal.

One of the problems that I have in mind is  
 that that program get their heads to they can demonstrate  
 product and because they have got the resources to  
 demonstrate and your program get better because they  
 do not have the resources to demonstrate the need.

I think all of those things have got to be  
 put on the table and we take a look at them and  
 not back away from any of the possibilities.

1 I am obviously sympathetic to the increases in  
2 salaries. But at the same time I am concerned about those  
3 programs who are just barely able to survive because they  
4 have been the stepchildren of the program.

5 They cannot demonstrate their capability to do  
6 things. Of course, if you throw some more money to them,  
7 they will be able to do that.

8 MR. MC CALPIN: I just wanted to make sure I  
9 understand your amplification of Gerry's remarks.

10 Are you talking in the area of the administrative  
11 budget only or are you talking about ---

12 MR. BRADLEY: Not the annualized field base of  
13 the \$280 million but the difference between the annualized  
14 field base and the other support, administrative manage-  
15 ment and the support activities of the corporation.

16 Basically, I guess, and it is an over simplifi-  
17 cation, basically the \$20 million as opposed to the \$280  
18 million.

19 MR. MORRISON: I would like to put a couple of  
20 things Bill said into a little bit of perspective and also  
21 this discussion in some perspective in talking about the  
22 6 and 7, whatever.

23 I think the first thing that has to be said about  
24 the percentage increase is to remember that last year's  
25 increase was 5 percent annualized and 2 percent one time.

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1           So that any increase this year is in fact 2  
2 percent less because that 2 percent one time is going to go  
3 away with respect to last year.

4           So when you are talking about 7, you are talking  
5 about 5, when you are talking about 8 you are talking about  
6 6. If you are talking about 6, you are talking about 4.  
7 That may seem a little artificial but that is the way it  
8 feels when you are in the program and you have to meet  
9 expenses.

10           The second thing has already been alluded to but  
11 I think it is important. Once again, the President played  
12 his little game. We went in 6 percent, that is what every-  
13 body is going to get, 6 percent. That is what he recom-  
14 mended in our budget but 9 percent is what federal employees  
15 are going to get.

16           Obviously not all the money goes to the salaries.  
17 Obviously their are wage programs. We can reduce staff and  
18 raise salaries but the fact is that if we had been, the  
19 theory that had given us the 6 percent increase really  
20 should have given us a 9 percent increase. So we have got  
21 that gap once again.

22           Bill is absolutely right that there were  
23 expressed at the PAG meeting concerns about what some  
24 people from some parts of the country view as an equali-  
25 zation concern. Some people from other parts of the

1 to that any investment which you are making  
 2 percent. I am assuming that 2 percent and that is going to go  
 3 away with respect to last year.  
 4 So when you are talking about V, you are talking  
 5 about 5, when you are talking about 8 you are talking about  
 6 10. If you are talking about 10 you are talking about 15.  
 7 That may seem a little over-stated but that is the way it  
 8 looks when you are in the program and you have to make  
 9 decisions.  
 10 The second thing that I am talking about is that  
 11 a little bit of investment, some money, the investment in you  
 12 in a little bit of time. We want in 6 percent, that is what we  
 13 body is going to get, 6 percent. That is what is going  
 14 to be in our budget but 2 percent is what we are going  
 15 to get.  
 16 Obviously not all the money goes to the other side.  
 17 Obviously there are ways programs, we can reduce a lot of  
 18 raise salaries but the fact is that we had every  
 19 theory that had given us the 6 percent investment really  
 20 should have given us a 9 percent increase. So we have got  
 21 that gap once again.  
 22 All in all, I am really right that there was  
 23 a program at the 100 percent increase about that was  
 24 people from some parts of the country who are an excellent  
 25 salary increase. Good people from other parts of the

1 country consider as problems in what the actual count of  
2 poor people ought to be. What some people from other  
3 parts of the country consider a concern about how much it  
4 costs to deliver services.

5 As a result of all of that, in making a proposal  
6 for the 1982 mark, the PAG steering committee approved  
7 trying to have some amount of money in for a concept which  
8 is called, not equalization and not restoration and not  
9 cost variation but more equitable distribution, which is  
10 not a joke.

11 I mean it causes people to smile, but the fact is  
12 this is a difficult devicive issue on which nobody is  
13 completely right and wrong. There are issues of concern  
14 and it depends on where you sit.

15 I think the PAG steering committee went through  
16 and came out with a constructive result which is that we  
17 have to try to meet that combination of concerns when we  
18 address this issue and not select one or another of the  
19 concerns.

20 I think that idea has been expressed by Gerry  
21 in the past. It is in Howard's paper. I think it is  
22 there. I think we ought not to try to address it in 1981  
23 and it was not the vote of the PAG steering committee to  
24 include this concept in 1981.

25 The other thing about 1981 and the PAG steering

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1 committee is that there difficult balancing issues about  
2 1981. I think the vote that was taken reflects a very  
3 responsible kind of balancing and that was that what you  
4 might you expect and what people might have predicted  
5 historically was the steering committee would say across  
6 the board, annualized funds, just do that and nothing else.

7 But that is not what was voted on and the  
8 priorities that we propose are the 6 percent annualized  
9 that you have already approved and another 1 percent one  
10 time to replace one of the 1 percent that was given out on  
11 a one time basis last year.

12 Then after that, on an equal level with that  
13 one time, \$200,000 in client advocacy. At least \$2 million  
14 of state support which is annualized funds. In other  
15 words, a choice that that priority is important before  
16 putting more annualized funds in existing categories.

17 A small amount of money for technological  
18 improvements and then after that the consideration of a  
19 second 1 percent one time to try to replace the second  
20 1 percent that I have described that is there for last  
21 year.

22 I think that that is a total description of what  
23 the decision of the PAG steering committee was. We have  
24 the same problem that you have. That is a difficulty try-  
25 ing to balance. I frankly think that the process that

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...and that there are different ...

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1 we went through this year and the results that we came out  
2 with is a very wise balancing of those things and I  
3 commend it to your attention.

4 I would hope and wish that the two items that we  
5 proposed as top priority, an additional 1 percent one  
6 time, not annualized, across the board and \$200,000 for  
7 client advocacy, pro se and lay advocacy, that you would  
8 adopt those today with the same condition that you have on  
9 the 6 percent.

10 If the predictions that Gerry has are wrong,  
11 \$321.3 plus at least \$4.27 million one time, then all bets  
12 are off but that you could approve those today with the  
13 same conditions and we would recommend those because those  
14 are our top priorities and we don't think you should shrink  
15 from those anymore than from the 6 percent.

16 MS. SHUMP: I would like to only deviate one  
17 little bit from that. Let's get that figure up to \$300,000.

18 MR. BRADLEY: I think that clearly, not the  
19 specifics on what Bruce just spoke to but the issues that  
20 are implied in what he is suggesting I thought was exactly  
21 what Cecilia and Bill discussed and rustled with and  
22 decided that now is not the time for them to make that  
23 recommendation to the board until these other events took  
24 place that we will refer to later.

25 I am not saying that what Bruce or the PAG

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1 steering committee recommended would not, in fact might be  
2 the October-November audit appropriations committee  
3 recommendation to the board but that they just didn't want  
4 to go that far.

5 Bruce, as you know, I tried to push the committee  
6 and they just sort of resisted doing that and I think for  
7 some valid reasons and considerations. I assume that it  
8 is probably still the sense of the committee that while  
9 they respect those recommendations that the steering  
10 committee made, that they are still inclined not to make  
11 those priority recommendations and decisions at this time.

12 MR. MC CALPIN: That certainly is my view. I  
13 think if we consider a commitment of another 1 percent  
14 which would of course bring us down to a very, very thin  
15 layer of uncommitted even at the \$321.3 million which seems  
16 to be assured now and without really any idea of what kind  
17 of carry over funds or what investment funds, if we choose  
18 to use them in that way we might have available and I think  
19 that until we get to the end of the year and see what we  
20 are going to have in the way of carry over, that that is  
21 not a prudent decision.

22 MS. ESQUER: I think so. I think that at least  
23 Bill and I really gave a pretty clear signal that we are  
24 very supportive of what has been suggested.

25 I think that we would not be remiss in the



1 meeting. I mean I think we would make a better decision.  
2 I mean we might have more money, too, you know. I do not  
3 think it really hurts any to just wait.

4 I guess it was longer from May to September than  
5 it will be from September to December.

6 CHAIRMAN RODHAM: How.

7 MR. SACKS: In deciding whether to give an  
8 additional 1 percent across the board or to try to do  
9 something by way of equalization, I assume that the commi-  
10 ttee and the staff will consider the census problem which  
11 I understand to be a problem.

12 That is, you may have some programs funded let us  
13 say, at 765, a whole bunch of them. You would like to  
14 perhaps give them some money out of this 1 percent but the  
15 census figure, which will not become available for some  
16 considerable period of time might turn out to produce a  
17 result in which programs funded in 765 are really funded  
18 in 865 or 465.

19 I was told by staff that it is difficult, there-  
20 fore, to know whether now is the time to move to equali-  
21 zation because you might move one step and then have to  
22 retreat one step. So I hope that that will be carefully  
23 considered when the committee meets in November, December,  
24 whatever it may be.

25 The other thing I wanted to ask, Gerry, I have



1 been following your oral discussion. In terms of your  
2 memo of August 15th to the committee. It is board book  
3 page 30, you seem to be going right down the line of what  
4 you said to the committee in the memo except you have not  
5 mentioned training. That is paragraph 4 on page 6 of your  
6 memo. Was that an inadvertent ---

7 MR. SINGSEN: I think I mentioned it but used the  
8 word only once. It was in the context of the recommenda-  
9 tion about coordination of the field programs, state  
10 support, national support network.

11 We intend to use a part of that money that we  
12 are talking about, assuming that we go ahead with that  
13 recommendation, for training around substantive issues and  
14 around the ways that the different parts of the network  
15 work together.

16 We do not have a proposal for 1981 at this time  
17 to increase our general training activity level. Looking  
18 at the priorities, priorities in your paper by-in-large,  
19 we are at least tending to the conclusion that the state  
20 support area, the training and other activities in the  
21 support related work, the client advocacy, the technologi-  
22 cal improvements come before an increase in our current  
23 commitment to training.

24 Now, let me say one other word on that. We are,  
25 of course, moving forward on the decentralization and

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1 localization of training. That is resulting in significant  
2 reduction in cost because training is being delivered  
3 locally. A lot of travel costs, some consultant costs  
4 disappears as we train people to deliver local modules and  
5 those folks are there on the scene.

6 So that I think there is some practical increase  
7 in the amount of training that can be delivered out of our  
8 basic training budget and program support. At the same  
9 time, I do not want to hide the fact that this year some  
10 of the special needs funds that field services put out in  
11 grants went to state support efforts or training put to-  
12 gether by coordinated groups within states.

13 Field services is not going to have any signifi-  
14 cant amount of money for special needs grants in 1981, for  
15 training or anything else. We do not have that kind of  
16 discretionary money this year.

17 The total amount of dollars that we spend in  
18 1981 on training will probably be less than the total  
19 amount of dollars we spent in 1980. Still, we have reached  
20 the priority conclusion reflected in our tentative recom-  
21 mendations and working papers.

22 MS. ESQUER: There is one thing that maybe we  
23 should bring out in a more exclusive fashion. I think,  
24 Bill, you mentioned it in passing. That has to do with the  
25 investment income.

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... of the ...

1 I think that traditionally since that pot was  
2 created, it has kind of been set aside for projects that  
3 the board has a special interest or innovative type things  
4 and our feeling at the committee meeting after just a  
5 fairly brief discussion was that maybe the tight monies  
6 that we have right now really would not allow for us to  
7 continue set aside that money and that we should really  
8 kind of put it in with the other unallocated funds that  
9 we have.

10 I think both Bill and I thought that maybe this  
11 was the year to do it. I think that, we have not talked  
12 with Steve about it, but that is going to be one of the  
13 things, one of the discussions that will take place at the  
14 next committee meeting.

15 CHAIRMAN RODHAM: But all of these things that  
16 we have been discussing will come to us in the form of  
17 recommendations.

18 MS. ESQUER: Yes, but I thought I would just kind  
19 of signal that --- we just don't want to just drop it.

20 CHAIRMAN RODHAM: Are there any other questions  
21 or comments?

22 (No response.)

23 CHAIRMAN RODHAM: Gerry, do you want to proceed?

24 MR. SINGSEN: Yes.

25

I think that the family which got way  
 involved in the kind of work that we do  
 the board has a special interest in the  
 and a feeling of the committee working after that  
 family trial discussion was that while the right answer  
 that we have tried now really would not allow for us to  
 continue not only that money but that we should really  
 kind of put in with the other members of the  
 we have

I think that Bill and I thought that maybe this  
 was the best way to do it. I think that we have not talked  
 with Steve about it, but it is going to be one of the  
 things, one of the discussions that will take place in the  
 next committee meeting.  
 CHAIRMAN: Now, I think that we have not talked  
 with Steve about it, but it is going to be one of the  
 things, one of the discussions that will take place in the  
 next committee meeting.  
 CHAIRMAN: Now, I think that we have not talked  
 with Steve about it, but it is going to be one of the  
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 next committee meeting.  
 CHAIRMAN: Now, I think that we have not talked  
 with Steve about it, but it is going to be one of the  
 things, one of the discussions that will take place in the  
 next committee meeting.

## 1 FISCAL YEAR 1982 BUDGET MARK

2 MR. SINGSEN: That brings us to the question of  
3 the 1982 mark, I believe. A memo was sent out the end of  
4 last week. Did all the board members receive it? I have  
5 copies of it here if anyone did not. There are copies on  
6 the table back here for anyone in the audience. Does  
7 everybody have it?

8 The committee discussed 1982. The absence of  
9 an authorization having been completed by the House and  
10 Senate and approved by the President so that we do not have,  
11 this has happened once before in our history, a formal  
12 statement by Congress of a level to which we are authorized  
13 to request funds. Nor do we have a statement that we can  
14 request anything that we want. We are in a vacuum.

15 We do not know what the level is going to be.  
16 You have heard Mary's report on the status of the authori-  
17 zation.

18 The staff presented to the committee and the  
19 committee decided to recommend to the board a 1982 mark of  
20 \$399,721,000. In terms of the component of the mark, the  
21 committee did not attempt to decide what the components  
22 should be.

23 The staff presented a tentative group of  
24 components. Elements that would make up the use of \$399  
25 million. But in the absence of the firm authorization

REPLY TO THE MEMORANDUM

1. The Commission has received your memorandum of 10/10/50.

2. The Commission is aware of the fact that you are a member of the

3. Commission and that you are also a member of the American

4. Bar Association. It is noted that you are also a member of the

5. American Bar Association and that you are also a member of the

6. American Bar Association.

7. The Commission is aware of the fact that you are a member of the

8. American Bar Association and that you are also a member of the

9. American Bar Association. It is noted that you are also a member of the

10. American Bar Association and that you are also a member of the

11. American Bar Association. It is noted that you are also a member of the

12. American Bar Association and that you are also a member of the

13. American Bar Association. It is noted that you are also a member of the

14. American Bar Association and that you are also a member of the

15. American Bar Association. It is noted that you are also a member of the

16. American Bar Association.

17. The Commission is aware of the fact that you are a member of the

18. American Bar Association and that you are also a member of the

19. American Bar Association. It is noted that you are also a member of the

20. American Bar Association and that you are also a member of the

21. American Bar Association.

22. The Commission is aware of the fact that you are a member of the

23. American Bar Association and that you are also a member of the

24. American Bar Association. It is noted that you are also a member of the

25. American Bar Association  
26. American Bar Association  
27. American Bar Association  
28. American Bar Association

29. American Bar Association

1 and with the feeling that more work needed to be done on  
2 this issue, the committed concluded that today it would  
3 only recommend the mark so that we could inform OMB and  
4 move ahead with our attempts to help OMB find a figure  
5 that it would recommend to the President which would be  
6 appropriately taking into account the needs of our programs  
7 and our clients and that we would work through specific  
8 contents coming up to the meeting of the appropriations and  
9 audit committee and then with recommendations to the board  
10 that would be reflected in the budget request that we  
11 deliver to Congress in mid-January.

12 The components are listed on the first page that  
13 were discussed with the committee. Again, not as the firm  
14 components. This is an issue which is not here, even in  
15 terms of a staff recommendation to the committee. Unlike  
16 1981, for example, where the staff had some recommendations  
17 on specific components.

18 Basically, the components include a cost of  
19 living increase set at the current rate of inflation,  
20 13 percent, with the recognition that even if the rate of  
21 inflation in 1981 is lower than that.

22 Bruce has described it and I think as we all have  
23 experienced it and discussed it in the past, programs have  
24 been falling away from the minimum access level in terms  
25 of their capacity to deliver because inflation has simply

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1 outstripped our ability in the last few years to keep up  
2 with it, given the level of increases we have had from  
3 Congress.

4 In addition, we propose to move forward very  
5 assertively on completing work on the support base, the  
6 training base which we think is critical to our ability to  
7 work with programs around the country to develop through-  
8 out the system the basic capacity to do high impact,  
9 effective work on a full range of substantive issues.

10 The third increase which is listed here as in  
11 technological improvements. It is basically stated at a  
12 level of the difference between our request this year for  
13 1981 and what we are now thinking we are going to propose  
14 to spend in 1981. A difference of about \$2 million.

15 This is, again, to carry forward, to be able to  
16 carry forward in a more supportive fashion financially,  
17 programs transitioned to much more efficient tools.

18 Institutionalized figure, of course, reflects the  
19 fact that we have not succeeded this year in obtaining an  
20 appropriation with enough funds in it for us to do any-  
21 thing about the institutionalized. It is a group of people,  
22 very few of whom are in fact receiving services from our  
23 programs.

24 They are located frequently in difficult  
25 circumstances for service delivery. They are not part of

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outstanding one ability in the last few years to keep up  
with the level of business we have had from

company.

In addition, we progress to move forward very

carefully on capital and on the support base, the

financial base which we think is critical to our ability to

work with programs through the country to develop through

our the level of the bank's ability to help farmers,

which we work on a full range of alternative financial

the kind of financial which is listed here on the

product of our investments. It is particularly critical to

level of the difference between our request this year for

1981 and what we are now thinking we are going to require

to be in 1981. A difference of about \$3 billion.

which, if it is to carry forward, to be able to

carry forward in a more important financial flexibility,

to carry forward to such more efficient levels.

to carry forward (of course, of course, of course) the

to carry forward we have not yet had a full year of operating as

to carry forward with some things that we have to do now

to carry forward the financial base, it is a group of people

very few of them are in that receiving services from our

company.

they are being directly involved in

to carry forward the financial base, it is a group of people

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1 our minimum access base. The \$15 million figure stated  
2 here is a basic figure, depending on the level of service  
3 we intend to provide, depending on how we coordinate our  
4 service provision with that of other institutions in the  
5 government that are providing funds are working toward  
6 service to the institutionalized, this figure could change.

7 \$15 million, a figure we talked about last year  
8 before settling on the \$9 million figure that is in our  
9 request for 1981 is, we think, an appropriate figure for  
10 the basic move towards the institutionalized.

11 Finally, a \$5 million item for several additional  
12 program emphases, climate advocacy and participation  
13 efforts, private bar involvement, assistance in particularly  
14 difficult service delivery and, Bill, this goes back of  
15 course to the equalization discussion and its friends, the  
16 more equitable distribution discussion, as Bruce character-  
17 ized it and continued work, if necessary, of the impact of  
18 the 1980 census which might include both work on the  
19 under count and related issues and work on the issue that  
20 Howard raised regarding adjustments because of the 1980  
21 census results.

22 MR. BRADLEY: If I could point out just some  
23 political considerations, I suppose.

24 If you recall from Mary's comments and what we  
25 have reported to you previously, the status of authorization,



1 you know where that is. The Senate is at two years and  
2 for the second year, set sums.

3 The House is at three years but they have  
4 specified the amount of the authorization for the next  
5 three years.

6 What we are hopeful and what our strategy and  
7 our effort is directed toward when we get to Congress,  
8 hoping that we will come out with a three year reauthori-  
9 zation for such sums as necessary for the last two years.  
10 That is the goal. Whether or not we will accomplish it,  
11 we will know shortly hopefully.

12 Also, a second comment, even though we are  
13 "an independent agency" and we are not part of the  
14 President's budget recommendations, most certainly as I  
15 have learned this year, the line item that the President  
16 includes in his budget is taken quite seriously by the  
17 chairman and the members of the appropriations committee.

18 In fact, this year when I called on those  
19 persons, they just flat out said, look, Dan, we are going  
20 to go with whatever the President recommends. If you can  
21 get the President to go higher, fine.

22 So, our initial strategy right now is the  
23 advocacy and the presentation that we will make to OMB and  
24 we are going to start that work as soon as possible.

25 We communicate officially in the approximately

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1 October the 15th, what the board's mark is and we  
2 basically present it in just the sum total and we will  
3 then educate them as to the various components and they  
4 understand that the board will then meet again later in  
5 the year, as you did last year and you will then go into  
6 great detail in finalizing the line items.

7 I think, though, it is very, very important  
8 right now for us to have the kinds of figures and the  
9 substance of the components that the committee approved  
10 a couple of weeks ago to permit us to lobby and to advocate  
11 with OMB in trying to get them to go higher than the  
12 tentative figure that they have already indicated in the  
13 letter to Hillary, which is the \$343 million for next year.

14 I think that there are some things that might  
15 work in our favor. For instance, I got a phone call on  
16 Wednesday of this week from the chairman of President  
17 Carter's Commission on the Mentally Disabled who called to  
18 tell me that Mrs. Carter had just called him and had  
19 recently heard about the effort that we are making in  
20 providing legal assistance to persons in mental institu-  
21 tions and she wanted to know what she can do to help us  
22 in that regard.

23 As a consequence, I have a meeting next week  
24 with Mrs. Carter's staff on Wednesday to try to, as best as  
25 I can, explain to them how they can help us certainly at

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1 O'clock the 11th, when the board's work is done  
 2 and they are ready to go to the board and we will  
 3 then discuss them as to the various components and they  
 4 understand that the board will then meet later in  
 5 the year, so you did last year and you will then go into  
 6 your details in discussing the line items.

7 I think strongly in the very, very important  
 8 right now for us to have the kinds of figures and the  
 9 substance of the components that the committee approved  
 10 a couple of weeks ago to permit us to lobby and to devote

11 with 60% in trying to get them to do better than the  
 12 last year figure that they have already indicated in the  
 13 time to lobby, which is the 60% within for next year.  
 14 I think that there are some things that might  
 15 work in our favor. For instance, I got a phone call on

16 Wednesday of this week from the chairman of the board  
 17 that's been on the board for a while who called to  
 18 tell me that the board had just called him and had  
 19 a meeting about the report that we are making in

20 providing some assistance to persons in need of the  
 21 report and the report for how what they can do to help us  
 22 in this regard.

23 As a consequence, I have a meeting in the week  
 24 of the next to start on Monday to try to get out part of  
 25 the report and then they can help us certainly at

1 the level of the OMB, budget recommendations and the  
2 President's recommendations along the lines of the \$50  
3 million for the institutionalized.

4 In total candor, there is nothing magic about  
5 the figure that we came up with, approximately \$399 million.  
6 Why wasn't it \$412 or \$398 million?

7 Why not go to OMB and ask them what you really  
8 need is \$600, \$800 and \$900 million next year. I think we  
9 have to factor in a lot of common sense considerations,  
10 political considerations, programmatic considerations and  
11 the totality of all of those considerations resulted in the  
12 staff recommending to the committee the \$400 million  
13 appropriation request for next year.

14 I think that it is not too ambitious. I do not  
15 think it is too conservation. I do not think that it is  
16 too high. I do not think that it is really too low. I  
17 think it is probably just right.

18 I think that it does give us the vehicle and the  
19 form and the substance for permitting your staff to go  
20 immediately to OMB because I am operating under the  
21 assumption that whatever the President recommends next year,  
22 because we are still in the recession and the economy is  
23 where you know it is and next year's budget document from  
24 the President will probably be treated as it was this year.

25 Trying to convince OMB to go above the \$343

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the level of the 2007 budget recommendations and the  
the 2008 recommendations along the lines of the 2007  
budget for the fiscal year.

At that point, there is nothing more than  
the fact that we came up with approximately \$200 million

in savings of \$125 million.

Now we go to 2008 and ask them what you really  
need in 2008. \$200 million more. I think we

have to look in a lot of areas for savings.

Let's consider, for example, transportation and  
the reality of all of those transportation costs in the

state's budget. The amount of the \$100 million

approximately for the next year.

I think that is not too bad. I do not

think it is too much. I do not think that it is

too much. I do not think that it is too low. I

think it is probably just right.

I think that is how we should view the

state's budget and the fact that you will be

increasing to 2007 because of an operating under the

assumption that whatever the 2008 recommendations are

there will be in the amount and the money is

there. You know it is not what a budget document is

the problem with money to be used as it was this year.

It is to increase 2007 to above the 2007

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1 million mark. I think this \$400 million proposed mark is  
2 a step in that direction and I think that the forces that  
3 are at work, especially the interest that some of the  
4 administration have on the institutionalized, The cost of  
5 living, you know, we argued that point strongly with them  
6 last year.

7 As Bruce pointed out, they locked us in at the  
8 earlier figure of 6 percent and now the President is going  
9 with 9.1 and 9.2 percent and we are stuck at the 6 percent  
10 level. I am going to try to reiterate that point with him  
11 this year.

12 You will keep in mind last year, the figure that  
13 this board recommended to the Congress, the \$353 million,  
14 the committee reported out a much higher figure. \$380  
15 something million figure out of the authorization committee  
16 and the subcommittee.

17 In full committee, when the President's budget  
18 was released, when the realization of the state of the  
19 economy, the full committee adjusted that downwards to be  
20 consistent with the President's recommendation.

21 I do not think if you were to ask me will this  
22 figure \$399 shock of the conscience of the appropriations  
23 and so forth in OMB? I do not think so. I think it is a  
24 realistic figure and I think that it is a figure that we  
25 can legitimately and necessarily advocate and support.

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million dollars. I think this \$400 million proposed must be  
 a step in that direction and I think that the reason that  
 you are not really especially the interest that you are  
 administration have on the institutionalized. The way in  
 which you know, we argued that point strongly when they  
 had you.

As things go out of it, they looked in in the  
 early stages of the program and now the focus of the going  
 will be I will be 2 percent and we are down at the 1 percent  
 level. I am going to try to get towards that point with the  
 this year.

So will have in mind last year, the figure that  
 this year was reported to the Congress, the \$300 million  
 the committee reported to a much higher figure, \$380  
 something which is part of the authorization committee  
 and the administration.

In full committee when the President's budget  
 was released, when the institution of the state of the  
 country, the bill committee advised that downward to be  
 a point with the the deficit is substantial for

I do not think it you were to ask me will this  
 I think that of the restoration of the program for  
 and so forth in 1973. I do not think you I think to be  
 a lot of things and I think that it is a figure that we  
 can definitely and necessarily advance and support.

1 I know that there are some people in the field  
2 that I have talked to would very much like for the board to  
3 go much higher than this. I do not mean to suggest that  
4 the needs that you might hear Bruce and some other express  
5 are not critical and important needs.

6 It is just I would consider judgment that the  
7 \$400 million mark is a realistic and appropriate mark as  
8 we go into 1982.

9 I think that it is important and I would like to  
10 also --- we didn't manufacture these components and these  
11 figures just out of the thin air, although it might appear  
12 that we did. We have seriously considered the discussions  
13 and the debates that this board has had over the period  
14 of the last year, especially over the last couple of  
15 meetings and we debated and discussed the various components  
16 and the prioritising some of these issues I think in a way  
17 that reflects some of the issues Professor Sacks has raised  
18 in his paper and the staff's, I suppose, interpretation of  
19 the discussions that you had at the last two or three  
20 meetings.

21 I think that this document, the budget mark does  
22 in fact begin to move us in the direction of some of the  
23 short term and long term goals and directions that are  
24 suggested in Professor Sacks' paper which you will have a  
25 chance to further discuss this afternoon.

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I know that there are some people in the field  
 that I have talked to would very much like for the board to  
 do some follow-up. I don't mean to suggest that  
 the board should get right into it and some other agencies  
 are not getting and reporting on it.  
 It is just I would consider judgment that the  
 board should make a decision to and appropriate work in  
 the area of...  
 I think that is important and I would like to  
 know what we should understand those components and how  
 to deal with them. The idea is, although it might seem  
 that we don't have really considered the alternatives  
 and the solution that the board has had over the period  
 of the last year, especially over the last couple of  
 years and we worked and designed the system management  
 to be something that is not done in a way  
 that is not done in the same manner that we have  
 in the past and the idea is to suggest that we should  
 do something that we had in the last two or three  
 years.  
 I think that this document, the budget and the  
 way that people are working in the field are some of the  
 things that we should look at and think about that we  
 need to do in the future. I think that you will have a  
 chance to do that in the future.

APPENDIX C  
 THE BOARD OF DIRECTORS  
 OF THE FEDERAL RESERVE SYSTEM  
 FEDERAL RESERVE SYSTEM

1           Any decisions that you might make in regards to  
2 those discussions, you will still have the opportunity to  
3 let the budget that is finally approved at the December  
4 meeting reflect any decisions that you might make or any  
5 discussions that you might have this afternoon consistent  
6 with Professor Sacks' paper.

7           CHAIRMAN RODHAM: Howard.

8           MR. SACKS: I have a comment and a question.

9           The comment is on the OMB figure of \$343.8. That  
10 seems to me incredibly low. That is only \$22 1/2 million  
11 above the projected \$321.3 that you are confident we are  
12 going to get this year.

13           That means that you could give a 7 percent cost  
14 of service to the field and that you would be you would have  
15 used up all the new money. To do nothing for institu-  
16 tionalized, nothing for state support, nothing for  
17 technological improvement, nothing for special situations  
18 and what would happen then even is the field would come in  
19 very legitimately saying 7 percent after all of these prior  
20 years when we did not get an adequate cost of service?

21           MR. BRADLEY: That is the way OMB operates,  
22 Howard. It does not surprise me. You are right. You are  
23 absolutely right. If I were at OMB and President's budget  
24 officials, I would probably start from that basis also.

25           Then the burden shifts back to us to convince

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Any decision that you might make in respect to  
 those decisions, you will have the opportunity to  
 get the budget that is finally approved at the meeting  
 meeting to get any decision that you might make on any  
 decision that you might have then after the meeting  
 with the person giving paper.

THOMAS ROBERTS - Howard

THE BUREAU: I have a comment and a question.  
 The amount in the 1980 estimate of \$23.5 million  
 seems to be incredibly low. What is only \$23.5 million  
 above the projected \$22.3 that you are confident in  
 going to get this year.  
 What seems that you could give a commitment  
 of money to the field and that you would be willing to  
 put up of the new money. To do nothing for another  
 12 months, waiting for state support, not to  
 fund important improvement, waiting for needed attention  
 and what would happen then even if the field would come in  
 very reluctantly saying I couldn't wait all of those other  
 years when we did not get an adequate amount of money.

THE BUREAU: What is the way out of this?

THOMAS ROBERTS: You can't get it. You can't  
 get it. It's a way out of it and it's a  
 way out of it. I would probably start there. What  
 about the budget. It's back to us to convince

1 them to go, programatically to go forward. What that does,  
2 I think, for the first time there if I remember, it does,  
3 and I think it is an accomplishment because OMB in the  
4 past has just \$292 million, \$292 million, \$292 million,  
5 just straight across the board for three years.

6 The fact that they are willing to build into  
7 their base the cost of living increase I think is at least  
8 getting them moving in the right direction.

9 MR. SACKS: But they "ain't" moved very far.

10 MR. MC CALPIN: Howard, I would suggest to you  
11 that that is exactly where we are between and \$300 and  
12 \$321.3 million. Exactly 7 percent. It is not different  
13 from what faces us this year.

14 MR. SACKS: The question I have is really  
15 directed to the committee and also to the President.

16 In the past in framing budget mark requests, it  
17 seems to me that there are two extreme positions that we  
18 have contend with.

19 On the one hand, we want to be realistic,  
20 credible and not sound foolish and other-worldly. We do  
21 not set thing that are obviously too high.

22 On the other hand, we want to be courageous and  
23 honest and forthcoming and tell the Congress what the  
24 needs are what we need. Is it the committee's judgment  
25 that \$399 strikes the appropriate balance between those

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from to go, progressively to go forward. What that does  
 is that, for the time that there is a transition, it does  
 not think it is an overstatement because OMB in the  
 past has just \$282 million, \$282 million, \$282 million,  
 that roughly covers the board for three years.  
 The fact that they are willing to make this  
 kind of a move, the sort of living increase I think is at least  
 critical to them moving in the right direction.  
 The fact that they've moved very far  
 in the right direction, I would suggest to you  
 that that is exactly what we are between and \$300 and  
 \$320 million, roughly. It is not a dramatic  
 move, but it is a move in the right  
 direction. The point is that I have in reality  
 not moved in the right direction, and also to the right  
 in the sense of budgeting budget with respect to  
 the fact that we have two extreme positions, that we  
 have moved with  
 the fact that we want to be realistic  
 and that we want to be realistic. We do  
 not want to be realistic, but we do  
 want to be realistic, we want to be realistic and  
 that's what we want to be realistic and that's  
 what we want to be realistic and that's what we  
 want to be realistic and that's what we want to be realistic.

1 extreme positions?

2 CHAIRMAN RODHAM: Courageously practical.

3 MR. MC CALPIN: We have an interesting committee,  
4 Howard. When there are over two members of the committee  
5 present, it is obvious you have got to move by consensus.  
6 Or you have tie votes that get you no where in a hurry.

7 I guess I will sing my half of the duet and let  
8 my partners in the other.

9 I think that what we have to do, the most embar-  
10 rassing thing that could happen would be for us to request  
11 less than the Congress is willing to give.

12 I think that means that we have to be in a  
13 position of being ahead of what they are willing to do and  
14 kind of pull them along with it. I think that this mark  
15 puts us in that position. I believe 24 1/2 percent increase,  
16 which is what it amounts to, is beyond anything that is  
17 within the realm of possibility.

18 On the other hand, I do not think it is so far  
19 beyond what we are likely to get that we won't be listened  
20 to. I think that if we were at \$600, \$800 or \$900 million,  
21 as Dan suggested, they would probably push it to one side  
22 and begin from scratch and do their own.

23 Now, whether that is an appropriate balance of  
24 the two elements that you talked about, I do not know. I  
25 think it is credible. I think it is beyond what we are

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of the following

CONVICTS REGISTER - Corresponding to the

Mrs. Mc. GIBSON has been in interesting

work. When there are over two members of the

company it is obvious you have got to have

of you have the votes that you are in a

I guess I will give you half of the

my partners in the other

I think that what we have to do, the

company that they could have would be

then when the company is with us

I think that means that we have to

position of some kind of what they are

kind of all this along with it. I

put me in that position. I believe

what is what it means to be beyond

with the terms of possibility

On the other hand, I think we

pay for what we are likely to get

So I think that it is more of \$100

or our suggestion, they would probably

and that is what we are going to

that we have done in the past

in the amount that you have given

amount of it in addition. I think

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NEW YORK, N. Y.

1914

1 likely to get but I think it is necessary lead to the  
2 Congress to pull them in our direction.

3 CHAIRMAN RODHAM: Cecilia, do you have anything  
4 to add?

5 MS. ESQUER: I really do not disagree. The  
6 thing that really scares me, though, was that received a  
7 memo from Dan and there was a figure of \$379 million on  
8 there. When he reported to the committee that the staff  
9 recommendation was \$399 million, I know I was really happy.

10 CHAIRMAN RODHAM: I just have one question.  
11 Is our figure of \$15 million for institutionalized, are we  
12 making the assumption that every institutionalized person  
13 is eligible for our services?

14 Because in an accompanying memorandum you say  
15 all institutionalized.

16 MS. ESQUER: Do you remember, Hillary, when that  
17 proposal was first made, I think it was pretty carefully  
18 worded.

19 CHAIRMAN RODHAM: I twas, but that is ---

20 MS. ESQUER: That the funding would be on a  
21 different basis and that we would never really be able to  
22 meet the needs of every person.

23 CHAIRMAN RODHAM: My only point is that if we  
24 are going to be realistic and talk about going to OMB than  
25 a statement like the last sentence on page 3 ---



1 MR. BRADLEY: But it is the last two sentences,  
2 Hillary, I guess is what we were trying to say. The amount  
3 of funds will not deal with all the needs. It would,  
4 however, provide a good base for moving forward toward  
5 service to all institutionalized.

6 The figures we had used previously, I think,  
7 if we use the minimum access figure, which we would, we  
8 have never suggested but to have that kind of coverage was  
9 over \$30 million. Was that the figure that we were using?

10 MR. SINGSEN: We were working on a target figure  
11 of \$30 million. You do get into questions in the level of  
12 service.

13 In terms of the institutionalized we intend to  
14 serve, it is the institutionalized who are poor. That is  
15 a set of judgments. How you define poverty amongst the  
16 institutionalized.

17 CHAIRMAN RODHAM: That is right and I would think  
18 we would have to have some beginning answers.

19 MR. SINGSEN: We did, in fact last year, do a good  
20 deal of work on that. I think material was before the board  
21 at that time dealing with that issue.

22 CHAIRMAN RODHAM: That is true, Gerry, but we have  
23 made a rather significant jump in the amount of money that  
24 we are asking for to do what we talked about having worked  
25 through to do last time.

MR. HERRBERT: You're the first to mention

that, I guess, in what we were trying to say. The second

of things will not be all the same, it would

be a good thing for moving it out of the

to give an all-out effort.

The things we had used previously, I think,

it was the minimum across things, which we would

have never anticipated but to have that kind of coverage was

over the million. One thing that we were afraid

MR. HERRBERT: We were working on a larger figure

of \$30 million. You do not have questions to the level of

coverage.

In terms of the fact that we failed to

cover it in the fact that we were not. That is

what you believe that we were not doing.

That's all.

MR. HERRBERT: What is right and I would think

we would have to have some better coverage.

MR. HERRBERT: We didn't know that was a good

kind of work on that. I think we were before the board

and that was the thing that we were

of the way we were in terms of coverage, but we have

made a substantial improvement in the amount of coverage

we're making to to what we talked about before.

Thank you very much.

WILLIAM W. HERRBERT  
VOLUME 1, NUMBER 1  
THE HERRBERT REPORT  
1970

1           It is true that we missed a year in the cycle  
2 so that there is a lot that can be said about the auto-  
3 matic kinds of increases.

4           I think it is wonderful that Mrs. Carter and  
5 other people are concerned but I think if I were in OMB  
6 or I were in the Congress and even a staunch friend of  
7 legal services, I would zero in on this particular request  
8 and I would expect to have some pretty good answers.

9           On the one hand we go up and talk about how we  
10 are only serving 20 percent of the need of people who walk  
11 around and are potential voters. Now we are asking for  
12 \$15 million to help people that the Congress know are never  
13 going to vote and they are not going to hear from the  
14 people that we are talking about helping.

15           I think we really need to have our rationale  
16 worked out very carefully.

17           MR. MC CALPIN: Can I offer you a practical  
18 suggestion for 1980? They vote the hell out of those  
19 people in St. Louis.

20           CHAIRMAN RODHAM: Those are cemeteries.

21           MR. BRADLEY: But Hillary, if I can, because  
22 in developing the support for that figure, this is  
23 basically the figure we were using last year.

24           What happened last year, when we decided to  
25 in effect pare down and to go, I remember the day we did it.

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It is true that we missed a year in the weeks  
so that there is a lot that can be said about the entire  
state of the nation.

I think it is wonderful that Mrs. Gandy was  
often people are concerned but I think if I were in Ohio  
as I were in the Congress and even a national election of

being involved, I would vote in on this particular moment  
and I would expect to have some pretty good answers.  
On the one hand we do not talk about how we

are really receiving 50 percent of the vote of people who will  
remain and are potential voters. Now we are talking for  
500 million to help people that the Congress may not have

helped to vote and they are not going to vote for this  
people that we are talking about helping.

I think we really need to have our relations  
worked out very carefully.

But in 1964, can I offer you a personal  
suggestion for 1964? They vote the hell out of those  
people in the States.

REAGAN ROBERTS: There are conditions  
in 1964, and I think it is very important

in developing the support for that kind of thing to  
partially the reason we were making that year.

That happened last year, when we decided to  
to afford have down and to get a reminder they do not

1 We just unilaterally, arbitrarily said we have got to cut  
2 \$5 million out somewhere. Where shall we cut it? Wham,  
3 we just cut it out of institutionalized.

4 CHAIRMAN RODHAM: All right. Because I just  
5 remember the \$9 million figure.

6 MR. SINGSEN: We were quite clear in the budget  
7 request that that was a beginning figure. That it wasn't  
8 enough. That it needed to be related to other service  
9 providers. That the total need far exceeded the \$9 million  
10 we requested.

11 OMB, you may remember, came back and said we do  
12 not even want to talk 9, let's talk 1, to do a little  
13 experimentation.

14 CHAIRMAN RODHAM: It is just a personal, my  
15 personal preference but I would reverse the 15 and 5.  
16 I think you are talking about using \$5 million to begin  
17 additional program emphases and then you list all the  
18 things that you want to do. \$5 million to me seems ---

19 MR. BRADLEY: And it very well may be, Hillary.  
20 I mean clearly the presentation that we will make to  
21 Steve's committee in November will have that range of  
22 options. It very well may be that is a valid point.

23 I think that if we are going to move in the  
24 direction of the four things that are enumerated under  
25 that last category, \$5 million is a drop in the bucket.

We had an excellent time, and we were very  
pleased to see you and the children.

We had a very good time.

Very best wishes to all.

With love,  
Your mother

We were very glad to see you.

It was a very good time.

We had a very good time.

We were very glad to see you.

With love,  
Your mother

We were very glad to see you.

We had a very good time.

With love,  
Your mother

We were very glad to see you.

We had a very good time.

We were very glad to see you.

We had a very good time.

We were very glad to see you.

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We had a very good time.

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We had a very good time.

We were very glad to see you.

We had a very good time.

We were very glad to see you.

With love,  
Your mother

We were very glad to see you.

We had a very good time.

We were very glad to see you.

With love,  
Your mother

1           There probably will be some further adjustments  
2 on those figures.

3           CHAIRMAN RODHAM: I guess one thing I would like  
4 to see either coming out of the staff or coming out of  
5 the committee is the kind of sort of programatic approach  
6 that would be used in the expenditure of the \$15 million  
7 because we have certainly spent a number of years and a lot  
8 of money figuring how we would address the four problems  
9 put forth in the additional program emphases.

10           I think that we have made some progress on how  
11 we would spend that money and with the institutionalized  
12 program, it is start up. We are back to the definitional  
13 problems. I am just worried that we are going to miss an  
14 opportunity to spend money in areas such as client  
15 advocacy, private bar involvement, delivery situations  
16 where we already have some idea of how we would spend it.

17           I would like to see more than just a breakdown  
18 of ---

19           MR. SINGSEN: We can certainly provide that.  
20 In fact, last fall and winter we did develop a fairly  
21 detailed analysis of how programatically we would approach  
22 opening up funding for the institutionalized. We will  
23 bring that to the board as part of those discussions.

24           CHAIRMAN RODHAM: All right.

25           MR. MC CALPIN: I move approval mark of 399,721



1 for FY 1982.

2 CHAIRMAN RODHAM: Is there a second?

3 MS. ESQUER: Second.

4 CHAIRMAN RODHAM: Any further comments or  
5 discussions? Bruce?

6 MR. MORRISON: Assuming that, I do not know what  
7 data is going to be transmitted to OMB, if this is the  
8 list, I just want to make two points about the --- one  
9 about the number and one about what the content of the  
10 number is.

11 From the perspective of PAG, the number is too  
12 low, obviously. I mean the cost of minimum access, two  
13 lawyers for 10,000. Poor people at 100 percent of poverty,  
14 not 125, which is what our actual eligibility is, not to  
15 speak of a realistic definition of poverty, which is  
16 higher than that, is maybe 500 million. Maybe higher than  
17 that. That is the backdrop against which this is posed  
18 and obviously the field will come in with a budget pro-  
19 posal which will be significantly higher than \$399 million.  
20 We are encouraged about the move from \$379 to \$399 million.

21 Something this leaves out completely and does  
22 not address is the salary comparability piece that the  
23 authorization committee found sufficiently compelling to  
24 move it from 353 to 383, in what it initially put in its  
25 reauthorization limit.

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1981-82

THE HON. MEMBER FOR ...

1           That kind of consideration is going to be what  
2 we propose.

3           Within the 399, the point that Bill talked about  
4 before needs to be recognized. That is in 1982, the  
5 census information will be available. It will be possible  
6 to begin to discuss some more equitable distribution and  
7 I urge the use of those words other than the historical  
8 phrases which conjure up various things to various people.

9           We would propose that in the 399,721, a figure  
10 of we ask for approximately \$6 million, but the way I  
11 would get there is I would say \$6,652,000 for more equita-  
12 ble distribution gotten by reducing the support from  
13 14,652 to 12 million, the institutionalized from 15 to  
14 13 and special emphasis from 5 to 4.

15           I think if you did that you could and should  
16 create a line item to show, and I think Howard's paper  
17 discusses the need to think about doing that in 1982 after  
18 the census results are there.

19           \$6 million is not nearly enough to redress all  
20 the inequities that are out there but people who have  
21 been waiting for that to go on think it ought to begin.  
22 That was where the PAG steering committee came out and  
23 there was a choice that they made which I think is a very  
24 important one on principle.

25           The question was raised whether the 13 percent

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That kind of consideration is going to be what

we propose.

Within the 300, the point that will be made about

before needs to be recognized, that in 1988, the

current information will be available. It will be possible

to begin to discuss some more equitable distribution and

to urge the use of those words other than the historical

phrases which conjure up various things to various people.

It would propose that in the 300, V-3, a figure

of we are for approximately 50 million, but the way I

would not think I would say \$5,825,000 for more equitable

the distribution rather by reducing the impact from

15,000 to 12 million, the distribution would be from 15 to

12 million, roughly speaking, from 15 to 12.

I think if you did that you would not really

create a time from 15 to 12, and I think however's paper

of course the need to think about doing that in 300, either

the current needs are there.

\$5 million is not nearly enough to maintain all

the facilities that are out there but people who have

been waiting for that to go on think it ought to be

the way that the 300 is being done, and that's

there was a feeling that they were which I think is a very

important one on production.

The question was whether there was a 15 percent

WILLIAM T. GIBSON  
Executive Director  
1000 ...  
Washington, D.C.

1 ought to be lowered, the cost of the 13 percent by not  
2 giving the higher funded programs the full 13 percent.

3 After a discussion of the balancing of the  
4 principle there which is the better funded programs are  
5 not funded too high. They are still overwhelmed and the  
6 idea that we should retrench those programs to try to  
7 accomplish this other legitimate goal was rejected in favor  
8 of beginning on a separate track to bring lower funded  
9 programs up to the level of higher funded programs.

10 The definition of what is higher and what is  
11 lower is a whole big thing but you do not have to answer  
12 that question to put some money where the principle is,  
13 which is \$6,662,000 for more equitable distribution.

14 CHAIRMAN RODHAM: Is there any further comment  
15 from board members?

16 MR. SACKS: I am impressed with what has been  
17 said. Especially, look at the \$15 million for institu-  
18 tionalized. Supposing by some miracle we got that. Could  
19 we really spend \$15 million intelligently in one year  
20 when we have had very little experience with this  
21 mechanism for delivering services?

22 MR. SINGSEN: I can answer that, Howard.

23 MR. SACKS: Why start out with ---

24 MR. BRADLEY: Well, Howard, I guess the answer  
25 to that question I think we could convince you that the



1 answer is yes.

2 In response to the observation that Bruce made,  
3 we do not have to make that decision. I mean I think  
4 that those points that the steering committee discussed  
5 and that Bruce presented are very, very valid points.

6 Those are the issues that you will more fully  
7 discuss at the next audit appropriations committee and you  
8 still have the flexibility to make any of those adjustments  
9 consistent with that by the time we finalize the budget.  
10 It is the mark figure that we will be transmitting to OMB.

11 MR. MC CALPIN: Only the mark?

12 MR. BRADLEY: Yes.

13 MR. SACKS: I hope that that item will be given  
14 very full consideration because I think it is an important  
15 issue and one that deserves very careful ---

16 CHAIRMAN RODHAM: Dan, I just believe that you  
17 are going to transmit the mark and in your discussions  
18 which you say are going to begin tomorrow with the budget  
19 analysts who are in charge of this budget, you are going  
20 to have to begin to tell them how you think the money  
21 should be spent.

22 MR. BRADLEY: We will not make those budget  
23 arguments to OMB formally in the structured sense until  
24 after the next committee and board meeting. Last year  
25 we did it in December.

number in your

In response to the observation that some

we do not have to make that decision. I mean I think

that this point that the steering committee

and that have presented are very, very valid points.

Those are the issues that you will have fully

discussed at the next audit expectations conference and you

will have the flexibility to make any of those adjustments

consistent with that by the time we discuss the budget.

It is the way things that we will be transitioning to 2007.

But we will only the way

the budget is

and that is the way that we will be given

very high consideration because I think it is important

and you and that deserves very careful

consideration. I think that you

are going to be working on your discussions

about you may be going to begin working with the budget

and you are in charge of this budget, you are going

to have to begin to tell them how you think the money

should be spent.

So we will get into those budget

discussions to get started in the situation of some

and you will be working on that with you

we will be in discussion.

THOMAS H. GILLES  
Vice President and Treasurer  
The University of Texas  
at Dallas

1 Dave and the staff persons that we deal with,  
2 I am going to begin to talk to them in the direction in  
3 which some of these things are going to take. I am not  
4 going to say we are going to be here in December and ask  
5 for \$15 million for institutionalized.

6 I am going to talk about the issue of the  
7 institutionalized, the issues that have been talked about,  
8 you know, at the committee and that Bruce just raised but  
9 I am not going to tell them that the figures are 15 for  
10 this, 5 for that and 12 million point for that.

11 That is not what they expect and that is not  
12 what I will be discussing with them.

13 MR. SACKS: I would be fully satisfied if you  
14 say to us, as I think you have just said, that you plan  
15 to discuss with OMB the more equitable distribution item.

16 For one thing, one advantage that would be to  
17 see what their reaction is. There might say, well, that  
18 might have some appeal.

19 CHAIRMAN RODHAM: I would feel more comfortable  
20 about our position, though.

21 I guess it may not make any difference if there  
22 is not going to be any formal presentation but I would  
23 feel more comfortable with some kind of allocation in here  
24 for salary comparability.

25 It seems to me that if the board at this point

...and the other person that we had...

I am going to begin to talk to the...

...some of these things are...

...going to be...

...for the...

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...of the...

1 is being asked to adopt a mark that is based upon these  
2 very rough categories, then a category that I think  
3 should be included as a major emphasis of the corporation  
4 is the salary comparability and I would be more comfortable  
5 if we took \$3 million out of institutionalized and \$2  
6 million out of the training and support, leaving the  
7 additional program emphasis at \$5 million and put in  
8 salary comparability as a major concern of the corporation  
9 going into the 1982 budget.

10 MR. BRADLEY: Well, I guess my response to that,  
11 Hillary, is that I think that the motion should be in the  
12 nature of any communications or representations that I make  
13 to OMB include a need for salary comparability.

14 Because I would not, even if you approve the  
15 \$5 million, \$6 million or the \$12 million, I still would  
16 not be talking to David and his staff about the amount,  
17 just the principle and the issue that will be reflected  
18 in the detailed budget document that they will receive  
19 in December.

20 I think that that is valid. The figure that  
21 we discussed last year on salary comparability, of course,  
22 and the figure that I think PAG presented for your  
23 consideration was \$60 million. It was finally \$30 million,  
24 that the committee used the \$30 million figure.

25 What is in fact, what would it cost to bring

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it being noted to adopt a more than in fact of your class

very much satisfactory, they are especially that I think

should be included in a major category of the corporation

in the early company and I would be very much pleased

to see you \$2 million out of the \$10 million and \$2

million out of the remaining and suggest leaving the

additional program emphasis of \$2 million and put in

major responsibility as a major portion of the corporation

going into the 1982 budget.

THE BOARD, Mr. Tolson, I would like to respond to that

statement, in that I think that the motion should be in the

nature of my commitment to support the motion that I make

to you, I think that the motion should be in the

nature of my commitment to support the motion that I make

to you, I think that the motion should be in the

nature of my commitment to support the motion that I make

to you, I think that the motion should be in the

nature of my commitment to support the motion that I make

in fact.

I think that in fact, the motion should be in the

nature of my commitment to support the motion that I make

to you, I think that the motion should be in the

nature of my commitment to support the motion that I make

to you, I think that the motion should be in the

nature of my commitment to support the motion that I make

WILLIAM H. ROBERTS  
Vice President and Treasurer  
1500 Avenue of the Americas  
New York, New York 10020

100-100-100

1 our programs up to the comparability, I do not know.

2 I mean, that is the figure that we ---

3 CHAIRMAN RODHAM: I just feel more comfortable  
4 talking about salary comparability than \$15 million to the  
5 institutionalized.

6 If we can just forget this memorandum and say  
7 that there are big, broad areas that we are all interested  
8 in, then okay. You can go, as far as I am concerned, talk  
9 to OMB about a \$399 million mark and say whatever you want  
10 about where the corporation is going but that mark is  
11 premised on these categories and I think that it is a little  
12 disingenuous for us to say go talk to OMB and kind of talk  
13 about what we are interested in when we are looking at  
14 specific dollar values that are attached to specific  
15 categories and one of them does not include an area that  
16 all of us think is important.

17 MR. SACKS: A new phrase has crept in, "salary  
18 comparability," which I understand is only a piece of a  
19 broader problem.

20 You may have programs funded at 775 that are  
21 paying salaries comparable to programs funded at 1050, but  
22 they may not be getting enough money to hire the same  
23 number of attorneys.

24 So I think the broader phrase, at least as I  
25 understand it is, more equitable distribution which would

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one person up to the amount of \$100,000.

I want to say that we

will have a total of \$100,000.

to the amount of \$100,000.

total of \$100,000.

in the amount of \$100,000.

that there are \$100,000.

for the amount of \$100,000.

to the amount of \$100,000.

about \$100,000.

total of \$100,000.

1 include salary comparability.

2 CHAIRMAN RODHAM: If the board feels that we  
3 should just go with what we have got, that is fine. From  
4 just my personal point of view, I am very skeptical of the  
5 \$15 million for the institutionalized and I feel a little  
6 bit irresponsible in a way that we do not have ---

7 MR. BRADLEY: Hillary, I guess that I am still  
8 not communicating because I do not plan to communicate to  
9 OMB \$15 million for the institutionalized.

10 What I plan to do is to communicate the mark of  
11 the \$400 million and talk about various components without  
12 putting a price tag on those components and that the cost-  
13 ing out of those components would be decided by the board  
14 at the December meeting and then officially transmitted  
15 in a budget document to OMB.

16 I think that the point that you are making,  
17 though, in the issue that I thought you were raising is  
18 that whatever I communicate to OMB as issues that we are  
19 concerned about, that salary comparability should be on  
20 that list and I think you are right, it should be.

21 Now, I am not sure that we need a motion to do  
22 that with because I certainly will represent that and I  
23 will probably do the best I can in talking about it in the  
24 context of the observations that Bill had made and that  
25 Howard just made and that Bruce repeatedly makes that we

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...and the company's responsibility.

...THE BOARD OF DIRECTORS

...to the extent that we are not...

...and we are very much interested in...

WILLIAM S. BROWN  
PRESIDENT AND MANAGING DIRECTOR  
WILLIAM S. BROWN  
WILLIAM S. BROWN

...

1 are all basically talking about the same thing.

2 MR. ENGELBERG: It seems to me, Hillary, that  
3 if there is any possibility that (A) assuming Carter's  
4 re-election which may not occur and (B) assuming Mrs.  
5 Carter's continued interest, which I think is certainly  
6 likely in this area and the fact that Dan mentioned that  
7 through Tom Bryant that Mrs. Carter now may be focusing  
8 on this program, legal services in general.

9 I think what you are saying, which I would agree  
10 with, is that if and when Dan and others meet with her  
11 staff, the point to be made is that there is no question  
12 that the lack of representation of the institutionalized  
13 is a scandal. Of course, that particularly includes  
14 people in mental institutions.

15 I think that Dan can also convey, it is not  
16 inconsistent though, that it is difficult to move aggres-  
17 sively into that area as demonstrated by what happened  
18 with the corporation's budget this year because the  
19 program has so many other compelling needs and so much  
20 other difficulty in adequately serving the population as  
21 a whole and, of course, what her help would be needed in  
22 is to get the figure up high enough so that we can at  
23 least begin to address some of these institutional problems,  
24 at the same time furnishing more money for other existing  
25 areas such as comparability.

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...and I have been thinking about it for some time.

...the fact that you have been thinking about it for some time.

...and I have been thinking about it for some time.

...the fact that you have been thinking about it for some time.

...and I have been thinking about it for some time.

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...and I have been thinking about it for some time.

THE UNIVERSITY OF CHICAGO  
DIVISION OF THE PHYSICAL SCIENCES  
5720 S. UNIVERSITY AVENUE  
CHICAGO, ILLINOIS 60637

1           In other words, I think that one of the things  
2 that may be implicit, one of the things that you were say-  
3 ing is we should not sell our soul out and embark on still  
4 another effort when we have not, when there are so many  
5 other problems. I agree with that.

6           I also think, though, that no one can deny the  
7 legitimacy of, as I know you do not deny, the problems  
8 that we have not even begun to meet. We have hardly began  
9 to meet the needs of institutionalized people.

10           I do not think the two are inconsistent. I  
11 trust Dan's political skill. In other words, this is  
12 something we may be able to get some important high level  
13 focus on and I think it is important that we not, though,  
14 be hypocritical when we talk to her.

15           That we cannot commit to her that we can suddenly  
16 start meeting all the problems of the institutionalized.

17           MS. SHUMP: Dan, when we talk about institutional-  
18 ized, what exactly are we talking about? Which institu-  
19 tionalized? Are we talking about the people in the nursing  
20 homes, people in the mental institutions?

21           MR. BRADLEY: Clearly, from the previous dis-  
22 cussions we have had at the board and the committee level,  
23 we have defined, through the 1007(h) study and the other  
24 efforts, we have as probably an accurate account as  
25 institutionalized. We are talking about mental institutions.



1 We are talking about the nursing home. You are talking  
2 about prisons. You are talking about the whole class and  
3 if you include the foster children in foster homes, then  
4 I think it probably doubles the number. I am not the  
5 expert on the count but we are talking about in the  
6 broadest possible definition.

7 MS. SHUMP: The reason for asking is there are  
8 potential votes in that institutionalized group. Just so  
9 that the message does not come across that when we talk  
10 about institutionalized, we are talking about only those  
11 in mental institutions or those who are institutions and  
12 have no hope of ever leaving those institutions and  
13 potentially would never be voters.

14 MR. BRADLEY: The largest, and Gerry can correct  
15 me if my memory is not good, but I think the largest number  
16 of persons in institutions are nursing homes.

17 MR. SINGSEN: I think that is right. Allen  
18 probably has these figures.

19 MR. BRADLEY: We probably have as detailed  
20 account and information on not only the location, the  
21 precise location of persons in institutions but we have  
22 also given considerable thought as to how we would try to  
23 gear up to provide a delivery mechanism to begin to serve  
24 that need.

25 Clearly, the discussions that we have had have



1 all been we cannot do it from the minimum access forumn  
2 because that just won't work.

3 And a sensitive issue that we talked about,  
4 maybe not at the board meeting, is that the counts that we  
5 have on the institutionalized do include prisoners and the  
6 question is how popular is it to try to convince anyone  
7 to provide legal assistance, not defender representations  
8 but civil representations of persons who are incarcerated?

9 Where that would fall on our priorities, I just  
10 do not know yet but we do have all of those figures.

11 JUDGE ORTIQUE: But there are some very strong  
12 arguments that can be made and not sentimental arguments  
13 but the tying up of the judicial system in terms of resolv-  
14 ing matters that involve prisoners' rights is a very  
15 practical problem that courts face every day.

16 Those kinds of practical arguments will have to  
17 be made. When you have got a situation of a father over  
18 in Dade County and the child in Louisiana and the mother  
19 coming over from Texas and wanting to maintain certain  
20 rights and so forth, you have got to get those situations  
21 resolved.

22 The courts suffer because you cannot get them  
23 resolved because legal services people in Dade County do  
24 not want to spend their budget for things that are taking  
25 place across some state line.

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all these things are done in the same way

because that's just what work.

and a committee I was first we talked about

maybe not at the board meeting, it's the committee that we

have on the institutionalized to include partners and the

question is how popular is it to try to convince anyone

to provide local maintenance, non-geographic representation

and what representation of persons who are interested?

What's that would lead to our problem, I just

do not know you but we do have all of those things

things that are not very strong

representative but not in the same way and not representative

but the thing is of the political system in terms of really

the situation that involves ourselves, right, is a very

general problem that comes from every day.

There's kind of a political argument will have to

be made. When you have a situation of a father over

in this country and the other in the other and the other

coming over from there and wanting to get their own

rights and so forth, you have got to get those situations

resolved.

the committee that's been set up for that

and they're going to be people in the country do

not want to spend their money on things that are taking

of the money from the state.

THE STATE OF TEXAS

COMMISSIONERS OF THE GENERAL LAND OFFICE

1000 WEST 11TH STREET

AUSTIN, TEXAS 78701

1000 WEST 11TH STREET

1 I want to underscore what I thought Steve was  
2 saying which I think was a good point. That is when we are  
3 making out this list, we cannot anticipate what the  
4 political climate will be and what package will be more  
5 salable until after November because it is going to be a  
6 different ball game if certain things happen in November.

7 There are certain things that you can sell to a  
8 certain group in the American Bar Association and there are  
9 certain things that you can sell to another group. Until  
10 we are able to define what is salable in terms of the  
11 political realities, we cannot know.

12 And we ought to have all of these things,  
13 emphasizing all of them but most importantly saying, look,  
14 we know we have not done all the things that we have wanted  
15 to do in the past but we have got to come to you with some  
16 new things because the need is so broad and so great that  
17 just trying to improve on these other things make it  
18 impossible.

19 Again, I say the political realities will dictate  
20 to a large degree what we do in December.

21 MR. BRADLEY: Hillary, I guess my final response  
22 is that even I wanted to try to sit down and go into the  
23 level of the cost figures and the details that we have been  
24 talking about, that they have a staff there just not  
25 interested in hearing it at this stage of the game.



1 CHAIRMAN RODHAM: Are there any further comments?

2 Yes?

3 MR. MC NALLY: Just one thought. I understand  
4 the political importance of this \$399 million. On the  
5 shopping list of items on which you might spend that \$399  
6 million, is there any indication of exploration of new ways  
7 to work with the private buyer as one of the items in  
8 which --

9 CHAIRMAN RODHAM: Yes.

10 Any further comments?

11 (No response.)

12 CHAIRMAN RODHAM: All those in favor of the mark  
13 as presented by the committee, signify by saying "aye."

14 (A chorus of "ayes.")

15 CHAIRMAN RODHAM: All opposed?

16 (No response.)

17 CHAIRMAN RODHAM: Gerry, is there anything  
18 further?

19 MR. SINGSEN: I think that completes the items  
20 that were on the agenda and presented for report. There  
21 is one more on the agenda stated but I do not think there  
22 is a report, other than what has already been mentioned  
23 about the unallocated investment income.

24 CHAIRMAN RODHAM: Bill or Steve or Cecilia?

25 MR. ENGELBERG: Dan, at some point, maybe it is

THE BOARD OF DIRECTORS OF THE COMPANY

Year

THE BOARD OF DIRECTORS OF THE COMPANY

the total amount of this 1999 dividend on the

proportionate share of the amount which you are entitled to

dividend, and there is no obligation of the company to pay

to you with the private payer as one of the items in

which

THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS

(continued)

THE BOARD OF DIRECTORS: All those in favor of the motion

as proposed by the committee, signify by saying "aye."

(A motion to "aye.")

THE BOARD OF DIRECTORS: All opposed

(to "no")

THE BOARD OF DIRECTORS: Carry, is there anything

more

THE BOARD OF DIRECTORS: I think that completes the items

that were on the agenda and suspended for reports. There

is one more on the agenda stated but I do not think there

is a report, other than what has already been mentioned

and the agenda is suspended. Thank you.

THE BOARD OF DIRECTORS: ALL in favor or Carry

THE BOARD OF DIRECTORS: Carry, is there anything

THE BOARD OF DIRECTORS

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THE BOARD OF DIRECTORS

(continued)

1 not appropriate here, I would like a report on where we are  
2 on that pro bono project. Would it come here, Hillary?  
3 I mean do you care?

4 MR. BRADLEY: What we were going to do is to make  
5 that report to both committees. The provisions committee,  
6 which has an interest in it and your committee.

7 MR. ENGELBERG: I mean there is nothing that can  
8 be said today?

9 MR. BRADLEY: I was going to include that in my  
10 President's report.

11 CHAIRMAN RODHAM: Do you want to do it now?

12 MR. ENGELBERG: No, that is fine. It can wait.

13 CHAIRMAN RODHAM: Anything further from the audit  
14 appropriations committee?

15 MR. SINGSEN: No.

16 CHAIRMAN RODHAM: The next item on the agenda  
17 is the continuing discussion of Howard Sacks' plan.

18 Before we do that, though, it has been suggested  
19 that we have an executive session during lunch for the  
20 purpose of discussing with the President certain personnel  
21 matters within the corporation.

22 We need for purposes of meeting the requirements  
23 of our regulations to have a roll call vote of the board  
24 members to decide whether there is a majority that favor  
25 an executive session for that purpose.

1 Is there a motion that we have an executive  
2 session?

3 MS. SHUMP: I so move.

4 CHAIRMAN RODHAM: Is there a second?

5 MS. ESQUER: Second.

6 CHAIRMAN RODHAM: So we are going to have to  
7 have a roll call vote as to whether or not the board wishes  
8 to meet in executive session.

9 Why don't we just start with Judge Ortique?  
10 Do you vote aye or no?

11 JUDGE ORTIQUE: I vote aye.

12 CHAIRMAN RODHAM: Ms. Shump?

13 MS. SHUMP: Aye.

14 CHAIRMAN RODHAM: Mr. Sacks?

15 MR. SACKS: Aye.

16 CHAIRMAN RODHAM: Ms. Esquer?

17 MS. ESQUER: Aye.

18 CHAIRMAN RODHAM: I vote aye.

19 Mr. Trudell?

20 MR. TRUDELL: Aye.

21 CHAIRMAN RODHAM: Mr. Engelberg?

22 MR. ENGELBERG: Aye.

23 CHAIRMAN RODHAM: Ms. Worthy?

24 MS. WORTHY: Aye.

25 CHAIRMAN RODHAM: We need the general counsel to

1 certify that we may. So we will meet in executive session.

2 MR. LEWIS: For the record, I recognize that a  
3 majority of the members of the board have voted for  
4 executive session for the purpose of discussing internal  
5 personnel matters and certify that such an executive ses-  
6 sion may be held under the regulations of the corporation.

7 CHAIRMAN RODHAM: We will do this during lunch  
8 and lunch will be held in the seventh floor conference  
9 room.

10 MR. BRADLEY: At 12:00 o'clock or thereabouts.  
11 Whenever you decide to break.

12 CHAIRMAN RODHAM: All right, Howard, the floor  
13 is yours.

14 DISCUSSION OF A PLAN FOR THE FUTURE,  
15 A REPORT BY HOWARD SACKS

16 MR. SACKS: The first thing I would like to do  
17 is I wish people would stop referring to this as "my  
18 report," or "my plan," because that is not fair to all  
19 concerned.

20 I have acted as really a reporter for a project  
21 but this is not necessarily my idea. There has been a lot  
22 of input into this on the part of the staff, Gerry, Clint  
23 and Allen and De and Dan.

24 There has been a lot of input into this plan from  
25 individuals in the field. PAG people. There has been



1 input from clients. I have received letters from clients  
2 in various parts of the country making suggestions and  
3 comments.

4 The plan reflects some of those. A number of  
5 people on the board, I hate to single out people but  
6 certainly the plan bears the marks of comments from Cecilia  
7 and Revius and Mickey and Bill. I would like to make that  
8 disclaimer.

9 Now, I gather what you want me to do, Hillary, is  
10 to kind of update people on where we are?

11 CHAIRMAN RODHAM: I think it would be helpful to  
12 kind of be brought up to date before we break for lunch  
13 and then after lunch we can get into some of the issues  
14 that are raised.

15 MR. SACKS: All right.

16 You will recall that we began this process in  
17 May. A draft was circulated. Another draft was prepared.  
18 I think there was a third draft that went to the board in  
19 June. It was discussed. Then there was another draft in  
20 July that discussed at the Omaha board meeting where there  
21 were some people from the client community, some people  
22 from PAG and I think nine members of the board.

23 Then the final draft that we have, the draft  
24 you have before you reflects some comments and suggestions  
25 made at the July meeting. So, it might be helpful if I

... I have received letters from ...

... of the country making suggestions and

... the plan reflects some of those ...

... people on the board, I have to admit ...

... the plan comes into contact with ...

... and I think you will find it ...

... I think you will find it ...

1 just went through with you a memo which you have in your  
2 possession on major changes in the July long range plan  
3 which were made by the August 9th plan.

4 The first change is the section on goals at the  
5 beginning of the paper has been substantially revised  
6 in light of the discussion at the Omaha meeting. So that  
7 is a major change.

8 The second major change is the discussion of  
9 impact. We broadened the rationale for impact beyond the  
10 efficiency argument that was used in an earlier draft.  
11 At the same time we indicated certain limitations on the  
12 concept of impact.

13 We talked about limitations imposed by the act.  
14 That was designed to meet comments made, I think, by Bob  
15 Kutak.

16 So what is really being said, although we have  
17 not said it explicitly, is that some of the activities of  
18 the 1960's which critics were very unhappy about regarding  
19 the uses of the program, cannot occur and won't occur in  
20 the 1980's version of impact work.

21 The third major change on allocating resources  
22 which is a section that drew a lot of comment in Omaha was  
23 to make it clear that the board is being asked only to  
24 endorse broad principles and not specific funding formulae.

25 An example of a broad principle would be more

1 first, you will find that you have to your  
 2 position or position in the July long range plan  
 3 which was made by the amount of plan.  
 4 The first change in the position on page 11 of  
 5 the report of the board has been substantially reduced  
 6 in light of the statement of the board meeting, to that  
 7 in a major change.  
 8 The second major change is the statement on  
 9 page 12. We have reviewed the material for page 12 and the  
 10 of the board meeting that was made in an earlier report.  
 11 At the same time we indicated certain that look to the  
 12 content of report.  
 13 We would like to mention that the board by the  
 14 that we returned to meet on the 11th of July, we have  
 15 to what is really being said. It seems we have  
 16 not with it especially, in that some of the activities  
 17 the 1960's which are very rapidly being completed  
 18 the 1960's which are very rapidly being completed and  
 19 the 1960's which are very rapidly being completed and  
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 98 the 1960's which are very rapidly being completed and  
 99 the 1960's which are very rapidly being completed and  
 100 the 1960's which are very rapidly being completed and

1 equitable distribution of corporate funds.

2           It seems to me that this is vital from a longe  
3 range perspective to give directions to the staff if and  
4 when we do get additional money for general expansion, how  
5 is that money to be allocated?

6           We cannot tell them what the formula ought to  
7 be but what we ought to tell them, for example, is equitable  
8 distribution of the existing funds, more equitable distri-  
9 bution something we are concerned about or not concerned  
10 about.

11           What about incentive? Are we going to try to  
12 use funding in any way to promote better performance or are  
13 we going to not do that? Because if we do not give the  
14 staff some directions, I do not think they can do a very  
15 good job of drafting a specific funding formulae which  
16 we will have to have, I think, at least like to have if we  
17 go to Congress and ask for more money for general expansion.

18           We made some other revisions in Section B,  
19 mostly to clarify. There were some parts of it that were  
20 not as clear as they might be. I think Cecilia made some  
21 comments on that we rewrote certain parts so as to make it  
22 more clear as to what we were talking about.

23           In Section G, on improving relationships between  
24 clients and staff, that is on page 22 of the new draft of  
25 the plan, page 22.

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1           In response to suggestions for more specific ways  
2 of improving relationships between clients and staff, we  
3 added two things. That we ought to develop a client-staff  
4 statement of principles, another name for which is a client  
5 bill of rights. And that we ought to continue to work on  
6 developing instruments to measure client satisfaction with  
7 services rendered.

8           If you remember that in the DSS, one of our  
9 disappointments was that although we spent a lot of time  
10 and money on trying to measure client satisfaction with  
11 programs and a comparison between programs, it turned out  
12 that the response rate was so low that we could not even  
13 use the data.

14           Maybe there is something we can do to develop an  
15 instrument that will get an adequate amount of client  
16 response so that we can make some judgments between pro-  
17 grams on this very important measure of quality. Namely,  
18 whether clients are satisfied with the work done for them.

19           So the sixth change, and again this is on page  
20 22 of the draft you have in front of you, this is on  
21 Section H, on recruiting and and retaining personnel.

22           The comment was made from Cecilia that the  
23 language there was in terms of aspirations and hopes and  
24 whereas in other parts of the document, the language was  
25 in terms "we will do something." So we changed the verbs

Further discussion on that point I think the discussion  
 soon ought to take place, particularly as a matter of  
 fact, since we can do  
 on the short range plan, the short range plan  
 you ought to read it, you have not always read it, I think  
 the subject of the meeting at Omaha which was proposed by  
 only Riggs  
 It is called "Summary of Discussion of Short  
 Range Plans from the Omaha Meeting of the Association in  
 Provision of Paper, Revision of July 22nd, 1933."  
 What they have done in that document is to  
 summarize what the thinking was, to extent that it is possible  
 to summarize it and where the main points are, and  
 indicated the various points of view that were brought  
 forward.  
 I think, as a matter of fact, you have read that document.  
 It is certainly essential to consider the short range  
 plan.  
 In any event, we made some major changes to the  
 short range plan and there are indicated in one of the  
 documents that you got. It is page 1 of the document that  
 you received from Dan earlier, early in August, and  
 the changes in the July 13 Short Range Plan.  
 The changes from the short range plan  
 the short range changes we made in the short range

WILLIAM H. GREGG

General Secretary and Treasurer

1100 North 17th Street

Washington, D. C.

1933

1 plan appears in Section A, on the bottom of page 34 of the  
2 draft you have in front of you. On the bottom of 34, the  
3 paragraph on a national legal needs study has been revised  
4 to reflect what seemed to be a very large negative reaction  
5 to the corporation conducting a national legal needs study  
6 of its own.

7           On the other hand, I point out to you that the  
8 short range plan of the bottom of page 34 indicates that  
9 we are not dropping the idea of trying to access national  
10 legal needs and that the President agreed that he would use  
11 the data that we now have available in various parts of the  
12 corporation and data from outside agencies. There have  
13 been many studies made of legal needs in attempt to pull  
14 this all together and come up with something which would  
15 enable us to say to ourselves and to Congress and to the  
16 public what is the extent of unmet national legal needs  
17 for services to poor people?

18           The second major change on research and develop-  
19 ment on page 40, that is Section B-5 on page 40 of your  
20 draft. We expanded it to include a justification for a  
21 gradually increasing percentage for R & D.

22           The question was asked at Omaha, I think it was,  
23 why does the percentage go up? So we have written a couple  
24 of sentences on that.

25           The next major change in Section C on maintaining

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also appears in Section A, on the bottom of page 34 of the  
 that you have in front of you. On the bottom of 34, the  
 number of a national level study has been revised  
 to reflect what seemed to be a way that negative reaction  
 to the corporation conducting a national level study  
 of it was.

On the other hand, I point out to you that the  
 about page 34 on the bottom of page 34 indicates that  
 we were not suggesting the idea of trying to remove national  
 level study and that the research among that we would use  
 the idea that we now have available in various parts of the  
 corporation and that from which we would  
 be in many addition made of legal needs in attempt to rule  
 that the corporation and come up with something which would  
 include in it how to understand and to understand and to the  
 about what is the nature of more national level study  
 the answer to your point.

The second part of the research and development  
 work in page 34, that is, the 1-2-3-4-5-6-7-8-9-10 of your  
 study, we expanded it to include a justification for a  
 possibly institutional procedure for it.  
 The question was asked at that, I think it was,  
 why does the government do it? So we have written a couple  
 of sentences on that.

The next major change in Section C on maintaining

1 the present which appears on page 40 of the draft in front  
2 of you, a paragraph has been added on the possibility of  
3 salary equalization because that was a subject that was  
4 raised in Omaha.

5 Not simply continuing to give programs the money  
6 they now have but to do something about salary equalization.

7 The fourth major change on page 44 under E-3(c),  
8 page 44, improving client-staff relationships, we added a  
9 sentence as a short term objective to develop and promulgate  
10 a statement of principles for staff-client relationships.  
11 Another name for which is a client bill of rights.

12 The fifth change, Section E-5, on page 45,  
13 covering compliance with the act, we modified the tone so  
14 it was a little bit less strong but we did not modify the  
15 substance and I would just add parenthetically that I think  
16 that that section of the short range plan really requires  
17 action immediately, given all the problems we are having  
18 with outside relationships with the bar and with Congress.

19 I would hope we could get started on that and  
20 if you will look at page 45 you will see the kinds of  
21 things that I think ought to be done. They fall mainly in,  
22 entirely within the area of responsibility of the opera-  
23 tions committee and I think the operations committee ought  
24 to be told today to get cracking along the lines that are  
25 indicated on page 45.

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the present which appears on page 40 of the draft of Part  
of your paragraph has been added on the grounds that it  
relates to a matter which was a subject of the  
meeting in Geneva.

Not only continuing to draw attention to the  
they now have but to do something about it.

The fourth major change on page 44 is that  
page 44, paragraph 1, sentence 1, we wish to  
insert a sentence about the objective to develop and promote

a statement of principles for national and regional  
Another name for which is a clause of the

The fifth change, Section B.1, on page 45,  
covering countries with the text we modified the text as  
it was a little bit less strong but we did not modify the

sentences and I would just add parenthetically that I think  
that the sentence of the draft would be really important  
action immediately, given all the problems we are facing

which outside relationships with the bank and with countries  
I would hope we could get started on that and  
if you will look at page 46 you will see the change

which I think ought to be done, they are only  
entirely within the area of responsibility of the  
their committee and I think the operational decisions made  
to be told how to get started about the bank that you

included on page 46.

1           They are already doing some of the things but  
2 I think that the charter has to be enlarged. It is not  
3 quite as bad as it sounds because I am on the operations  
4 committee.

5           The only other thing we did was we added a  
6 sentence to the conclusion to try to make the plan more  
7 likely to have an impact on operations of the corporation  
8 and we added a sentence that would require that any staff  
9 proposal of the board state how that proposal related to  
10 achievement of the long range plan and short range plan.

11           In other words, a kind of impact statement.  
12 So, if the staff came in with a proposal to spend \$612,000  
13 on "X", for part of the justification there would be an  
14 explanation of how that promotes the objectives and goals  
15 and the long range plan and short range plan. So that the  
16 plan would become really something that would influence  
17 our decision making at all levels.

18           Those are the major changes that are proposed  
19 in the short range plan. The only other thing I would say  
20 is that it seems to me that it is very important that we  
21 push ahead and act on the plan to the extent that can be  
22 done today, if at all. That would be useful.

23           I suspect, however, that the December meeting  
24 is really the critical meeting. I say that for a number  
25 of reasons. First of all, there was some sentiment

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They are already doing some of the things that

I think that the doctor has to be satisfied that in a

quite an old as it could be made I am on the operations

operations

The only other thing we did was we had a

notice to the committee to say to me the plan was

likely to have an impact on operations of the corporation

and we added a sentence that would require that we state

in detail the board did not have that proposal before it

and we added that the board was not aware of that proposal

in other words a kind of language in a document

and in the state of affairs that we were in at that time

on "X" for part of the justification there would be an

operation of law that would be necessary to carry out the

and the board was not aware of that proposal at that time

and we added that the board was not aware of that proposal

and the board was not aware of that proposal

"There was no other change that was proposed"

in the about time to plan. The only other thing I would say

is that it seems to me that in the early stages that it

was not clear out on the plan for the board that we had

and we added that the board was not aware of that proposal

and we added that the board was not aware of that proposal

and we added that the board was not aware of that proposal

and we added that the board was not aware of that proposal

1 expressed at Omaha from the field that they would like a  
2 plan, particularly a goals and objectives statement.

3 As I understand the PAG position, although De  
4 will speak to it, I think that PAG wants to have at least  
5 a goals statement and probably some other things as well.

6 We have committed ourselves to the planning  
7 process. Maybe we made a mistake in doing it but I think  
8 it would be terribly embarrassing now to have a situation  
9 where we could not agree on anything because I am just  
10 confident that would be picked up in all the wrong places.  
11 The places where power is exerted and said, well, why should  
12 we give them additional funds or more authority or eliminate  
13 restrictions when they cannot even agree on what it is they  
14 want to do?

15 So, I think that we are, rightly or wrongly, we  
16 are in a position where I think we have to take some  
17 action on the plan so as to protect our credibility and  
18 our reputation for being able to make decisions and figure  
19 out what it is we want to do, now that we have finished  
20 minimum access.

21 So that would be my impression.

22 CHAIRMAN RODHAM: It might be useful since we  
23 just received the documents from De, if De you would give  
24 us a very short summary of them so that we would have a  
25 chance to read them during lunch but with your comments as

1 organized at Omaha from the fifth last they would take a  
 2 plan, particularly a good one, of whatever character  
 3 As I understand the 1907 position, although I do  
 4 will come to it, I think that SAC wants to have the same  
 5 a good statement and possibly some other things as well.  
 6 We have committed ourselves to the following  
 7 program. Maybe we made a mistake in doing it but I think  
 8 it would be terribly embarrassing not to have a minimum  
 9 where we could not agree on anything because I do think  
 10 considered that would be added up in all the good work  
 11 the person whose power is exercised and said, well, why should  
 12 we give them additional funds or some other form of  
 13 contribution when they cannot even agree on what to do  
 14 want to do  
 15 So, I think that we are, although on some points  
 16 are in a position where I think we have a better  
 17 action on the plan as we are making the possibility  
 18 one a question for being able to make a statement and I  
 19 out what it is we want to do and how we want to do  
 20 minimal success  
 21 So that would be my impression  
 22 CHAIRMAN ROBBINS: We might as well discuss  
 23 just received the documents from the SAC, do you want to  
 24 us a copy that summary of them so that we would have  
 25 chance to read them during the next meeting, would you

1 kind of background material for our consideration of them.

2 MR. MILLER: Let me focus specifically on the  
3 documents you have got in front of you.

4 Maybe this afternoon it would be more appropriate  
5 to make some more sort of overview, perspective setting  
6 remarks.

7 The documents in front of you focus exclusively  
8 on the goals portion of the draft paper. The first page  
9 is a proposed alternative goals formulation, as Howard  
10 indicated.

11 The second page simply attempts to take the  
12 wording that is in the goal and break them down into six  
13 major themes or clusters of ideas and within each of those,  
14 to point out some differences from the current proposal.

15 The last page additionally tries to point out  
16 some other differences that were not thoroughly covered  
17 in the themes section.

18 I would sort of call to your attention in terms  
19 of the themes or the goals statement the wording under  
20 point 4, point 5 and point 6. That is the major differences.  
21 There are some other differences as well, but those are the  
22 major areas.

23 I am not sure, I can go over the comments again  
24 but they really are pretty terse and I think speak for  
25 themselves.

kind of background material for our consideration of these  
 matters. Let us focus attention on the  
 documents you have put in front of you.  
 Since this document is a letter, it is  
 to make some sense of it, we have to  
 understand the context in which it was  
 written. The document is dated 1954 and  
 on the first page of the letter, the  
 is a proposed alternative for the  
 industrial.  
 The second page simply states to this  
 wording that in the first and second  
 us for them on a basis of their own  
 to point out some differences from the  
 the last page, although it is not  
 some other differences that were not  
 in the letter.  
 I would not call to your attention in  
 of the letter or the points of the  
 point A, point B and point C. In the  
 there are some other differences as well,  
 major ones.  
 I am not sure if you go over the  
 but they would be very helpful for  
 the letter.

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1 Point 4 is an emphasis on using other resources,  
2 including the client community, itself, where possible.

3 Point 5 attempts to express within the legal  
4 assistance community and movement more explicitly perhaps  
5 than we see in the current proposed second goal, an  
6 internal orientation to, it is called impact sometimes.  
7 It is called change. It is called a half a dozen other  
8 things.

9 But we see it as a message to ourselves, primarily.  
10 Not so much an effort at a national mandate to take away  
11 the power of local boards of directors or communities to  
12 access their own needs but more a message to the corpora-  
13 tion, to the leadership entities in the legal services  
14 community and to specific types of programs like support  
15 centers to get themselves doing a whole lot better job  
16 at preparing themselves to be more of a resource to clients,  
17 get more information out to clients. So that is the  
18 thrust and thought.

19 Six, which as I said in the accompanying comments,  
20 really stresses an accountability theme that we do not find  
21 explicitly in the proposed goals as they read now. Some  
22 could and have argued really that it is implied within our  
23 No. 5 but we see it as sufficiently important to, we really  
24 want to highlight it and bring it to a separate status.

25 It is absolutely, as I read PAG and the

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JUDGE ORSHAN: So that you will be finishing about

if one of the things that I bring up to the board with reference to our direction in the growing industry of... to allocate funds for all of the major cities and have small cities come with no right of appeal.

That is a very simple thing that we are beginning to do throughout the country. It is in order to happen, we

have got to place major emphasis on education. The situation has become in the United States very complex. Now we have

the people who are taking advantage of those systems and not the cities who thought they were designed to assist

them but it is the other guys, the bad guys who are taking the now to use that system and our cities just do not know

how to handle themselves. We are going to have to place a major emphasis

on education or funds to assist poor people in preparing for themselves. The answer is going to be that one of

the things that we always said in the past in the old days -- hopefully we are going to try ourselves out of a job.

So, the question with reference to the program is going to be how much we need program within the

major efforts in obtaining the necessary tax levies to present them in certain areas. Which could get to be

though.

1 on that.

2 CHAIRMAN RODHAM: Shall we recess for lunch?  
3 (Whereupon, at 11:50 a.m., the meeting was  
4 recessed.)

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AFTERNOON SESSION

(1:32 p.m.)

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3 CHAIRMAN RODHAM: There is a quorum but there  
4 are several board members who told me during lunch that  
5 some have gone to check out. They are going to have to  
6 leave fairly early this afternoon, so we want to get  
7 through the agenda.

8 Howard, I guess we are back on the plan. If De  
9 wants to continue his remarks, let him go ahead and get  
10 his comments out of the way. Then you can pick up on them  
11 and the other board members can ask questions.

12 MR. MILLER: Let me just first say as a general  
13 matter, I regret that it took several months for PAG in an  
14 organized way to sort of get itself together enough to  
15 have some input in this process but it is just sort of  
16 inevitable, I think, given the nature of the organization.

17 What is before you in the other comments today  
18 are products of a discussion, products of a fair amount of  
19 deliberation and discussion Bolton but they are not doctrine  
20 at this point. I mean they are points of emphasis, points  
21 of observation that we want to make but it is not hard and  
22 fast positions. It is a tone that I would like to communi-  
23 cate.

24 I would like to make a couple of observations  
25 just about the organization of the entire effort which were

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1 made during the steering committee meeting and I think are  
2 important.

3           There is a sense, as I said in the cover memo,  
4 that a commitment to the process of goals, of forward look-  
5 ing goals, and there is a sense that further than that,  
6 it is very important that we have explicit objectives with  
7 timetables attached. Things that the corporation means to  
8 accomplish and some sense of the years in which it expects  
9 to accomplish those things.

10           Part of the short term and the long range plan  
11 seems to appear in that form. Other parts seem to appear  
12 not so much in the nature of explicit objectives that flow  
13 from the goal.

14           The distinction that we see, I think, is one  
15 where clearly stated outcomes of the kind that programs are  
16 expected to generate during their priority setting process  
17 are formulated. In some cases they are.

18           In other cases, there are values stated or themes  
19 stated but we need to push them further to outcomes, to  
20 results that one can look back at a year or two hence and  
21 say, "Did we achieve what we thought we wanted to achieve?"

22           Hand-in-hand with that is the second observation  
23 which is that we are very skeptical about the ability, the  
24 desirability, the wisdom of attaching specific dollar  
25 figures or percentages to specific items at this point when

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1 we are talking about decisions that are two or three or  
2 four years down the road.

3 The problem being that some of those items re-  
4 quire further analysis and discussion and gathering of  
5 information. That is one thing.

6 A second problem, obvious one is that we do not  
7 know what the appropriations picture is going to look like  
8 in those later years and as Cecilia's comments today just  
9 around the FY-81 allocation indicate, depending on how  
10 much money you have, some of the tough decisions look a  
11 little differently.

12 Thirdly, in a number of the areas, the decisions  
13 are very, there is a lot of controversy. There are deeply  
14 held views about them and when those deeply held views and  
15 splits combine with something less than 100 percent infor-  
16 mation and with the appropriations uncertainty, it is in  
17 those cases that we would caution the board to be, to draw  
18 back from explicit percentages, explicit dollar figures.

19 Let me give you two examples. One, the research  
20 components in one of the plans has specific percentage fig-  
21 ures for each year. We think that it is very important to  
22 define what research and development is and what the corp-  
23 oration, if there are specific projects and objectives in  
24 that, what they are and give some sense of when you expect  
25 to have those projects carried out.



1           It is not so clear that it is a good idea to  
2 translate that to a specific percentage of the budget a  
3 couple of years hence.       That seems to be taking it a step  
4 too far.

5           So we would really suggest, I think, two dif-  
6 ferent, as Howard said earlier, some of its organization  
7 and style, two different organizational kinds of approaches  
8 to this thing.

9           One, is an explicit emphasis on outcome framed  
10 objectives linked more clearly than they are in the plan to  
11 times, to years. A sense of when you want to accomplish  
12 them.

13           Secondly, less explicit tying of specific dollar  
14 figures and percentages to those items because of the un-  
15 knowns. Some of that may sound abstract.

16           There is a second example of that, I think, in  
17 the ranking of priorities and the long term plan. There is  
18 six priorities, I think, that are laid out there and they  
19 are not only set out as priorities but they are also ranked  
20 in order of importance.

21           It may not be when you look at those two or three  
22 or four years from now that the order of importance that  
23 seems appropriate now is appropriate then and secondly,  
24 it may not be framed for the board to decide in mutually  
25 exclusive terms. You may be able to do a little bit in

1 It is not so clear that it is a good idea to  
 2 translate first to a specific number of the budget  
 3 couple of years hence. That may be the thing to do  
 4 now.  
 5 So we would really suggest, I think, two things  
 6 first, as I have said, some of the organization  
 7 and also, two different experimental trials of procedures  
 8 to this effect.  
 9 One, as an explicit method in various forms  
 10 objectives being more clearly laid down in the plan to  
 11 them, to your. A number of them you want to accomplish  
 12 them.  
 13 Secondly, I am speaking of specific dollar  
 14 figures and percentages to show the nature of the im-  
 15 known. Some of that may sound abstract.  
 16 But in a second example of that, I think, in  
 17 the case of a few lines and the long term plan, there is  
 18 an alternative, I think, that we laid out for you. They  
 19 are not only set out in a position but they are also ranked  
 20 in order of importance.  
 21 If you could be able to take in those two or three  
 22 or four years from now that the order of importance that  
 23 some objectives are in importance is an aid, possibly,  
 24 if you can find for the time to be made in a fairly  
 25 experimental manner. You may be able to do a little bit for

1 each of those areas.

2 We would caution against the explicit attempt to  
3 cast some sort of stone for five or ten years in the future,  
4 priorities in a vacuum like that.

5 That seems to be going maybe past the crystal  
6 balls of the size that any of us have.

7 I am not going to go into --- I spoke with  
8 Howard at great length in terms of some of the details,  
9 comments of the short term plan. I am not going to try to  
10 get into all of those details today.

11 I would like to make a couple of observations  
12 about the long and short term plan in terms of specific  
13 reactions that we had,

14 taking the long term plan first and taking the  
15 concept of critical legal needs in that plan first.

16 We think that the notion of critical legal needs  
17 as one of the building blocks of future work of the corpora-  
18 tion could be very useful, depending on what content it is  
19 given. But we think it need a good deal more work in terms  
20 of how that would be implied, what its implications are.

21 There is one concrete issue that underlies that  
22 term and that is the extent to which the corporation itself  
23 will be defining those critical legal needs versus the  
24 extent to which the planning, deliberating processes,  
25 priority setting process in local programs will define this

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1 critical legal need.

2 It is not clear in the current draft, I think, or  
3 clear enough just how the board wants to come down on that  
4 question. I think it is one that we need to collectively  
5 face up to squarely.

6 I think there are ways through the thicket for  
7 sure. I think that you can tie in the critical legal need  
8 concept to the general legal needs formulation as a basis  
9 for the funding theory that is expressed in the short term  
10 plan as the main sort of organizing concept for the future  
11 funding theory in a way that may be able to make use of  
12 the determinations and best thinking of local programs.

13 That can be sort of brought up to a national  
14 level rather than a top down approach. But that remains  
15 to be thought through and analyzed. It is just, at this  
16 point I mean to highlight the issue and caution the board  
17 to work through that section a little more so that we are  
18 a little more clear on what we are saying.

19 The second thing is I think there is a lot of  
20 problem, and I was not able to make the Omaha discussion,  
21 but a lot of problem not so much with the substance of the  
22 discussion of impact but the characterization of it as a  
23 strategy.

24 It is seen by most, I think, in the field as an  
25 orientation and a goal, not a strategy. And it is a goal

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END OF TALK

...I think about the concept of the

1 in those kinds of issues and in those kinds of situations  
2 where we cannot achieve vast increases in economic oppor-  
3 tunity when the issue is not like that but where there are  
4 still important gains to be gotten for poor people.

5 It rises to the level of a goal of importance  
6 in those situations equal to creating economic opportunity.  
7 So, I think we would seek to change the treatment of that  
8 a bit. This gets fairly abstract but I think it, as we  
9 suggested Goal 3 in the proposal be not set aside and given  
10 separate treatment.

11 That is one of a number of important things the  
12 projects do so we would seek to elevate this to some sort  
13 of parallel standing with that Goal 3. It is another  
14 important mission of the legal services movement.

15 Perhaps, in terms of organization, you really  
16 need three things. You need a mission statement of some  
17 sort. You need a series of specific principles, organi-  
18 zing principles beneath that mission statement which would  
19 include the economic opportunity point and which might  
20 include what is now characterized as an impact point.

21 It might include some other things as well.  
22 Then you have the series of specific objectives, both in  
23 the near term and the far term. It is a little bit dif-  
24 ferent way of organizing and thinking about the subject  
25 but I think it is one we would urge for your consideration.

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1 MR. SACKS: Could I just have those again?

2 You started out with a mission statement and  
3 then your second level would be?

4 MR. MILLER: Would be a series pursuant, flowing  
5 from that mission statement. A couple of organizing  
6 principles which is where we think economic opportunity,  
7 which is one of the things that is in your draft and  
8 where we would think that a more carefully perhaps or  
9 more clearly defined treatment of what is now called  
10 "impact" belongs and maybe some other things belong there  
11 as well.

12 Then you need, at some point you need the outcome  
13 statements, the specific things that you want to achieve  
14 which in normal planning jargon I guess are called objec-  
15 tives. I think that is right. It depends on who you are  
16 talking to.

17 Just two other major points on the long term  
18 plan. Underlying it, as I had an opportunity to discuss  
19 with Howard, we see an issue which he has raised explicitly,  
20 the local versus national decision making issue.

21 I think the board, the staff, throughout the  
22 history of the legal services movement there has been a lot  
23 of tension around that issue. I think there will, I guess,  
24 continue to be tension about it.

25 I think we can do, I think that --- I would

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1 caution the board in one direction. I do not think that  
2 you should assume that all field programs think that all  
3 kinds of decisions on all kinds of issues should be left  
4 to somebody other than the national level, somebody other  
5 than the board.

6 I do not think that is what the really thought-  
7 ful people in the field are saying. I think we all  
8 recognize that there, as we are coming to you today around  
9 these questions, important issues at the national level  
10 which have to be addressed at the national level.

11 I would hope, therefore, that as we work through  
12 possibly another permutation of this document, that we can  
13 try to be even more clear about our view of those local  
14 versus national issues to maybe use this as a time to put  
15 away or reduce some of that tension.

16 I mean, I think there will be some with us all  
17 the time. That is inevitable but I think clarity there  
18 might be helpful.

19 The second point which I also had an opportunity  
20 to mention to Howard occurs really in both the short and  
21 long term documents and that is is his treatment of anti-  
22 stagnation or anti-bureaucractization or anti-hardening of  
23 the arteries or however you want to say it, is in the long  
24 term plan.

25 We see it as a critically important issue. One

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1 that needs even more treatment than there is in there now.  
2 In terms of both defining what the problems are in more  
3 clarity and secondly, proposing either some solutions that  
4 people are thinking about in addition just to the research  
5 solution and a couple of the others that Howard proposed.

6 We see the problem as a bit broader, I think,  
7 thatn is currently contained in the paper. I would like  
8 to develop and push that very hard.

9 In the short term area which, again, we would  
10 regroup, probably not in terms of a short term and a long  
11 term really treat it a little differently as a long list  
12 of objectives, some of which you expect to achieve in the  
13 next few years and some of which you expect to achieve in  
14 the remainder of the decade.

15 The main, major point is that we still see no  
16 other underlying corner stone to funding, future funding  
17 theory than a legal needs approach of some sort.

18 I missed the Omaha discussion. I know there was  
19 a lot of skepticism about a study. Howard indicated that  
20 the notion of a legal needs approach was still alive but  
21 it was going to be thought through a little differently.

22 We strongly endorse the notion of the legal  
23 needs approach. We would like to work with the corporation  
24 obviously in terms of coming at it a different way than  
25 the study, if that is indicated.

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that means some sort of treatment, such as in the case of...

in terms of both defining what the problem was in terms...

clarity and accuracy, providing either some definition that...

people are thinking about in relation to the research...

method and a range of the others that toward proposed...

We are the present as a field research, I think...

there is currently contained in the paper. I would like...

to develop and work that very hard.

the whole thing, which is what we would...

probably not in terms of a short term and a long...

term, which is a little bit different as a long term...

of objectives, none of which was meant to achieve in the...

and the way in which you appear to achieve in...

the treatment of the disease.

the study, which is the first we still see in...

often undertaken during the study, which is what...

theory that a long-term approach of case work.

I think the basic assumption. I know there was...

of the study, which is what I think is what...

the study of a long-term approach was still alive but...

it was going to be a long-term approach, which is different...

to study, which is what I think is what...

study approach. We could like to work with the cooperation...

of study, which is what I think is what...

the study, which is what I think is what...

1           We do see the link to critical legal needs and  
2 that whole concept as well.

3           There are a couple of specific areas in the  
4 short term plan, the constant admonitions to be ready to  
5 sacrifice the present to build a sound future. A trans-  
6 lation of that to, in some cases, some specific caveats  
7 about not, perhaps not maintaining programs in order to do  
8 something else. Where I think we have, in any given year  
9 we may have differences.

10           Specific differences on how to allocate specific  
11 amounts and specific appropriations but it is those kinds  
12 of statements of value that it is important to take sound  
13 steps to prepare for the future, that we would, as I  
14 mentioned before, caution the board not to translate, try  
15 to translate this year into dollars for next year or the  
16 year after.

17           Just in terms of maintenance of effort or a  
18 certain percentage or cost of whatever it is called these  
19 days, service or something for programs.

20           It is a mistake really to try to issue a document  
21 which ties down, ties to your hands in a way, you cannot  
22 move, you do not have flexibility to move. You always  
23 have flexibility to change but it is almost, it creates  
24 perhaps more controversy than it needs to.

25           It is enough, I suggested to Howard and I will

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1 suggest to you, to state clearly the values. State clearly  
2 the things that you think need to be achieved, need to be  
3 explored without trying to answer for the next decade all  
4 of the questions of ordering and all of the questions, the  
5 magnitude that surround them.

6 We also would like in this short term plan and  
7 I have discussed this with Howard, for there to be a bit  
8 more emphasis on the vast unmet legal needs, however one  
9 approaches them and however one defines them. That is the  
10 situation under the current level of funding.

11 In some senses, expansion, we sort of get into  
12 expansion through discussion of the institutionalized and  
13 some other things. We would like, instead, I think a bit  
14 more --- well, somewhere in the document, almost a clarion  
15 call using some of the sign posts that are available to us  
16 from existing information about the goals between our  
17 current resources and the current needs.

18 I would like I guess, Howard, if there are ---  
19 I did not go into a lot of discussion before lunch about  
20 the goals and do not need to now.

21 There are under each one of those themes, I am  
22 sure, specific issues. I raised some. There are certainly  
23 some others. Rather than trying to lecture on them, I  
24 would just like to be able to respond or clarify or discuss  
25 as appropriate.

1 support to you to state clearly the various  
 2 the things that you think need to be achieved, need to be  
 3 achieved, without trying to answer for the next decade all  
 4 of the questions of ordering and all of the questions, the  
 5 numerous that surround them.  
 6 so also would like in this short form plan and  
 7 I have discussed this with Howard, for there to be a bill  
 8 that would be on the same order, I don't mean, however, one  
 9 that would be of however one billion there, that in the  
 10 situation under the current level of trading.  
 11 to some extent, expansion, we need to get into  
 12 a position through expansion of the institutionalized and  
 13 some other things. We would like, instead, I think a bit  
 14 more a self-reliance in the domestic, almost a station  
 15 and might see of the right that are available to us  
 16 from extending information about the role between our  
 17 current resources and the current needs.  
 18 I would like to point out, that if there are  
 19 I had not to take a lot of attention before that about  
 20 the point and to get ready to move.  
 21 There is a number of things that I am  
 22 really really doing. I would like to have a committee  
 23 that would be able to try to do these things. I  
 24 would just like to be able to report on exactly an attempt  
 25 an important.

1 CHAIRMAN RODHAM: I think, De, it would be  
2 appropriate now for the board to discuss their reactions  
3 to the plan.

4 I know one of the questions that we have decide  
5 today is what exactly we have to accomplish. I think  
6 various board members have different ideas of what they  
7 believe should result from the work and the discussions  
8 that we have had.

9 I think that we should stop here and let Howard  
10 go back to chairing the discussion and the various board  
11 members ask anything that they wish, including ask questions  
12 of you, if they wish.

13 But I think I would like to start by asking  
14 Howard what he envisions as coming out of our discussion  
15 today so that the rest of us would have a chance to have  
16 that in mind and make whatever other suggestions we think  
17 are appropriate.

18 MR. SACKS: Well, I think, Hillary, that we  
19 should start to go through the plan right from page 1 and  
20 get as far as we can.

21 Whether or not we possibly take action on any  
22 of this, I do not know except that there is one issue on  
23 which I hope we could take action. That is on page 45,  
24 on the problem of compliance with statutory provisions  
25 governing the work of the corporation. It is numbered

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1 paragraph 5 on page 45. I think that is urgent and I think  
2 that we ought to commit ourselves to that today. No matter  
3 what statement or mission of goals we adopt, I think we  
4 have to deal with this problem.

5 Now, I understand from you that you probably  
6 are going to want to break into the discussion.

7 CHAIRMAN RODHAM: Several board members are going  
8 to be having to leave early.

9 I think we should see how much we can accomplish  
10 but then at approximately 2:45 maybe or 3:00 o'clock, we  
11 need to move on with the rest of the agenda so that that  
12 can be gotten out of the way so that the board members that  
13 have to leave can have their say.

14 MR. SACKS: And when we finish with that, I would  
15 like to, even though we may only be at that point on page  
16 13, that if anybody has got really something terribly  
17 critical to say about something that appears on page 44,  
18 he or she ought to say it.

19 Because I would hope that by the time of the  
20 December meeting we could begin to act on large chunks  
21 of this. I do not envision this as a vehicle for discus-  
22 sion. I envision this as something we are going to pass.

23 We may not pass the whole thing. We may pass  
24 only parts of it but it seems to me that our objective  
25 ought to be to try to put something down that we agree with



1 and that we can use.

2 CHAIRMAN RODHAM: Is there any disagreement among  
3 board members about that procedure? Just going through the  
4 plan that Howard has proposed and deciding at the various  
5 points whether there is or is not anything we wish to do?

6 (No response.)

7 CHAIRMAN RODHAM: Hearing none, Howard, why don't  
8 you go ahead.

9 MR. SACKS: Well, all right. Page 1 is just an  
10 introduction. It describes the content of the plan. Are  
11 there suggestions or comments on that?

12 CHAIRMAN RODHAM: Well, how do you respond to  
13 De's suggestion that it be restructured?

14 MR. SACKS: Pages 2, 3 and 4 is I think where  
15 De's presentation comes in. In form, he has got something  
16 that is very different from the goals statement that we  
17 have put down here.

18 In content, I think that they are probably closer  
19 than one might think. I hope that that can be worked  
20 out. I think there can be some ideas in here that are  
21 not in his presentation.

22 The idea of full access to the legal system I  
23 think is an important idea. The idea that we act as  
24 general counsel for the poor and not simply for the  
25 individual client who happens to appear on the door step.

and that we will find him

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and we will find him

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THE END  
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BOOK

1 Mickey Kantor's concept. I do not think that is at least  
2 explicit in what De has said but my hunch is that PAG is  
3 not going to disagree with that. So I think it is a  
4 question of seeing if we can work out something together.

5 On the other hand, there are some statements  
6 in his formulation that I have problems with. The phrase  
7 "to exert power," is a phrase that I think is ambiguous.  
8 De and I have talked about it a little but I think it has  
9 got to be spelled out and I have great doubts about using  
10 the term because I think that it raises hackles on the part  
11 of lots of people who we do not want to create that affect  
12 on. I think the idea can be put, can be put differently  
13 without creating this kind of a negative reaction.

14 It is a word that harks back to the 1960's and  
15 is a red flag to some, to a lot of people. I just hope  
16 that we can state it in different ways that won't create  
17 those kinds of problems.

18 MS. SHUMP: Howard, I do not quite understand  
19 what you mean when you say that it is a "red flag." I  
20 see absolutely nothing wrong with the two words "exert  
21 power," because any way you look at it, with the financial  
22 situation of this country as it is right now and with the  
23 options being closed to poor people every day as to who is  
24 going to have some type of an impact on what is going to  
25 happen to their life, when you talk about exerting power,

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1 you are talking about life right here and now and whether  
2 or not the people are going to be able to keep the power  
3 of change in their own lives or whether they are going to  
4 give that up to someone else and expect them to do every-  
5 thing for them. Thus, once again, keeping them dependent.

6 You know, right here and now when we have been  
7 talking about increasing client participation, when we  
8 have been talking about pro se advocacy, when we have been  
9 talking about training the clients and the clients' bill of  
10 rights and allowing the clients to have more control over  
11 their lives, we are talking exactly about exerting power.

12 So, I do not quite understand.

13 CHAIRMAN RODHAM: Bill?

14 MR. MC CALPIN: Let me see if I can explain it,  
15 Ramona.

16 Let me begin by saying I think that in terms of  
17 specifics, there would be no disagreement between us in  
18 terms of a specific representation or of a specific pro-  
19 gram but I strongly agree with what Howard said.

20 Let me say that while the PAG explanation says  
21 that this work that we are engaged in should be regarded  
22 as having primarily internal thrust, talking to ourselves  
23 to the programs and so on.

24 I think it would be a serious mistake to think  
25 that it would be limited in its dissemination and in its



1 use to that. I think that we can confidently expect that  
2 those people abroad in Milan who are not overly enchanted  
3 with the idea of legal services could be expected to exploit  
4 every possible opening that may appear.

5 I can say to you that there are those who would  
6 look at a statement like this that talks in terms of ob-  
7 taining and exerting power to affect change in ways that  
8 our clients choose and leading toward public ownership of  
9 all utilities, as leading toward taking the right of  
10 political decisions away from the Kansas City City Council.  
11 There is a big problem going there, as you know.

12 I think that congressmen could look at it as  
13 endangering their own seats. In short, this is, as Howard  
14 says, a word which, a phrase which has a lot of associ-  
15 ations going back to the decade of the 1960's and it has  
16 a lot of scare attached to it.

17 I think that people will choose to see this as  
18 suggesting or insighting street power, public confronta-  
19 tions. I think that the real problem with it, as Howard  
20 suggested, it needs to be spelled out.

21 The difficulty is that I suspect that for some  
22 it may promise more than we are likely to do but even  
23 more importantly for others it will threaten more than we  
24 are ever likely to try to accomplish.

25 It raises all of those specters of the social

...to that, I think that we can confidently expect that  
 these people should be able to do what they need to do  
 and that the kind of legal system could be expected to work  
 every possible thing that way appears  
 I can say to you that there are things that really  
 look like a substantial risk that there is a serious risk  
 of losing and losing power to allow change to ways that  
 one is not sure to and looking toward public ownership of  
 and controlling and looking toward public ownership of  
 political decisions away from the government they control  
 there is a very real danger that they, as you know,  
 I think that Congress could look at it as  
 independent of their own sense. In short, that is, as toward  
 they, a very real danger which has a lot of impact  
 of them being able to the kinds of the 1980s and 1990s  
 I don't know whether it is  
 I think that people will agree to see this as  
 supporting or helping at root power, public ownership  
 I think it is that the real problem with it is how  
 successful it needs to be spelled out  
 the difficulty is that I suggest that for some  
 it may be that some things were likely to do but even  
 we are sure that others will be done and that we  
 are sure that we will try to do what  
 it takes all of those aspects of the world

1 revolution with which the OEO program was charged and  
2 which got it into such political difficulty.

3 I think that a related problem with this formu-  
4 lation, this approach as contrasted with Howard's is that  
5 Howard's really starts with the act and builds upon what  
6 we are specifically charged with by the Congress and deals  
7 with it in that context.

8 Whereas, this formulation deals with it in a  
9 much broader context in what, as I say, others will regard  
10 as the social revolution context. The power is not  
11 defined and the change is not defined. The change, it does  
12 not even refer to eliminating poverty, bringing people out  
13 of poverty.

14 It is as susceptible to an interpretation of  
15 political change as it is economic change and change in the  
16 betterment or control of people over their own lives, with  
17 which I do not disagree at all.

18 The problem is that it raises a lot of horrible  
19 images of the past in the minds of a lot of people and is  
20 going to build in resistance and opposition that we do not  
21 need at this stage of our lives and our development.

22 I really, in general, like Howard's approach  
23 somewhat better.

24 One last comment and then I am through. That is  
25 I do not agree that our only accountability is to the client

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travelled with which the OMO program was changed and

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1 community. We have an accountability to the Congress as  
2 well and through them to the public at large.

3 I would agree that our primary, certainly an  
4 accountability that is transcendent but it is not solely  
5 and only to the client community.

6 We, at the board level, have other public responsi-  
7 bilities as well which have to be accommodated in the dis-  
8 charge of our primary responsibility.

9 CHAIRMAN RODHAM: Any other board comments?

10 MR. SACKS: I just want to add one thing. Ramona,  
11 as to not making clients dependent on lawyers, as to  
12 building client autonomy, that is a theme that I think  
13 everybody agrees on and it is mentioned quite specifically  
14 on page 22, but maybe it needs to be lifted out of 22 and  
15 put back into the goals statement.

16 This is the kind of bridge building that I think  
17 can go on between the PAG statement and our statement.

18 I think that we can reach a large measure of  
19 agreement on this as long as we can avoid or agree to avoid  
20 language that I think is likely to cause us more harm than  
21 it will accomplish good.

22 CHAIRMAN RODHAM: Any further comments on  
23 Howard's ---

24 (No response)

25 MR. SACKS: Well, if not, I guess we pass to

community. We have an opportunity to do something  
well and through time to the public at large.  
I would agree that our primary, certainly an  
accountability that is fundamental but it is not solely  
and only to the client community.

we at the board level, have other public  
duties as well which have to be recognized in the  
nature of our primary responsibility.

any other board members

and I think I just want to add one thing  
as to not being of course dependent on lawyers, to be

having total autonomy, that is a theme that I think

very well known and it is a point on which I think  
has to be made out to be clear to all and  
that is the point of the matter.

with in the kind of independence that I think  
can be achieved with the board and the management.  
I think that we can reach a large measure of

and great on this as well as we can avoid the need to avoid  
I think in that in that in that in that in that in that

the will to do the job.

any further concerns on

the

(to respond)

and I think I think I think I think I think I think

WILLIAM H. GIBSON  
DIRECTOR OF THE BOARD  
THE UNIVERSITY OF  
CALIFORNIA

1 page 5, the long range plan and we talk there about 1990  
2 hoping to be able to insure that the critical legal needs  
3 of the poor are met and to maximize the use of services,  
4 legal services and promotion of economic opportunities for  
5 poor people.

6 I think De's comments about the vagueness of the  
7 term "critical legal needs," is a good one. Especially as  
8 to who is going to define them. We tried to do a little  
9 bit of that in that sentence, De, in the middle of the  
10 page about priority setting by local programs will give  
11 further content to the concept of those legal needs which  
12 are critical. But maybe that isn't a strong enough state-  
13 ment and we will certainly work hard to meet the point that  
14 you made.

15 We have also in that statement tried to avoid  
16 tying ourselves down as we did in earlier drafts to who is  
17 poor and what about the 125 percent? That is the kind of  
18 issue that I do not think we can solve and I think that we  
19 have gone about as far as we can go in dealing with that  
20 problem.

21 I guess if there is nothing further, that brings  
22 us up to page ---

23 MR. MC CALPIN: Howard, let me make a suggestion  
24 to you.

25 MR. SACKS: Please.

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1 MR. MC CALPIN: At the bottom of page 5 and I  
2 think it is one of the things that De sort of referred to  
3 earlier. This statement, "This does not mean that we will  
4 change our present target population, 125 percent of the  
5 poverty level."

6 How can we say in 10 years we are not going to  
7 change that? I just really do not see how you can get that  
8 specific and talk in terms of what we are going to do in  
9 1988 and 1989. That is just more specific than a long  
10 range plan can afford to be.

11 MR. MILLER: That is one of about a half a dozen  
12 places where I would suggest maybe a different approach.  
13 Taking off on Bill's comment and perhaps committing the  
14 board, it does seem to me to make sense to commit itself  
15 to, commit the corporation to a review of certain questions  
16 like that one during the next decade. It is almost a  
17 different kind of outcome thing. Apparently it has been  
18 rethought recently.

19 It was thought about three years ago. It was  
20 rethought about again with a working group. It might be  
21 sensible in some of these cases to say that is a question  
22 we expect to readdress by such and such a time and treat it  
23 that way.

24 MR. SACKS: I agree with, it is not well stated.  
25 In fact it is poorly stated. All I wanted to say, I wanted



1 to not have anyone say, well, are you going to exclude the  
2 people who are now between 100 percent and 125 percent?

3 Our answer to that was no, we do not plan to  
4 exclude them. We are going to continue to serve them. But  
5 I have not said that very clearly.

6 In answer to you, I do not think that is going  
7 to be reviewed. At least I assume that the review process  
8 is taking place here. We plan to continue to serve people,  
9 not just those at 100 percent of the poverty level but  
10 those up to 125 percent of the poverty level.

11 MR. MILLER: The issue I meant was past the  
12 other way.

13 MR. SACKS: Yes. Go past 125 percent ---

14 MR. MILLER: Or any other formulation.

15 MR. SACKS: Yes.

16 MR. MC CALPIN: Howard, what if one of those  
17 resolutions about cutting our appropriation by \$75 million  
18 is passed?

19 Are you sure that we are not going to review  
20 and have to make decisions between 100 and 125?

21 MR. SACKS: No. "For the present" I should put  
22 in?

23 I see both of your points. I will go back to  
24 the drawing boards and try ot again.

25 I think I am going to come out at least say,

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to not have anyone else, with you going to continue the  
people who are now between 100 percent and 112 percent.  
Our answer to that was not to do that.

We are going to continue to have people that  
I have not told that very clearly.

In answer to you, I do not think that is going  
to be reviewed. At least I assume that the review process  
is being planned here. We plan to continue to have people  
not that close to 100 percent of the poverty level but  
looking at 125 percent of the poverty level.

That is what I mean. I mean you have the  
other way.

Yes, you have the other way. Yes, you have the other way.  
Or any other alternative.  
Yes.

Yes, that is the way, which is one of them.  
You are not going to be disappointed by the situation

is probably  
And you will find that we are going to review

and then to have a situation between 100 and 112  
of the program. The program is about 100

and  
I am sure of your position. I will go back to

to continue to have people that are not  
I think it is going to come out of that way.

1 unless the board disagrees, that at least for the immediate  
2 present, we plan to continue to serve the people between  
3 100 and 125.

4 I apologize for the poor drafting. I will try  
5 harder.

6 MR. MC CALPIN: No apologies needed.

7 MR. SACKS: I was up to page 8 on a major  
8 strategy for achieving the plateau impact work.

9 Goals are impacted, the strategy, I have gone  
10 back and forth on that everytime I try to do that. I am  
11 never sure what to do but my present view is that that is  
12 really a strategy question of how you use your resources  
13 and how you use your lawyers and your para-legals and your  
14 other staff. So I think it is a strategy.

15 I would think it ought to be continued there.  
16 The statement has to be read with care. I think this is  
17 one of the most difficult sections in the paper because  
18 "impact" is a word, which like "power", makes people unhappy.

19 In drafting this what I have tried to do is to  
20 be very honest and up front. At the same time state very  
21 candidly that we expect to do impact work and I just hope  
22 that the draft walks the fine line between being dishonest  
23 and being inflammatory.

24 CHAIRMAN RODHAM: Any more comments?

25 MR. MC CALPIN: I wish I would not be the only



1 one to comment but could I offer you a couple of sug-  
2 gestions?

3 I discovered in terms of our recent controversy  
4 within the bar that people in the population generally,  
5 particularly in the bar population, really do not under-  
6 stand why an eligible client with a domestic relations  
7 problem cannot go to a legal services office and be served.

8 Specifically, they do not understand taking a  
9 class action on welfare rights and putting a good deal of  
10 resource into that when the individual client with the  
11 domestic relations, landlord tenant, consumer problem,  
12 whatever it is, is told we cannot take you or you can come  
13 in two months to a do-it-yourself session that we are  
14 going to have for all of the people and they do not under-  
15 stand the relationship between the concentrated use of  
16 scarce resources for what you have, I think, properly called,  
17 "impact," the greatest good to the most people and the  
18 necessary sacrifice that that entails on the part of many  
19 individual clients.

20 Secondly, they do not understand at all the  
21 relationship between that and the process of priority  
22 setting and the fact that that concentration of resources  
23 on the important impact work is as a result of a conscious  
24 decision at the lower level in which hopefully if our  
25 system is working right, the clients have had a significant

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1 voice. It seems to me that, furthermore, there is one  
2 other aspect of this and I think I would like you to  
3 consider whether we just lay it out on the table and that  
4 is what the DSS study tells us about private bar partici-  
5 pation and impact.

6 This may be an area, a consideration which  
7 militates against private bar involvement because we did  
8 not find much impact affect in private bar involvement.

9 I would like you to think about those aspects of  
10 impact as you review this subject.

11 MR. SACKS: Well, I do not have any problem  
12 with your first problem about the fact that the decision  
13 is a conscious decision made at the local level, hopefully  
14 by people who lives are affected by the decision. That is  
15 easy to put in.

16 MR. MC CALPIN: I would say this is going to  
17 have a fairly wide audience.

18 MR. SACKS: Your second point, I will really  
19 have to think about that. That is a tough one.

20 JUDGE ORTIQUE: You were closer to it, you were  
21 right there and I was not. I will have to admit that you  
22 were closer to it but I thought that we had made some  
23 headway in terms of indicating that the economics of the  
24 situation dicated that you would do impact work.

25 Quite frankly, I cannot get away from it and I

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1        It seems to me that, unfortunately, the  
 2        other aspects of this and I think I would like you to  
 3        consider what we just try to do on the other side of  
 4        is what the GUP study tells us about how to do that  
 5        better and improve.

6        This may be an issue of coordination with  
 7        institutions and that's what we're trying to do  
 8        not that much, I think, but I think that's what  
 9        I would like you to think about in your comments  
 10        based on your review this subject.

11        MR. SACCHIS: Well, I do not have any problem  
 12        with your first problem about the fact that the institution  
 13        is a non-academic institution and the local level, depending  
 14        by people who have an effect on the institution, that is  
 15        only to get it.

16        MR. SACCHIS: I would say this is going to  
 17        have a fairly wide audience.  
 18        MR. SACCHIS: Your second point, which really  
 19        has to do with about that, that is a tough one.  
 20        QUINN-ORRISON: You were always to the point.

21        I think that's what I was not. I will have to work that out  
 22        very closely to the point I thought that we had made here.  
 23        Anyway, in terms of institutional that the committee on the  
 24        institution of that you would be interested in.  
 25        But the thing is, I cannot see how that would

1 know of no other way to express it and I think as a  
2 strategy I am satisfied that it says unless and until  
3 that local program decides that this is an objective, a  
4 priority, that we won't have what they perceived of and  
5 which I know of only one or two instances and I think  
6 most of it was in somebody's mind that we had a group of  
7 lawyers running around the country who were suggesting that  
8 this is an area that you ought to be into, who had no  
9 relationship to the local situation.

10 I thought that we had gotten across to local  
11 groups. Kilpatrick said the other day he would still  
12 fund the program although this broad has not eliminated  
13 all of the flaming liberals who run around the country  
14 doing things.

15 I consider that progress with Kilpatrick.

16 MR. MC CALPIN: I was a little afraid that the  
17 PAG formulation was going to lose us Mr. Kilpatrick.

18 JUDGE ORTIQUE: I think we ought to put it there  
19 and I think when we define it as a strategy that should  
20 give confidence.

21 CHAIRMAN RODHAM: I think Bill's point is a good  
22 one, though, that it needs to be explained because--- I  
23 gues because of leftover misconceptions or fears or  
24 realities, however you want to describe them and because  
25 we have done our job of educating a lot of people about

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know of no other way to proceed. I think that  
 the only way to proceed is to have a  
 that joint commission should be set up to  
 ordinary that we would have what they would  
 which I know of only one or two instances of  
 most of the way in which it is to be  
 lawyers entered through the country who were  
 this is the way that you could have the  
 the country in the long run.  
 I think that we had better return to  
 people. It is not easy to say that  
 that the people of the world are not  
 any of the things that are done in  
 being done.

I am with you in what I think  
 the only way to proceed is to have  
 the commission was set up in the  
 that I think we ought to have  
 and I think we ought to have  
 give attention.

the only way to proceed is to have  
 the commission was set up in the  
 that I think we ought to have  
 and I think we ought to have  
 give attention.

1 our services.

2 More and more people, not just lawyers but just  
3 citizens and even eligible clients who do not understand  
4 priority setting, do not understand the reasons behind  
5 decisions to engage in what we call impact work and as a  
6 result they are beginning to express some dissatisfaction  
7 about people who are turned away.

8 That is what I hear. I mean I spent three hours  
9 this week trying to find a lawyer for an eligible client  
10 because our program is not taken those kinds of cases.  
11 It was a real shock to the people who took the person  
12 there to get services.

13 I explained it all and everything but when you  
14 put it into sort of stark human terms about somebody who  
15 cannot get the service because of this abstraction called  
16 priority setting and this decision on impact work, it  
17 causes I think some problems.

18 They are good problems and people wonder why we  
19 don't do more and I think will eventually lead to more  
20 support but I think Bill's point is really a good one that  
21 we need to have it explained just more simply. We are not  
22 just talking to ourselves and we need to take this chance  
23 to educate other people as well. I think that would be a  
24 big help.

25 De?

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...and

...and some people, not just lawyers but just

...and even though it's not

...and the way that

1 MR. MILLER: Can I just raise not a specific  
2 comment about these sections but a more general sort of  
3 methodological issue?

4 My understand, I would like to know whether it is  
5 really correct or not but my understanding would be that  
6 on both for instance the earlier discussion of the goals,  
7 this one, again, whether impact is this or that and what it  
8 is, the first step we need to take in terms of a dialogue  
9 among the board or with the board and the rest of the  
10 community is to work through the content, as Howard suggest-  
11 ed earlier.

12 I suspect, I even suspected under the goals  
13 question that the content, the difference in views may not  
14 be as great as Bill, I think, said earlier as the debate  
15 over the words may seem.

16 I would hope that, although as I said in my  
17 cover memo, I think we need to have a goal of December for  
18 action if this thing is ever going to get off the mark.

19 I would hope that the next couple of months be  
20 used to further have thinking about the words as well as  
21 the content because I would hate for us --- I am not sure  
22 whether impact is a strategy or is not or should or should  
23 not be. I do want to go back and rethink whether saying  
24 it is a strategy and explaining it this way or explaining  
25 it another way hinders --- that is the basic question.

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THE MEMBER HAS A FEELING THAT HE IS

COMMON ABOUT HIS OWN FEELINGS AND THAT HE IS

NOT A MEMBER OF THE

IF YOU WOULD BE KIND TO

PLEASE CONTACT ME AT MY HOME OR OFFICE

ON THE MATTER OF THE

IT IS MY HOPE THAT YOU WILL

BE ABLE TO ASSIST ME IN

THE MATTER OF THE

YOUR ASSISTANCE IN THIS

WOULD BE APPRECIATED

I WOULD BE GRATEFUL IF YOU

COULD CONTACT ME AT MY HOME

OR OFFICE AT YOUR CONVENIENCE

YOUR ASSISTANCE IS

APPRECIATED AND I WOULD

BE GRATEFUL IF YOU WOULD

CONTACT ME AT MY HOME

OR OFFICE AT YOUR CONVENIENCE

YOUR ASSISTANCE IS APPRECIATED

AND I WOULD BE GRATEFUL IF YOU

COULD CONTACT ME AT MY HOME

OR OFFICE AT YOUR CONVENIENCE

YOUR ASSISTANCE IS APPRECIATED

AND I WOULD BE GRATEFUL IF YOU

THE MEMBER HAS A FEELING THAT HE IS  
COMMON ABOUT HIS OWN FEELINGS AND THAT HE IS  
NOT A MEMBER OF THE

YOUR ASSISTANCE IS

1 Does it hinder or help the end that we are  
2 trying to get to? Let's first be sure we agree on the end.  
3 I think there is a lot more agreement than is apparent on  
4 the surface of the words.

5 If we agree on the end, then let's try as best we  
6 can to get the formulation that gets us closer to there.  
7 I just would like a sense that there is a continuing pro-  
8 cess.

9 CHAIRMAN RODHAM: I agree with that and Howard  
10 told me earlier that he was willing to continue the work  
11 that he has done in consultation with you and others to  
12 see if these semantical problems, if that is what they are,  
13 cannot be resolved.

14 MR. SACKS: I just wanted to make clear that I  
15 am not the only person on the board and it may be that I  
16 have reached the limits of my usefulness so I will not feel  
17 in any way annoyed or insulted if somebody says politely or  
18 even impolitely that they want to turn it over to a com-  
19 mittee or somebody else because people do out live their  
20 usefulness.

21 CHAIRMAN RODHAM: That is like that old Abraham  
22 Lincoln story about the man who was tarred and feathered  
23 and driven out of town, out of a town he did not want to  
24 live in anyway and he said if it weren't for the honor of  
25 it, I would rather walk.

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These 14 letters on July 19th are that we are

trying to get the 14th letter to you as soon as the end

I think there is a lot more agreement than is apparent on

the number of the words.

If we agree on the end, the 14th letter will be the

one to get the 14th letter. I think you are closer to

I just would like a word that there is a continuing

word.

There are 14 letters with the end and second

and the 14th letter that we are willing to continue the work

of the 14th letter in consultation with you and others to

the 14th letter. I think that is the 14th letter and

cannot be resolved.

I just wanted to make clear that I

am not the only person on the letter. I am not the only

have reached the limit of my understanding and I will not

in any way annoy you. I am not the only person who is

over especially that they want to have it over to a

letter on somebody else because people do not like

confidential.

There are 14 letters. I think that is the 14th letter

and I think they should be the only ones who are

and I think you all agree on the 14th letter and I

like the letter and I think it is the 14th letter and

the 14th letter.

14th letter  
14th letter  
14th letter  
14th letter

14th letter

1 If you want to get out, you can.

2 MR. SACKS: All right. If there is nothing  
3 further on page 11, securing the resources necessary to  
4 meet the critical legal needs of the poor.

5 The main point made there is that we are not the  
6 only kids on the block. There are other agencies engaged  
7 in this effort. We hope to give them encouragement and  
8 support. The bar, other government agencies dealing with  
9 specialized group like the aged and the handicapped.

10 It recognizes at the bottom of page 11 the diffi-  
11 cult problems whether we seek funds for specific groups or  
12 for the poor in general and in the best tradition of plans  
13 it waffles on that issues, which is about the best that you  
14 can do given the time constraints that we have.

15 But at least we have identified the problem and  
16 it is going rise again, I am sure.

17 To pass to a section that I am sure will go  
18 through without any difficulty at the top of page 12,  
19 allocating resources to meet critical legal needs. What  
20 is being attempted there is to set forth not specific  
21 funding formulae but general funding goals or values, to  
22 use De's term and give some ranking to them and the purpose  
23 is to try to help the staff work out a specific funding  
24 formulae that we can use when we ask for more money and  
25 for general expansion for the Congress and when we decide

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If you want to get out, you can.

MR. BARKER: All right. It seems to me that

there is no need to hurry in this respect.

There are no special needs of the group.

The main point is that we are not the

only thing on the block. There are other groups engaged

in this effort. We hope to give them encouragement and

support. The best of our government agencies dealing with

socialized groups like the Y and the YWCA.

The organization in the future on page 13 and 14.

Our problems whether we seek funds for special groups or

not the poor in general and in the same condition of things

is well as on that issue, which is about the same this year

and so there is no reason to believe that we have

and in fact we have identified the problem and

it is going to be done, I am sure.

It seems to me that I am not sure if we

through without any difficulty at the top of page 13.

affiliated organization to meet civil legal needs. They

is being attacked there is to set forth our position

financial resources for general public health or welfare, so

and help them to give some thing to them and to support

in the way to help the work out a special fund.

Therefore that we can use when we ask for more money and

the general organization for the progress and what we should

WILLIAM J. BARKER

Executive Director, American

Red Cross Society, Inc.

Washington, D. C.

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1 to allocate any new funds that we get.

2 CHAIRMAN RODHAM: Any questions on that? Keeping  
3 in mind what Bruce Morrison said this morning. The use of  
4 the word "equity" in number 2 not as useful as "more  
5 equitable distribution"?

6 MR. SACKS: Yes, that is certainly a possi-  
7 bility.

8 CHAIRMAN RODHAM: A new MED formulation.

9 MR. SACKS: MED.

10 CHAIRMAN RODHAM: I mean I do not know. I am  
11 just asking.

12 MR. MC CALPIN: I am not sure that the concept  
13 that Bruce enunciated this morning is the same concept that  
14 is in here in this line number 2.

15 Maybe there is a certain amount of overlap but,  
16 you know, there is a lot of question in this number 2, it  
17 seems to me about does this include cost variation?

18 Does this mean that you have to quantify the cost  
19 of a divorce in Maine and in Arkansas and in Oregon and you  
20 have to provide the cost of a divorce, whatever that may  
21 be, from place to place?

22 You say pretty faciley here that it does not mean  
23 that we are going to have \$7.65 per person all across the  
24 country. Dollars does not necessarily mean equality and  
25 yet in a good many areas of public life, that is exactly

to discuss any new ideas that we get.

QUESTIONS: Any questions on this?

to which we have been looking at this morning. The fact is

the word "policy" is important. It was the word that

was used in the report.

MR. BAKER: Yes, there is certainly a general

policy.

QUESTIONS: Is there any other information on

MR. BAKER: Yes.

QUESTIONS: I mean I do not know. I am

just asking.

MR. DE LOACH: I am not sure that the concept

that you are referring to is the same concept that

is in mind in this line of thought.

Maybe there is a certain amount of overlap.

You know, there is a lot of overlap in this subject. It

seems to me that does this kind of work.

Does this mean that you have to establish the fact

of a division in Maine and in Arkansas and in Oregon and you

have to provide the rest of a division, whatever that may

be, from time to time?

You are pretty sure that is how it works?

That we are going to have \$7.5 billion per year and we are

concerned about the amount of money that is going to be

put in a good many areas of public life, that is certainly

1 how we expend tax funds on an even numbers of dollars per  
2 person.

3 I think there are some common elements as to what  
4 Bruce was talking about but I think that there are some  
5 other concepts involved here which may be a little different.

6 MR. SACKS: Well, I think Bruce ought to be  
7 permitted to speak to that and then I may have a comment.

8 It is really on page 14, Bruce, and I think you  
9 see that in earlier drafts, equity is not synonymous with  
10 a simple calculations formula.

11 MR. MORRISON: My reaction to it is that what I  
12 was talking about when I said we should use the words  
13 "more equitable distribution" rather than the various  
14 historical formulations was that it is more complex, as you  
15 pointed out with the census and everything else and I do  
16 not know which way Bill meant it when he said it did not  
17 include cost variation.

18 What I would say is you are not --- some of these  
19 things are going to be impossible to ever equalize. I mean  
20 we are not going to go down and compute the cost of a  
21 divorce in Maine, I do not think. The cost of divorce in  
22 Maine and Arkansas and try to do those things.

23 You are going to make some decisions about which  
24 equities to recognize, which differences in costs, which  
25 differences in population.

how we speak and how we think are two different things

perhaps

I think that's very common - to think that we're what

we say and that's not true. I think that's a very common

error. I think that's a very common error. I think that's

very common. I think that's very common. I think that's

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very common. I think that's very common. I think that's

very common. I think that's very common. I think that's

1           You may decide, as you decided on the first cut,  
2 that that means \$7 per poor person or \$12 or \$20 or \$50 or  
3 whatever it ought to be. But you are going to face up to  
4 that decision and when you make the decision, you are going  
5 to be striving more equitable distribution and like every  
6 other term, that is just a term and you are going to ulti-  
7 mately give it content and it might mean an equal number of  
8 dollars and it might mean something else.

9           But it brings into it the concepts of a count and  
10 a cost as well as just an equal numbers of dollars. I guess  
11 I would think, I would favor the use of that phrase as the  
12 new phrase we have coined to try to bring everybody to-  
13 gether under a new umbrella so we do not get wet.

14           CHAIRMAN RODHAM: De?

15           MR. MILLER: Another generic comment. That is all  
16 all I am really good at.

17           I relation to that, I think there are problems  
18 throughout these formulations with some of the words used  
19 in terms of what people take them to mean.

20           Just like we had problems earlier with the goal  
21 words and other people had problems with what "support"  
22 means. Which for me says two things:

23           One, certainly try to clear it up as much as we  
24 can on specifics.

25           Secondly, draw back from --- this is the point I

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You may decide, as you decide, on the first day

that that means it's your business to be on the job

whatever it might be, but you are going to have to

make a decision and when you make that decision, you are going

to be receiving more attention, attention and that means

other things, that is just a fact of your position in life.

It's not a question of whether you are a person or not.

It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

THE BIRTH OF A NATION

It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

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It's a question of whether you are a person or not.

It's a question of whether you are a person or not.

THE BIRTH OF A NATION  
A PLAY IN THREE ACTS  
BY EDWARD BELLAMY  
REVISED BY THE PLAYERS

1 made at the outset, the notion of this is number 2, this  
2 is number 3, this is number 4, this is number 5 and this is  
3 number 6, special needs of special groups.

4 The reason being some special needs of some  
5 special groups for various reasons may at the time they  
6 come before the board seem tremendously compelling. Others  
7 may not.

8 Part of the imprecision in the words creates the  
9 room to come out differently on different ones of those  
10 question. I would urge instead of ranking, trying to  
11 express as clearly as you can but don't rank, just say  
12 these are the strong values that we have.

13 Also, on incongruity or a symmetry which still  
14 troubles me is the difference between one and the rest of  
15 them. One is facilitate the goals of the corporation.  
16 These are, in the sense that they are in there in some  
17 sense of the word "goals" is the point I was trying to get  
18 at earlier in terms of something, a broad, all encompassing  
19 goal and then a whole lot of organizing clusters of values  
20 that you intend to achieve in some period of time.

21 There is just an incongruity there. I am not  
22 prepared to suggest a resolution but I think one is  
23 fundamentally different from the rest in that you really  
24 started out trying to come up with a goals statement that  
25 would be, I take it, for all time. Something that was

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1 make an attempt to do so in order to this  
 2 as number 3, this is number 4 and this is  
 3 number 5. I would like to see if you  
 4 the person taking your special needs of some  
 5 special group for various reasons may at the time they  
 6 come before the board have some kind of counseling  
 7 may not.  
 8 try of the individual in the words of the  
 9 you to come and try to get an idea of what  
 10 question. I would like to see if you are trying to  
 11 express as clearly as you can not don't know, just say  
 12 there are but almost always that we have  
 13 any in counseling or a specialty with children  
 14 practice as in the office and between one and the other  
 15 from the individual and some of the concepts.  
 16 there are in the area that they are in there in some  
 17 sense of the word "group" that I am trying to get  
 18 an outline in terms of counseling, a broad, all encompassing  
 19 goal and then a whole lot of organizing ideas of plans  
 20 that you intend to achieve in some period of time.  
 21 there is just an individual there. I am not  
 22 prepared to suggest a resolution but I think one is  
 23 fundamentally different from the rest in that you really  
 24 intend to try to come up with a goal statement that  
 25 would be, I think, for all time. Something that was

1 really over ---

2 CHAIRMAN RODHAM: I think that is a very helpful  
3 comment and I hope that will be something that you and  
4 Howard and the rest of us could think about because I  
5 think that makes a lot of sense. Very persuasive to me  
6 about the potential difficulties.

7 MR. SACKS: All right. If there is nothing  
8 further, I am on to page 17, a mature and sophisticated  
9 delivery system where I thought the important points are  
10 that we are committing ourselves to doing more to involve  
11 the private bar.

12 Not only in pro bono but in adjudicare projects  
13 which say quite specifically on page 17 that the delivery  
14 system studies teaches that a better integration of private  
15 bar components and the staff attorney programs is feasible.

16 For example, where lawyers in private practice  
17 can handle particular types of cases more effectively or  
18 at lower cost for the same affect. Local programs will not  
19 hesitate to maximize the use of their funds by contracting  
20 for such services with such lawyers.

21 That sentence was written before the Wisconsin  
22 resolution and it has not, with the ABA action it certainly  
23 has not lost any of its pulling power since that.

24 Some other things that I think are important,  
25 determining the appropriate mix of staff types on the top

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... really over ...

... I think that is a very ...

... and I hope that will be ...

... Howard and the rest of us could think about ...

... think that makes a lot of sense. Very ...

... about the ...

... Mr. Baker. All right. ...

... I am on to page IV, ...

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1 18, paragraph 2. Greater use of non-lawyers to the extent  
2 that that is feasible.

3 Paragraph 3, relation to non-legal advocacy.  
4 We recognize that poor people may organize by themselves  
5 and run their own programs without any help from others and  
6 we do not aim to take those over or to try to provide  
7 services to them if they do not wish services provided and  
8 that we just have to find our appropriate niche.

9 Those are the major points that I would make,  
10 except for the last paragraph on the bottom of page 19 that  
11 as the delivery system matures, it does not mean that we  
12 have to have a uniform system throughout the country.

13 We may indeed have even more diversity than we  
14 now have.

15 CHAIRMAN RODHAM: Steve?

16 MR. ENGELBERG: Howard, two things on private  
17 bar involvement.

18 The first one is minor. Maybe inadvertently,  
19 because I do not think you meant to. You seem to have put  
20 pro bono in a somewhat kind of aside after contracting of  
21 services. I would not want to commit that paid help to  
22 the private bar, make that more important. I do not think  
23 that is what you intended to do but it may mean that.

24 MR. SACKS: All right.

25 MR. ENGELBERG: More disturbing is the, what

...the ... of ...

...the ...

1 seems to be the implication and it came up to some extent  
2 at the resolution that the board adopted last June as to  
3 whether, you seem to be saying under the sentence about  
4 pro bono projects that there is an implication there that  
5 these will all be run through LSC grantees.

6           Again, I do not know if it is intentional but  
7 that is the way I read the sentence. The sentence that  
8 begins, "Similarly, where pro bono projects are feasible,"  
9 et cetera. Then it says "LSC grantees will create oppor-  
10 tunities to do more."

11           MR. SACKS: That was not a deliberate decision.  
12 I think that that is wrong.

13           MR. ENGELBERG: What I would recommend would be  
14 that you mention the pro bono projects with and I think  
15 you should emphasize the staff component because I think  
16 we all agree that is very important. I think you should  
17 also emphasize that the projects should not be done in  
18 isolation from local programs because I think we also  
19 think that is important.

20           MR. SACKS: All right.

21           MR. ENGELBERG: Not to necessarily create an  
22 implication that they are all tied in through existing  
23 grantees.

24           MR. SACKS: Well, if there is nothing further on  
25 that, page 20, insuring high quality services, defining



1 quality, the development of quality standards. It is to  
2 some extent aspirational, a goal but I know that important  
3 work is going on and Clint Lyons is encouraged and thinks  
4 we are making progress and I hope that we continue to  
5 make progress.

6 On enforcing quality at the bottom of page 20,  
7 we talk about the various ways to insure high quality.  
8 Not only advice and criticism but aid and assistance. A  
9 sensible and effective monitoring and evaluation policy.

10 JUDGE ORTIQUE: Let me just stop you a moment.

11 Why did you deem it necessary to say by 1990 we  
12 will have part of the standards. Don't you think we ought  
13 to just leave that phrase out of there?

14 What does Congress look at when it sees that and  
15 says, by golly, you should have had some standards prior  
16 to that time.

17 MR. BRADLEY: I think the Judge is right.

18 MR. SACKS: All right.

19 MR. BRADLEY: Why don't you put by late 1981?

20 (Laughter.)

21 MR. MC CALPIN: Take it out of the long range  
22 plan altogether.

23 MR. SACKS: Then on page 21 there is mentioned  
24 the role of clients and monitoring and evaluation efforts.  
25 It says that their role will have been clarified and

quality, the development of quality standards. It is to  
some extent experimental, a goal for which that important

work is going on and which system is encouraged and which  
we are seeking patterns and I hope that we continue to

understand  
the continuing activity in the bottom of page 144

we talk about the various ways in which this change  
not only affects and stabilizes but also reinforces. A

variable and distinctive characteristics and evolution policy.  
DIRECT CHANGES: but we just hope you a moment.

Why did you have it necessary to say by 1990 we  
with most part of the standard. Don't you think we ought

to have laws that govern only at home?  
What does it mean to say that we

ought to have laws that govern only at home?  
to that time.

THE PROBLEM: I think the things in there.  
THE PROBLEM: All right.

THE PROBLEM: Now don't you see it's 1990?  
I'm sorry.

THE PROBLEM: Like at the end of the large time  
give me a chance.

THE PROBLEM: I think on page 14 there is mentioned  
the case of children and children and children's activities.

THE PROBLEM: I think you'll have some children and  
CHILDREN: I think  
CHILDREN: I think  
CHILDREN: I think

1 appropriate use of clients in such efforts will be made.

2 Then that is tied in with a similar statement  
3 in the short range plan.

4 Techniques to maintain or improve quality.

5 Incidentally, there are some typographicals  
6 through here that you will pick up when we run it through  
7 the next draft.

8 Then we end up at the bottom of page 21 by  
9 saying although improving client-staff relationships is a  
10 very important part of the rendering of high quality  
11 service, we think it is sufficiently important to deserve  
12 separate treatment which provides transition to G, on page  
13 22 on improving relationships between client and staff.

14 The ideas there are, I hope are not controversial.  
15 What we are talking about is letting clients decide what  
16 their goals are. We are talking about the individual client  
17 client.

18 We are talking about respecting client dignity  
19 and we are talking about preventing the development of  
20 client dependency on professionals.

21 How you gain all those objectives is going to  
22 be a more difficult thing. We talk about training. We  
23 are talking about monitoring and self evaluation. I  
24 understand from Bob Kutak that the proposed rules of  
25 professional conduct take a stronger stand on client

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1 autonomy versus lawyer domination. If the rules come out  
2 in that form, we can obviously use those.

3 Cecilia suggested and you will find in here that  
4 we will develop our own set of principles for staff-client  
5 relationships called a client bill of rights and we will  
6 develop that and promulgate it.

7 Incidentally, I have used the word "staff" rather  
8 than "lawyer" because of course para-legals have relation-  
9 ships with staff.

10 MR. MC CALPIN: The real problem is that you have  
11 limited it to staff.

12 We have 19 programs now which use non-staff  
13 attorneys and it is just as important that those people be  
14 sensitized to these issues as it is that staff attorneys  
15 be sensitized.

16 MR. SACKS: You are talking about private bar  
17 lawyers?

18 MR. MC CALPIN: Exactly.

19 JUDGE ORTIQUE: Let's go back just one step.  
20 When you talk about the relationship of individual clients  
21 to his lawyer, isn't that something different from the  
22 whole bit of the relationship of the client community to a  
23 board?

24 MR. SACKS: Yes, but here we are just talking  
25 about the individual client.

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1 JUDGE ORTIQUE: Now, when you start talking about  
2 sensitizing individual clients to their lawyer, it seems  
3 to me that you are stepping in an area that may cause  
4 some difficulty because the lawyer, the client has ever  
5 right to expect a professional guidance and this corpora-  
6 tion or nobody else ought to step in to try to sensitize  
7 or assist in the development of that relationship.

8 When we talk about an individual's lawyer's  
9 conduct, in his overall conduct, that is something dif-  
10 ferent.

11 When you have got an individual problem and an  
12 individual lawyer, you have got an individual relationship  
13 with this client, this corporation or anybody else has any-  
14 thing to do with it.

15 I think we have got to be very careful about that  
16 language because again you get into the area where corpora-  
17 tion or corporation lawyer is dictating something that  
18 would not ordinarily happen in the normal course of things  
19 as between client paid for lawyers and clients.

20 I have been an advocate all the time of saying  
21 that clients have the right to receive the same type of  
22 representation that you get when you are going to a lawyer  
23 and paying him.

24 MS. ESQUER: That is precisely why I think I  
25 suggested that we include something like a client bill of



1 rights because you have to admit that there are some  
2 differences in legal services program.

3 Like the issue of choice. What type of choices.  
4 That really kind of goes to those types of things where  
5 there are special circumstances that are really limited to  
6 legal services programs or maybe even, you know, programs  
7 for people who seek free services.

8 JUDGE ORTIQUE: I agree with you as long as you  
9 tell me that that takes place outside of the individual  
10 relationship between lawyer and client.

11 MR. SACKS: Nobody intends, Revius, to have some  
12 monitoring agency watch a client being interviewed by a  
13 lawyer or by a para-legal. Nobody contemplates that we  
14 are going to educate clients about that other than to  
15 maybe distribute a statement of principle.

16 What we are talking about is educating lawyers  
17 just the same way any law office or government agency  
18 educates its lawyers how you treat clients.

19 What we are saying here is that some legal  
20 services lawyers need to be educated about the fact that  
21 they are not running client lives and they should not act  
22 in an authoritarian way.

23 So, our aim is to educate the lawyers before  
24 and the para-legals, before they deal with individual  
25 clients.

alpha because you have to admit that there are some

difficulties in legal services program.

What are the kinds of studies? What type of studies?

What really kind of law to those types of things when

there are special circumstances that are really limited to

legal services program or maybe even, you know, programs

for people who work from countries.

GENERAL QUESTION: I agree with you as long as you

believe that that's the case, that outside of the individual

relationship between lawyer and client.

MR. WADSWORTH: Nobody intends, however, to have some

autonomous agency which a client being represented by a

lawyer or by a paralegal. Nobody contemplates that we

are going to create clients about the other than to

provide a standard of excellence.

What we are talking about is educating lawyers

that the agency may give office or government agency

education for lawyers how to treat clients

What we are saying here is that some legal

services lawyers need to be educated about the fact that

they are not a neutral class lives and they should not act

as an arbitrator.

What we are trying to do is educate the lawyers better

and the paralegals better they deal with individual

clients.

1 JUDGE ORTIQUE: All right. I think we are saying  
2 the same thing. I just got lost when you started talking  
3 about sensitizing individual lawyers and in individual  
4 cases.

5 MR. SACKS: I probably did not state it with the  
6 precision that it deserves.

7 If there is nothing further on that, recruiting  
8 and retaining personnel, the bottom of page 2, that is  
9 Section H.

10 We talk there not only about having adequate  
11 numbers of competent staff for effective high quality  
12 services which is aspirational.

13 We also address the problem of discrimination  
14 and affirmative action. Some changes have been made from  
15 an earlier draft, as I indicated I think this morning.

16 What is being said there we have done in some  
17 respects an affect job on recruiting women and recruiting  
18 minority lawyers but there are wide variations among pro-  
19 grams and we have not done a particularly good job on  
20 recruiting minority and female personnel for managerial  
21 and policy making positions.

22 In the paragraph that follows, the last paragraph  
23 on page 22, there are a number of specific ideas that are  
24 stated there that we will either actually do or we will  
25 certainly consider.

1 I think we are right. I think we are right. I think we are right.

2 the more things I think about then you started talking

3 about something. Individual lawyers and in individual

4 cases.

5 Mr. Justice: I probably did not mean it with the

6 presentation that it does.

7 It seems to me that the number of cases, including

8 and including personnel, in the bottom of page 2, that is

9 the number of cases.

10 We talk about not only about having adequate

11 numbers of competent staff for effective law practice

12 numbers which is important.

13 It also addresses the problem of discrimination

14 and affirmative action. Some changes have been made from

15 an earlier draft, as I indicated I think this morning.

16 There is a lot of work that we have done in some

17 respects an effort to recruit women and minorities

18 actively lawyers but there are other variations among pro-

19 fessional and we have not done a particularly good job on

20 recruiting minority and female personnel for managerial

21 and policy making positions.

22 In the paragraph that follows, the last paragraph

23 of page 2, there are a number of specific items that are

24 stated there that we will either continue to do or we will

25 continue to consider.

1           One thing that we will do and as a matter of  
2 fact it is being done right now is a comprehensive civil  
3 rights regulation which will address the issue of equal  
4 access to services as well as equal employment opportunity  
5 and affirmative action.

6           The operations committee is working on that.  
7 We expect to get a draft from general counsel's office  
8 sometime, hopefully this fall.

9           Then there is one item added at the very end on  
10 page 23 that is different from the earlier drafts and that  
11 is investing some portion of corporation funds in minority  
12 owned financial institutions and encouraging local programs  
13 to do the same.

14           I must admit, I do not know what our present  
15 policy. Somebody told me, Gerry, that at one time we did  
16 have a policy of investing some of our funds in minority  
17 owned financial institutions. I do not know where we stand  
18 on it now.

19           MR. SINGSEN: We do still have investments in a  
20 number of minority institutions and we are constantly  
21 examining minority institutions to move to put larger  
22 amounts of our funds in their hands.

23           Charles is here. We, for example, just now have  
24 been moving in that direction with the American Indian  
25 National Bank in which we had a deposit fund but we are

One thing that we will do and as a matter of  
 fact it is being done right now in a comprehensive  
 fashion. We will address the issue of equal  
 employment opportunity as well as equal  
 educational opportunity.  
 The education committee is working on this.  
 We expect to get a draft from general committee within  
 a few days, probably this fall.  
 There should be one item added at the very end on  
 the subject of differences from the earlier drafts and that  
 is a working committee of cooperation funds in industry  
 and financial institutions and community-based programs  
 to be added.  
 I must admit, I do not know what our present  
 policy is, somebody told me that at one time we did  
 have a policy of lowering some of our funds in industry  
 and financial institutions. I do not know what we stand  
 on it now.  
 In summary, we do still have a responsibility in a  
 number of ways by institutions and we are constantly  
 examining labor legislation to make sure that labor  
 interests are being protected.  
 There is a bill, for example, that we have  
 introduced in that relation with the American labor  
 movement which we had a general fund but we are

1 moving to handle some of our regular grant checks out of  
2 that institution.

3 MR. SACKS: All right. So that really the  
4 sentence ought to be reworked to say that we are now doing  
5 that and we are trying to expand the kind of business that  
6 we give to institutions.

7 MR. MC CALPIN: Howard, let me suggest to you  
8 that the first sentence and to a certain extent the third  
9 sentence of the caption are really not reflected in the  
10 discussion that follows.

11 I think that the first sentence presents some  
12 particular difficulty when it says "Local programs and other  
13 elements will have at all times adequate numbers of  
14 competent staff for effective high quality service consis-  
15 tent with corporation goals."

16 Our goal is to serve all the poor people. I  
17 think we heard this morning that that may take \$800 or  
18 \$900 million and to say that our programs will at all times  
19 have adequate personnel to serve everybody with quality  
20 services, one, I just do not believe.

21 Second, there is nothing about that in the  
22 exposition which follows.

23 MR. SACKS: All right. What is your problem  
24 with the third sentence?

25 (Laughter.)

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...to have some of our regular people check out the

...condition.

MR. TOLSON: All right, so that really the

...to be reviewed to see that we are not doing

...to expand the kind of business that

...to be reviewed.

MR. TOLSON: Howard, let me suggest to you that

...to a certain extent the kind

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...to be reviewed.

I think that the kind of business that

...to be reviewed in the

(Continued)

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1 MR. SACKS: Never argue with a man when he is  
2 right.

3 (Laughter.)

4 MR. MC CALPIN: Well, again, you are telling us  
5 turnover will be curtailed. You are a lot more confident  
6 than I am is all I have got to say, because obviously that  
7 means that we are going to have to have the money and the  
8 resources and the working conditions to make these jobs so  
9 attractive.

10 To promise that, it is it seems to me, going  
11 beyond our capacity to perform.

12 CHAIRMAN RODHAM: The 13th Amendment problem.

13 MR. MILLER: Once again there, they are goals.  
14 I mean it is sort of the same comment I made earlier. It  
15 is not a goal in the sense of the over arching statement  
16 but these are a series of specific things you seek to  
17 obtain and the "will" language needs to be reworked into  
18 something else.

19 CHAIRMAN RODHAM: I think the will language came  
20 in, in part in response to Cecilia's urging that we be more  
21 positive.

22 MR. MILLER: I see.

23 CHAIRMAN RODHAM: I think that we can be more  
24 positive and more committed toward achieving some of these  
25 objectives without using language that as Bill points out,

MR. BARKER: Never argue with a man when he is

(Continued)

MR. BARKER: Well, again, you are talking to

me and you are talking to me and you are talking to

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1 on the face of it may be unrealistic. Which would I think,  
2 therefore, undermine the efforts to achieve the objectives.  
3 I think we can work that out.

4 MR. SACKS: All right. If there is nothing  
5 further ---

6 MS. ESQUER: Howard, I have got some comments  
7 on that.

8 MR. SACKS: Yes, please.

9 MS. ESQUER: I do not have any specific wording  
10 and I cannot tell you what paragraph or what phrase to put  
11 it in but I still feel that it light of the numbers and  
12 percentages that we have, that we really need to have a  
13 firmer statement on affirmative action.

14 I do not think that there is anything wrong with  
15 committing to set some goals, some more specific goals in  
16 terms of either numbers or percentages or a time line and  
17 I am not an expert in how you develop an affirmative  
18 action plan or something like that but I would really like  
19 to see something that is going to show something specific  
20 rather than some of these things might be useful and may  
21 use some of these things.

22 If you could say that we will either adopt a  
23 plan with specific goals and objectives or something to  
24 that effect. I think that that would show, at least to  
25 me, that we have made a commitment.

on the basis of it may be immaterial. I think I think

the same, and I think the effort to achieve the objectives

I think we can work them out.

ALL: I think it is better to have it in writing.

Thank you.

MR. BROWN: I have not seen the document.

Yes.

MR. BROWN: Yes, please.

MR. BROWN: I do not have any special words.

and I would like you what paragraph or what phrase to put

in it and I will feel that it is in the number and

paragraph that we have, that we really need to have a

strong statement on alternative action.

I do not think there is anything wrong with

the language as far as you are concerned, some special

words or phrases or as compared to a plain language

I do not see any reason to have an alternative

action plan or something like that but I would really like

to see something that is going to show something specific

rather than some of those things that are general and say

use some of those things.

I think you would say that we will either say

that with respect to the objectives or something to

show progress. I think the language would show us fairly

well, that we have made a commitment.

MR. BROWN: I think it is better to have it in writing.  
I have not seen the document.  
Yes.  
MR. BROWN: Yes, please.  
MR. BROWN: I do not have any special words.

1 MR. SACKS: I think we have an affirmative  
2 action plan, don't we?

3 MS. ESQUER: Does it have goals? Is there a  
4 timetable? Is there --- does it have goals as far as  
5 management positions?

6 MR. SACKS: Well, I do not know. Charles  
7 Chapman is the man ---

8 MR. CHAPMAN: No, we do not.

9 MS. ESQUER: I have not seen them.

10 MR. SACKS: We do not have an affirmative  
11 action plan?

12 MR. CHAPMAN: We do not have one that clearly  
13 defines the goals and objectives, no.

14 MR. SACKS: Well, we have an affirmative action  
15 plan?

16 MS. ESQUER: We have a statement. A policy that  
17 is about one and a half sentences long that says that we  
18 believe in affirmative action.

19 CHAIRMAN RODHAM: Well, I think Howard, can you  
20 try to maybe consult with Charles and work on that?

21 JUDGE ORTIQUE: The statement that Cecilia made  
22 in her suggestion that I think can be incorporated as  
23 goals that we will adhere to.

24 In some fashion we have got to state that we do  
25 believe in the specifics and that we will work toward them.

MR. BAKER: I think we have an affirmative

action plan, don't we?

MR. BAKER: Does it have goals? Is there a

statement of intent? In other words, does it have goals as far as

management positions?

MR. BAKER: Well, I do not know. Can you

explain in the way --

MR. BAKER: No, we do not.

MR. BAKER: I have not seen them.

MR. BAKER: We do not have an affirmative

action plan.

MR. BAKER: We do not have one that clearly

indicates the goals and objectives, no.

MR. BAKER: Well, we have an affirmative action

plan.

MR. BAKER: It has a statement of intent, a policy that

is clear and a list of objectives and goals that we

are going to undertake to do.

MR. BAKER: Well, I think that's all that we

are going to have with respect to affirmative action.

MR. BAKER: The statement of intent, the policy, the

list of objectives and goals, and the list of

goals that we will achieve.

MR. BAKER: It does indicate we have put to rest that we

are going to do it, and that we will work toward it.

1 I think that we can make the language even  
2 stronger by indicating that we will look at in the exami-  
3 nation of programs for annual refunding, we will look at  
4 these measurements. These measurements become important  
5 so that word does go out that you do have some standards  
6 by which you are going to measure whether affirmative  
7 action is real or it is just a centerpiece.

8 MR. SACKS: Well, I do not have any problem  
9 about a sentence that would read "We will develop an  
10 affirmative action plan with specific goals"but ---

11 MS. SHUMP: Develop and implement?

12 MR. SACKS: Sure. I have no problem with that.  
13 The question is are we going to --- am I expected to go  
14 beyond that?

15 I find it hard to go beyond that in part because  
16 I do not know enough about the subject matter and part  
17 because I have got some problems with some of the sugges-  
18 tions that have been made.

19 For example, there is some suggestion that all  
20 training programs should have representation of women and  
21 minority staff in proportion to their numbers within the  
22 corporation.

23 I think that that just is not going to be a very  
24 sensible way to run the training program. So, if what you  
25 seek is a commitment in firm language to the general goal

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I think that we can make the language even  
 stronger by including that we will look at in the future  
 the possibility of providing for annual reporting, we will look at  
 these recommendations. These recommendations are important  
 to that end that you do have some substantial  
 to which you are going to measure whether additional  
 action is necessary in the future.

MR. BAKER: Well, I do not have any problem

about a sentence that would read "The bill develops an  
 alternative solution given with specific guidelines"

MR. BAKER: Develop and implement

MR. BAKER: I have no problem with that

The question is we are going to see if we need to go  
 beyond that

I think it best to go beyond that to good business

I do not know enough about the subject matter and don't

because I have not seen the bill with some of the suggestions  
 that have been made.

For example, there is some suggestion that all

training programs should have representation of women and  
 minority areas in cooperation to their members within the

report section

I think that that is not going to be a very

substantial part of the bill's purpose.

I think the main purpose of the bill is to

1 of affirmative action, I do not have any problem but I am  
2 not planning to bring back in December --- and I think now  
3 is the time to get it decided, anything that goes beyond  
4 that into these particular specifics other than the speci-  
5 fics that are laid out here.

6 MS. ESQUER: Well, get ready because I  
7 think that is the first half of it. The second half of  
8 it is ---

9 MR. SACKS: Well, here is the time to do it,  
10 Cecilia.

11 MS. ESQUER: The second half is I think I would  
12 just like to repeat what the Judge said. Someone in the  
13 staff had prepared a discussion paper on affirmative  
14 action that I sent to you.

15 MR. SACKS: Right.

16 MS. ESQUER: And I think that what the Judge  
17 says is one of the goals that is set out here that we will  
18 use performance as a standard for reviewing programs and  
19 for looking at funding decisions. I think that is the  
20 second half because if we adopt a plan and it really means  
21 nothing in terms of funding decisions, in terms of provid-  
22 ing assistance to programs, then we are not going to be  
23 successful, Howard.

24 MR. SACKS: First of all, on affirmative action  
25 in the field, we do monitor and evaluate that. That is

of administrative action, I do not have any problem but I am not planning to bring back in December -- and I think now is the time to get it decided, anything that goes beyond that into these particular questions other than the question that was laid out here.

MR. ROOBERG: Well, get ready because I

think that is the first half of it. The second half of it is --

MR. BAKER: Well, there is the time to do it,

Constitution.

MR. ROOBERG: The second half is I think I would

just like to repeat what the Judge said. Someone in the

staff had prepared a dissemination paper on alternative

action that I sent to you.

MR. BAKER: Right.

MR. ROOBERG: And I think that what the Judge

says is one of the goals that is set out here that we will

see performance as a standard for reviewing programs and

for looking at funding decisions. I think that is the

action that because it we adopt a plan and it really means

getting the sense of making decisions, getting the sense of

the assistance to program, if we are not going to be

successful, however.

MR. BAKER: Right of all, an alternative action

in the field we do monitor and evaluate that. What is

1 what all the trouble was in Texas. So we insist that our  
2 field programs do something and we will continue to that.

3 Now, if you are talking about what we at the  
4 corporation ought to do, I think that we have to talk in  
5 terms of specifics. I have some specifics in here.  
6 Obviously there are other specifics that can be put in.

7 MS. ESQUER: Let me ask you, Howard, would you  
8 have problems with saying that if a program has consistently  
9 not hired minorities and women and has consistently not  
10 provided career or promotional opportunities for minorities  
11 and women and they apply for reggies year after year, that  
12 we should just automatically supply them with reggies or  
13 at some point do you say, well, one of the purposes for  
14 the reggie program is to provide community attorneys with  
15 an attention towards minority attorneys to provides.

16 Then we look at the program's ability to retain  
17 these people. If all they do is use the reggies to show  
18 that they can bring in a rainbow hue to the program, do we  
19 continue rewarding them with a grant? I believe we  
20 should not.

21 MR. ENGELBERG: Does that mean that if the pro-  
22 gram has made an effort to obtain, let us say you are  
23 talking about a program, a rural program. If the reggie  
24 chooses not to stay and the program has made every good  
25 faith effort to keep the reggie. Are you saying ---

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about all the trouble was in Texas. So we looked that over  
field program to something and we will continue to that.

Now, if you are talking about that, it is

organization ought to do, I think that we have to talk in

terms of operations. I have some questions in terms of

operations in one and other operations that are in fact

MR. BROWN: Let me ask you, Howard, would you

have a problem with saying that it is a program but consistently

you have operations and some and not consistently not

provided services or operational operations for themselves

and when they apply for support, they are not

we would just automatically supply them with support or

in some point do you say, well, one of the purposes for

the people program is to provide emergency services which

an alternative towards normally alternatives to providers.

When we talk of the program's ability to sustain

these people. If all they do is use the services to show

that they are doing in a training but to the program, do we

continue working them with a grant? I believe we

should not.

MR. BROWN: Now that we have said that, the

grant has made an effort to obtain, for the way you are

part of about a program, a small program. All this is

divisions and so that the program has been every good

better effort to keep the people. Now you are saying

1 MS. ESQUER: Steve, I am not saying that the  
2 people should retain the reggie. I am saying that if that  
3 is the only time that they ever have minority staff is  
4 when they bring in reggies.

5 MR. ENGELBERG: Cecilia, what I am driving at is  
6 what about the good faith of the program management to  
7 recruit and retain minority staff and are just simply  
8 unable to do so for reasons of geographical location, I  
9 suspect is often a problem.

10 Are you suggesting that a straight, you simply  
11 do it on a straight statistical basis?

12 MS. ESQUER: I would never suggest that, Steve.  
13 I am an attorney.

14 MR. ENGELBERG: The question is how do you then  
15 monitor and make that judgment?

16 MS. ESQUER: I think we have a really good model  
17 in what happened in San Antonio. I think that we can rely  
18 on the staff that we have who I think is really competent  
19 in doing things like that.

20 The whole nervous thing about San Antonio was  
21 whether we were going to back what that regional office  
22 did in carrying out what they thought was a corporation  
23 policy and there was an absence of any specific things that  
24 the corporation expected from grantees that caused all this  
25 nervous thing that happened.

MR. BROWNE: I am not saying that the

people should retain the right. I am saying that if that

is the only time that they ever have minority staff in

then they bring in people.

MR. BROWNE: I am saying that I am

concerned about the good faith of the program management to

maintain and retain minority staff and are just simply

unable to do so for reasons of geographical location, I

would like to offer a proposal.

Are you suggesting that a strategy, you always

do it on a strategic statistical basis?

MR. BROWNE: I would never suggest that. Given

I am an attorney.

MR. BROWNE: The question is how do you give

attention and what kind of judgment?

MR. BROWNE: I think we have a really good effort

to what happened in San Antonio. I think that we can only

on the state that we have and I think it really depends

on doing things like that.

The whole business thing about San Antonio was

what we were going to do with that business of that

and in carrying out that strategy with a corporation

and having an absence of any specific things that

the corporation expected from that area of all that

business that had happened.

MR. BROWNE

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1           What I am saying is I think that we have to be  
2 more specific. We are either committed or we are not  
3 committed to affirmative action. If we are just going to  
4 say it, it is the same issue as in client involvement.

5           You raise expectations, you promise a lot and  
6 then in the end people know they are not required to do  
7 anything.

8           MR. ENGELBERG: Cecilia, I do not follow what  
9 you are saying. The question is though in terms of Howard's  
10 statement that he is trying to develop, I think you cannot  
11 simply state, I do not think you would support a bold  
12 statement which in effect says that you do not have  
13 minority, say, staff employees without regard to any ---

14           MS. ESQUER: Let me read the statement again,  
15 Steve.

16           It says, "The corporation will offer incentive for  
17 promoting programs compliance with LSC's affirmative  
18 action requirements and principles. For example, reggies,  
19 summer interns, private project funding."

20           MR. SACKS: I do not think we ought to offer  
21 incentives for compliance of our requirements. I think  
22 that we ought to insist on compliance.

23           If we have an affirmative action requirement for  
24 a local programs and obviously we do, that is how San  
25 Antonio got into trouble. I thought we ought to insist on

that I am saying is I think that we have to be

more realistic. We are often over-optimistic and we are

committed to unrealistic action. If we are just going to

say that in the same sense as in other instances.

You raise expectations, you promise a lot and

then in the end people know they are not wanted to do

anything.

But I think you do not believe that

you are saying. The question is through means of having

statements that he is going to develop. I think you cannot

simply state, I do not think you would support a field

statement which in effect says that you do not have

energy, you need employees without a need to say so

and I think you need the statement that

there

the corporation will still continue to

promoting programs compatible with the activities

and the organization and financial and economic support

and the organization and financial support

and I think I do not think we are in a better

position for supporting our organization. I think

that we ought to think in a different way.

It is hard to understand what we are doing and

to find programs and activities that are in line with

what we are doing. I thought we ought to think in

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PRESIDENT

1 compliance like we insist on compliance with requirements  
2 that they keep their books in order.

3 MS. ESQUER: But are we going to enforce that?

4 MR. SACKS: Well, we are enforcing it. I would  
5 be happy to put in a sentence that says we will continue  
6 on strict compliance by local programs with our affirma-  
7 tive action and nondiscrimination requirements. No problem  
8 with that. We are already doing that. I mean that is not  
9 part of a plan.

10 MS. ESQUER: That is for grantees. Then for our  
11 own employees, the corporation employees, do we have that  
12 statement?

13 MR. SACKS: I certainly think it would be appro-  
14 priate to say that we will develop and implement an  
15 affirmative action plan for corporation employees with  
16 specific goals.

17 We have an affirmative action plan but perhaps  
18 it does not have specific enough goals. We ought to have  
19 specific goals.

20 MS. ESQUER: I do not think it is correct to say  
21 we have a plan. We have a policy and that is it.

22 CHAIRMAN RODHAM: That seems to me though that  
23 that is one thing that the operations committee should  
24 properly superintend. That is if there is a need for a  
25 policy, then --- I mean a plan to implement the policy,

compliance like we have on compliance with regulations

that they keep their books in order.

MR. ROBERTS: But we are going to enforce that.

MR. BAKER: Well, we are enforcing it, I would

be happy to put in a measure that says we will continue

on strict compliance by local programs with our standards.

It is action and nondiscrimination requirements. The program

with that. We are already doing that. I mean that is not

part of a plan.

MR. ROBERTS: That is not progress. That is not our

own employees, the corporation employees, do we have that

statement?

MR. BAKER: I certainly think it would be appropriate

to state to say that we will develop and implement an

affirmative action plan for corporation employees when

specific goals.

We have an affirmative action plan and perhaps

it does not have specific enough goals. We ought to have

specific goals.

MR. ROBERTS: I do not think it is necessary to say

we have a plan. The plan is what we are doing.

MR. BAKER: That means to me that we are doing that

that is one thing that the operations managers should

properly understand. That is all there is a good law

policy. I mean a plan of implementation in policy.

WILLIAM H. ROBERTS

CHIEF OF BUREAU OF LABOR RELATIONS

WASHINGTON, D. C. 20540

1 then we should get the plan. That is something that I  
2 think Jo should take under advisement and speak with  
3 Charles Chapman and Dan Bradley.

4 MS. ESQUER: It is kind of beside the point,  
5 Hillary. The thing is the question right now is do we want  
6 a plan or not since we do not have one and we are consider-  
7 ing what is it we are going to be doing.

8 My suggestion is this thing says we are going  
9 to adopt the plan.

10 CHAIRMAN RODHAM: That is fine with me. What I  
11 am saying is that is fine. I agree with saying that but  
12 then we have got to adopt a plan. So far, apparently, it has  
13 not been brought to the operations committee.

14 All I am doing is suggesting that the operations  
15 committee do it.

16 MS. ESQUER: I think it was brought up for  
17 discussion one time before when we first came on the board  
18 and there really was a decision not to develop a compre-  
19 hensive plan and the decision was that we really did not,  
20 you know, we started talking about possibly hurting our  
21 funding and things like that. I remember that type of a  
22 discussion but I do not remember whether it was a committee  
23 or with a full board but there was a decision not to have  
24 a plan.

25 CHAIRMAN RODHAM: But Cecilia, I think that Jo's

then we should get the plan. There is something about  
that I should take under advancement and speak with  
Charles Chapman and Don Bradley.

MR. BRADLEY: In the case of the plan, the plan

is that the thing is the question right now is do we want  
a plan or not. We do not have one and we are considering  
that that is it as we go to be doing.

My suggestion is that this thing we are doing

is about the plan.

CHARLES CHAPMAN: What is this with you, that I

am asked to look at this. I agree with what you are

saying we have got to adopt a plan. In the meantime, it has  
not been brought to the attention of the committee.

MR. BRADLEY: I am going to suggest that the committee

consider the plan.

MR. BRADLEY: I think it was brought up for

discussion and then before then we think about the board  
and there really was a decision not to develop a program.

Instead of the board and the decision was that we really did not

you know we started talking about possibly having one

and then we decided to take that. I remember that you all

discussed that I do not remember whether it was a decision  
or with a full board but there was a decision not to have

a plan.

CHARLES CHAPMAN: The committee is still in a

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MEMORANDUM FOR THE BOARD

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1 committee should look into it. They may come back and say  
2 we still do not want a plan or they may come back and say  
3 here is the plan we propose.

4 I think that for us to talk about it at the board  
5 level in such abstraction doesn't get us very far. Once  
6 we have decided that it is appropriate for the operations  
7 to determine whether or not we need a plan. If we need a  
8 plan, what the plan should say.

9 MS. ESQUER: You are saying that we should ask,  
10 this thing should say the board should ask the appropriate  
11 committee?

12 CHAIRMAN RODHAM: No. I think that can say what  
13 Howard said it said. That we will develop and continue  
14 to implement --- we are talking about policy in this long  
15 range plan and I think a statement of policy of continued  
16 strong support on behalf of affirmative action is appropri-  
17 ate in this plan.

18 How that is implemented I think is up to the  
19 committee and the board.

20 MS. ESQUER: All right. Well, then I do not  
21 agree with that. I think we need to say that and I think  
22 we need to go one step further. I mean we already have a  
23 history. We have a history of OEO legal services and we  
24 have a history as LSC since 1974 and I feel that as far as  
25 the corporation itself and as far as what we do in regard

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...should look into it. They may come back and say  
we still do not want a plan or they may come back and say  
there is the plan we proposed.

I think that you do not think it is the best  
I think in such a situation doesn't get us very far. One  
we have decided that it is appropriate for the operations  
to determine whether or not we need a plan. If we need a  
plan, what the plan should say.

...you are saying that we should do  
this thing should say the board should say the operations  
committee

...I think that we should  
board said to say that we will develop the operations  
committee to be looking at the operations in the long

...I think a statement of policy or something  
...I think we should do something about the operations  
...in this plan.

...I think that we should  
committee and the board.

...I think we need to have a plan  
we need to go one step further. I mean we already have a  
policy. We have a history of OBO legal services and we

...I think we need to have a plan  
...I think we need to have a plan

1 to grantees is not satisfactory as far as really carrying  
2 out a policy and I think that now is time to say that we  
3 are going to adopt a plan.

4 CHAIRMAN RODHAM: I know what you are saying but  
5 that is your personal belief. I am not ready to say I  
6 agree or disagree with it until a committee of the board  
7 comes back to me and tells me what, based on evidence  
8 presented by Charles and other people of responsibility,  
9 demonstrates.

10 MS. ESQUER: Then maybe we should submit every  
11 point on this paper to a committee then.

12 MR. SACKS: May I just ask a question of Mario  
13 Lewis that might help?

14 Mario, does comprehensive civil rights regulation  
15 that you are developing for the operations committee, am I  
16 correct in believing that it will deal not only with equal  
17 employment opportunities but affirmative action for both  
18 the national corporation office and the grantees?

19 MR. LEWIS: No. It will be just a recipient  
20 related regulation.

21 MR. SACKS: Just recipient? Do we have a regu-  
22 lation on the national level?

23 MR. LEWIS: We do not.

24 MR. SACKS: We just have the plan?

25 MR. LEWIS: That is correct.

to question the way that we are currently doing it  
and to make sure that we are doing it in the best  
possible way.

And that is what we are doing.

I am not sure that I am not ready to do it  
because of the fact that I am not sure that I  
am not ready to do it. I am not sure that I  
am not ready to do it. I am not sure that I  
am not ready to do it.

And that is what we are doing.

I am not sure that I am not ready to do it.

And that is what we are doing.

I am not sure that I am not ready to do it.

And that is what we are doing.

I am not sure that I am not ready to do it.

And that is what we are doing.

I am not sure that I am not ready to do it.

And that is what we are doing.

I am not sure that I am not ready to do it.

And that is what we are doing.

I am not sure that I am not ready to do it.

And that is what we are doing.

I am not sure that I am not ready to do it.

And that is what we are doing.

I am not sure that I am not ready to do it.

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1 MR. SACKS: Well then, Hillary, I will turn to  
2 you and ask you do you have objections to language that  
3 would say we will develop and implement an affirmative  
4 action plan with specific goals for the corporate head-  
5 quarters personnel?

6 CHAIRMAN RODHAM: I do not have any objections  
7 and I do not have any favorable reaction. I think that  
8 Mario and Charles and other people could expand what they  
9 are doing now. If they are --- if we are already heading  
10 toward a regulation that governs grantees, then I do not  
11 see what is so difficult about expanding it to govern the  
12 corporation. I do not think that is a big deal.

13 We did make a decision, right or wrong, a couple  
14 of years ago not to have a plan. If it was a wrong  
15 decision, then we take a different route and we develop a  
16 plan. It does not matter to me what we say.

17 MR. SACKS: How about just changing slightly the  
18 sentence at the top of page 23. It talks about comprehen-  
19 sive civil rights regulations. "Addressing the issues of  
20 equal access to service as well as equal employment  
21 opportunity and affirmative action will be developed soon.  
22 As I have said, it is being worked on now."

23 Supposing we amend that sentence to indicate  
24 that that will govern not only the grantees but the national  
25 office? Would that satisfy ---

THE SENATOR: Will you please, Mr. Chairman, I will come to you and ask you do you have objection to language that would say we will develop our investment in research and development with specific goals for the corporate sector?

Chairman: I do not have any objection.

THE SENATOR: I do not have any favorable reaction, I think that Davis and Oberlin and other people would expect that they are doing now. If they are -- if we are already heading toward a regulation that governs investment, then I do not see what is so different about requiring it to govern the corporation. I do not think that is a big deal.

THE SENATOR: He did make a decision, right or wrong, a number of years ago not to have a plan. If it was a wrong decision, then we have a different world and we have to live. It does not matter to me what we live.

MR. BAKER: How about just changing slightly the sentence at the top of page 28. It talks about developing and investing in research and development, adding the words "and investing" in the course of that sentence to make it as well as equal investment.

THE SENATOR: The alternative action will be developed and as I have said, it is being worked on now.

Chairman: We would like to have the following:

That the bill govern not only the investment but the activities which would be carried out by the corporation. We would like to have the following:

1 MS. ESQUER: Not me because I do not think that a  
2 regulation, unless you are --- I think a regulation is  
3 different from a plan.

4 As I said before, I am not really familiar with  
5 how you go about developing an affirmative action plan.  
6 I think a plan is more a guideline type thing than a regu-  
7 lation because a regulation then you have, you know,  
8 enforcement powers. It is really a different ball game,  
9 Howard.

10 So, I think that a plan would be something that  
11 you use to implement a regulation. I would not be satis-  
12 fied with just having a regulation which is what we have  
13 right now.

14 CHAIRMAN RODHAM: Bruce Morrison. Oh, Jo?

15 MS. WORTHY: I have to say that I agree with  
16 Cecilia. We are always, I know I have noticed in material  
17 that we send, we have an affirmative plan and the question  
18 is asked what is the, what goes with the plan? What goals  
19 does the plan have?

20 Being an affirmative action officer myself, I  
21 know for a fact you need goals to follow up that plan.  
22 You can just tell anyone you have an affirmative action  
23 plan, you cannot implement it because you do not have the  
24 goals to look at. You do not know what you are looking  
25 for.

...the first of the ...  
...the ...  
...the ...

...the ...  
...the ...  
...the ...

1 I would like very much to meet with Charles and  
2 maybe Howard and anyone else and my committee and get  
3 these goals set out with this plan.

4 I think today we should decide that we want the  
5 affirmative action plan with the goals. As far as I know,  
6 we have a plan. What am I going to do with the plan?  
7 How am I going to implement this plan? What do I look at.

8 We need something to look at and I would like  
9 to go on record today saying that we need to do that. If  
10 it needs to come to my committee, that I am in agreement  
11 to implement those goals to go with those plans so that  
12 we will have something to put in Howard's paper.

13 MS. ESQUER: I just think it is really interest-  
14 ing that we have been able to discuss every other issue  
15 in this paper without saying before we put anything in this  
16 paper it has to go to a committee.

17 CHAIRMAN RODHAM: Bruce?

18 MR. MORRISON: I have two comments. One of  
19 them is similar to what Cecilia just said.

20 Really that this point is so controversial  
21 frightens me, frankly. I just have to comment that because  
22 it seems to me this is a fundamental value that I under-  
23 stand to be all of our obligations and we may have all  
24 failed in varying degrees in implementation but the fact  
25 that it would be controversial to say that the corporation

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I would like very much to meet with Charles and  
maybe Howard and anyone else and by committee and see  
those points out with this group.

I think today we should discuss that we have the  
alternative action plan with the people. As far as I know,

we have a plan. What must points to be with the people  
how am I going to implement this plan. What do I look at.  
We need something to look at and I would like

to go on record today saying that we need to do that. It  
it needs to come to my attention that I am in agreement  
to implement those points to go with them. I see so that  
we will have something to put in Howard's paper.

MR. SPOFFORD: I just think in the early interview  
and that we have been able to discuss very often things

in this paper without saying before we put anything in there  
paper. It has to go to a committee.

CHARLES H. HARRIS

MR. HARRIS: I have two questions. One is  
there is a question about the plan itself.

Really that this point is an agreement and  
I think we should. I just have to mention that because  
it seems to me that is a fundamental value that I understand

about to be all of our objectives and we have to  
talked in various degrees to implementation of the plan.

that it would be counterproductive to say that the organization

1 ought to have an affirmative plan with goals and time-  
2 tables, which I understand to be sort of a truism of  
3 American life at the moment and something that we are  
4 passed the debate on. That is troubling.

5           The second thing I would say is as a grantee I  
6 understand that I have to have goals and timetables. Maybe  
7 and it is true, in fact, in my programs for certain jobs,  
8 I hope most jobs and for others that we are at or above  
9 utilization rates that would be expected in terms of parity  
10 in this whole business and the corporation may well be  
11 that situation for some or all of its jobs.

12           That does not negate the fact that you have an  
13 obligation both to the principle and to the law, it seems  
14 to me, to have this kind of a plan. It seems to me a little  
15 late in the day to say that has to be studied.

16           What the plan is going to say, it seems to me,  
17 is what the committee is going to decide but that you  
18 should have goals and timetables, I thought that was the  
19 law and I am surprised that it is a debatable issue.

20           MS. ESQUER: Thank you, Bruce.

21           MR. SACKS: Well, do I have my orders or not?  
22 I think now is the time to get it resolved so we can get  
23 this behind us and not deal with it in December.

24           MR. MC CALPIN: What are you presently proposing  
25 to say?

...to have an alternative plan with goals and tim-  
elines, which I understand to be sort of a timeline of  
American life at the moment and something that we are  
pursuing the future of. There is something.

The second thing I would say is that I

understand that I have to have goals and timelines, right?  
and in the long, in fact, in my professional career, I  
I have more jobs and for others that are as well  
and I think what I would like to see is to have a goal  
in this area between the corporation and the  
that situation for some of the jobs.

That does not negate the fact that you have an

objective goal to the program and to the fact that  
to me to have this kind of a plan. It seems to me that  
take to the day to say that has to be realistic.

What the plan is going to say, it seems to me

is what the corporation is going to do in that you  
should have goals and timelines, I thought that was the  
and that I would like to see that in a realistic fashion  
in the future. Thank you, thank you.

Yes, thank you, and I hope we can have an

I think now to the time to get it worked out so we can  
also believe in and deal with it in a realistic

OK, thank you. What are you going to do

to say?

1 MR. SACKS: I am proposing to add to what is  
2 presently on 23, a couple of sentences. One will indicate  
3 that we will continue to insist on compliance by our  
4 grantees with affirmative action and nondiscrimination  
5 requirements. Just to re-emphasize that.

6 Secondly, as far as the corporation is concerned,  
7 a sentence that would read approximately like this:

8 We will develop and implement an affirmative  
9 action plan with specific goals governing corporation  
10 personnel.

11 MS. SHUMP: Do you want to limit that just to  
12 the corporation? That sounds kind of bad.

13 MS. ESQUER: We already require that the  
14 grantees have a plan.

15 MS. SHUMP: Right.

16 MR. SACKS: All right. Is there anything  
17 further on that?

18 (No response.)

19 MR. SACKS: If not, page 24, Section I,  
20 restrictions on activities which is aspirational.

21 MS. SHUMP: Howard, just a minute. I have a  
22 problem. I want to know in December is the operations  
23 committee going to be expected to present us or tell us  
24 that they have a plan?

25 CHAIRMAN RODHAM: It is up to the chairman of

... of the ...

1 the operations committee.

2 MS. WORTHY: We are going to have a plan.

3 MR. SACKS: No, but I do think that you raise a  
4 point that I would like to spend just 30 seconds on.

5 That is, on page 51, I am talking your language.

6 MS. SHUMP: Good.

7 MR. SACKS: Where I say that plans are often  
8 adopted with enthusiasm but die in obscurity and to prevent  
9 this from happening there are several things that I think  
10 we ought to do and I hope that we will it not just for  
11 affirmative action but for lots of other things so it does  
12 not just gather dust on shelves.

13 MS. SHUMP: Right. Very good. Thank you,  
14 Howard.

15 MR. SACKS: All right.

16 MR. MC CALPIN: Howard, I do not read as high  
17 an aspiration. We have again promised something that is  
18 completely beyond our capacity to deliver.

19 Furthermore, if I were a member of the Congress,  
20 I think I would be grossly insulted by the suggestion that  
21 the restrictions in the act conflict with the Congressional  
22 finding and declaration.

23 It seems to me that that is telling Congress  
24 that they are either fools or duplicitas.

25 MS. SHUMP: I did not understand that.

the operations committee.

MR. POTTER: We are going to have a plan.

MR. GARDNER: No, but I do think that you take a

point that I would like to spend just 10 seconds on.

That is, on page 33, I am talking about the

MR. GARDNER: Yes.

MR. GARDNER: Where I say that plans are often

adopted with out program but this is often why and to prevent

this from happening there are several things that I think

we ought to do and I hope that we will do just for

alternative action but for lots of other things so it does

not just get out of the way.

MR. GARDNER: Right, very good, thank you.

Thank.

MR. GARDNER: All right.

MR. GARDNER: Because I do not want to

in operation. We have some general questions that in

completely beyond our capacity to handle.

Furthermore, it was a matter of the program.

I think I would be more likely to be accepted than

the situation in the world and the program.

Thank and conclusion.

It seems to me that this is a very important

that they are either taken or rejected.

MR. GARDNER: I did not understand that.

MR. GARDNER: I did not understand that.

Thank you.

1 MR. MC CALPIN: What he is saying is that the  
2 provisions of the act are inconsistent with what Congress  
3 has said are the goals of the act.

4 It does not seem to me that that is casting the  
5 Congress in a very favorable light. If I were a Congress-  
6 man, I think I would take umbrage.

7 MS. SHUMP: Now you lost me again.

8 MR. SACKS: Bill, what do you suggest? I can  
9 certainly water down the language. Instead of "will," we  
10 will make it all aspirational. I hope that that does not  
11 conflict with something that you said about timetables,  
12 Steve.

13 MR. MC CALPIN: All I am suggesting is that this  
14 section really kind of thumbs our noses at the Congress  
15 and we keep telling the Congress here that you are not  
16 doing very well, you really do not know what you are doing.  
17 You keep putting these asinine provisions in the statute  
18 and we are going to take you to task for this.

19 While we have to rely on you for all the money  
20 we get, we are still going to teach you a lesson or two.  
21 It does not seem to me that it is a very politic sort of  
22 thing to let the Congress read.

23 MR. BRADLEY: But you do not have any problems  
24 with just the first sentence, do you?

25 MR. MC CALPIN: No.

MR. MC CALPIN: What he is saying is that the

provisions of the act are inconsistent with what Congress

has said and the goals of the act.

It does not seem to me that that is carrying the

Congress in a very favorable light. If I were a Congressman

and I think I would like to say,

MR. BROWN: How you lost me again.

MR. BROWN: Well, when you say that I am

probably going down the highway, I am not going to

will take it all right. I hope that that does not

conflict with anything that you said about the

answer.

MR. MC CALPIN: All I am suggesting is that this

action really kind of breaks out noise in the Congress

and we keep telling the Congress that you are not

doing very well. You really do not know what you are doing.

You keep getting these various provisions in the statute

and we are going to take you to task for this.

While we have to refer you for all the money

we get, we are still going to have you a lesson or two.

It does not seem to me that it is a very polite way to

change to for the program.

MR. BROWN: But you do not have any business

with that kind of statement, do you?

MR. MC CALPIN: No.

THE CHAIRMAN: All right, the witness has finished his testimony. We will now hear from the other side. The witness has finished his testimony. We will now hear from the other side.

1 MR. BRADLEY: Because that is basically, that is  
2 what I interpreted that Howard was saying. We all are  
3 aware, including our best friends and supporters in the  
4 Congress, that these restrictions are there and they each  
5 year try to make an effort and some years they succeed,  
6 as they did in 1977.

7 This year the tide turned the other way. But  
8 we will always try to seek the removal of any of those  
9 artificial restrictions.

10 MR. SACKS: I will rework the second sentence.

11 MR. MILLER: It probably helps just to use the  
12 historical language about principles that you had in 1977  
13 and again last year about eliminating restrictions.

14 MR. SACKS: Well, maybe just refer to the code,  
15 the canons and the standards of the legal profession rather  
16 than the act and that will make the point that I wanted to  
17 make that these are not just our subjective ideas but we  
18 are relying on something beyond that.

19 Well, if there is nothing further on I; J,  
20 decision making, talks about a broadly based participatory  
21 system of decision making and operation.

22 I suppose the most --- there is a lot here on  
23 client participation and control beginning at the bottom  
24 of 26 and running through the top of 27. We talk about  
25 client participation at the local level. Client



1 participation at the regional level, at the top of 27.  
2 And a reference to NCC or similar organizations. Client  
3 participation at the national level.

4 Then we point out the difficulties that we have  
5 to come to grips with. How do you get client representa-  
6 tion from prisoners or the mentally handicapped? If,  
7 for example, we do get money for a program for institution-  
8 alized, how do we get client input into that?

9 I guess it is not so hard with prisoners, but  
10 with the mentally handicapped, that is going to be ---

11 MS. SHUMP: What about their families?

12 MR. SACKS: Well, that is certainly a possibility.

13 MR. BRADLEY: Sometimes, of course, Ramona, the  
14 family's interest is ---

15 MS. SHUMP: Conflict. Right.

16 MR. SACKS: Then at the bottom of 27, the final  
17 section on client involvement, at least in this part of  
18 the paper, talks about client involvement in strategic  
19 planning. There are some experiments going on and we  
20 ought to encourage those and to see how they work.

21 So, the general effort in this section has been  
22 to try to spell out in considerable detail in several  
23 specific areas, the role of clients and the role of other  
24 agencies in the decision making processes of the corpora-  
25 tion.

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participation at the regional level, at the top of NY, and a reference to the NY of similar organizations. It is participation at the national level.

It is not clear from the description that we have to date to date with, but do you not think it is possible

to have a program for a program for institutions for example, we do not know for a program for institutions. It is not clear from the description that we have to date to date with, but do you not think it is possible

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to have a program for a program for institutions for example, we do not know for a program for institutions. It is not clear from the description that we have to date to date with, but do you not think it is possible

1 JUDGE ORTIQUE: Does that say any place that this  
2 will be looked upon in the same fashion that we look upon  
3 other regulations and other policies to be enforced at an  
4 appropriate review time?

5 MR. SACKS: I am not quite with you.

6 JUDGE ORTIQUE: Well, my concern is whether we  
7 are going to say with the same strength of conviction that  
8 we will take certain action if these policies are not  
9 adhered to.

10 MR. SACKS: There is nothing any stronger here  
11 than, or any weaker here on local program compliance and  
12 what we will do about it than anywhere else in the paper,  
13 anywhere else in the long range paper.

14 It is assumed that we will enforce requirements  
15 here as we will enforce requirements elsewhere. I think  
16 our performance indicates that we mean what we say.

17 If you think about, for example, San Antonio.

18 JUDGE ORTIQUE: I am not so sure because one of  
19 the great concerns from clients is their failure to dis-  
20 cover a mechanism by which they can at the local level  
21 take action when the action is deemed by them to be  
22 appropriate.

23 So long as they remain a definite minority on  
24 all of these boards, unless they have got some sympathetic  
25 lawyers working with them, they cannot get things done.

1 THE PRESIDENT: There are two things that this  
 2 will be looked upon in the same fashion that we look upon  
 3 other regulations and other policies to be followed at an  
 4 appropriate time.  
 5 MR. BAKER: I am not quite with you.  
 6 THE PRESIDENT: Well, my concern is whether we  
 7 are going to have with the same strength of conviction that  
 8 we will take certain action if these policies are not  
 9 followed.  
 10 MR. BAKER: There is nothing any stronger here  
 11 than, on any other issue, for that is what we are talking  
 12 about. We will do about it our own way. As for the paper,  
 13 anything else in the very long term.  
 14 It is a matter that we will continue to discuss.  
 15 I think we are still in a process of discussion. I think  
 16 the government is taking that as a matter of fact.  
 17 If you think about it, you know, the situation.  
 18 THE PRESIDENT: I am not sure we are going to  
 19 the point of making any other statement to this  
 20 government or whether they are at the local level.  
 21 I am not sure we are making the same kind of  
 22 agreement.  
 23 So long as that is a definite activity in  
 24 all of these areas, unless they have any other agreement.  
 25 I have nothing to say, they cannot get their hands

1 They just cannot get things done.

2 It seems to me that we need some language in  
3 there that is going to express that the corporation will  
4 seek to develop mechanisms by which the clients are able  
5 to protect their interests in these types of situations  
6 because there are no mechanisms there now.

7 MR. SACKS: I have tried to address that in the  
8 last paragraph on page 26. I have gone about as far as  
9 think we can go. I suggest you read that particular para-  
10 graph and then see whether you think there is more that can  
11 be done.

12 I think somebody from the audience ---

13 CHAIRMAN RODHAM: Well, at this time I have been  
14 reminded that we need to maybe take a recess from our  
15 discussion of the plan and move on to the next item on the  
16 agenda.

17 CHAIRMAN'S REPORT ON CLOSED SESSION MEETING  
18 Before we do that, I overlooked reporting that  
19 we did meet in executive session and held general dis-  
20 cussions about the staffing of the corporation.

21 No votes were taken and no specific decisions  
22 were made by the board during the lunch hour.

23 ~~The~~ ELECTION OF CHAIRMAN

24 CHAIRMAN RODHAM: The next item that we are  
25 going to move on to is the election of a chairman.

Under our regulations on page 49 of the board

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They have been very helpful.

It seems to me that we need some language in

them that is going to require that the corporation will

not be liable for the actions of the officers and also

to protect their interests in these types of situations.

There is no doubt that we need some language there now.

Mr. TACKETT: I have tried to address that in the

last paragraph on page 10. I have done about as far as

could we can get. I suggest you read that paragraph over

and let me know whether you think there is more that can

be done.

I think I would like to know the substance of

Mr. TACKETT: Well, at this time I have been

convinced that we need to make this a release from our

liability of the plan and move on to the next item in the

agenda.

Mr. TACKETT: I would like to know the substance of  
before we go on, I would like to know the substance of

we will need to protect ourselves and will need to

conclude about the status of the corporation.

So we need some language that is specific language

and we need to be very clear in the language.

RESOLUTION ON MATTERS

Mr. TACKETT: The next item is that we are

going to have to do the election of a chairman.

There is no objection to your doing it if you

Mr. TACKETT: I would

Mr. TACKETT: I would like to know the substance of

Mr. TACKETT: I would like to know the substance of

Mr. TACKETT: I would like to know the substance of

1 book, our bylaws provide that annually or at such other  
2 time as there may be a vacancy, the board shall elect a  
3 chairman from among its voting members.

4 This has been on the agenda for this meeting.  
5 At this time we will entertain nominations or any other  
6 comments that board members would like to make.

7 Cecilia?

8 MS. ESQUER: Madam Chairman, I would like in  
9 nomination the name of Bill McCalpin for chairperson.

10 CHAIRMAN RODHAM: Is there a second to that  
11 nomination?

12 MS. SHUMP: Yes.

13 CHAIRMAN RODHAM: Are there any other nominations?

14 (No response.)

15 CHAIRMAN RODHAM: If not, the nominations are  
16 closed.

17 All those in favor of electing Mr. McCalpin  
18 chairman, please signify by saying "aye."

19 (A chorus of "ayes.")

20 CHAIRMAN RODHAM: Those opposed?

21 (No response.)

22 CHAIRMAN RODHAM: It is unanimous, Mr. McCalpin.

23 MR. MC CALPIN: I abstain.

24 (Laughter.)

25 CHAIRMAN RODHAM: Mr. Kantor and Mr. Kutak both

book, one year - provide that annually on at each other  
 else as there may be a vacancy, and being still about a  
 thousand. This being the whole amount.  
 With this book on the subject for this country.  
 At this time we still entertain confidence in my other  
 resources that I have mentioned would like to be.

London

My dear Sir: I have the honor to acknowledge the receipt of your letter of the 10th inst.

concerning the matter of the 10th inst. for the purpose of the

same. In this regard I have the honor to inform you that

nothing

has been done.

Very respectfully,  
 Your obedient servant,  
 J. M. W. T. S.

(Enclosure)

Very truly yours,  
 J. M. W. T. S.

London

All these are taken in order of date.

Yours faithfully,  
 J. M. W. T. S.

(Enclosure)

Very truly yours,  
 J. M. W. T. S.

(Enclosure)

Very truly yours,  
 J. M. W. T. S.

(Enclosure)

(Enclosure)

Very truly yours,  
 J. M. W. T. S.

J. M. W. T. S.

Very truly yours,  
 J. M. W. T. S.

(Enclosure)

J. M. W. T. S.

London

1 expressed to me there great regrets about being unable to  
2 be here.

3 Mr. Kutak is in Vermont defending his profes-  
4 sional rules. Mr. Kantor claims to be in California  
5 electing Jimmy Carter President. The Vice President is  
6 apparently there on a campaign trip today and he felt that  
7 he could not come.

8 Other than that, they wanted to express their  
9 regrets at not being present.

10 Congratulations, Bill.

11 MR. MC CALPIN: Mr. new chairman, as the first  
12 order of business, I would like the record to reflect that  
13 the board unanimously says, suggests, urges and so forth,  
14 that an appropriate resolution be prepared thanking our  
15 outgoing chairman for the services that she has rendered  
16 to us and all of the other things that should be said in  
17 such a resolution.

18 CHAIRMAN RODHAM: Believe me, electing Bill is  
19 all the thanks I require. I cannot tell you how gratified  
20 I am.

21 MR. MC CALPIN: I accept the chair at the moment  
22 temporarily for the sole purpose of accepting your resolu-  
23 tion. Regarding it as being seconded by acclamation by  
24 all of the board members, present and those not present.

25 And do want you to know, Hillary, that you have

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expressed to me that great respect should be shown to the  
 the board.  
 Mr. Kiser in various instances has indicated  
 about what Mr. Kiser wishes to be in California  
 including a study of the President, the Vice President in  
 appearing to have a very high regard for the fact that  
 he would not come.  
 Other than that they wanted to organize their  
 program at the local level.  
 Organization, 1971,  
 Mr. Kiser, Mr. Kiser, Mr. Kiser, as the lines  
 of business, I would like the record to reflect that  
 the board normally says, suggests, urges and that  
 that an appropriate resolution be prepared showing our  
 ongoing interest for the activities that are being  
 in it and all of the other things that should be said in  
 such a resolution.  
 Mr. Kiser, Mr. Kiser, Mr. Kiser, Mr. Kiser, Mr. Kiser  
 all the things I reported, I cannot tell you how qualified  
 I am.  
 Mr. Kiser, I accept the chair of the board  
 responsibility for the entire purpose of accepting your resolution  
 that is being presented as a body sponsored by resolution by  
 all of the board members, present and those not present.  
 and do want you to know, Mr. Kiser, that you have

1 brought the board through what I suppose may be its ado-  
2 lescent years, if not the early infancy.

3           You have moved along the considerations of the  
4 board. I think many of the things which have commenced  
5 under your chairmanship, as witnessed the things that we  
6 have talked about today, are great achievements necessary  
7 to be done for the well being of the institution and you  
8 are owed and you are tendered the deep felt thanks and  
9 gratitude of all of us on the board.

10           CHAIRMAN RODHAM: I appreciate that.

11           MR. BRADLEY: We will have a shower for you if  
12 you will have another child.

13           (Laughter.)

14           MR. MC CALPIN: Even if you are not the chairman.

15           I would like to just take a moment, as a matter  
16 of personal privilege and then turn the chair back to you,  
17 to say publicly what I have said over the last few weeks  
18 as various conversations about the chairmanship of the  
19 board have gone on.

20           That is that my only interest is the welfare of  
21 this corporation and of the great movement which it  
22 represents.

23           In a sense I think I regret the fact that the  
24 conditions in our national life today are such that you  
25 have thought it appropriate to elect me to this position.

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through the local branch office I suppose may be the only

method of doing this.

The fact that all of the considerations of the

matter I think may be things which have concerned

you in the past, as I have witnessed the things that we

have talked about today, and I think it is necessary

to be done for the well-being of the institution and for

the good of you and the country.

It is my hope that you will be able to

understand what I am saying.

Very truly yours,

W. W. Rosten

Secretary

Mr. Rosten, I am sure that you are not the only

person who has been troubled by these things.

It is my hope that you will be able to

understand what I am saying.

Very truly yours,

W. W. Rosten

Mr. Rosten, I am sure that you are not the only

person who has been troubled by these things.

Very truly yours,

W. W. Rosten

Mr. Rosten, I am sure that you are not the only

person who has been troubled by these things.

W. W. Rosten  
Secretary  
The Board of Directors  
The National Bank

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1 I would hope that in another day it will be not  
2 only possible but eminently desirable to have this chair-  
3 manship move over into other areas of representatives of  
4 other consituencies on this board.

5 I shall certainly do my best in whatever time is  
6 given to me on this board. Not only certainly to preserve  
7 what you and our predecessors have done but to move us  
8 forward at least I hope as well as my predecessor has done.

9 Thank you.

10 CHAIRMAN RODHAM: Bill, we are delighted you are  
11 willing to serve. You have got the time and the commit-  
12 ment. I know that everybody on the board, even the dead  
13 ducks and the lame ducks, offer their assistance.

14 MR. MC CALPIN: And there are others of us who  
15 may be joining you.

16 (Laughter.)

17 CHAIRMAN RODHAM: As Dick Trudell --- the old  
18 mallards and, you know, the others. We anticipate a great  
19 amount of leadership from you and I know that you are  
20 going to be willing to give that to us.

21 Well, moving right along back to ---

22 MR. SACKS: I want to correct something that I  
23 said to Revius.

24 Revius, the last line on page 26 does commit us  
25 to vigorous enforcement of a policy. This is one of the



1 few places in the paper where we do not just take it for  
2 granted that a policy will be enforced.

3           What the sentence says is, this is in the context  
4 of the participation of clients in local boards, "What is  
5 clear is that we must and will vigorously enforce the one  
6 third requirement and take the steps mentioned above in  
7 an effort to make client participation more effective."

8           The steps mentioned above, as you know, have to  
9 do with training, recruitment and a better operation on the  
10 part of the board as a whole.

11           JUDGE ORTIQUE: All right. At the moment I will  
12 go along with that language.

13           I would like to request, Dan, that we explore,  
14 because it is getting to be a little troublesome, explore  
15 the reasons why there is no appeal mechanism.

16           Maybe we just need to re-examine our position  
17 and we will end up at the same point. But somewhere along  
18 the way we have got to know that we are acting appropri-  
19 ately when we take the position that there is no appeal  
20 mechanism from the local client constituency to regional  
21 director or through the regional director, whatever.

22           You and I know of the number of complaints that  
23 have come up. I am perfectly willing for some staff person  
24 to tell us whether we are still right or we are wrong or  
25 whether we need to look at it again or what needs to be

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the picture in the paper when we do not take it for granted that a policy will be introduced.

That the sentence says in, this is in the context

of the participation of others in local courts, "What is clear is that we must not allow ourselves to be misled by the headlines and take the steps mentioned above in order to make our participation more effective."

The steps mentioned above, as you know, have to

do with the existing situation and a better situation in the

work of the courts as a whole.

What I mean is that I will

be able to do this.

I would like to suggest, that we explore

possibilities for getting to be a little more active, explore

the various ways that it is possible to do this.

Maybe we just need to re-examine our position

and see what we can do in the new year. But something along

the way we have got to have that we are active participants

and when we take the position that there is no appeal

in the law, that the local courts are not to be

discussed as though they are a hindrance, whatever

you and I know of the number of people that

have come up, I am excitedly waiting for some other

to help in whether we are still right in our way or

whether we need to look at it again or what needs to be

THE COURT  
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THE COURT  
THE COURT

1 done. Every way you turn now you are beginning to see  
2 clients saying, well, once a vote is taken we are effectively  
3 tively excluded from making certain policy or doing things  
4 that we want to do. Having certain actions taken that we  
5 as clients have determined ought to be done.

6 And in those cases where they have not been able  
7 to elect sympathetic attorneys, they feel that they are  
8 completely left out or they are rendered totally ineffec-  
9 tive.

10 As I say, I am perfectly willing for a staff  
11 person, because I feel that they will do it in a profes-  
12 sional manner. Just tell us whether we are still right  
13 on that or not.

14 MR. SACKS: All right. Is there anything more  
15 on Section J?

16 CHAIRMAN RODHAM: Revius, again, I think that is  
17 a matter that might very well be taken up by the opera-  
18 tions committee. I do not want to load down Jo with too  
19 many things and of course the new chairman can change the  
20 committees and reconstitute them but I think that is some-  
21 thing that we need to look into to see what could be done.

22 This woman back here had her hand up.

23 JUDGE ORTIQUE: My response to that, Hillary,  
24 is that I am not sure that the operations committee is  
25 ready to consider it unless somebody gives them a piece

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...and we are beginning to see  
 ...well, once a vote is taken we are entitled  
 ...the whole thing is being done  
 ...we are to be the only ones to be  
 ...the only ones to be

...and we are to be the only ones to be  
 ...the only ones to be  
 ...the only ones to be

...and we are to be the only ones to be  
 ...the only ones to be  
 ...the only ones to be

...and we are to be the only ones to be  
 ...the only ones to be  
 ...the only ones to be

...and we are to be the only ones to be  
 ...the only ones to be  
 ...the only ones to be

...and we are to be the only ones to be  
 ...the only ones to be  
 ...the only ones to be

1 of paper that they can chew on. I would be willing, I  
2 would urge that the staff would prepare something for them  
3 to take a look at.

4 MR. BRADLEY: Mario is taking extensive notes.  
5 That is already on the next agenda for the operations  
6 committee.

7 MS. HOLMES: My name is Avis Holmes and I am  
8 the chairperson of the board of directors of Wayne County  
9 Neighborhood Legal Services.

10 JUDGE ORTIQUE: Are you an attorney?

11 MS. HOLMES: No. I am an at-large person on the  
12 board and I was selected on the board by the local clients'  
13 council. So I am a client representative.

14 Wayne County Neighborhood Legal Services Board,  
15 I am happy to say, is a very sensitive board of directors  
16 and for the most part we have attorneys on that board who  
17 are sensitive to the needs of the clients.

18 We have one third clients on the board but we  
19 have always been able, at least for the last five years,  
20 to have a division in officers between lawyers and clients  
21 so that we will have, if we have four officers, only two  
22 would be lawyers and the other two would be clients or  
23 client representatives.

24 Unfortunately, the clients are constantly  
25 subjected to being recalled and restructured because a

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of paper that they can show, I would be willing to  
 would like to see the bill would prepare something for them  
 to be a look at  
 the committee would be taking extensive notes  
 that it already on the next agenda for the committee  
 committee  
 the chairperson of the board of directors of Wayne County  
 Michigan Local Council  
 committee are you an attorney  
 committee, I am an attorney person on the  
 board and I was referred to the board by the local citizens  
 committee. I am a citizen representative  
 Wayne County Michigan Local Council Board  
 I am happy to say, in a very sensitive board of citizens  
 and for the most part we have attorneys on that board who  
 are sensitive to the needs of the citizens  
 we have our third citizens on the board but we  
 have always been able to last for the last three years  
 to this situation is different between lawyers and citizens  
 we have been able to have been able to only two  
 to the board and the other would be citizens of  
 Michigan representative  
 Michigan representative  
 Michigan representative and represented citizens

1 few complaints from primarily attorneys who feel that the  
2 particular clients are not the clients that should be  
3 there.

4           The legal services seems much too happy to  
5 accommodate this kind of criticism and so constantly, since  
6 1973 we have had to restructure our board four times in  
7 order to get the kind of clients there that they want and  
8 this last restructuring amounts to actually the legal  
9 services is deciding who is going to be the clients on the  
10 board. I think this is going a bit too far.

11           Now it seems, and the proof this there, that  
12 clients on Wayne County Neighborhood Legal Services Board  
13 are certainly effective. They have been able to accomplish  
14 everything in this paper that Mr. Sacks is proposing as a  
15 goal.

16           They participate in evaluation of the program.  
17 They demand affirmative action and they have it. The  
18 demand better facilities. They demand better salaries for  
19 non-lawyers. They demand women being in policy making and  
20 they have been able to get the support of enough attorneys  
21 on that board to do it.

22           The support of enough attorneys on that board  
23 to elect the person that they want as chairperson. To  
24 elect the person that they want for all offices and I  
25 think that is the kind of thing that needs to be encouraged.

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1           Now, if we are not carrying out every standard  
2 and every policy in just the way that the corporation feels  
3 that it should be done, then the corporation should issue  
4 us these standards, tell us what they want us to do in  
5 advance and help us to achieve it but I think the record---

6           JUDGE ORTIQUE: Pardon me. When you say the  
7 "corporation," you are talking about the local staff people  
8 or somebody here in Washington?

9           MS. HOLMES: I am talking about in the region.

10          JUDGE ORTIQUE: I see. The regional office.

11          MS. HOLMES: Mainly the region office is what we  
12 are speaking of.

13          Now, the clients are effective ---

14          JUDGE ORTIQUE: The regional office has dictated  
15 to you, and I want to get this straight because I do not  
16 play games about this.

17          The regional office has told you on an occasion  
18 that you need to restructure your board because they did  
19 not have the right type of clients on the board?

20          MS. HOLMES: That is right. They said the last  
21 program --- the last report and this is what we are  
22 operating on now, is that the clients are eligible, the  
23 clients who sit on the board are eligible with maybe the  
24 possible exception of one. They said that because this  
25 one client refused to submit to a means test administered



1 by the region.

2 But they did not say that that one was not  
3 eligible. But they acknowledged that all the other clients  
4 on the board are eligible. But they said that the groups  
5 that sent them there are no longer viable groups.

6 JUDGE ORTIQUE: I see.

7 MS. HOLMES: Therefore, they do not want them to  
8 remain to the end of their terms, which is December the  
9 31st.

10 JUDGE ORTIQUE: Did they tell you by what stan-  
11 dards they arrived at those conclusions?

12 MS. HOLMES: They listed some tests that they  
13 had which I object to. They listed some what they called  
14 "tests," after the fact. Not in advance.

15 We find ourselves now where we have had to stop  
16 doing whatever it was that we were trying to do, which is  
17 improving our service, to now again restructure our board  
18 of directors in the middle of their, well, almost to the  
19 end of their term of office.

20 So, we will have new clients coming on the board  
21 of directors. Now, I feel that this is selective enforce-  
22 ment. I think it was ear-marked primarily at Wayne County  
23 Neighborhood Legal Services because I happen to know the  
24 region. I happen to know the problems that programs that  
25 other clients have been having in not being effective and

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by the police

But they did not say that one was not

stagnant, but they acknowledged that the other element

on the ground was negligible. But they said that the change

that was there was no longer visible anymore.

THAT IS ALL I CAN SAY.

WE, HOWEVER, THEREFORE, THEY DO NOT WANT THEM TO

remain in the end of their power, which is because the

fact

THAT IS ALL I CAN SAY. DID THEY TELL YOU BY WHAT MEANS

THAT THEY WENT TO THESE CONCLUSIONS?

THE ANSWER IS THAT THEY TOLD ME THAT THEY

HAD WHICH I OBJECT TO. THEY LISTED SOME OF THE REASONS

"FOR" THAT THEY WENT TO THESE CONCLUSIONS.

WE FIND OURSELVES NOW WHERE WE HAVE NOT TO STOP

BEFORE BECAUSE IN OUR VIEW WE WERE TRYING TO GO, WHICH IS

IMPROVING OUR POSITION, TO NOW BEING WORSE AND OUR POSITION

OF DISASTERS IN THE MIDDLE OF THEIR, WELL, ALMOST TO THE

END OF THEIR FORM OF OFFICE.

SO, WE WILL HAVE NOW EITHER CONTINUE ON THE BOARD

OR DISCONTINUE. AND I FEEL THAT THIS IS A DECISIVE MOMENT

AND I THINK IT WAS OVERLOOKED ENTIRELY BY YOUR BOARD

BECAUSE I THINK THAT BECAUSE I HAD TO KNOW THE

REASON FOR BEING IN THIS POSITION AND BEING IN THIS

POSITION WAS BEING IN THIS POSITION TO BEING EFFECTIVE AND

THE END

THAT IS ALL I CAN SAY

1 in not having participation. That has not happened on our  
2 board of directors.

3 I think they have simply been much "too effective."

4 MR. BRADLEY: Ms. Holmes, I think it is appropri-  
5 ate and Revius, I know that even before I arrived back to  
6 the corporation there were management reports that question-  
7 ed whether or not the board in that particular program was  
8 in compliance with the act.

9 There has been a more recent monitoring of the  
10 board. I know that Clint has been there and met with them.  
11 I know the regional office is still involved. I have not  
12 yet myself got involved. I received a letter from Mrs.  
13 Holmes with morning.

14 During the lunch break I looked at my mail and  
15 I had a letter from her bringing some of these matters to  
16 my attention and I just have not had a chance to talk with  
17 her nor to speak with Clint about it.

18 But I know that there have been serious questions  
19 raised as to whether or not in fact the program is in  
20 compliance with the board composition requirement of the  
21 act.

22 I am not in a position to sit here and I do not  
23 think it is appropriate for me to debate or discuss with  
24 Mrs. Holmes whether or not that finding is correct or not.

25 I do know that it was a very detailed and very

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...the Board's jurisdiction. That has not been...  
...the Board's jurisdiction.

I think they were simply...  
...I think they were simply...

...I know that...  
...I know that...

...I received...  
...I received...

...I know the...  
...I know the...

...I just have...  
...I just have...

1 comprehensive monitoring report.

2 I can assure Mrs. Holmes and I am going to ~~look~~  
3 because I now have her letter, that I am going to look  
4 into this and review it with Clint and respond to the  
5 issues that she has raised in her letter to me and that she  
6 is raising now.

7 JUDGE ORTIQUE: I think it goes back to the  
8 larger issue. Obviously, I have to say to you, Mrs. Holmes,  
9 that we at the board cannot make that determination.

10 MS. HOLMES: I realize that, sir.

11 JUDGE ORTIQUE: It would bother me if any board  
12 member did try to make such a determination.

13 The larger question is the mechanism by which  
14 there can be an appeal if an appeal is appropriate. I  
15 think we have got to go through that process before we  
16 make any response to that.

17 MR. BRADLEY: Sure. I might add that that is a  
18 matter that ---

19 MS. HOLMES: I would like to say that I did not  
20 bring it hear for them to decide this issue. I am only  
21 pointing out a problem. What I am saying is that the board  
22 is establishing certain goals in this paper but you already  
23 have programs where clients have already exceeded what they  
24 are saying here. Not just as a matter of policy of the  
25 board but actually effectively implemented policies that

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comprehensive monitoring reports.

I can assure Mrs. Wilson and I am going to look

forward I now have for the first time I am going to look

into this and review it with Miss and respond to the

inquiries that are raised in her letter to me and that she

is relating now.

THANKS VERY MUCH I think it goes back to the

longer range, obviously, I have to say to you that, however

that we on the board cannot make that determination.

MR. WILSON: I realize that, sir.

THANKS VERY MUCH I would be glad to be on the board

member did try to raise such a question.

The longer question in the meeting by which

there can be an appeal is an appeal is appropriate.

What we have got to go through and process before we

take any response to that.

MR. WILSON: Sure. I might add that that is a

question that --

MR. WILSON: I would like to say that I did not

bring it here for them to decide this issue. I am only

bringing out a question. What I am saying is that the board

is deliberating certain points in this paper but you already

have programs where others have already decided what they

are doing here. But just as a matter of policy of the

board that we are not effectively implementing policies that

WILSON, J. H.  
DIRECTOR OF THE BOARD  
AND SENIOR VICE PRESIDENT  
WASHINGTON, D. C.

END PAGE

1 exceed what you have here. But all of that is unattached.

2 The point that I am trying to make is that our  
3 committees are all of us to actual client meaningful in-  
4 volvement in legal services program.

5 Now, there is resistance to it. There is the  
6 issue of unionism that has an impact and we have that, too.  
7 We are struggling with all of these things and, of course,  
8 the clients are involved in all of it from even to sitting  
9 on the bargaining team.

10 I think we have a great and high level of  
11 participation but it always subject to attack if somebody  
12 does not like who is sitting there. It is impossible, we  
13 have 297,000 poor people in Wayne County.

14 It is impossible for all 297,000 of them to sit  
15 there. I do not care what eight --- we are not talking  
16 about but eight people, what eight you put there, you are  
17 going to have 296,000 and some who maybe feel that they  
18 should have been there.

19 Now, we have made, decided to be who is going to  
20 be the new clients but those who were not chosen are going,  
21 now they are dissatisfied.

22 So we are constantly under pressure because I  
23 feel we have been too successful. We have true partici-  
24 pation.

25 One other thing that is missing in this is the

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1 role of the local boards themselves.

2 Even here today I see a lot of participation by  
3 a board. A lot of participation by staff, by PAG. But  
4 boards of directors are not so involved.

5 I do not know whether it is because there is no  
6 mechanism or we just have not thought about it but I think  
7 as board officers and as boards of directors, we have some  
8 experiences, you know.

9 Some good and some not so good that could be of  
10 benefit maybe to this program, to this board and even to  
11 other boards. I think we have taken advantage of this  
12 vast pool of expertise that is out there in the presence  
13 of people who serve on the boards who have the ultimate  
14 responsibilities for carrying out what you are in fact  
15 deciding for us to do here today but we are not involved  
16 in putting it together.

17 Thank you.

18 CHAIRMAN RODHAM: Thank you, Ms. Holmes. We  
19 appreciate that.

20 Howard, do you want to go on?

21 MR. SACKS: All right.

22 On Section K on page 28, achieving a proper  
23 balance between national control and local control.

24 Re-emphasizes the importance of local initiative  
25 that is permitted under the act and the regulations. On

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role of the local boards themselves.

When you say that I use a lot of discretion by

a board. A lot of discretion by staff, by that, but

boards of directors are not as involved.

I do not know whether it is because there is an

impression or we just have not thought about it that I think

an board situation and as boards of directors, we have some

responsibilities, you know.

Some good and some not so good that could be

beneficial ways to this program, to this board and even to

other boards. I think we have some advantages of this

great pool of experience that is out there in the country

of people who come on the boards who have the contacts

responsibilities for carrying out what you are in fact

deciding for us to do have today but we are not involved

in making it happen.

Thank you.

CHAIRMAN: Thank you, Mr. Tolson. We

appreciate that.

Now, do you want to go any

MR. TOLSON: All right.

On Section 8 on page 10, following a report

balance between national control and local control.

responsibilities for the conduct of local activities

that is permitted under the act and the regulations. Do

1 the other hand, it says in the last sentence that the  
2 corporation will continue to insist upon scrupulous  
3 compliance with the mandates of the act, no matter how  
4 distasteful some provisions may seem to some programs.

5 What I am referring to there are things like  
6 effective enforcement of the legislative representation  
7 restrictions.

8 Then there is a general discussion which has to  
9 be general, though there is work now going on in the  
10 operations committee and general counsel's office on what  
11 kind of sanctions we have, what kind of sanctions we ought  
12 to use where national programs or where local programs do  
13 violate corporation regulations or provisions of the act.

14 For example, the controversial practice of short  
15 funding is something that we have got to come to grips with.  
16 We have also got to see whether there are some other  
17 sanctions that would be desirable in enforcing our require-  
18 ments.

19 I, reducing the load on the legal system, I think  
20 is not particularly controversial but I must express some  
21 disappointment. As I understand it, Congress is not likely  
22 to appropriate any money under this disputes resolution act,  
23 so, therefore, we may not get many of the experiments that  
24 had been promised but sooner or later I think they are  
25 going to do that and we obviously want to be in on that to

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the other hand, it says in the last sentence that the  
 corporation will continue to exist upon reorganization  
 conditions with the number of the stock in the old  
 corporation being preserved. It may seem to some persons  
 that I am referring to them and that I am  
 referring to the legislative enactment of the  
 reorganization.

There is a general discussion which has to

do general things in the way of being on the  
 operations, conditions and general conditions in the  
 kind of situation we have, that kind of situation we have  
 to use where national programs or where local programs do  
 violate corporate regulations or provisions of the act.  
 For example, the contract provided of what

provision in something that we have got to take into  
 we have also got to see whether there are some other  
 conditions that would be desirable in extending our corporate

is required to look on the legal system, which  
 is the possibility of non-compliance with the corporate laws  
 requirements. As I understand it, however, in our daily  
 to operate any way, that this is a matter which is  
 not, however, we may not get any of the requirements that  
 had been required for some of them, I think they are  
 and in the case of the other way to be in the

1 make sure that these new mechanisms for resolving disputes  
2 do not result in second class justice for poor people.

3 Section M, which is the last section on page 31,  
4 is largely aspirational. It talks about maintaining the  
5 corporation as a vital and responsible institution, pre-  
6 venting stagnation.

7 We have some specific ideas in there. Research  
8 and development, better evaluation of what we are presently  
9 doing and then studying the experience of other large  
10 institutions to see how they cope with the problem of ---  
11 over a period of years.

12 De made a point that maybe there is more that  
13 could be said about that and obviously we think both about  
14 defining the problem more clearly and whether or not there  
15 are other things that could be said by way of specific  
16 suggestions.

17 N is just a summary of the long range plan and  
18 I do not think there is anything particularly controversial  
19 there. I will remember that wherever we have changed any  
20 section of the plan in response to the comments here today,  
21 we will also change the summary to make sure that it is  
22 accurate.

23 Madam, chairman, that is all on the long range  
24 plan. The short range plan begins on page 34, if you want  
25 to start in on that.

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1 There are three new members for the first time  
 2 do not wish to be considered for the first time  
 3 because of their past record.  
 4 The first of these is the late Mr. [Name]  
 5 who was a member of the [Organization] for many years.  
 6 He was a very active member and his services were  
 7 very valuable to the [Organization].  
 8 He was a very good friend and his death was  
 9 a great loss to the [Organization].  
 10 The second of these is the late Mr. [Name]  
 11 who was a member of the [Organization] for many years.  
 12 He was a very active member and his services were  
 13 very valuable to the [Organization].  
 14 He was a very good friend and his death was  
 15 a great loss to the [Organization].  
 16 The third of these is the late Mr. [Name]  
 17 who was a member of the [Organization] for many years.  
 18 He was a very active member and his services were  
 19 very valuable to the [Organization].  
 20 He was a very good friend and his death was  
 21 a great loss to the [Organization].  
 22 The fourth of these is the late Mr. [Name]  
 23 who was a member of the [Organization] for many years.  
 24 He was a very active member and his services were  
 25 very valuable to the [Organization].  
 26 He was a very good friend and his death was  
 27 a great loss to the [Organization].  
 28 The fifth of these is the late Mr. [Name]  
 29 who was a member of the [Organization] for many years.  
 30 He was a very active member and his services were  
 31 very valuable to the [Organization].  
 32 He was a very good friend and his death was  
 33 a great loss to the [Organization].  
 34 The sixth of these is the late Mr. [Name]  
 35 who was a member of the [Organization] for many years.  
 36 He was a very active member and his services were  
 37 very valuable to the [Organization].  
 38 He was a very good friend and his death was  
 39 a great loss to the [Organization].  
 40 The seventh of these is the late Mr. [Name]  
 41 who was a member of the [Organization] for many years.  
 42 He was a very active member and his services were  
 43 very valuable to the [Organization].  
 44 He was a very good friend and his death was  
 45 a great loss to the [Organization].  
 46 The eighth of these is the late Mr. [Name]  
 47 who was a member of the [Organization] for many years.  
 48 He was a very active member and his services were  
 49 very valuable to the [Organization].  
 50 He was a very good friend and his death was  
 51 a great loss to the [Organization].  
 52 The ninth of these is the late Mr. [Name]  
 53 who was a member of the [Organization] for many years.  
 54 He was a very active member and his services were  
 55 very valuable to the [Organization].  
 56 He was a very good friend and his death was  
 57 a great loss to the [Organization].  
 58 The tenth of these is the late Mr. [Name]  
 59 who was a member of the [Organization] for many years.  
 60 He was a very active member and his services were  
 61 very valuable to the [Organization].  
 62 He was a very good friend and his death was  
 63 a great loss to the [Organization].  
 64 The eleventh of these is the late Mr. [Name]  
 65 who was a member of the [Organization] for many years.  
 66 He was a very active member and his services were  
 67 very valuable to the [Organization].  
 68 He was a very good friend and his death was  
 69 a great loss to the [Organization].  
 70 The twelfth of these is the late Mr. [Name]  
 71 who was a member of the [Organization] for many years.  
 72 He was a very active member and his services were  
 73 very valuable to the [Organization].  
 74 He was a very good friend and his death was  
 75 a great loss to the [Organization].  
 76 The thirteenth of these is the late Mr. [Name]  
 77 who was a member of the [Organization] for many years.  
 78 He was a very active member and his services were  
 79 very valuable to the [Organization].  
 80 He was a very good friend and his death was  
 81 a great loss to the [Organization].  
 82 The fourteenth of these is the late Mr. [Name]  
 83 who was a member of the [Organization] for many years.  
 84 He was a very active member and his services were  
 85 very valuable to the [Organization].  
 86 He was a very good friend and his death was  
 87 a great loss to the [Organization].  
 88 The fifteenth of these is the late Mr. [Name]  
 89 who was a member of the [Organization] for many years.  
 90 He was a very active member and his services were  
 91 very valuable to the [Organization].  
 92 He was a very good friend and his death was  
 93 a great loss to the [Organization].  
 94 The sixteenth of these is the late Mr. [Name]  
 95 who was a member of the [Organization] for many years.  
 96 He was a very active member and his services were  
 97 very valuable to the [Organization].  
 98 He was a very good friend and his death was  
 99 a great loss to the [Organization].  
 100 The seventeenth of these is the late Mr. [Name]  
 who was a member of the [Organization] for many years.  
 He was a very active member and his services were  
 very valuable to the [Organization].  
 He was a very good friend and his death was  
 a great loss to the [Organization].

1 CHAIRMAN RODHAM: Are there any further comments  
2 on the long range plan?

3 (No response.)

4 CHAIRMAN RODHAM: All right.

5 MR. SACKS: All right.

6 The short ranged plan is organized in a way that  
7 in five categories of creating the future, preparing for  
8 the future, maintaining the present, testing the present  
9 and improving the present.

10 De thought that perhaps it would be better if we  
11 just talked about what we would do with present resources,  
12 what we would do with new resources and I will certainly  
13 think about that.

14 On the other hand, I have seen some corporation  
15 documents, De, that have begun to pick up this terminology  
16 and I do not know what the best way to handle it is.

17 Certainly, you and I ought to talk about it as  
18 well as anyone else who has anything to say. I guess the  
19 important point on page 34 is the national study of legal  
20 needs.

21 Our position on that, as I understand it, is  
22 that certainly the people who were at the July meeting did  
23 not want to go forward presently on a national study of  
24 legal needs. Leaving for the future whether we want to do  
25 it but not presently.

CHAIRMAN ROBBINS: And there are certain questions

on the long-range plan?

(No response.)

CHAIRMAN ROBBINS: All right.

MR. BAKER: All right.

The short-range plan is contained in a report

in five categories of creating the future, preparing for

the future, maintaining the present, looking for the present

and preparing the present.

We thought that perhaps it would be better if we

just talked about what we would do with present resources,

what we would do with our resources and I will certainly

talk about that.

On the other hand, I have seen some corporations

documented, but that have begun to pick up this terminology

and I do not know what the best way to handle it is.

Certainly, you and I ought to talk about it as

well as anyone else who has anything to say. I mean the

important point on page 34 is the national study of legal

needs.

Our position on that, as I understand it, is

that certainly the people who were at the July meeting did

not want to go forward presently on a national study of

legal needs. Looking for the future when we will probably

is not necessary.

That is all.  
Thank you very much.  
I am sure that you  
will find this report  
of interest.

1           On the other hand, there was a lot of interest  
2 and a charge to the President to put together data presently  
3 available as to unmet needs which serve and could be used  
4 in support of corporation efforts to secure additional  
5 funding.

6           There was mention of DSS data. The report ---  
7 I forget the name of that mechanism that you have got of  
8 giving case reports that Clint mention. Clint Lyons said  
9 that there is other data available in his office through  
10 funding applications.

11           There is all of these external studies. So we  
12 could do something and I assume that the President will  
13 have for us quite shortly a document with appendices care-  
14 fully worked out, no grammatical errors, beautiful styled  
15 and crafted that will present this picture. All right?

16           JUDGE ORTIQUE: It may be most important for the  
17 President to deliver to the new chairman the maintenance  
18 of the presence sometime after November and maybe not any-  
19 more than that.

20           MR. SACKS: At the top of page, 35 we talk about  
21 the need for continued experimentation with technology.  
22 That seemed to get a fairly good reception in Omaha.

23           By now, of course, we are really moving from a  
24 short range plan into budgetary considerations and that was  
25 discussed in the context of 1981. There is a \$5 million

On the other hand, there was a lot of interest

and a change in the direction of the program was

made in order to meet the needs of the

in order to improve the quality of

training.

There was a lot of interest in the program

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There was a lot of interest in the program

and a change in the direction of the program was made in order to meet the needs of the in order to improve the quality of training.

training.

1 figure in there, De.

2 That came, I think, from Gerry Singen who will  
3 have to bear responsibility for it. I do not think it is  
4 too far off but you may be right that we should not use  
5 dollar figures. I will certainly about it.

6 But notice at the 1982 budget, for example, calls  
7 for two. So it is a figure that I wanted to put in to give  
8 an idea to people that we are really talking about big  
9 dollars here that before you vote for this thing you ought  
10 to realize that your committing yourself to something that  
11 is substantial.

12 Support activities is talked about at the bottom  
13 of page 35. A lot of that is very obvious to all of you.  
14 There is some emphasis on page 36 about doing something at  
15 the state level. There are some figures in there, how  
16 little we have done since fiscal 1977.

17 De, they were certainly not put in to indicate  
18 that we want to maintain a constant ratio between expansion  
19 of the field and expansion support but only to indicate  
20 that we do not, that we have fallen behind but I will  
21 certainly cure that with a phrase or something at the end  
22 of the sentence.

23 The last paragraph just talks about the dollar  
24 amounts. Just to illustrate the fact that once again we  
25 are talking about large amounts of dollars. I want the

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above in terms of

What would I think, from being given the will

have to have responsibility for it. I do not think it is

too far off but you may be right and we should not be

other things. I will certainly want it.

But notice at the 1981 budget for example, calls

for two. So it is a figure that I wanted to put in to give

an idea to people that we are really talking about the

figures here that before you vote for this bill you ought

to realize that your committee's recommendations that

is substantial.

Support activities is talked about in the language

of page 22. A lot of that is very similar to all of you.

There is some emphasis on page 22 about being awarded as

the same level. There are some figures in there, but

figures we have done since fiscal 1977.

But they were certainly not put in to indicate

that we want to maintain a constant ratio between

of the field and operational support but only as a target

that we do not, that we have talked about but I will

certainly want that with a phrase or something in the end

of the sentence.

The joint program just talks about the dollar

amount. That is important the fact that more again we

and really about large amounts of dollars. I want the

Bill H. 1000  
U.S. HOUSE OF REPRESENTATIVES  
COMMITTEE ON LABOR AND HUMAN RESOURCES  
WASHINGTON, D.C. 20540

1 board, if they are going to adopt this plan, to realize  
2 that they are committing themselves to something that is  
3 going to have impact on other things.

4 The last paragraph on page 36 talks about  
5 expansion. It first talks about legal services to the  
6 institutionalized poor. You had a stylistic comment which  
7 I will take care of.

8 It also talks about attempts to narrow the gap,  
9 more equitable distribution of funds between the best fund-  
10 ed programs and the worst funded programs. It says we  
11 ought to try to do something about that. Although we may  
12 have to wait until the 1980 census results are in before  
13 we can do anything effective and points out, again, this  
14 is about a third of the way down on page 37 that if we  
15 are going to serve the institutionalized and if we are  
16 going to reduce disparities, it is going to require large  
17 amounts of annualized funds.

18 Once again, I am trying to serve notice on my  
19 colleagues that all, that these two things are going to cost  
20 money. Do not vote for it unless you really think that it  
21 is important and worth doing.

22 Then the last paragraph under 4 says that we will  
23 not seek funds for general expansion until the corporation  
24 has worked through some of the difficulties of funding  
25 allocation policy, which goes back to what we talked about

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1 in the long range plan. Are we interested in equity or  
2 more equitable distribution? Are we interested in incen-  
3 tives? Are we interested, how do you balance off these  
4 various values in devising a funding allocation policy that  
5 will make sense and will be attractive to Congress if we  
6 seek funds for general expansion.

7 I know that some things are going on but I am  
8 frank to say, subject to being corrected by Gerry Singesen,  
9 that I think this is one of the most difficult problems  
10 that we face. Probably more difficult than developing  
11 objectives measures of quality and perhaps we should not  
12 expect results within the next six months or a year.

13 Now, am I being overly pessimistic?

14 MR. SINGSEN: It depends how much we want to  
15 accomplish.

16 MR. MC CALPIN: Howard, let me say my comment is  
17 I see no earthly reason for our stating negatively that we  
18 will not seek funds for expansion or any other purpose,  
19 especially until we arrive at something which, as you have  
20 just indicated, may be the most difficult thing to achieve  
21 of all.

22 I can certainly foresee some kinds of circum-  
23 stances that may or may not be called expansion. When we  
24 would want to seek funds and I would certainly not like to  
25 see a statement like this, which I think is repeated at

1 in the long range future. And we intended to study of  
 2 more specific distribution. And we intended to know  
 3 lived. And we intended to know to you better, only through  
 4 various values in developing a certain relationship holding that  
 5 will make sense and will be maintained in long run if we

6 each time for general consideration.

7 I know that some things are going on but I am  
 8 afraid to say anything to being concerned by these things  
 9 that I think this is one of the most difficult positions  
 10 that we face. Probably more difficult than developing  
 11 objectives measures of quality and perhaps we should not  
 12 expect results within the next six months or a year.

13 Now, as I bring weekly communications

14 Mr. Chairman, it depends how much we want to

15 accomplish.

16 Now, Mr. Chairman, I would, for me say my comment is  
 17 I see no earthly reason for our stating anything that we  
 18 will not seek funds for expansion or any other purpose,  
 19 especially until we arrive at something which we have  
 20 just indicated, say be the most difficult thing to achieve  
 21 of all.

22 I am certainly serious some kind of agreement  
 23 between any way or how not be called organization. When we  
 24 would want to seek funds and I would certainly say that to  
 25 you a statement like this, which I think is important to

1 least one more time, subsequently come back to haunt us.

2 Why should we say that? I do not think that it  
3 serves any purpose of this corporation to say that we will  
4 not seek funds until an uncertain future event occurs.

5 MR. SACKS: Well, I see the force of your point,  
6 Bill, very clearly. The only thing is that I do not know  
7 quite what to do. If you leave out the paragraph entirely,  
8 then people are going to say what about general expansion?  
9 What are you going to do about that?

10 MR. MC CALPIN: I think we have to say we will  
11 take it as it comes. If it looks like the time is propi-  
12 tious for general expansion, then I think we will rush  
13 into it whether or not we have solved these very uncertain  
14 problems that you have listed in five or six specifics  
15 down there, which I think are pretty controversial.

16 Indeed, Gerry and I had a little discussion up  
17 at Bolton Valley a few weeks ago. If you think in terms  
18 of formula funding, which is a recognized concept in public  
19 activities, we think maybe this, our activities are not  
20 susceptible to what is commonly called formula funding  
21 in public money appropriation and allocation.

22 MR. SACKS: You are talking about formula fund-  
23 ing as opposed to saying something like per capita fund-  
24 ing?

25 MR. MC CALPIN: Or project or program.



1 MR. SACKS: Presently we have per capita funding,  
2 really. "X" dollars per poor person.

3 MR. MC CALPIN: Only I think we would say in a  
4 very limited sense.

5 MR. SACKS: Well, that is the way we passed out  
6 the expansion money largely.

7 I think I understand your point. You are saying  
8 not all agencies have a complicated formula that will re-  
9 flect the number of poor people, number of substandard  
10 houses, et cetera, et cetera.

11 MR. MC CALPIN: That is right. We do not have a  
12 formula with which to go to the Congress and say here is  
13 our formula and it cranks out this many millions of dollars.

14 I can tell you, for instance, in one state in  
15 higher education there is such a formula and you apply it  
16 and you tell the legislature this is what the formula  
17 provides funding.

18 We do not have any such formula funding mechanism  
19 as that. Not having it on the coming in end, it is pretty  
20 difficult to say that we ought to have it on the channeling  
21 out end.

22 We will have some principles but I am not so sure  
23 we will ever have a formula as such.

24 JUDGE ORTIQUE: Could we not have some general  
25 statement, Howard, that says that we recognize that there

THE SENATE - Generally we have been talking

and we have been talking about the

only I think we would say in

very limited sense.

MR. WALKER: Well, that is the way we wanted out

the operation money largely.

I think I understand your point. You are saying

and all operations have a completed formula that will re-

duce the number of poor people, number of individuals

number, of course, of course.

MR. WALKER: That is right. We do not have a

formula with which to go to the Congress and say here is

our formula and it works out this many millions of dollars

I can tell you, for instance, in one state in

higher education there is such a formula and you say it

and you will the legislation that is what the formula

provides funding.

Do we not have any such formula funding mechanism

in that you having it on the books in and it is pretty

difficult to say that we ought to have it on the books

and say.

We will have some principles but I am not so sure

we will ever have a formula as such.

THE CHAIRMAN: Now we have some general

statements, however, that say that we would like to have

WALTER H. RORER  
Chairman of the Committee  
on Education and the  
Labor Force  
U.S. HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20540

1 are pressures that are fairly constant, urging expansion  
2 in many areas but that there are also pressures to do some  
3 other things.

4 MR. MC CALPIN: --- Equity.

5 JUDGE ORTIQUE: Yes. And this board is committed  
6 to weigh these and to be constantly alert to the potentials  
7 as they develop, or some words to that affect.

8 I think Bill is right that questions about ex-  
9 pansion constantly haunt us and at the same time we recog-  
10 nize that we are attempting to develop priorities.

11 MR. MC CALPIN: I guess basically I just do not  
12 like us to see us ever make a statement "we will not seek  
13 funds."

14 MR. SACKS: Well, let me go back and see if I  
15 can work it out without glossing over it too much. I  
16 suspect I will get some help from Gerry on this.

17 All right, page 37, paragraph 5 says that to  
18 insure that local programs give sufficient emphasis to two  
19 things that we have stressed in the long range plan.

20 One, the longe range goal of legal services  
21 designed to help the poor take advantage of economic oppor-  
22 tunities and, two, a strategy based on impact work. It  
23 may be necessary to adopt a regulation requiring such  
24 emphasis.

25 Now, it does not say we will adopt a regulation.

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1 It says we may have to. Now, that is controversial because  
2 it would represent a direction to local programs on sub-  
3 stantive policy making as where they are going to expend  
4 their efforts. Therefore, it is very controversial.

5 I have flagged it here to indicate to you that  
6 it is conceivable that if you have recalcitrant local  
7 program, that you may have to have some kind of a regula-  
8 tion. Just as when you have recalcitrant local programs  
9 on affirmative action, we do not just give them carrots,  
10 we use sticks. It may be necessary in this area.

11 I do not know but at least I am raising it as a  
12 possibility.

13 The next sentence says even if a regulation is  
14 not adopted, monitoring by regional offices and decisions  
15 on allocation of discretionary funds must take into account  
16 these new directions. Which is a shorthand way of saying  
17 that we mean what we say.

18 That is if we believe in impact and we find a  
19 program that for no particularly good reason, no persuasive,  
20 rationale reason says we just do not choose to do impact.  
21 We do not like it. It is more comfortable to handle  
22 divorces, that when they come around to the front door to  
23 seek grants out of some discretionary fund, we may not be  
24 very warm toward them.

25 Likewise, when the regional office goes out and

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1 It was my hope that, now, that in continuation of previous  
 2 it would represent a direction to local programs on sub-  
 3 stantial getting along as they are going to expand  
 4 their efforts. Therefore, it is very important that  
 5 I have flagged it here as indicated to you that  
 6 it is desirable that if you have non-identical local  
 7 programs, that you should be in a position to be able to  
 8 identify what are the basic needs of local programs  
 9 on a national basis and give them some direction.  
 10 We are asking if it is necessary in this area  
 11 I do not know but I am asking it as a  
 12 possibility.  
 13 The local programs are seen if a population is  
 14 not engaged, monitoring by regional offices and decisions  
 15 on all matters of administration. There will take into account  
 16 these are directions. Think of a short-term way of saying  
 17 that we mean what we say.  
 18 That is the way we have to proceed and we find a  
 19 program that is particularly good means to progressive  
 20 national means says we just do not choose to do that.  
 21 We do not like it. It is very important to handle  
 22 direction, that way they come around to the local level to  
 23 each other and all these things are very good, we will not be  
 24 very far away from them.  
 25 Therefore, when the regional offices are out with

1 conducts the monitoring report, that there may be some  
2 negative things said in the monitoring report.

3 Nobody is going to jump up and down?

4 MS. SHUMP: Go on, Howard.

5 MR. SACKS: All right.

6 Is everybody still awake, Hillary?

7 (Laughter.)

8 MR. SACKS: The bottom of page 37 says preparing  
9 for the future. We have to be ready for the future when  
10 it comes. We know that our new chairman is going to pro-  
11 duce that future in November and in January. That is why  
12 we elected him.

13 And to get ready for that, we now only have a  
14 couple of months to get ready, we are going to have to do  
15 a number of things. Continued experimentation with delivery  
16 systems, at the top of page 38, involving some of the ob-  
17 vious things. Local pro bono conducted not only at the  
18 national level but at the local level.

19 Implementing efforts if we find that pro bono  
20 works in large urban areas and it seems to me that the  
21 evidence is pretty well in on that, that we ought to start  
22 encouraging and perhaps even pressuring local programs to  
23 engage in pro bono efforts if they are in the kind of area  
24 where experience has shown that pro bono will work.

25 The bottom of 39 talks about some problems that

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...the ...

1 we have to confront. For example, what are the best methods  
2 of delivering services to the rural poor? Which I am left  
3 to understand is still a great unknown.

4 That we are not confident, for example, that  
5 circuit riding is really the best method of doing things.  
6 Maybe it is not as good as an 800 telephone number.

7 So there won't be a lot of funding required for  
8 studies of this kind. What is important is the commitment  
9 to figure out the best methods of delivering legal services,  
10 especially at a time when funds are so hard to get.

11 The rest of 39 talks about infrastructure, which  
12 is just another way of talking about the network of training  
13 and support and technical assistance.

14 It talks about we are going to develop objective  
15 standards for the measuring of the quality of services that  
16 is now going on and then at the top of page 40, Mr. ~~McCalpin~~  
17 McCalpin, devoting a specific percentage of our resources  
18 to research and development, which I assume from your  
19 silence, you have agreed to.

20 MR. MC CALPIN: I ally myself entirely with Mr.  
21 Miller. Strongly opposed.

22 CHAIRMAN RODHAM: Oh, De Miller.

23 MR. MC CALPIN: De Miller. Sorry. I strongly  
24 oppose that.

25 Let me interrupt at this moment. I suppose it



1 is interesting this is the first time I have ever had to  
2 leave early but I would like to state that between now  
3 and the December meeting I will inquire of each board  
4 member with respect to the constitution of the board com-  
5 mittees and your wishes and desires but I would hope and  
6 expect that each of the committees' chairman and appoint-  
7 ments, Mr. Sacks, which have been in effect up until today  
8 will continue to and through the December meeting.

9 That means that if you have all those problems  
10 that you have been given today and if you have all the  
11 problems on finance and the provisions committee will  
12 continue on.

13 I am sorry that I must take my leave of you to  
14 get a 5:00 o'clock plane.

15 MR. SACKS: Bill, will you say one thing, please,  
16 about the bottom of page 45 on compliance and improving  
17 our compliance procedures?

18 I think you feel strongly about that. A lot of  
19 this language reflects your concerns.

20 MR. MC CALPIN: That is right. I am happy to see  
21 that something that I said, I guess, two meetings ago has  
22 crept into it.

23 Certainly as I read through the Congressional  
24 debates on reauthorization, as I listened to a lot of people  
25 from around the country in connection with the surfacing of

an interesting thing in the first time I have ever had to  
 do for any one I would like to state that I have not  
 and the business meeting I will include of each word  
 and with respect to the constitution of the board some  
 things and your wishes and that we will be able to do  
 about that part of the constitution, structure and organization  
 which has been in effect for many years, which has been  
 well considered and tried in the previous meeting.  
 that means that if you have any ideas or questions  
 that you have been given today and if you have all the  
 questions on the board and the general one described with  
 questions on  
 I am sure that I must have by heart of you on  
 and a 100 percent plan.  
 and I will give you my best advice please  
 about the bottom of your of the constitution and I have  
 not changed from  
 I think you had already about that. I had  
 this business and I have been  
 and I am sorry to see  
 that meeting that I mean, two meetings ago the  
 except that it  
 normally as I was through the constitution  
 before on constitution, as I looked to a lot of people  
 have found the company in connection with the industry of

1 the issues and the organized bar in the last few weeks, as  
2 I have heard clients not only today but in other contacts,  
3 it seems to me that we really have to be on top of the  
4 compliance of this program with the statute and with our  
5 own regulations, with our own policies and if we do not  
6 have our own house in order, we will deserve all of the  
7 barbs and arrows that we get.

8 I think that we must give clear and urgent  
9 attention to seeing that we run this program the way we  
10 indeed have been ordered and have sworn to run it in compli-  
11 ance with the statute and the regulations.

12 I think that is a very urgent necessity.

13 CHAIRMAN RODHAM: Bill, before you leave, we  
14 will jump ahead.

15 REVIS FUTURE MEETING DATES: once again invited to  
16 be held in CHAIRMAN RODHAM: Revis has very graciously  
17 once again invited us to meet in New Orleans in December.

18 MR. SACKS: How is the weather then?

19 CHAIRMAN RODHAM: It is beautiful.

20 MR. ENGELBERG: That is fine. I will so move.

21 CHAIRMAN RODHAM: Is there a second that we meet  
22 in New Orleans?

23 MS. SHUMP: I will second.

24 CHAIRMAN RODHAM: All those in favor, please say  
25 "aye."

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The reason that the experiment has in the last few weeks, as I have heard of them not only today but in other countries.

It seems to me that we really have to be on top of the completion of this program with the material and with our own expectations with our own children and it is not have our own focus in order, we will observe all of the better and worse that we get.

I think that we must give clear and urgent

attention to making that we can give progress the way we

instead have been ordered and have been to run in parallel with the structure and the organization.

I think that in a very urgent necessity,

CHRISTIAN HOOVER: Well, before you leave, we

will jump ahead.

THE DIRECTOR: I think that we should be

very clear in our own minds as to what we are doing.

one's own mind is to meet in their own in themselves.

THE DIRECTOR: Now in the winter there

is a possibility of its realization.

in themselves which is being a kind of answer.

CHRISTIAN HOOVER: The object is to show that we must

be very clear.

THE DIRECTOR: I will answer.

CHRISTIAN HOOVER: All right, now in winter, please say

Thank you.

CHRISTIAN HOOVER  
DIRECTOR OF THE FBI  
WASHINGTON, D. C.  
20535

100-100000

1 (A chorus of "ayes.")

2 CHAIRMAN RODHAM: Opposed?

3 (No response.)

4 JUDGE ORTIQUE: Got me a new chairman and got it  
5 to New Orleans.

6 CHAIRMAN RODHAM: You bet. We are going to ex-  
7 spect a big time.

8 We will look forward to that because it really  
9 will be fun to do that.

10 MR. SACKS: Back on still the top of page 40 on  
11 research and development.

12 I have the impression that a number of people  
13 are not enthusiastic about specific numbers. I think what  
14 I will do is to rework that and just to indicate that what  
15 is being committed is a substantial amount but not neces-  
16 sarily a particular percentage.

17 In other words, at least for the next three years  
18 we are going to do something significant. Incidentally,  
19 I think, Gerry, you still owe us --- where is Gerry?

20 Anyway, Gerry still owes us a list of current  
21 R & D and how much is being spent which would be very  
22 helpful to members of the board and to De in indicating  
23 just what it is that we are talking about when we use this  
24 phrase "R&D."

25 So, if you will get Gerry to do that soon, that

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(The House of Representatives)

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(Washington, D.C.)

It is the duty of the Clerk to receive and file all bills and resolutions introduced in the House of Representatives.

Very truly yours,

WALTER B. GALE, Clerk of the House of Representatives

and

WALTER B. GALE, Clerk of the House of Representatives

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WALTER B. GALE, Clerk of the House of Representatives

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1000 BENTLEY BUILDING  
WASHINGTON, D. C. 20541

WALTER B. GALE, Clerk of the House of Representatives

1 would be helpful.

2 CHAIRMAN RODHAM: Bruce and Steve Engelberg want  
3 to say something.

4 MR. MORRISON: I would just like to say I think  
5 it is important in part of the objection that I have to  
6 this part of the short plan relates back to the long term  
7 plan and is what I would call the unproven or unexamined  
8 premise. That it is something called R&D that has to do  
9 vitality of aging organizations.

10 I do not accept that myself as clear. Maybe  
11 if that is true we need some more documentation that that  
12 is really true and that is not --- I mean the Defense  
13 Department and HUD and other government departments do a  
14 lot of R&D and I would not call them the least bit vital.

15 I think that is an important thing to think  
16 through. And that may even be more important than the  
17 question of percentages. If we all believe that by putting  
18 1 to 2 percent into this, we would keep a vibrant and  
19 innovative institution going, I think we would be getting  
20 there but I think there is a lot of questions about the  
21 premise.

22 MR. SACKS: Somebody is doing a paper for me  
23 on that and I will be in touch with you about that.

24 All right. If there is nothing further, in the  
25 middle of page 40, the paper talks about maintaining the

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1 present which would require \$300 million of annualized  
2 funds for 1979 figures and of course additional money for  
3 the cost of services.

4 Also, the possibility of salary equalization.  
5 Some of that, I think, has not rendered obsolete. At least  
6 has been kind of overtaken by the budgetary discussions  
7 that we have been having.

8 The top of page 41 talks about the need of test-  
9 ing the present. Lots of things are mentioned there. I  
10 think the important thing is, what I am trying to spell out  
11 is an attitude that we won't take anything for granted,  
12 even though it has worked or even it is very controversial,  
13 we will also have to take a look at that.

14 In an era when funds are tight, we have to be  
15 prepared to give up things, even though jobs are involved  
16 or interests are involved. If sound thinking demonstrates  
17 that these things are not producing the results that we  
18 seek.

19 The last section begins at the top of page 42.  
20 It talks about improving the present and mentions a number  
21 of areas beginning the board of directors, running through  
22 the Washington headquarters. It covers client partici-  
23 pation.

24 As to the board, itself, a lot of questions are  
25 asked. These are the kinds of questions that I have

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Business to within 1000 miles from London, London  
and other important centers to be supplied with  
the most of resources.

It is the possibility of being organized  
that is being considered. It is not  
the fact that it is being considered by the  
Government but the fact that it is being  
considered by the Government.

The top of page 11 talks about the  
fact that the Government is not  
the Government but the fact that it is  
being considered by the Government. It is  
the fact that it is being considered by  
the Government but the fact that it is  
being considered by the Government.

It is the fact that it is being  
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The fact that it is being considered  
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is being considered by the Government.

It is the fact that it is being  
considered by the Government but the  
fact that it is being considered by the  
Government but the fact that it is  
being considered by the Government.

1 encountered as a board member or thoughts have occurred to  
2 me.

3 I guess the real question here is the board pre-  
4 pared to come to grips with this? Is the board prepared to  
5 look at itself and its procedures?

6 One suggestion made to me is that maybe the board  
7 ought to set up a committee that would have representation  
8 from the staff and the field for a frank examination of  
9 these procedures so that if we are doing things that the  
10 staff does not like and my understanding is that that does  
11 occur very occasionally, once in every five or ten years,  
12 but if it does occur, why, we should be able to talk about  
13 these things candidly and I think maybe a committee struc-  
14 ture is a possibility. At least I do not hear a strong  
15 dissent.

16 The last paragraph on page 43 raises some very  
17 delicate problems and does it in a very delicate way, I  
18 hope. Notes that there may be organizational and integrat-  
19 ing problems in the Washington headquarters and I put that  
20 in not because I think that we know the answers to it but  
21 merely to indicate that as far as I can tell there are some  
22 problems of organization, integration of effort in the  
23 Washington headquarters and we have to recognize those.

24 To the extent that we can do a better job there,  
25 that we will get more for our dollar.

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...and in a formal manner or through have occurred to

I give the real question here in the word ques-

...to come to grips with that is the board proposed to

...of family and the procedure

...suggestion made to me is that they - the board

...to set up a committee that would have representation

...the staff and the field for a formal examination of

...position as well as we are doing things that the

...like some of the other my understanding is that that does

...very occasionally, once in every five or ten years,

...if it does occur, why we should be able to talk about

...things candidly and I think maybe a committee along

...in a possibility, as far as I do not want a heavy

...board.

...the last paragraph on page 43 raised some very

...quite good points and I think it is a very helpful way

...hope, that that the way an organizational and interper-

...the problem is the Board's responsibility and I feel that

...is not because I think you know the answer to it but

...merely to indicate that as far as I can tell there are some

...problems of responsibility, responsibility of staff to the

...responsibility and we have to resolve those.

...the extent that we can do a better job than

...that we will get a new one better.

1           In the middle of 43 or about a third of the way  
2 down, the paper deals with client participation. It first  
3 refers back to the various places in the long range plan  
4 where it has been dealt with and here, in the short range  
5 plan, is the place where we implement what we have agreed  
6 on as goals for the long range plan.

7           MS. SHUMP: Howard.

8           MR. SACKS: Yes.

9           MS. SHUMP: I have a problem.

10          MR. SACKS: Right.

11          MS. SHUMP: That problem goes back to the local  
12 programs, not necessarily to the national office. That  
13 problem goes back to, I would hope, some way of getting the  
14 message out to the directors of the various programs nation-  
15 wide that there must be some money set aside for client  
16 participation at their level for child care if necessary  
17 at their level and for insuring that whatever client they  
18 expect to come to meetings, such as those who sit on their  
19 board, would have the means of traveling, of eating and of  
20 seeing that their children are cared for in order for them  
21 to attend the various meetings.

22           I think that in talking with Gerry and in talking  
23 with Allen, the problems that have crept up and that I  
24 have been informed of at the national level may be on their  
25 way to hopefully being solved but that does not answer the

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in the middle of it or about a third of the way

down, the paper deals with almost everything. It gives

orders back to the various places in the long range plan

where it has been dealt with and here, in the short range

plan, various things which we expect to have done

in the plan for the long range plan.

MR. WINTER: Now, I

am not sure

if I have a question

in the plan

MR. WINTER: That problem goes back to the local

program, not necessarily to the national office. That

problem goes back to a world map, some way of getting the

message out to the directors of the various programs in the

world, that there are some things we would like to do

and that we would like to have some money to do them

at that level and for instance, that whatever other they

expect to have to do, such as things like air or train

plans, would have the same of something, of course, and of

seeing that their objectives are covered for the other for them

to attend the various meetings.

I think that in talking with Gerry and in talking

with Alton, the problems that have come up and that I

have been informed of at the national level may be on their

way for hopefully being solved but that does not answer the

THAT IS ALL

THEY ARE ALL

THEY ARE ALL

THEY ARE ALL

(10)

1 question about what happens on the local boards, what  
2 happens with the program directors, what happens at the  
3 local level?

4 Is there information being given to their new  
5 client board members? I was shocked in Dallas when I met  
6 with a number of brand new NCC members who also happened to  
7 be client board members of their respective programs to  
8 find that the lack of information that they had was so  
9 great concerning these three things that I have mentioned.

10 That really concerns me.

11 MR. SACKS: Are you talking about a regulation  
12 that would mandate the local programs?

13 MS. SHUMP: I am asking what suggestions do you  
14 have, does anyone else on this board have. I was really  
15 surprised.

16 MR. BRADLEY: The issue clearly is that the local  
17 board, they have the funds and they have the authority and  
18 they have the responsibility to do that.

19 Now if the question is that some local boards,  
20 I know they are doing it in New Orleans, Revius, because  
21 when I met with the New Orleans group, you know, that is  
22 one of the things we talked about and there were 27 client  
23 representatives from New Orleans in attendance at the meet-  
24 ing. The question may be what if a local board decides  
25 that they are not going to pay it?

question about what happens on the local board level.

happens with the program directors, what happens at the

local level?

is there information being given to their own

about board activity? I was elected in Dallas when I was

with a number of other new BOD members who also happened to

be elected board members of their respective programs to

find that the lack of information that they had was so

great concerning these things that I was surprised.

What really surprised me.

MR. BAKER: Are you talking about a registration

that would handle the local programs?

MR. BISHOP: I am asking what registration do you

have, does anyone else on this board have. I was really

surprised.

MR. BISHOP: The issue exactly about the local

board, they have the funds and they have the authority and

they have the responsibility to do that.

Now is the question is that some local boards,

I know they are doing it in New Orleans, Florida, because

when I was with the New Orleans group, you know, that in

one of the things we talked about and that was IV class

representatives from New Orleans in attendance at the meeting

and, the question may be what if a local board

that they are not going to pay for

1           Then the question is should we impose by regu-  
2 lation or by grant condition that you shall do the follow-  
3 ing?

4           We have not done that in the past but it is clear  
5 that the local programs have the funds and have the author-  
6 ity to do that. Now the question is what do we do about  
7 making them do it?

8           MS. SHUMP: I mean especially when their own  
9 board members, you know, do not even know. What do we do?

10          MR. SACKS: Are there other kinds of activities  
11 that we mandate the local programs to spend money on?

12          MR. BRADLEY: No.

13          MR. SACKS: I wonder how local programs would  
14 react to this kind of ---

15          MS. WORTHY: Let them tell us.

16          CHAIRMAN RODHAM: Speak now or forever hold your  
17 peace.

18          MR. SINGSEN: It seems to me, I am not sure at  
19 this point and I am sort of not sure on a lot of other  
20 issues. First let's agree on what it is we want to try  
21 to do. Then we are clearly dealing with this specific  
22 issue in the standards process. That is one of the few  
23 sections in the standards that has already been talked  
24 about and I think there is at least general agreement on  
25 and it is one of the things the programs should be doing

When the question is asked to those by whom-

ation or by great coalition that you shall do the follow-

1957

We have not done that in the past but in the clear-

that the local programs have the funds and have the author-

ity to do that. Now the question is what do we do about

making them do it?

MR. BROWN: I mean especially when their own

best interests, you know, do not even know that do we do

MR. BROWN: Are there other kinds of activities

that we should do local programs to spend money on?

MR. BROWN: No.

MR. BROWN: I wonder how local programs would

respond to this kind of -

MR. BROWN: Let them talk to

MR. BROWN: Speak now or forever hold your

peace.

MR. BROWN: It seems to me that we are not doing

that right and I am out of resources on a lot of other

things. I think there is a great deal of work to be

done. I think we are already doing with this special

issue in the standard process. That is one of the few

decisions in the community that can directly be included

about and I think there is at least general agreement on

that in the case of the things the program should be doing

THOMAS R. BROWN  
1957  
MR. BROWN: I mean especially when their own  
best interests, you know, do not even know that do we do  
MR. BROWN: Are there other kinds of activities  
that we should do local programs to spend money on?  
MR. BROWN: No.  
MR. BROWN: I wonder how local programs would  
respond to this kind of -  
MR. BROWN: Let them talk to  
MR. BROWN: Speak now or forever hold your  
peace.  
MR. BROWN: It seems to me that we are not doing  
that right and I am out of resources on a lot of other  
things. I think there is a great deal of work to be  
done. I think we are already doing with this special  
issue in the standard process. That is one of the few  
decisions in the community that can directly be included  
about and I think there is at least general agreement on  
that in the case of the things the program should be doing

1 is making sure that there is effective client board  
2 participation of all board members. Which means informa-  
3 tion to all board members but specifically in the case  
4 of client board members meeting all expenses that are  
5 necessary so that they can actively participate in the  
6 meetings.

7 MR. SACKS: Is that in the standards?

8 MR. SINGSEN: It is going to be proposed in the  
9 standards, I think. The standards are still in a very  
10 tentative stage. The proposal now is to make that a  
11 standard for effective participation.

12 I am not sure that, it seems to me that there are  
13 probably a series of preliminary steps that the corporation  
14 has not taken which is one, clear signals on the question.

15 I just generally, I think, am cautious or con-  
16 servative about regulations until I am sure that other  
17 things have been tried before them and I am pretty sure  
18 that not that much has been tried except in a sort of  
19 program by program basis by the regional offices communi-  
20 cating things.

21 Maybe it is time for a clear signal to go out  
22 from the corporation. I am not sure that means a regu-  
23 lation.

24 MR. SACKS: Who in the corporation is working on  
25 that? Do you know?

is making sure that there is effective liaison with  
 the Board members. I think we have to make  
 sure that all Board members are well informed in the way  
 of things and members working in various parts and  
 necessary so that they can actively participate in the  
 meetings.

MR. GARDNER: It is in the standard  
 MR. GARDNER: It is going to be proposed in the  
 standard, I think. The standard can still be a very  
 tentative stage. The proposal now is to make that an  
 internal Board decision.

I am not sure that it seems to me that there are  
 probably a number of preliminary matters that the corporation  
 has not taken into account. I am not sure about the question  
 of just generally, I think, the content of some  
 questions about regulations until I am sure that other  
 things have been raised before them and I am pretty sure  
 that not that much has been raised except in a sort of  
 manner by program being by the regional office committee  
 policy things.

I agree it is time for a clear report to be put  
 from the corporation. I am not sure that there is any  
 action.

MR. GARDNER: Will you be participating in working on  
 these things?

1 MR. BRADLEY: Clint is working on it. Clint and  
2 his staff.

3 MS. SHUMP: Clint needs directions, too.

4 MR. SACKS: Hillary, I think you have some  
5 people in the audience who want to speak to this issue.

6 CHAIRMAN RODHAM: Yes. This gentleman here has  
7 had his hand up.

8 MR. ORUM: My name is Tom Orum from Wayne County  
9 Neighborhood Service. I am the treasurer. As you have  
10 read your reports, I am sure you should by now.

11 What I want to ask you, this board, what are you  
12 going to do about unionization?

13 You see, you tell us to go ahead. It is okay,  
14 the contracts we sign but then the monitors come in,  
15 regions come in and interfere with negotiation. You see  
16 that causes another problem with the staff people.

17 They said they are not going to have anything  
18 to do with it but they come in and meddle into it. Deal  
19 with the staff people, deal with the board members who  
20 fraternize with the staff people. Give them all the  
21 information that the bargaining committee is doing.

22 You contribute to that. I do not mean "you,"  
23 your staff. Your staff in the regions. They are responsi-  
24 ble for it.

25 Then they claim for months they did not get the

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THE PRESIDENT: I am writing to you on the 11th of July.

Dear Sir,

AS I THINK: I am writing to you on the 11th of July.

THE PRESIDENT: I am writing to you on the 11th of July.

THE PRESIDENT: I am writing to you on the 11th of July.

THE PRESIDENT: I am writing to you on the 11th of July.

Dear Sir,

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Dear Sir,

THE PRESIDENT: I am writing to you on the 11th of July.

THE PRESIDENT: I am writing to you on the 11th of July.

Dear Sir,

1 contract. We knew they had the contract. They finally  
2 came up and said, yes, we got it.

3 They had become confused, intentionally, because  
4 we had a few people on there who were racial minded about  
5 the lawyer, see. And they wrote a letter here. You got  
6 it right here, this region. Saying there was no contract  
7 signed.

8 Those same people that they listened to were not  
9 on the board at the time. You see this is the kind of  
10 thing I am trying to tell you, you do not investigate. The  
11 rumors you get.

12 They are prejudiced to the man. We have got the  
13 best lawyer in the nation on labor relations and they know  
14 that. We could not get any pro bonos that were competent  
15 to do it.

16 Now, what are you going to do? You say go ahead.  
17 We cannot sit idly by and let the union rip off the legal  
18 service 100 percent. That is what they want to do and if  
19 we do not get some kind of guidance from you, we have got  
20 to have it because you have got to deal with it.

21 Then when we deal with it, the region here says  
22 we do not want to pay him. Now I want to know. They  
23 say well, then a contract with a lawyer is not--- is  
24 consultant fees. You see what I mean?

25 So they can chissel it down. No lawyer of that

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... We know they had the contract. They finally

... and said, yes, we got it.

... they had income continued, internally, because

... we had a few people on there who were really related to

... the lawyer, and they wrote a letter here. You got

... it right here, this report. Saying there was no business

...

... those same people that they listened to were not

... on the part of the firm. You see this in the file of

... being I am trying to tell you, you do not investigate. The

... means you get.

... they are explained to the man. We have on the

... been lawyer in the nation on labor relations and they know

... that. We could not get any of those that were supposed

...

... now, what are you going to do? You say go ahead

... We should be able to get the union right off the top

... because 100 percent. That is what they want to do and it

... we do not get any kind of guidance from you to do it

... to have it because you have got to deal with it.

... then when we deal with it, the union here says

... we do not withdraw pay him. How I want to know. They

... say well, then a relation with a lawyer is necessary

... Council and then. You see what I want?

... to stay out of it. The lawyer of that

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1 caliber is no consultant. Now, we have got to pay the man.

2 Now, I want some guidance. He keeps bugging me  
3 about his money because I am the treasurer. We have got  
4 the money to pay him but the region says no. Now what are  
5 we going to do?

6 We have got to have some confrontation on this  
7 issue. Do you see what I mean? We have got to have it  
8 one way or the other?

9 Thank you.

10 CHAIRMAN RODHAM: Thank you for bringing that to  
11 our attention.

12 Yes, ma'am? Do you want to add something?

13 MS. BULLARD: Back to the issue of the expenses  
14 incurred by the clients on the board for maximum feasible  
15 client participation.

16 I think all of you are aware of the fact that  
17 we are in favor of at Wayne County Neighborhood Legal  
18 Services maximum feasible participation by all clients  
19 who are served by our program but there are strategies  
20 planned within the program by some directors who do not  
21 pass on the information so that they can be totally in-  
22 volved.

23 There are attorneys on the board who if it is  
24 in the bylaws that the client's expense will be paid by  
25 the local program who do not want to vote it out.

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either in no circumstances. Now we have got to pay the man  
that I want some guidance. He hasn't helped me

think the money because I'm the treasurer. We have got  
the money to pay him but the money says not. How what are

We're going to do?

We have got to have some contribution in this  
instance. Do you see what I mean? We have got to have it

one way or the other?

Thank you.

THOMAS ROBERTSON: Thank you for helping that to  
our attention.

Now, we want to get some of the meetings

and I think back to the issue of the meeting  
conducted by the board for various reasons

of the organization.

I think all of you are aware of the fact that

we are in favor of Dr. Wayne County Metropolitan Board

having a certain financial participation by all citizens

who are served by our program but there are objections

attached with the program of some citizens who do not

want to be in the organization so that they can be fairly in-

cluded.

There are attorneys on the board who feel it is

to the detriment of the city's expense will be paid by

the local program and the cost will be paid by

WILLIAM B. OWENS  
Chairman of the Board  
1234 FIFTH AVENUE  
COLUMBIA, MISSISSIPPI

1           We have all sorts of problems of trying to get  
2 monies to travel. It is my understanding and the policy  
3 of Wayne County Neighborhood Legal Services that any  
4 committee that is established by that board should have,  
5 in fact, clients on there.

6           We do have clients that are on the budget com-  
7 mittee. We have clients that are on the finance committee.  
8 Therefore, we do at Wayne County Neighborhood Legal Services  
9 also have input into whether or not the clients will get  
10 monies.

11           We have requested and demanded a line item so  
12 that we could be involved but then there comes a problem  
13 with interference by the regional officers who come in and  
14 make arbitrary decisions as to what clients are going to be  
15 on that board. Particularly, if they cannot express their  
16 needs.

17           Here recently we have been under attack with  
18 attorney unionizers. Our position as clients on that issue  
19 is that unionization in the first place has a negative  
20 impact on high quality legal services.

21           That poses a problem because there in fact  
22 attorneys who we know are incompetent and who do not best  
23 serve the needs of the client population. Therefore,  
24 unionization makes it very difficult to get rid of these  
25 attorneys.

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1           The other issue is the problem of being mandated  
2 by the regional officers to restructure the board because  
3 there are some attorneys who do not like the clients that  
4 sit there that are very verbal and who are not rubber  
5 stamping what the attorneys feel that is best for the  
6 clients as opposed to what the clients feel is best for  
7 themselves.

8           To Mr. Bradley, you did state that you are in  
9 recent of a letter from Mrs. Holmes that has some very  
10 serious contents.

11           We at Wayne County Neighborhood Legal Services,  
12 clients are familiar with the contents of that letter and  
13 we do hope that you will make a response to Mrs. Holmes'  
14 concerns that have been addressed by clients as soon as  
15 possible.

16           We, as clients, feel that we can give some  
17 relevant and constructive input as to what the program and  
18 the corporation should be about. We are going to insist  
19 that we are heard.

20           They are not petty things that we want. They  
21 are very serious problems that need to be reserved. There  
22 are a number of clients who are working day in and day out  
23 trying to make sure that the corporation does provide the  
24 high quality legal services that has been mandated by the  
25 act.

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The other issue is the problem of being treated  
 by the judicial officers in a manner that is not  
 fair and reasonable who do not like the officer that  
 they are dealing with and who are not subject  
 to appeal what the judiciary feel that is best for the  
 system as opposed to what the officers feel is best for  
 themselves.

The Mr. Justice, you had said that you are in  
 favour of a system from your House that has some very  
 serious concerns.

The at Royal Court maintained legal services  
 officers are familiar with the concept of law firms and  
 to do hope that you will make a response to that House.  
 concerns that have been advanced by officers as soon as  
 possible.

As an officer, feel that we can give some  
 relevant and constructive input as to what the process and  
 the organization should be about. We are going to make  
 that an issue.

They are not really things that we want. They  
 are very serious problems that need to be resolved. There  
 are a number of things that are serious that in the day and  
 night to make sure that the corporation does provide the  
 high quality legal services that have been expected by the

1 MR. SACKS: Let me just make two comments.  
2 First of all, on unionization. That subject has been left  
3 out of the long range plan and the short range plan for  
4 the following reasons:

5 On the one hand, if we were to discourage union-  
6 ism by any word, oral or written, probably we would be  
7 facing an NLRB charge and have all kinds of legal problems  
8 and maybe political problems also.

9 On the other hand, if we were to encourage  
10 unionism at the local level, I am sure that lots of local  
11 programs would say to us it is not your affair. You do  
12 not try to run us in other things. This is a matter of  
13 local initiative. You are just playing into the hands of  
14 unions and you have done us enormous damage.

15 So, confronted with that dilemma, at least the  
16 position I have taken is that the best thing we can do is  
17 to say nothing. Now, if anybody disagrees with that and  
18 thinks that we ought to say something, I would be delighted  
19 to hear from you.

20 MS. BULLARD: I think that by way of the  
21 regional officers, we interpret it as the corporation is  
22 saying something when we have a legitimate contract signed  
23 by the board of directors by Wayne County Neighborhood  
24 Legal Services and then the regional officers come in and  
25 tell us that we cannot pay that attorney fee.

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MR. WATSON: Now we just have the committee.

1100 of 111, on organization. That subject has been left

one of the long range plan and the short range plan for

the following reasons:

On the one hand, if we were to discuss the

law by any one, and on another, probably we would be

feeling an urge change and have all kinds of legal problems

and maybe political problems arise.

On the other hand, if we were to discuss

organization at the local level, I am sure that lots of local

programs would say to us it is not your business. You are

not say to me as in other things. This is a matter of

local initiative. You are just trying to take the hands of

union and you have gone in enormous amount.

So, concerned with this business, at least in

position I have taken is that the best thing to do is

to say nothing. Now, it is really discussion with them and

think that an effort to say something, I would be delighted

to hear from you.

MR. WATSON: I think that for all of the

national officers, we interpreted it as the organization for

saying something when we have a leadership crisis at this

by the board of directors of Wayne County Republican

Party. We have and then the regional officers come in and

say we don't see anything that is going on.

WILLIAM E. WATSON  
1100 W. 11th Street  
Wichita, Kansas 67202  
316-261-1111

1 Now, what happens when the attorney decides that  
2 he wants to sue the local program?

3 MR. SACKS: Well, I do not know the details of  
4 that. All I am saying is as a matter of general board  
5 policy, my recommendation to the board is that we stay  
6 away from that subject.

7 Now, as to the point that Ramona has made, I  
8 think that is a very good point. What I would propose,  
9 Ramona, is that since I do not think we can solve it on the  
10 floor here today.

11 MS. SHUMP: No.

12 MR. SACKS: I will go talk to Clint and find out  
13 what is going on in the corporation and see if I can draft  
14 up a sentence that will meet your needs. Send you the  
15 sentence or paragraph, whatever it is and then we will tell  
16 well before the December meeting.

17 MS. SHUMP: Fine.

18 CHAIRMAN RODHAM: And Mr. Bradley will be back to  
19 those of you from Wayne County with a response to your  
20 letter.

21 MS. BULLARD: We certainly would appreciate that.  
22 There is one other question I would also like to ask. If  
23 in fact the legal counsel forward us an opinion, if we have  
24 a question in regards to a particular problem and the legal  
25 counsel submit that opinion to us, can you tell me whether

Now, what happens when the attorney general

he wants to run the local programs

Mr. BAKER: Well, I do not know the details of

them. All I am saying is in a matter of personal liberty

policy, my recommendation to the board is that we stay

away from that subject.

Now, as to the point that Senator has made, I

think that is a very good point. What I would propose,

Senator, is that since I do not think we can solve it on the

floor here today.

MR. SUMNER: No.

MR. BAKER: I will go back to Clinton and find out

what is going on in the corporation and see if I can bring

up a resolution that will meet your needs. Send you the

language on paragraph, wherever it is and then we will talk

will before the resolution meeting.

MR. SUMNER: Fine.

CLARENCE ROBERTS: And the resolution will be back to

show of you from Wayne County with a resolution to give

to

MR. BAKER: We certainly would appreciate that.

There are other questions I would like to ask. If

in fact the legal council is an organization, let us have

a question in regard to a resolution regarding the legal

council submit that opinion to us and we will be glad to

WILLIAM H. BAKER  
CLARENCE ROBERTS  
CLARENCE ROBERTS  
CLARENCE ROBERTS

1 or not the regional officer should abide by the opinion of  
2 the legal counsel?

3 MR. BRADLEY: It is inappropriate for us to dis-  
4 cuss that issue because the reference that you made to  
5 the representation that the general counsel made at the  
6 operations committee meeting in Boston recently, that may  
7 not in fact or it may be the interpretation of the regu-  
8 lation that is now being viewed by the operations committee.

9 I do not think that the question that you are  
10 asking is the question.

11 The question is whether or not the regulation  
12 as it is now enforced is, as is now in effect is being  
13 reviewed by the operations committee. And the operations  
14 committee will issue an opinion as to whether or not the  
15 board composition requirement, the representation of the  
16 eligible clients, the client groups, what changes, if any,  
17 will be made.

18 That is the status of the situation right now.  
19 Not so much the past interpretations but what is now being  
20 reviewed by Josephine and her committee.

21 MS. BULLARD: But is it also true that when the  
22 legal counsel makes an opinion, that is based on her or  
23 his interpretation of the Federal Regulations?

24 MR. BRADLEY: Of our regulations, of the  
25 corporation's regulations?

of the national office should be the opinion of  
the legal council.

MR. TOLSON: It is suggested that we should

have that issue because the reference that was made to

the representation that the general counsel made at the

operating committee meeting in Boston recently, that way

not in fact or it may be the interpretation of the repre-

sation that is now being viewed by the operating committee.

I do not think that the question that you are

asking is the question.

The question is whether or not the regulation

as it is now worded is, as it now is, subject to being

reviewed by the operating committee, and the operating

committee will issue an opinion as to whether or not the

board composition requirements, the representation of the

public interest, the other things, what else, it may

will be made.

That is the status of the regulation right now.

Now as much the past interpretations but what is now being

reviewed by the operating and the committee.

MR. TOLSON: But it is also true that when the

legal council makes an opinion, that is based on the

the interpretation of the Federal Reserve Act.

MR. TOLSON: It is our intention, of the

and the Federal Reserve Act.

1 MS. BULLARD: The corporation's regulations,  
2 yes.

3 MR. BRADLEY: Yes.

4 MS. BULLARD: Thank you.

5 CHAIRMAN RODHAM: Howard, do you want to con-  
6 tinue?

7 MR. SACKS: All right.

8 The rest of the material on 44 and 45, as I have  
9 said, deals with client participation in various aspects  
10 of legal services community work and it really represents  
11 an attempt to implement what is set forth as goals in the  
12 long term plan.

13 It does not require substantial funds. It does  
14 require other kinds of actions which, if we adopt the  
15 plan, will go forward. The staff will be told that we want  
16 you please to do "X" and "Y."

17 Paragraph 4 on page 45 really comes at the  
18 problem of short term objectives in a slightly different  
19 terminology in terms of high quality services. It raises  
20 no new recommendations.

21 The last paragraph on page 45 to which Bill  
22 McCalpin adverted before he left, has to do with compliance.  
23 Let me just say a word about that.

24 I certainly do not mean to suggest that our  
25 procedures for insuring that local problems comply with

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the corporation's total assets

Year

Year: 1960

Year: 1961

Year: 1962

Year

Year: 1963

Year: 1964

Year: 1965

Year: 1966

Year: 1967

Year: 1968

Year: 1969

Year: 1970

Year: 1971

Year: 1972

Year: 1973

Year: 1974

Year: 1975

Year: 1976

Year: 1977

Year: 1978

Year: 1979

Year: 1980

Year: 1981

Year: 1982  
Year: 1983  
Year: 1984  
Year: 1985

Year: 1986

1 our regulations, legislative representation or client  
2 eligibility, that those procedures are weak and that there  
3 is widespread violations.

4           Indeed, everything I have been able to find and  
5 I have looked into this, indicates to me that the number of  
6 violations is very, very small. Especially considering  
7 how unpopular some of these guidelines are what the  
8 temptation would be to violate them.

9           On the other hand, these are very sensitive  
10 political issues and I am sure Dan will tell you that among  
11 the greatest sources of heat that he gets from the Hill are  
12 alleged violations of some of these things.

13           I think some of our procedure are not as good as  
14 they might be in terms of sometimes fact finding at the  
15 regional level. I am told it is not as good as it might  
16 be and sometimes we do not give complianants enough infor-  
17 mation.

18           As I understand it, we may just have a perfunctory  
19 reply. We investigated your complaint of such and such  
20 about so and so and we find no violation. Sincerely yours.

21           That may not satisfy somebody who is all rout  
22 up about something that he or she regards as a violation.

23           Now, it happens that the operations committee  
24 has been working on some aspects of this and we expect a  
25 report in December on such things as whether or not we

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1 our regulations, legislative representation on behalf  
 2 eligibility, that those procedures are used to - that there  
 3 is widespread violation.  
 4 Indeed, everything I have been able to find out  
 5 I have looked into this, looking to see that there are  
 6 violations in very, very small. Especially regarding  
 7 how rigorous some of these guidelines are and the  
 8 regulation would be to violate them.  
 9 On the other hand, there are very serious  
 10 political issues and I am sure you will tell me that among  
 11 the greatest sources of heat that he gets from the Hill are  
 12 alleged violations of some of these things.  
 13 I think some of our procedures are not as good as  
 14 they might be in terms of monitoring that things are  
 15 running level. I am told it is not as good as it might  
 16 be and sometimes we do not give ourselves enough credit  
 17 in that regard.  
 18 As I understand it, we are just having a partnership  
 19 today. It investigated your complaint of such and such  
 20 about so and so and we find no violation. It is only your  
 21 that may not really establish you in all ways  
 22 up about something that he or she regards as a violation.  
 23 Now, it happens that the agencies sometimes  
 24 put more weight on some aspects of this and we expect a  
 25 report to be made on such things as whether or not we

1 would require program attorneys before they handle a  
2 legislative representation case that have a piece of paper  
3 in their hands signed by somebody who is a certified client  
4 saying you are authorized to represent me in connection  
5 "X."

6 Because if we had that kind of documentation, it  
7 would make it much easier to insure that we have compli-  
8 ance and be able to satisfy critics that we do get, we are  
9 serious about this.

10 What I am proposing here is that we expand this  
11 slightly and ask the operations committee to look at all  
12 aspects of the problem of insuring compliance with board  
13 regulations, statutory requirements and prepare recom-  
14 mendations for additional action to be acted upon at the  
15 December 1980 meeting of the board of directors.

16 Specifically, they ought to look at the role of  
17 state advisory councils, the adequacy of the sanctions used  
18 against the pending programs. Are the sanctions strong  
19 enough? Improvements in procedures for securing compliance  
20 and improvements in giving complainants prompt and full  
21 reports on the outcome of the investigation of their  
22 complaint.

23 You may ask, well, why the hurry? The hurry I  
24 think is this: That we do not know who is going to be in  
25 power in Congress in January of 1981 but whoever wins the

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1 would require program changes before they could be  
 2 legislative responsibilities and have a piece of paper  
 3 in their hand signed by somebody who has a certain amount  
 4 saying you are authorized to represent me in connection  
 5 with this.  
 6 Because if we had that kind of documentation, it  
 7 would make it much easier to insure that we have complete  
 8 authority and be able to assist in other areas that we are  
 9 working on.  
 10 When I am proposing here is that we expand this  
 11 authority and use operational committees to look at all  
 12 aspects of the problem of handling complaints with boards  
 13 of directors, statutory requirements and various other  
 14 matters that require additional action to be taken upon the  
 15 recommendation of the board of directors.  
 16 Specifically, they ought to look at the role of  
 17 state advisory councils, the advisory of the companies and  
 18 expand the pending programs. And the question of  
 19 expanding responsibilities in procedures for security matters  
 20 and responsibility in giving complete reports and data  
 21 reports on the outcome of the investigation of the  
 22 companies.  
 23 You may ask, well, who are they? The board I  
 24 think is what I think we do not know who is going to be the  
 25 board of directors in January of 1981 but wherever they are

1 Presidential election, certainly there has been considerable  
2 criticism of this.

3 Dan can tell you about the problems that he has  
4 had with certain key members of Congress. I would like to  
5 be able to, for Dan to be able to say on December 6th,  
6 1980 or in, to anyone from the Hill that we have reviewed  
7 all our procedures for both insuring compliance and dealing  
8 with compliance. We have adopted a comprehensive plan.  
9 We have made this and such change and we think we have the  
10 situation in hand so, please, Mr. Congressman, don't you  
11 write an amendment into the appropriations act that will do  
12 "X" and "Y" and, therefore, this is the one item that I  
13 would respectfully suggest, Madam Chairman, that we adopt  
14 today to direct the operations committee of the board to  
15 look into this and make a report in time for the December  
16 meeting.

17 MR. BRADLEY: That is certainly on the agenda.  
18 It is the priority issue that is on the agenda for your  
19 next meeting of the operations committee.

20 MR. SACKS: I do not even need a formal motion  
21 unless somebody objects. I am going to assume that the  
22 mandate of Jo's committee has been enlarged to include and  
23 Mario hears it and we will be off and running.

24 CHAIRMAN RODHAM: Right. I agree with.

25 MR. SACKS: I want to emphasize again, least

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1 anybody misunderstand, that I know of no evidence that we  
2 have widespread violations of either client eligibility  
3 guidelines or legislative representation.

4 All the evidence I have been able to find is  
5 that we have excellent compliance.

6 The bottom of page 46 responds to a request from  
7 the President or maybe it was Gerry or both, that we try  
8 to bring together in one place the fiscal implications  
9 of the short range plans so that the appropriations com-  
10 mittee and the staff could translate our short term pro-  
11 gram recommendations into dollars and cents.

12 So, all this does beginning at the bottom of  
13 46 and running through 47 until the end of 48 is a trans-  
14 lation of programmatic items into budgetary items. In a  
15 sense, at least the staff has acted on this because a lot  
16 of their 1981 suggestions tend to follow what is being  
17 suggested here.

18 The one thing I do want to point out to you at  
19 the bottom of 47, it is said once again that if sound fund-  
20 ing allocation policies can be developed, funds for general  
21 expansion will be sought. It is obvious we cannot do this  
22 for fiscal 1982.

23 It is possible we shall be in a position to do  
24 this for the 1983 budget. I know that if Chairman McCalpin  
25 were here, he would object to the last clause and I will

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anybody understands that I have no evidence that we  
have witnessed violations of either of our ability  
evidence or legislative recommendations.

All the evidence I have seen this is that is

that we have excellent evidence.

The bottom of page 46 responds to a request from

the President or maybe it was Gary or both, that we try

to bring together in one place the fiscal implications

of the short range plans to what the appropriations com-

mittee and the staff would translate our short term pro-

gram recommendations into dollars and cents.

So all this does depending on the date of

it and running through it until the end of it is a trans-

lation of programmatic items into budgetary terms. It is

not as if fiscal the staff has acted on this program since

of their own suggestions tend to follow what is being

presented here.

The one thing I do want to point out to you is

the fact of it, it is not as if it is a simple thing

and it is not as if it can be developed, that is, for general

discussion will be needed. It is obvious to me to state

for fiscal 1983.

It is possible we shall be in a position to do

this for the 1983 budget. I know that in Oklahoma, Michigan

and many other states, the fact of it is that I will

John H. ...  
...  
...  
...

1 make some modification of it.

2 MS. SHUMP: Howard.

3 MR. SACKS: Yes?

4 MS. SHUMP: I have a little note down at the  
5 bottom of page 47 that I had inserted right after the ---  
6 well, it is the second sentence under C where it starts,  
7 "They include continued experimentation with the implementa-  
8 tion of," and down here I put "projects to improve client  
9 participation by improving procedures for insurance compli-  
10 ance with the act and board policies and the development  
11 of quality standards and funding formula."

12 "Also, the development and implementation of  
13 projects using the private bar in the delivery of service."

14 I do not know what you think about that.  
15 I changed your wording, in other words.

16 MR. SACKS: Could I just look at it?

17 MS. SHUMP: If you can make any sense out of it.

18 MR. SACKS: Include continued experimentation  
19 and implementation of --- you want to put client partici-  
20 pation first?

21 MS. SHUMP: Yes.

22 MR. SACKS: I do not have any problem with that.

23 MS. SHUMP: Good.

24 MR. SACKS: Just let me make a note of it.

25 MS. WORTHY: I am sorry. Experimenting with

...to the ...

MR. ...

MR. ...

... I have a little ...

... of page 17 that I had ...

... in the second ...

... continued ...

... and ...

... by ...

... and ...

... and ...

... the development ...

... the ...

... what you think ...

... in other ...

MR. ...

MR. ...

MR. ...

... of ...

... finally

MR. ...

MR. ...

MR. ...

MR. ...

MR. ...

... ..

... ..

... ..

... ..

... ..

1 client participation?

2 MS. SHUMP: Right. He is talking experimenta-  
3 tion with the private bar for the delivery of services.

4 All I am saying is that there should be some  
5 projects to improve client participation by improving  
6 procedures for insuring compliance with the act and board  
7 policies and the development of quality standards in the  
8 funding formula. I can show this to you later.

9 MR. SACKS: What you want to do is you want to  
10 move the clause up that says "Projects to improve client  
11 participation and the work of the corporation," to have  
12 that up here right after the word "include."

13 MS. SHUMP: Right after the words "An implementa-  
14 tion of," right here.

15 MR. SACKS: All right, fine. Right after  
16 "implementation of."

17 MS. WORTHY: My concern was where did you have  
18 the word "experiment."

19 MS. SHUMP: No. The experimentation, the  
20 sentence starts "They include continued experimentation  
21 with." That is how the sentence starts, Jo.

22 All I did was, it says, "They include continued  
23 experimentation with and the implementation of," then I  
24 went down. --- I will show it to you.

25 MS. SACKS: That is all I have on the fiscal

of the participants

MR. SWANEY: Right. He is talking experiment-

then with the private bar for the delivery of services.

But I am saying in that there should be some

provisions to improve the participation by improving

procedures for ensuring compliance with the act and board

politics and development of quality standards in the

working standards. I can show this to you later.

MR. SWANEY: What you want to do is you want to

move the lines up that says "projects to improve client

participation and the work of the department." we have

that up here right after the word "include."

MR. SWANEY: Right after the words "An experiment-

tion of," right here.

MR. SWANEY: All right, line, right after

"improvement."

MR. SWANEY: My concern was where did you have

the word "experiment."

MR. SWANEY: The word "experiment," the

sentence says "they include content area boundaries

with." That is now the sentence starts, so

All I did was, it says "they include content

area boundaries with and the participation of." That I

went down. I will show it to you.

MR. SWANEY: That is all I have on the slide.

MR. SWANEY

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1 implications. If there is nothing further on that, begin-  
2 ning at the bottom of page 48 is just a summary of the  
3 short range plan. There is a final note which, on page 50,  
4 which asks members of the community to stand fast and to  
5 be discouraged and to be optimistic about the future.

6 (Laughter.)

7 MR. SACKS: Well, I believe that.

8 CHAIRMAN RODHAM: I know it.

9 MR. SACKS: I believe it. History is with us.

10 MR. BRADLEY: I must send Howard --- I agree  
11 with you.

12 MR. SACKS: Do you know that the Royal Commission  
13 on Legal Services in England has just recommended that they  
14 expand their program in a way that I would describe as  
15 follows:

16 That every citizen has a right to legal services  
17 regardless of his means. Now, what that would mean in  
18 practice is that wealthy people would not receive complete-  
19 ly subsidized services but middle income people would  
20 probably receive some subsidized services, some degree of  
21 subsidation. Whereas, poor people who have completely  
22 subsidized services.

23 Whether or not the Thatcher Government will adopt  
24 that is another question but it is clear that if you be-  
25 lieve in equal justice and you have got an adversary system,

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1 implications. It shows in nothing further on that, begin-  
 2 ning on the bottom of page 48 is that a summary of the  
 3 what things have been in a final state which on page 50  
 4 with the members of the committee to stand fast and to  
 5 be discouraged and to be organized about the future.

(Continued)

MR. BAKER: Well, I believe that

CHARLES ROBERTS: I have it.

MR. BAKER: I believe in standing in with me.

MR. ROBERTS: I must stand toward -- I agree

with you.

MR. BAKER: Do you know that the legal commission

in legal services in England has just recommended that they

organize their program in a way that I would consider as

follows:

That every citizen has a right to legal services

regardless of his wealth. Now what does that mean to

us is that wealthy people would not receive complete

if subsidized services but that the law would

probably receive some subsidized services. Some degree of

subsidization. Wherever poor people are not completely

subsidized.

Whether or not the English program will apply

to us is another question. It is clear that if you

have an equal justice and you have got an adequate system

WALTER H. HALL  
 CHAIRMAN, FEDERAL BUREAU OF INVESTIGATION  
 U. S. DEPARTMENT OF JUSTICE  
 WASHINGTON, D. C.

(Page 2)

1 you have to have lawyers.

2 So, I do not have any doubts about the future of  
3 this program.

4 MR. BRADLEY: Mr. Reagan doesn't either.

5 MR. SACKS: This program will survive Ronald  
6 Regan or anyone else that is elected President of the  
7 United States. By the year 2000 we will have a program  
8 much bigger, more efficient, better, delivering better,  
9 higher quality legal services.

10 I will bet you money on it.

11 (Applause.)

12 MR. BRADLEY: I have got a lot of faith, Howard.

13 MR. SACKS: All right.

14 Now, the conclusion of page 51 returns to some  
15 things that I think we ought to do. That is if we adopt  
16 the plan which I am confident we are at least going to  
17 adopt some of it, we ought to monitor developments. We  
18 ought to begin to work on a plan for fiscal 1984 and 1986.

19 We ought to have some kind of requirement that  
20 when the staff comes to the board with a project or a  
21 proposal, that they ought to be able to, must be able to  
22 relate the proposal to the objectives of the plan so that  
23 the plan does become something more than just a piece of  
24 paper.

25 The only other procedural thing I would say,

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you have to have lawyers.

So, I do not have any doubts about the future of

this program.

MR. BARKER: Mr. Boardman, I have a question.

MR. BOARDMAN: With respect to the program, would

you or anyone else have any other proposals of the

United States. By the year 1960 we will have a program

much larger, more efficient, better, delivering better

higher quality than we have now.

I will not put you on it.

(Applauds.)

MR. BARKER: I have got a lot of faith, Howard.

MR. BOARDMAN: All right.

Now, the resolution of page 11 contains no more

things than I think we ought to have. That is, it is a

very plain which I am confident we are all going to

adopt some of it, we ought to consider development. We

ought to begin to work on a plan for fiscal 1961 and 1962.

We ought to have some kind of agreement that

when the work comes to the point with a program or a

proposal, that they ought to be able to meet to discuss

relative the proposal to the objectives of the plan in this

the plan does become something more than just a piece of

paper.

The only other proposal thing I would say,

1 Madam Chairman, is that if anyone from the client community  
2 or from the field or any citizen has ideas or suggestions,  
3 that now is the time to get them in to me.

4 You can reach me in West Hartford or you can send  
5 them here to Dan Bradley at the corporation but the thing  
6 is moving because I hope to work closely with De and with  
7 others and turn out another draft so that the board will  
8 have a chance to look at it again before the December  
9 meeting.

10 I thank you for your assistance, everyone.

11 CHAIRMAN RODHAM: You have just been terrific,  
12 Howard, in putting this all together.

13 PRESIDENT'S REPORT

14 CHAIRMAN RODHAM: The next item on the agenda is  
15 the report from the President.

16 MR. BRADLEY: There are just a few items because  
17 some of the items that I have talked individually, like  
18 the pro bono report, but one thing that I need to do  
19 according to the bylaws, as you know, Section 1601.28  
20 provides for the annual appointment in September of three  
21 of the officers of the corporation.

22 I have discussed this with the chairman of the  
23 operations committee and I intend to appoint and will  
24 appoint Clinton Lyons again as the secretary. Charles  
25 Ritter and I think most of you know Charles. He is the

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...from Chairman, he said it appears from the client committee  
on their side or any other side in the organization.

...that now he has time to get down to it.  
You can recall me in the testimony of your own words

them back to the meeting at the corporation and the time  
is moving because I hope to work closely with you and with

others and turn out another party to the board with  
have a chance to look at it again before the board on

...meeting.  
I think you for your relationship, however.

CHAIRMAN ROBBINS: You have just been talking  
forward, in getting this all together.

...PRESIDENT'S REPORT  
CHAIRMAN ROBBINS: The next item on the agenda is

the report from the President.  
MR. GRANT: There are three items from the board

...some of the items and I have talked with the  
the one from reports but one thing that I need to do

...reporting to the board, in your report, section 100, is  
provide for the annual agreement in a number of places

...of the future of the corporation.  
I have discussed this with the chairman of the

...operations committee and I think to speak to the  
...agencies of the board and the executive committee

...I think and I think most of you know that. It is the  
...REPORT OF THE  
...CHAIRMAN ROBBINS  
...PRESIDENT GRANT  
...SECRETARY ROBBINS  
...TREASURER ROBBINS

1 person who makes it all possible but he does not appear  
2 before you that often. Charles is our controller and Gerry  
3 Singen is our treasurer. So those appointments are made  
4 for another one year term.

5 The second item, I am not going to go into detail  
6 about the ABA convention. I have sent all of the board  
7 members several mailings that you have seen of the dis-  
8 cussions and the debate and the decisions that took place  
9 during the Honalulu convention.

10 I think I would like to characterize, some persons  
11 have interpreted the decision of the House of Delegates and  
12 the action in Honalulu as a major breach in the organized  
13 bar support of the legal services corporation and the legal  
14 services program.

15 I certainly do not interpret anything that ~~happened~~  
16 happened there in that context. However, I do think that  
17 it is extremely important that the corporation and the  
18 legal services community sort of revisit with the organized  
19 bar at all levels the issue about the continuing support  
20 and the development of the legal services program.

21 Reece Smith, who is the new president of the  
22 ABA, recently called me. Bill McCalpin, who is the sec-  
23 retary of the ABA, called me last week and I think that it  
24 would be very, very important in the direction in which we  
25 are attempting to go is that, and I am not sure yet the

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person who seems to all possible but he does not appear  
 before you that often. I think it is our conviction and I am  
 sure in our conviction. We have appointments and we  
 for another one year from  
 The second issue, I am not going to go into detail  
 about the AIA convention. I have sent all of the leads  
 members several meetings that you have seen of the dis-  
 mission and the debate and the details that look plain  
 during the normal conversation.  
 I think I would like to characterize, when people  
 have indicated the decision of the House of Delegates and  
 the action in London as a major breach in the organization  
 and support of the local service organization and the legal  
 service program.  
 I certainly do not intend anything but  
 happened there in that regard. However, I do think that  
 it is extremely important that the corporation and the  
 local service community work of relate with the organized  
 level of the level the issue about the continuing support  
 and the development of the local service program.  
 I think that the new president of the  
 AIA, recently called me. Bill Whelan, who is the  
 president of the AIA, called me last week and I think that it  
 would be very important to the district in which we  
 are attempting to go in that, and I am not sure yet.

WILLIAM W. WELAN  
 PRESIDENT, AIA  
 1000 ...  
 ...

1 form and the structure that it will take nor the substance  
2 but I think that the various committees of the American  
3 Bar Association, the consortium on the delivery of legal  
4 services which is the standing committee on legal aid, the  
5 public interests practice committee and several other  
6 committees, join together by the legal services corporation,  
7 hopefully by NLADA and I have not had a chance to talk to  
8 Howard yet, the national client's council and several  
9 other sections of the ABA, especially the general practice  
10 section.

11 Their new chairman, Seth Rosner, has been in  
12 touch with Reece Smith and with Bernie Veney and myself  
13 about convening sort of initially a fairly small discussion  
14 group of representatives with those organizations to dis-  
15 cuss some of the issues that came up and that surfaced  
16 during the debate at the ABA convention.

17 I will, of course, keep the board fully informed  
18 as to the nature and the purpose of those meetings and  
19 those discussions.

20 I do not know, what Reece I think has in mind is  
21 the possibility at the mid-winter meeting of the ABA, which  
22 will be I suppose, Judge, is that going to be in New Orleans  
23 or Chicago? I guess Chicago.

24 JUDGE ORTIQUE: Chicago.

25 MR. BRADLEY: In February of 1981. Reece may

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...and the committee that I will take for the substance  
 ...and I think that the various committees of the American  
 ...Association, the concentration on the delivery of legal  
 ...services within in the mounting committee on legal aid, the  
 ...public interest position committee and several other  
 ...committees, I am together by the legal services corporation  
 ...especially by MRBA and a board that had a chance to talk to  
 ...toward yet the national director's council and several  
 ...other members of the ADA, especially the general practice  
 ...division.

...Their new chairman, Herb Rosen, has been in  
 ...touch with Herb Kalk and with former lawyer and speaker  
 ...about mounting sort of industry a fairly small discussion  
 ...group of representatives with those organizations to dis-  
 ...cuss some of the issues that come up and that will be  
 ...during the debate on the ADA convention.  
 ...I will, of course, keep the board fully informed  
 ...as to the status and the progress of these meetings and  
 ...these discussions.

...I do not know what Rose I think has in mind in  
 ...the question of the mid-winter meeting of the ADA, which  
 ...will be I suppose, budget to have come to be in New Orleans  
 ...in October. I give as Chicago.

...I am sure that the  
 ...THE REVISIONS TO THE BYLAWS OF THE ADA, 1971, have been  
 ...sent to you.

Very truly,  
 ...  
 ...  
 ...

1 cause to be convened a formal structured part of the pro-  
2 gram inviting bar leaders, legal services leaders, communi-  
3 ty client representatives from throughout the country to  
4 come together to discuss some of the common concerns and  
5 problems that have surfaced in the last two years.

6           Especially in light of some of the things that  
7 are going on with the Wisconsin Bar and mandatory judi-  
8 care concept. I will keep the board fully informed as to  
9 what we do at the ABA and the other organizations on that  
10 point.

11           The third item I just wanted to mentioned, most  
12 of the board members have left by now but the national  
13 clients council's annual convention took place last week.  
14 We had five of our board members in attendance. A large  
15 number of the staff persons and other legal services  
16 grantees, the support centers were in attendance.

17           I think Bernie is here, I believe. If I remember,  
18 it was the largest, we had about 500 clients in attendance  
19 for a three day conference.

20           From all accounts and I was there and a lot of  
21 the staff persons were there, it was the best planned, the  
22 best organized, the most productive and there was a very  
23 good spirit in the air. It was good that five of our  
24 board members were able to go and participate in many of  
25 the panel discussions and many of the discussions that

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1 want to be covered a formal statement part of the pro-  
 2 gram involving the leaders, legal advisors, business, training  
 3 by official representatives from throughout the country to  
 4 come together to discuss some of the common concerns and  
 5 problems that have surfaced in the last two years.  
 6 Specifically in light of some of the things that  
 7 are going on with the Wisconsin bar and mandatory juris-  
 8 cation concepts, I will keep the board fully informed as to  
 9 what we do at the ASA and the other organizations on that  
 10 subject.  
 11 The third item I just wanted to mention, most  
 12 of the board members have felt by now for the national  
 13 clients committee annual convention each place last week,  
 14 we had three of our board members in attendance. A large  
 15 number of the state bar and other legal services  
 16 groups, the support services were in attendance.  
 17 I think that as time goes by, I believe, if I remember  
 18 it was the largest, we had about 200 clients in attendance  
 19 for a three day conference.  
 20 From all accounts and I was there and a lot of  
 21 the staff members were there, it was the best thing, the  
 22 best organized, the most professional and there was a very  
 23 good spirit in the air. It was good that five of our  
 24 board members were able to go and participate in many of  
 25 the panel discussions and many of the discussions that

1 took place. It was a very successful meeting, I think, by  
2 all accounts.

3 The fourth item is, and Steve and I talked about  
4 it, at the next meeting of the provisions committee and  
5 Steve's committee, I will fully report on the pro bono pro-  
6 ject. Just suffice it to say, and I have explained this  
7 to Steve, we have mailed the proposals, the solicitation,  
8 the grant announcement proposal to all the bar associations  
9 in the country, to all of our programs and many other  
10 organizations, inviting them and soliciting applications  
11 for them to implement the pro bono plan that the board  
12 approved at the last meeting.

13 I will keep both committees and the board fully  
14 informed. I am very optimistic and encouraged about that  
15 program. I think that a year from now we are going to look  
16 back on it and I think it has great potential and I think  
17 it is going to be a very effective program.

18 Other than that, Madam Chairman, I do not have  
19 any other reports at this time.

20 CHAIRMAN RODHAM: All right.

21 MR. ENGELBERG: Do we have dates for the December  
22 meeting?

23 CHAIRMAN RODHAM: Yes.

24 MR. ENGELBERG: They have been set?

25 CHAIRMAN RODHAM: In the board book.

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1 MR. BRADLEY: December the 5th and 6th.

2 MR. ENGELBERG: That is the only future board  
3 meeting that has been set?

4 MR. BRADLEY: Yes.

5 CHAIRMAN RODHAM: Yes. We do need to set the  
6 others.

7 MR. ENGELBERG: It is kind of hard. Nobody is  
8 here.

9 CHAIRMAN RODHAM: Maybe it would be a good idea  
10 if the staff could circulate ---

11 MR. BRADLEY: We have already prepared a tenta-  
12 tive 1981 board agenda showing some optional dates. We  
13 can send that out to you in the mail in the next few days  
14 and see if we can get some concensus on the dates. We  
15 have done that through the end of 1981.

16 CHAIRMAN RODHAM: All right. Any other remarks  
17 from the board?

18 NEW BUSINESS

19 CHAIRMAN RODHAM: Any other business?

20 Yes, sir?

21 MR. CAUTHEN: I am Richard Cuathen and I am an  
22 attorney representative from Wayne County. You have heard  
23 quite a bit from us. I am selected by the clients and I  
24 just would like to say I have been sitting here very much  
25 aware of what is going on.

THE BOARD: President the 15th and 16th.

THE BOARD: That is the only future board.

Meeting time and date.

THE BOARD: Yes.

DEBRAH HUBBARD: Yes. We do need to set the

date.

ALL MEMBERS: In the kind of board. Nobody is

here.

DEBRAH HUBBARD: Maybe it would be a good idea

to have some kind of meeting.

THE BOARD: We have already prepared a number

of 1001 items showing some optional items. It

will send that out to you in the next few days

and see if we can get some comments on the date. We

will send that around the end of 1991.

DEBRAH HUBBARD: All right. Any other members

from the board?

THE BOARD:

DEBRAH HUBBARD: Any other members?

Yes, please.

THE BOARD: I am Debrah Hubbard and I am an

executive and administrative (name withheld) who is

responsible for the board. I am grateful for the

input that you have given me and I will be happy to

answer to what is being said.

DEBRAH HUBBARD  
COMMUNICATIONS DEPARTMENT  
1000 UNIVERSITY AVENUE  
ANN ARBOR, MI 48106

11/15/91

1 I think that the type of problems that Wayne  
2 County is talking about, types of problems other boards of  
3 directors are encountering are caused by the, shall we  
4 say evasion of answering pointed questions, which this  
5 corporation really has a duty to deal with.

6 When people ask you does the legal counsel have  
7 the right to issue opinions and once issued does the  
8 regional director have the duty to follow that opinion, then  
9 then I think that can be answered. If it cannot be answered  
10 now, it should be put in writing and sent to the board who  
11 is asking the question.

12 Too much and too often the boards are operating  
13 in vacuums. We have an affirmative action program. You  
14 come in and cut us down because we have it. Yet, there  
15 have been no standards. All the boards are asking for is  
16 give us some standards by which we can operate and not  
17 as policy, which as you said in Boston, you are enforcing  
18 policies that are in contradiction to your printed regu-  
19 lations in the Boston, Massachusetts meeting in June 12,  
20 I believe it was, 1980.

21 That was a public confession. Now, if you are  
22 instituting policies that do not comport with the printed  
23 regulations, how can you blame local boards for following  
24 the regs and then calling them down because it is not in  
25 conformity with a policy which you have promulgated out

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I think that the type of problem that we

are facing is a kind of a new type of problem that has

developed from the situation that we are in now.

One of the main reasons for this is that

the situation has changed so much that

we have to look at the problem from a new

point of view and see what we can do

to solve it. It is not the same as

before. If we look at the problem in

the same way as we did before, we

will not be able to solve it.

So we have to look at the problem from a

new point of view and see what we can

do to solve it. We have to look at

the problem in a new way and see what

we can do to solve it. We have to

look at the problem in a new way and

see what we can do to solve it. We

have to look at the problem in a new

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it. We have to look at the problem in

a new way and see what we can do to

solve it. We have to look at the

problem in a new way and see what we

can do to solve it. We have to look

at the problem in a new way and see  
what we can do to solve it. We have  
to look at the problem in a new way  
and see what we can do to solve it.

1 of the recesses of someone's mind and people are not aware  
2 of them?

3 If you make the boards aware of these things, if  
4 you answer questions once they are asked, I am sure that  
5 most boards throughout this United States of America will  
6 try, to the best of their ability, to comply with any  
7 regulations that this corporation would promulgate.

8 Moreover, we keep talking about effective client  
9 participation. I would urge the board to consider resetting  
10 the standards. Instead of 60-40, why don't they have 50-  
11 50?

12 Can that be done? If so, why has it not been  
13 considered.

14 Thank you.

15 CHAIRMAN RODHAM: Any other new business?

16 (No response.)

17 MS. SHUMP: I move that this meeting be adjourned.

18 CHAIRMAN RODHAM: Is there a second?

19 MR. ENGELBERG: Second.

20 CHAIRMAN RODHAM: All those in favor, signify  
21 by saying "aye."

22 (A chorus of "ayes.")

23 CHAIRMAN RODHAM: The meeting is adjourned.

24 (Whereupon, at 4:40 p.m., the meeting was  
25 adjourned.)

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of the resources of someone's mind and people and what

It would be the best idea to have a...

and answer questions once they are asked, I am sure that

will be the best idea throughout the United States of America with

try to the best of their ability to comply with any

regulations that the corporation would have to follow.

However, we have talked about effective...

and I would like the board to consider...

the number of 00-40, why don't they have...

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and that is done. It is not...

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C E R T I F I C A T E

This is to certify that the foregoing proceedings before the Legal Services Corporation, Board of Directors Open Meeting, Friday, September 5, 1980, were had as herein appears and that this is the original transcript thereof.

*William J. Hoffitt*  
WILLIAM J. HOFFITT  
Court Reporter

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