

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
FINANCE COMMITTEE

OPEN SESSION

Sunday, October 4, 2015

3:51 p.m.

Hyatt Regency San Francisco
5 Embarcadero Center
San Francisco, California 94111

COMMITTEE MEMBERS PRESENT:

Robert J. Grey Jr., Chairperson
Laurie Mikva
Martha L. Minow
Father Pius Pietrzyk, O.P.
Allan J. Tanenbaum (Non-Director member)
John G. Levi, ex officio

OTHER BOARD MEMBERS PRESENT:

Charles N.W. Keckler
Harry J.F. Korrell, III
Victor B. Maddox
Julie A. Reiskin
Gloria Valencia-Weber

STAFF AND PUBLIC PRESENT:

James J. Sandman, President
 Ronald S. Flagg, Vice President for Legal Affairs,
 General Counsel, and Corporate Secretary
 Lynn Jennings, Vice President for Grants Management
 Rebecca Fertig Cohen, Chief of Staff
 Mayealie Adams, Special Assistant to the President for
 the Board
 David L. Richardson, Comptroller and Treasurer,
 Office of Financial and Administrative Services
 Wendy Rhein, Chief Development Officer
 Lora M. Rath, Director, Office of Compliance
 and Enforcement
 Carol A. Bergman, Director, Office of Government
 Relations and Public Affairs
 Carl Rauscher, Director of Media Relations, Office of
 Government Relations and Public Affairs
 Janet LaBella, Director, Office of Program
 Performance
 Jeffrey E. Schanz, Inspector General
 Laurie Tarantowicz, Assistant Inspector General and
 Legal Counsel, Office of the Inspector General
 John Seeba, Assistant Inspector General for Audit,
 Office of the Inspector General
 Daniel O'Rourke, Assistant Inspector General for
 Investigations, Office of the Inspector General
 David Maddox, Assistant Inspector General for
 Management and Evaluation, Office of the
 Inspector General
 Herbert S. Garten, Non-Director Member, Institutional
 Advancement Committee

Robin C. Murphy, National Legal Aid and Defender
 Association (NLADA)
 The Honorable Lora Livingston (Judge), SCLAID

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Motions: Pages 4, 4, 5, 5, 35 and 37

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

2 (3:51 p.m.)

3 CHAIRMAN GREY: We're on the record. I ask
4 for a motion to approve the agenda.

5 M O T I O N

6 FATHER PIUS: So moved.

7 DEAN MINOW: Second.

8 CHAIRMAN GREY: All in favor say aye.

9 (A chorus of ayes.)

10 CHAIRMAN GREY: There are three sets of
11 minutes from open meetings and Board meetings. If we
12 could take them in order.

13 There is first the approval of an open session
14 telephonic meeting on July 15th.

15 M O T I O N

16 DEAN MINOW: I move its acceptance.

17 CHAIRMAN GREY: Second?

18 FATHER PIUS: Second.

19 CHAIRMAN GREY: All in favor say aye.

20 (A chorus of ayes.)

21 CHAIRMAN GREY: Approval of the July 16th
22 minutes?

1 DEAN MINOW: Did we just do that one? Do we
2 need July 9th now? I move that one.

3 CHAIRMAN GREY: We're coming. We've
4 got -- I'm sorry. July 9th, then July 16th.

5 M O T I O N

6 DEAN MINOW: So moved.

7 FATHER PIUS: Seconded.

8 CHAIRMAN GREY: All in favor say aye.

9 (A chorus of ayes.)

10 M O T I O N

11 DEAN MINOW: And then there's an August. I
12 move the August 13th.

13 FATHER PIUS: Seconded.

14 CHAIRMAN GREY: Is there any correction?

15 MR. LEVI: Yes.

16 CHAIRMAN GREY: Mr. Chairman?

17 MR. LEVI: There is a correction because it
18 says "Other Members Present," and at this point Harry
19 Korrell was a member of the Committee. And so he
20 should be moved up into the Committee.

21 MR. FLAGG: So noted.

22 DEAN MINOW: Okay. Good reading.

1 CHAIRMAN GREY: Thank you, Mr. Chairman.

2 MR. LEVI: The reason the other two meetings
3 it didn't happen is because for whatever reason, he was
4 out doing something else but wasn't at the meeting.

5 MR. KORRELL: I was in court fighting for
6 justice.

7 (Laughter.)

8 CHAIRMAN GREY: It is a proper excuse, Mr.
9 Chairman.

10 MR. LEVI: And he did pre-notify me, and I
11 forgot that.

12 CHAIRMAN GREY: Now we have that straight, I'd
13 like to ask David Richardson to give us a report on
14 LSC's financial report for the ten-month period ending
15 July 31st, 2015. Mr. Treasurer?

16 MR. RICHARDSON: Thank you, sir. For the
17 record, I am David Richardson, the Treasurer/
18 Comptroller of the Corporation.

19 The report begins on page 144 of your Board
20 book. I will stand on the report as it is presented in
21 the Board book, but I would like to update you on just
22 a few things that are contained on page 4 in regards to

1 employment.

2 MR. LEVI: Page what?

3 MR. RICHARDSON: I'm sorry. 147, page 4 of
4 the memo. I list the outstanding positions as of July
5 31st. We have made some significant progress since
6 this writing. You've met Ms. Adams, with us today.
7 She has come on as the special assistant to the
8 President for the Board, so there is one position
9 additional outstanding there.

10 In the Program Performance, you see that we've
11 hired a counsel that's noted. We have also hired a
12 grants coordinator. And then the other positions that
13 are noted here we continue to recruit for. Interviews
14 are underway, and recruiting is continuing. So we have
15 filled a number of those open positions.

16 MR. LEVI: Is that one position at the bottom
17 there? Is that one position, Compliance and
18 Enforcement?

19 MS. RATH: Yes.

20 MR. RICHARDSON: That is correct.

21 DEAN MINOW: Is there still an effort not to
22 fill all the positions pending the uncertainty in

1 Congress? Or is there a goal now to fill all of them?

2 MR. RICHARDSON: We continue to recruit and
3 fill all these positions. We certainly have enough
4 carryover at this point to carry forward with the
5 positions as stated here.

6 CHAIRMAN GREY: Father Pius?

7 FATHER PIUS: The million and a half in grant
8 recoveries, is that typical? Is that a typical number
9 that we get, or is that a little higher than usual?

10 MR. RICHARDSON: It's a little higher than
11 usual. Usually it's 200- to \$300,000.

12 FATHER PIUS: Yes. Is there any idea why it's
13 so high this year?

14 MR. RICHARDSON: There's a couple of
15 significant recoveries, one of Legal Services of New
16 York City, which was a result of the program not
17 spending the funding due to a strike or their
18 employees. So we received \$1.27 million back from that
19 program.

20 FATHER PIUS: So \$1.27 million of that is all
21 from one program?

22 MR. RICHARDSON: That is correct.

1 FATHER PIUS: Well, that's significant.

2 Right. That certainly makes it clear. Thank you.

3 MR. RICHARDSON: You didn't roll it into
4 bonuses or anything.

5 (Laughter.)

6 CHAIRMAN GREY: That's a good observation.

7 Any other questions for the Treasurer?

8 FATHER PIUS: Are we just on this, or are we
9 on to the next chart yet? Attachment A, can I ask a
10 question about it? It's sort of related to everything
11 else, but Attachment A. Sorry.

12 The contingency funds you have on chart A on
13 page 149 of the Board book is \$4.567 million. But when
14 you carry it over into the budget, it's a lesser
15 number. I forget exactly what the number is. And I
16 just wasn't understanding why that was.

17 When you go into temporary operating
18 authority, that number is less than 4.567. It's 4
19 something or other, 4.357. And I wasn't sure what the
20 discrepancy was.

21 MR. RICHARDSON: On page 149, we're looking
22 through ten months.

1 FATHER PIUS: But that's still a higher number
2 than what you've got for the contingency fund for -- so
3 if you look on page 162 of the Board book, you've got
4 an MGO contingency fund of only 4.357, which is
5 \$210,000 less. And I'm not sure why it's \$210,000 less
6 for the full year. \$

7 MR. RICHARDSON: Okay. What we do is we
8 received \$18,500,000 last year. This year we're
9 looking at the same amount as far as the continuing
10 resolution. We do our budget -- last year's budget was
11 \$20,400,000, and the budget that's before you now is
12 \$20,900,000. So we take money out of that contingency
13 to support the coming year's budget.

14 FATHER PIUS: Okay. So you've removed about
15 \$200,000 from the contingency. Because I have as the
16 continuing budget for this year about \$20,980,000 as
17 opposed to \$20,400,000. So that's an increase of about
18 \$580,000.

19 And a couple hundred thing is taken from
20 contingency, and where is the rest of that coming from?
21 Is that rollover? Is all the rest of that rollover?

22 MR. RICHARDSON: Well, when I look at the

1 amount of money here, that shows a contingency of \$2.18
2 million. I do a projection for August and September
3 spending, and I projected a little less spending. So
4 that had to come into play here.

5 FATHER PIUS: I probably have a few more
6 questions when we get to the continuing budget, but
7 I'll wait for that.

8 MR. RICHARDSON: Okay.

9 CHAIRMAN GREY: Any other questions? Julie?

10 MS. REISKIN: No. I'm sorry.

11 CHAIRMAN GREY: If there are no further
12 questions of the Treasurer, it's probably in order to
13 hear about the appropriations process as it is
14 unfolding. We have two budgets that are sitting in
15 front of the Congress, one on '16 appropriations, and
16 the proposed '17 appropriations. And so I would invite
17 Carol Bergman, Director of Government Relations and
18 Public Affairs, to share her thoughts and observations
19 about that.

20 MS. BERGMAN: Thank you, Mr. Chairman.

21 It's always a good time to be reminded of why
22 I like doing this kind of work because it's always

1 changing. There is never a dull moment, and it never
2 looks like it did the last time. I was thinking about
3 what a very different report I would have made if it
4 had been two weeks prior. It's amazing how quickly
5 things can shift.

6 So the bottom line is that Congress has not
7 passed an FY '16 appropriations bill, as you all know.

8 There was a continuing resolution passed on September
9 30th at the eleventh hour that funds the federal
10 government through December 11th.

11 So the timing is such that the debt ceiling is
12 set to expire at the end of October. Treasury
13 Secretary Jacob Lew indicates that we're likely to
14 exhaust extraordinary funding measures November 5th.

15 As I'm sure you all know, Mr. Boehner has
16 resigned the Speakership as of October 30th. There are
17 ongoing budget talks, or at least referenced. Mitch
18 McConnell indicates that there are ongoing
19 conversations going on with the White House, with the
20 leadership, but there's obviously a debate about which
21 leadership are participating in those talks.

22 The Republican leadership election is now

1 scheduled for October 8th, although as of this morning,
2 it looked like there was a very strong partition
3 circulating in the House to at least delay part of the
4 leadership elections.

5 At the moment, Mr. Boehner is saying that the
6 election for the Speaker will still go ahead on the
7 8th, but they may decide to hold off on the election
8 for other positions.

9 There is clearly a lot of interest being
10 expressed right now in the House to reconsider some of
11 the rules with regard to whether or not people have to
12 resign their committee chairmanships or their current
13 positions in order to run for another position in the
14 leadership.

15 So all of this is happening at the same time,
16 obviously. There are various options. The House and
17 Senate are far apart with regard to LSC funding, as you
18 recall; the Senate came in at 385, and the House came
19 in at 300.

20 These were funded under the joint budget
21 resolution spending caps that applied sequestration to
22 discretionary domestic spending under the Budget

1 Control Act of 2011. So what the White House has
2 indicated they're looking for is to have talks about
3 changing the caps.

4 At this point, the President has said he will
5 not sign another short-term spending bill. That was
6 what he announced when he signed the current CR. He's
7 also indicated that he has no intention of negotiating
8 about the debt ceiling.

9 So I did not bring my crystal ball. Whether
10 or not we're actually going to see a deal cut for FY
11 '16, whether or not we're going to see an ongoing CR at
12 the 2015 spending levels, or whether we're facing a
13 government shutdown in mid-December, I think those are
14 basically the three general directions that things are
15 going to move in. But I think it's very, very unclear
16 right now how this is going to play out.

17 Meanwhile, you may recall that we are now
18 providing revised census data adjustments to our
19 grantees on a three-year basis. So in the notice I
20 sent out to the grantee executive directors last week,
21 I made it clear that those go into effect January 1st.

22 We anticipate letting folks know that

1 obviously we have the new data from the Census Bureau.

2 We will provide estimates as to how it will apply to
3 the 2015 spending levels for the CR in mid October.

4 But at this point, until it becomes clear
5 what's going to happen with FY '16, I think we don't
6 know that we're going to go through the process of
7 coming up with precise numbers twice. We'll obviously
8 give folks an approximation so they know what to
9 anticipate moving forward.

10 FATHER PIUS: And can you give a copy of that
11 to the Board, or at least to me? I'm sure the rest of
12 the Board might want it as well. But the estimates,
13 what you think about in October?

14 MS. BERGMAN: Oh, of course. Absolutely.
15 Sure. And of course they will be adjusted as soon as
16 we know what's going to happen with FY '16.

17 So before I move on to FY '17 --

18 MR. LEVI: Well, can I --

19 MS. BERGMAN: -- I'd be happy to answer any
20 questions.

21 (Laughter.)

22 MR. LEVI: Carole, so the continuing

1 resolution has us at the current level of funding?

2 MS. BERGMAN: Yes. The entire government is
3 funded at the FY '15 spending level.

4 MR. LEVI: Okay. And if there were to be a
5 budget deal, would it be a retroactive -- we knew?

6 MS. BERGMAN: Well, David and I have had
7 conversations about this. Usually when there is a CR,
8 it is in fact analyzed so that it goes back across the
9 board. But they can do whatever they want. So you can
10 create a CR with whatever terms they want to create a
11 CR.

12 MR. LEVI: Do we need to be doing anything
13 proactively at this juncture to protect LSC as the
14 negotiations possibly unfold?

15 MS. BERGMAN: Well, I think the good news and
16 the bad news is that LSC is not being singled out in
17 this process at all. This is really a conversation
18 about sequestration and whether or not they're going to
19 change the discretionary spending levels.

20 If they're not going to, is there just going
21 to be a deal cut where they're splitting the difference
22 between the House and the Senate numbers on every

1 single account, or whether or not we're talking -- you
2 know, all of that is happening in a way that we are not
3 in any position to influence, John. I wish there were.

4 MR. LEVI: Yes. The unfortunate thing is that
5 a game of halvesie here would be a 10 percent cut
6 our --

7 MS. BERGMAN: Yes. That is true.

8 MR. LEVI: And so that's what's very worrisome
9 time.

10 MS. BERGMAN: Yes, it is.

11 MR. LEVI: And I'm trying to see if there's
12 anything that we should or could be doing in this funny
13 period to --

14 MS. BERGMAN: Well, I think that, obviously,
15 we have limited permissibility to do lobbying. But
16 obviously, the Board can weigh in as much as possible
17 with the key players.

18 MR. LEVI: I'm not talking about lobbying.
19 No, no.

20 MS. BERGMAN: But beyond that --

21 MR. LEVI: We're allowed to advocate for
22 funding.

1 MS. BERGMAN: Yes. Of course. That's what I
2 mean.

3 MR. LEVI: Yes.

4 MS. BERGMAN: So yes. But I think we've
5 certainly done that as much as we're in any position --

6 MR. LEVI: So I know you've been amazing. But
7 when you've got all of these other streams going, do
8 people need to be reminded? That's the question I
9 have. Because there's a lot on their plates, and the
10 question is, will we have fallen off the plate so much
11 that the current situation -- I'm not expecting an
12 answer.

13 MS. BERGMAN: Right.

14 MR. LEVI: Maybe you can think about that.

15 MS. BERGMAN: Yes. No, it is something to
16 think about. It's only something that really comes up
17 if there is going to actually be an FY '16
18 appropriations bill.

19 At the moment, when you're either talking
20 about a CR or a deal that deals with discretionary
21 spending caps that are going to be applicable across
22 the board, that individual accounts are irrelevant.

1 That's not what this is about.

2 That's the challenge, that the kind of
3 conversation we're having applies if there truly is
4 going to be a negotiated FY '16 appropriations bill.
5 And the discussions so far among the various people who
6 have announced their candidacies for leadership in the
7 House have not indicated that that is on their radar
8 screen, that kind of a negotiated appropriations bill
9 for FY '16.

10 CHAIRMAN GREY: Allan?

11 MR. TANENBAUM: To follow up on that, if there
12 were to be an FY '16 passed appropriations bill that
13 was less than the continuing resolution, would that
14 then result in a risk to LSC and to the funds that
15 we've given out that we would have to recoup money from
16 grantees? If that were to occur?

17 MS. BERGMAN: Go ahead.

18 MR. RICHARDSON: It's a matter of timing.
19 It's according to when it happens. Currently the CR
20 goes through December 11, so we will have two months
21 and eleven days of funding, which will affect the
22 January check because October, November -- October is

1 already gone. We do not issue a check in November.
2 And then we will issue a December check based on the
3 funds that we currently have.

4 If an appropriation is passed that is less,
5 it's a matter of when because we do have level funding
6 to affect the January amount of the payment. We would
7 not have enough money for the February payment.

8 So going back to Carol talking about crystal
9 ball, if there's another continuing resolution, which
10 the President says he will not sign, we'll have to see
11 what happens. A couple of years ago, we did get CRs
12 through April. And at that time we got an increase and
13 we got a decrease and then we got a further increase.

14 So we went back and forth. I think we did
15 funding three times. And finally, the check in June
16 was the one with the catch-up, and then July was what
17 they were funded for the rest of the year. So it's a
18 matter of timing.

19 PRESIDENT SANDMAN: Could I have a crack at
20 that? I understood Allan to be asking a different
21 question. If Congress approves appropriations
22 legislation that reduces LSC's appropriation and we've

1 been paying out at a higher level up until then, are we
2 going to have to get money back from our grantees?

3 The answer is, it will reduce the amount of
4 the payments they get in future months. They will not
5 have to write a check back to LSC.

6 MR. TANENBAUM: So they will at the end of the
7 day be annualized at the lesser amount?

8 MS. BERGMAN: Yes.

9 MR. TANENBAUM: So take that, not the
10 grantees, but take it from our operating budget. So
11 how would you plan for that issue where you're working
12 on a CR with employees that have committed salaries,
13 and you might get a lesser amount for the remaining
14 eight months or nine months? How are we guarding
15 against having to lay off anybody or reducing the
16 operating budget services as a result of a lower
17 amount?

18 PRESIDENT SANDMAN: I have two answers to
19 that. First, neither the House nor the Senate has
20 proposed any reduction in funding for management and
21 grants oversight, what funds LSC centrally. Both would
22 keep us at \$18-1/2 million.

1 The cut that's been proposed in the House of
2 Representatives comes entirely out of basic field great
3 funding for our grantees. So that will not affect --

4 MR. TANENBAUM: So we're relying on the fact
5 that neither side has reduced the amount. But that's
6 the reason why we're not planning a contingency for a
7 lower amount?

8 PRESIDENT SANDMAN: And we also can use our
9 carryover. So between those two things, no signal from
10 either house of Congress that they're proposing to
11 reduce the management and grants oversight
12 appropriation and the fact that we have carryover, we
13 don't anticipate the need to lay anybody off.

14 MR. TANENBAUM: Thank you.

15 CHAIRMAN GREY: Martha?

16 DEAN MINOW: Does the word "sequester" still
17 have any relevance to this discussion? If so, can you
18 explain that to me?

19 MS. BERGMAN: Yes, absolutely. The Budget
20 Control Act of 2011 is what put into play ten years'
21 worth of sequestration. This all had to do with a
22 ten-year plan in terms of reducing the federal deficit.

1 So we have been operating for two years under
2 a deal, the Ryan-Murray deal, that basically put the
3 sequestration numbers aside and made an agreement to
4 raise what had been caps on both domestic and
5 international funding, defense spending, so that they
6 would not apply for those two years.

7 So the current numbers in both the House and
8 the Senate, because we were dealing with a
9 Republican-controlled Senate and House, both created
10 budgets that fell within the sequestration numbers. So
11 the House and the Senate numbers are both consistent
12 with the Budget Control Act 2011 caps.

13 What had happened, the main reason that the
14 Senate never passed any appropriations bills, is that
15 there was resistance to bringing any bills to the floor
16 that fell within those caps. So that was the stalemate
17 in the Senate over moving anything.

18 So that's why the White House has said that
19 they would not sign any appropriations bills that fell
20 within those caps. So moving forward, this is the move
21 to either have talks -- that's what Mitch McConnell has
22 been referring to, the conversation about having

1 another two-year deal that would come up with an
2 agreement to once against suspend the sequestered
3 numbers to deal with the both the defense and domestic
4 discretionary funding budgets.

5 But these numbers that the House and Senate
6 are working with for FY '16 both fell within those
7 caps. So if there were to be a deal, one would presume
8 at the heart of that deal is raising the allowable
9 discretionary domestic spending.

10 DEAN MINOW: Thank you.

11 MS. BERGMAN: Sure.

12 CHAIRMAN GREY: Further questions?

13 (No response.)

14 CHAIRMAN GREY: Ms. Bergman.

15 MS. BERGMAN: FY '17. Moving right along. So
16 LSC submitted our budget request, based on the Board's
17 vote this past July, on September 10th, and the request
18 was for \$502.7 million.

19 We had a request from the OMB budget examiner
20 to meet with LSC. That meeting took place last week.
21 Per usual, we are in the process now of beginning to
22 think about what our budget justification will look

1 like going to Congress.

2 The White House, by law, is supposed to submit
3 its budget request the first week of February, and we
4 always plan to try and submit our budget justification
5 at the same time, and then initiate all of our meetings
6 with folks on the Hill.

7 We will continue to presume that kind of a
8 calendar unless it becomes clear that anything is
9 changing as a result of the lack of planning, lack of
10 clarity with regard to FY '16.

11 But for all intents and purposes, everything
12 is moving forward within the federal government for the
13 normal plans, moving forward on the next fiscal year
14 budget. Any questions?

15 CHAIRMAN GREY: Questions? Comments? FY '17.

16 (No response.)

17 CHAIRMAN GREY: Thank you.

18 MS. BERGMAN: Sure.

19 CHAIRMAN GREY: Mr. Treasurer, resolution?

20 MR. RICHARDSON: Yes, sir. On page -- to the
21 correct page here -- 66, there is a resolution for a
22 temporary operating budget with special circumstance

1 because of the CR that we're operating under.

2 When we do get an appropriation, we need to be
3 able to respond appropriately so that we can increase
4 or decrease the grants, as may be necessary, to the
5 field. We do that after there is a consultation with
6 the chairman of the Finance Committee and the chairman
7 of the Board.

8 Page 159 just lays out our plan. It talks
9 about we're operating under a CR that's \$375 million,
10 which is the funding that we got last year. We've got
11 a projection of carryover, which is \$12,500,000. And
12 then we've got our U.S. Court of Veterans' Appeals
13 funds, \$2.5 million, which then gives us the total of
14 the budget that we have before you today in the
15 resolution, which is \$390,013,070.

16 CHAIRMAN GREY: Questions? Father Pius?

17 FATHER PIUS: I'm just trying to get the
18 numbers straight in my head, so I'm sorry if this is
19 obvious. But looking at your -- oh, I've to go to the
20 right page.

21 So you've got on page 1 of the memo a
22 management and grants oversight number of \$18,500,000.

1 But then when you go to page -- what page is it -- page
2 165 of the Board book, you've got a MGO number of
3 \$20,980,000. Why are those two numbers -- I'm just not
4 sure where the extra \$2 million is coming from.

5 MR. RICHARDSON: They're carryover.

6 FATHER PIUS: That's all carryover?

7 MR. RICHARDSON: Yes, sir.

8 FATHER PIUS: Okay. And the other thing I
9 just want to talk about, and maybe this is more of a
10 question for Jim because this does show some change in
11 budget priorities, which should probably be perhaps a
12 bit more explicit.

13 Because essentially, the number for the end of
14 2014 is really the same, more or less. There's about a
15 \$500,000 difference. But the budget priority I'd
16 actually quite different. And I don't think that it's
17 bad, but it's just something I think should maybe be
18 made more explicit because we're changing around the
19 budget allocation numbers within the category
20 significantly.

21 The most significant, of course, is the data
22 analysis, which in comparison to the 2014 numbers, has

1 the biggest increase of about 25 percent, of about
2 \$168,000.

3 Then the second biggest increase is in Legal
4 Affairs, and there's some question as to why that one
5 would be getting such a big increase -- I don't think
6 it's a bad idea, but why that reallocation within the
7 Legal Affairs budget is so large.

8 Then the Board of Directors budget is
9 increasing significantly. I assume that's probably
10 because of the strategic planning and for hiring the
11 consultant for the strategic planning. But some
12 discussion, and if you're not prepared for it now,
13 maybe in the future, especially when we're doing
14 year-to-year budget priority changes, about why those
15 numbers are changing the way they are.

16 MR. RICHARDSON: Okay. I can explain some of
17 this. For instance, in the Board's budget, it does
18 budget \$50,000 for a consultant to help with the
19 strategic directions planning there. Last year we had
20 ten Board members; we have budgeted for eleven.

21 And then we have increased, I think, just
22 slightly the amount of guests that we're inviting to

1 our Board meetings because they seem to be rising. So
2 we've made that allocation within the Board of
3 Directors budget.

4 I think the next question that you've got is
5 in regards to the Data Governance and Analysis. Last
6 year there were four individuals budgeted in the Office
7 of Information Management. We are moving one -- at
8 least it's planned in the reorganization document to
9 move one staff member from OPP into the Office of Data
10 Governance and then hire the four new employees there.

11 PRESIDENT SANDMAN: And not to replace that
12 person in the Office of Program Performance.

13 MR. LEVI: And the third would be the legal
14 office because that one does -- by my reading of the
15 numbers, it's an increase of about \$225,000 over the
16 previous year. And why such an increase for Legal
17 Affairs?

18 MR. RICHARDSON: There's two reasons for that.
19 There's also an additional person that was in the
20 Office of Information Management that is being
21 reassigned to the Office of Legal Affairs. And we've
22 also seen an increase in our outside counsel costs.

1 FATHER PIUS: Yes.

2 MR. RICHARDSON: And there's some new tools
3 that are going to be included in the Office of Legal
4 Affairs budget also. So that's the main items that we
5 are talking about for the increase there.

6 FATHER PIUS: No. That's very helpful. I
7 just want to make sure that the Board is at least
8 aware, when we're making these kind of shifts in budget
9 items, especially with MGO, of helping us to understand
10 why they're being done and the justifications for them.
11 So that's very helpful. Thank you.

12 CHAIRMAN GREY: Gloria?

13 PROFESSOR VALENCIA-WEBER: Yes. David, I've
14 been under the impression that because of the
15 restructuring, basically, that we've done of the
16 corporate operations, many from the Pro Bono Task Force
17 recommendations, that we've essentially not only moved
18 people but created new positions, new authorities,
19 particularly in information technology and then in data
20 governance, that we did not have when this Board first
21 took office.

22 MR. RICHARDSON: That is correct. In the

1 past, the Office of Information Management has been,
2 for instance, producing the Fact Book or the By the
3 Numbers, as it is now called. What this new unit is
4 going to do is work within that realm plus analyze the
5 data.

6 There will also be an additional emphasis put
7 on gathering data and analyzing it for use of the
8 Corporation and being able to put forth our best foot
9 when it comes to appropriation requests and filling the
10 information to help us move forward with our funding.

11 CHAIRMAN GREY: Harry?

12 MR. KORRELL: Thank you. David, could you
13 tell me what the consulting line is, just in general?
14 What does consulting cover? I know you mentioned a
15 facilitator for the Board. And I just looked at a
16 couple of areas.

17 Under the Board of Directors, we have
18 \$124,000, and I'll come back to that. Legal Affairs, I
19 assume that's outside counsel costs. Is that correct?

20 MR. RICHARDSON: That is correct.

21 MR. KORRELL: And then there's some pretty big
22 numbers -- Information Technology, almost \$500,000;

1 management and grants oversight, over a million;
2 Inspector General, 430. Can you just give me, in broad
3 brush strokes, what that covers?

4 MR. RICHARDSON: Okay. Your fees, as far as
5 the Board of Directors, are charged as consultants; so
6 the fees for the meetings, the fees for the corrupting,
7 and of course the \$50,000 that we've included for the
8 Strategic Directions facilitator.

9 Outside counsel, you mentioned, is increasing.
10 The 497 that is in information technology, this is the
11 outside consulting costs for the grants management
12 system. We have made a decision as to the new grants
13 management system to replace Easygrants, and there will
14 be a significant amount of consultant needed to conform
15 the grants management system to meet the corporate
16 needs.

17 Outside of that, you may want to talk with the
18 IG about his 430. But a good bit of that is quality
19 reviews, the QCRs that they do, and additional network
20 consulting that they have.

21 MR. KORRELL: And lastly, management and
22 grants oversight was a million. Just in general, what

1 does that cover?

2 MR. RICHARDSON: That's just the total. If
3 you look at that grants, that's just a total of the
4 Legal Affairs, the Board, information -- that's just a
5 total line for us.

6 MR. KORRELL: The consulting line for
7 management and grants oversight of a million?

8 MR. RICHARDSON: That's the total, yes.

9 MR. KORRELL: All right. Thank you. Well,
10 are these in line with past years? Nothing about this
11 strikes you as unusual?

12 MR. RICHARDSON: No, sir. It's up a little
13 bit because of the new grants management system.

14 MR. KORRELL: Thank you.

15 CHAIRMAN GREY: Julie?

16 MS. REISKIN: We've added a lot. Is there
17 anything that we've stopped doing? Have we eliminated
18 any positions or stopped doing anything as we're
19 adding? Or is it just growth?

20 MR. RICHARDSON: With the reorganization,
21 there was three staff members whose positions were
22 eliminated. In addition to that, we just have the

1 Director of Office of Information Management is now
2 going to be the Director of Data Governance and
3 Oversight (sic).

4 CHAIRMAN GREY: I think, Mr. President, you've
5 done a really good job of advising us as the
6 organization has evolved about why it's evolving that
7 way, and putting the organization on a course to be a
8 lot more accountable and responsive for the
9 responsibility that it's afforded.

10 It may be also helpful, because you have to do
11 that on an "as it happens" basis, that from time to
12 time a reminder of the big picture and how the pieces
13 fit together is not a bad idea. And it just will
14 remind us and make us more knowledgeable and
15 conversant.

16 PRESIDENT SANDMAN: I'd be happy to do that at
17 the next Board meeting. I'd be happy to do it in
18 connection with my annual evaluation. And what I could
19 do would be a comparison of where we were and where we
20 are.

21 CHAIRMAN GREY: I think that would be very
22 helpful, I really do, because the questions that we're

1 having really, I think, would be in many ways resolved
2 by just being given an opportunity to see that from
3 your point of view.

4 PRESIDENT SANDMAN: Be happy to do that.

5 CHAIRMAN GREY: Any other questions?

6 (No response.)

7 CHAIRMAN GREY: Is there a motion?

8 M O T I O N

9 DEAN MINOW: So moved.

10 FATHER PIUS: This is the resolution?

11 DEAN MINOW: Approve the resolution.

12 CHAIRMAN GREY: Appreciate all the help.

13 (Laughter.)

14 CHAIRMAN GREY: The motion is to approve the
15 resolution titled --

16 MR. LEVI: Temporary operating resolution.

17 CHAIRMAN GREY: -- titled "Temporary Operating
18 Budget and Special Circumstance Operating Authority for
19 Fiscal Year 2016."

20 DEAN MINOW: Page 166, yes. I so --

21 FATHER PIUS: Seconded.

22 MR. MADDOX: Robert?

1 CHAIRMAN GREY: So that there's no confusion.

2 MR. MADDUX: Actually, the Committee's just
3 going to recommend it to the Board. Right?

4 DEAN MINOW: Yes.

5 CHAIRMAN GREY: No, but yes. As our
6 recommended --

7 MR. MADDUX: As an adopted resolution.

8 DEAN MINOW: So the Committee has now moved
9 and seconded, and now you want a vote on the
10 Committee's --

11 CHAIRMAN GREY: I think we've got the language
12 right now. All in favor say aye.

13 (A chorus of ayes.)

14 CHAIRMAN GREY: All opposed?

15 (No response.)

16 CHAIRMAN GREY: Any comments from the public?

17 (No response.)

18 CHAIRMAN GREY: Is there any other business?

19 (No response.)

20 CHAIRMAN GREY: Is there a motion to adjourn?

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22 //

1 M O T I O N

2 DEAN MINOW: So moved.

3 FATHER PIUS: Second.

4 CHAIRMAN GREY: All in favor say aye.

5 (A chorus of ayes.)

6 CHAIRMAN GREY: The motion's approved.

7 (Whereupon, at 4:31 p.m., the Committee was
8 adjourned.)

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