

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

BOARD MEETING

OPEN SESSION

Saturday, January 27, 2001

10:00 a.m.

Embassy Suites Hotel
300 Tallapoosa Street
Montgomery, Alabama

CORRECTED COPY

BOARD MEMBERS PRESENT:

Douglas Eakeley, Chair
John N. Erlenborn, Vice Chair
Maria Luisa Mercado
Ernestine P. Watlington
F. William McCalpin
Edna Fairbanks-Williams
Nancy H. Rogers
Thomas F. Smegal, Jr.
LaVeeda Morgan Battle

STAFF AND PUBLIC PRESENT:

John McKay, President
James Hogan, Vice President for Administration

STAFF AND PUBLIC PRESENT (con'd):

Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
Mauricio Vivero, Vice President for Government Relations
and Public Affairs
Randi Youells, Vice President for Programs
John Hartingh, Special Assistant to the President
Leonard Koczur, Acting Inspector General
Laurie Tarantowicz, Acting Inspector General for Legal
Review
Mattie C. Condray, Senior Assistant General Counsel
Michael Genz, Director, Office of Program Performance
Alice Dickerson, Director, Office of Human Resources
Leslie Russell, Director, Office of Information Technology
David Richardson, Treasurer and Comptroller
Robert Gross, Senior Program Counsel, Office of Program
Performance
Willie Abrams, Program Counsel, Office of Program
Performance
Julie Clark, Vice President for Government Relations, NLADA
Jonathan Ross, Chairman, Standing Committee on Legal Aid
and Indigent Defendants, ABA
Kenneth Cain, Jr., Executive Director, Legal Services of
Metro Birmingham, Inc.
Melinda Waters, Executive Director, Legal Services
Corporation of Alabama, Inc.
Kimble Forrister, Alabama ARISE
Thomas G. Keith, Executive Director, Legal Services of
North Central Alabama, Inc.
Joseph Dailing, Executive Director, Prairie State Legal
Services, Inc.
Thomas McWeeney, Executive Director, Center for Strategic
Management
Gus Schick, Center for Strategic Management
Ted Hosp, Legal Advisor to the Governor, Alabama
Sharon Yates, Presiding Judge, Court of Civil Appeals
Howard Mandell, City Attorney, City of Montgomery,
Alabama
Delores Boyd, Attorney-at-Law, Montgomery, Alabama
Myron Thompson, U.S. District Judge, Middle District of
Alabama
Danilo Cardona, Director, Office of Compliance and
Enforcement

C O N T E N T S

	PAGE
Approval of Agenda	4
Approval of Minutes of November 11, 2000	5
Approval of Minutes of November 28, 2000	7
Public Speakers	
Ted Hosp	9
John Ross	45
Judge Sharon Yates	50
Judge Myron Thompson	79
Delores Boyd	85
Howard Mandell	90
Board Members' Reports	14
Report of the Inspector General	18
Report of the President	24
Report of Committee on Provision for the Delivery of Legal Services	48
Report of Task Force	55
Report of Finance Committee	61
Report of Annual Performance Reviews Committee	65
Adjustment of President's Salary	68
Panel Presentation: Strategic Planning Measures	76
Election of Board Chair	176
Election of Board Vice-Chair	177
Committee Appointments	178
Changes to Meeting Schedule	180

MOTIONS: 4, 6, 7, 16, 62, 63, 66, 67, 69, 73, 178, 179, 182,
184, 195

1

P R O C E E D I N G S

2 CHAIR EAKEYEY: Good morning again. I now would
3 like to call the meeting to order. We have an agenda in the
4 board materials. Is there any --

5 MS. FAIRBANKS: You need to take number 11 off.

6 CHAIR EAKEYEY: We are going to take item 11 off
7 because there was no operations and regulations. We are
8 actually going to have a presentation by staff in lieu of the
9 -- of the report of the committee.

10 We are going to take off the agenda for today item
11 17 -- 17, and otherwise I think we are as stated. Subject to
12 those revisions, is there any -- is there a motion to approve
13 the agenda?

14

M O T I O N

15 MS. WATLINGTON: I so move.

16 CHAIR EAKEYEY: Ernestine, thank you. A second?

17 MS. MERCADO: Second.

18 CHAIR EAKEYEY: All those in favor?

19 (Chorus of ayes.)

20 CHAIR EAKEYEY: Opposed?

21 (No response.)

22 CHAIR EAKEYEY: The ayes have it. Next we have

1 approval of minutes of the board's meeting of November 11,
2 2000. Those minutes were included in your meeting materials.
3 Is there a motion? This is the open session meeting
4 minutes. Are there any corrections or additions to be made
5 to those minutes?

6 MS. MERCADO: The only thing that I have that
7 didn't seem to read very well was on page 90, motion -- the
8 bottom motion. It is not real clear as to who the severance
9 agreement is presented to. Is it between the OIG and LSC? I
10 am assuming that is what we mean, right?

11 CHAIR EAKEYEY: That is correct.

12 MS. MERCADO: Well, just some clarification as to
13 who the referring party is.

14 CHAIR EAKEYEY: Well, the sentence just before it
15 said Chairman Eakeley outlined the severance agreement
16 between Mr. Quatrevaux and LSC.

17 MS. MERCADO: Oh, okay, because it was in a
18 separate paragraph.

19 CHAIR EAKEYEY: Yes.

20 MS. MERCADO: Okay.

21 CHAIR EAKEYEY: Any other questions, changes,
22 corrections? Is there a motion to approve the minutes?

1 M O T I O N

2 MR. SMEGAL: So moved.

3 CHAIR EAKEYEY: Second?

4 MR. ERLENBORN: Second.

5 CHAIR EAKEYEY: All those in favor?

6 (Chorus of ayes.)

7 CHAIR EAKEYEY: Opposed?

8 (No response.)

9 CHAIR EAKEYEY: The ayes have it.

10 Item three, approval of minutes of the executive
11 session of the board's meeting of November 11th. Again, any
12 corrections or changes?

13 MR. McCALPIN: The last word on page 95 passes the
14 spell check, but is not right.

15 MS. MERCADO: Oh, I see.

16 CHAIR EAKEYEY: You are going to leave us in
17 suspense as to where?

18 MS. MERCADO: Counsel versus council.

19 MS. BATTLE: The word counsel should be c-o-u-n-s-
20 e-l.

21 MS. MERCADO: Instead of c-o-u-n-c-i-l.

22 CHAIR EAKEYEY: Any other eagle eye changes?

1 Hearing none, is there a motion to approve the minutes as
2 corrected?

3 MOTION

4 MR. McCALPIN: So moved.

5 MS. BATTLE: Second.
6 CHAIR EAKELEY: All those in favor?

7 (Chorus of ayes.)

8 CHAIR EAKELEY: A

10 CHAIR LARRELL: The minutes are approved. We had
11 - oh, I'm sorry, we had a telephonic meeting on November 29 -
12 - oh, November 28, 2000. Again, the minutes of that
13 telephonic meeting are in the board meeting materials. Any
14 changes or corrections to those? Hearing none, is there a
15 motion to approve them?

16 MOTION

17 MR. SMEGAL: So moved.

18 MS. MERCADO: Second.

19 CHAIR EAKELEY: All those in favor?

20 (Chorus of ayes.)

21 CHAIR EAKELEY: Opposed?

22 (No response.)

1 CHAIR EAKELEY: The ayes have it. Now we have
2 scheduled public speakers. I think I heard LaVeeda that --
3 that our speakers will probably start coming at 11:00, is
4 that right? Or do we have public speakers here already? I'm
5 sorry?

6 MS. BATTLE: That is right. We have one here. And
7 we do have several others. This has been a very busy weekend
8 here in Alabama in that we have the investiture of several of
9 our Supreme Court justices and other appellate justices this
10 weekend. But we are fortunate right now to have the legal
11 advisor to Alabama Governor Don Siegelman who is here. And
12 if you would like to come to the table now, he can give
13 greetings on behalf of the governor's office.

14 MR. HOSP: Great. Good morning.

15 MS. BATTLE: This is Ted Hosp. He is the legal
16 advisor to the governor. He formally practiced law in
17 Birmingham, Alabama with the law firm of Maynard, Cooper and
18 Gale. Many of you know Lee Cooper, who formally was a
19 president of the ABA, is one of his partners. And he now is
20 the legal advisor to the governor, Ted Hosp.

21 MR. HOSP: Thank you, LaVeeda. Thank you all.

22 Members of the board of the Legal Services Corporation and

1 honored guests, I am happy to be here today and it is a
2 pleasure for me to extend greetings to you on behalf of
3 Alabama Governor Don Siegelman and to welcome you to
4 Montgomery.

5 If you have had an opportunity at all in your stay
6 in our capital city, if you had an opportunity to sightsee at
7 all, you would very quickly recognize that Alabamians proudly
8 call their state, and in many regards this city, the birth
9 place of the civil rights movement. From the Montgomery
10 boycott, to the bus boycott, to the Selma to Montgomery
11 march, events in Alabama have often served to inspire people
12 across the country to work towards a day when our country
13 lives up to the promise in our declaration of independence
14 and in our constitution. For that reason, I can think of no
15 better city for your board to have its first annual meeting
16 of the new millennium.

17 Without question, equal access to our legal system
18 is one of our most important civil rights. Because of this,
19 the battle that you wage today in Washington, DC and around
20 the country, is directly in the tradition of those who came
21 before you in Birmingham and Selma and Montgomery.

22 It is also, as you well know, a very difficult

1 battle. In recent years, and particularly since 1996, the
2 Legal Services Corporation and Legal Services attorneys have
3 been hamstrung with limited resources and increased
4 restrictions. You have admirably adapted to these challenges
5 in order to serve the people who so desperately need your
6 help.

7 But we must do more. The combination of looming
8 tax cuts, along with the slowing economy, will likely present
9 even greater challenges, both financial and otherwise, for
10 legal service attorneys in the coming years. Particularly in
11 Alabama, alternative funding sources must be explored.

12 Those from Alabama will instantly recognize that
13 the state's resources are extraordinarily limited. As a
14 result, increased participation from the private bar must be
15 encouraged and rewarded.

16 We must also continue to think creatively about
17 ways that we can reach the people who desperately need these
18 services. Governor Siegelman has devoted his administration
19 to children. Unfortunately, in Alabama, an unacceptable
20 number of children live in poverty and are therefore impacted
21 on a day to day basis by the services that you make
22 available. In fact, according to most recent figures

1 available, the estimated number of children below poverty in
2 Alabama is just above 260,000, or just less than 24 percent.

3

4 Without access to proper legal services, these
5 children must live in fear of domestic violence. They must
6 go to sleep without proper nutrition because of a failure to
7 pay child support or a failure to receive benefits to which
8 they are entitled. Or they may suddenly lose their housing
9 and have no safe place to sleep. Quite simply, without
10 access to legal services, many of these children will start
11 their lives three steps behind their peers and the cycle of
12 poverty will not be broken.

13 On behalf of Governor Siegelman, I commend you for
14 your efforts on behalf of these children of Alabama and of
15 the entire country. I welcome you to Montgomery and thank
16 you for your attention.

17 CHAIR EAKELEY: And thank you very much, Mr. Hosp,
18 and please thank Governor Siegelman also for his kind
19 welcome. We have been made to feel very welcome here. We
20 have learned a lot in the short time that we have visited,
21 and for some of us, it is our first trip and I think I can
22 say for those of us for whom it is our first trip, it

1 certainly will not be our last.

2 MR. HOSP: Well, good. We are happy to welcome you
3 back at any time.

4 MS. MERCADO: Thank you.

5 CHAIR EAKEYEY: Thanks very much.

6 MS. BATTLE: And just one other thing I wanted to
7 point out about Ted, he has served on the state bar's access
8 to legal services committee, so he is also no stranger to
9 this issue and has been deeply involved and involved on
10 behalf of the Governor. Thank you so much, Ted.

11 CHAIR EAKEYEY: All right. We will -- we will come
12 back to agenda item five, which is scheduled public speakers
13 as speakers arrive. But let's just go into our regular
14 reports.

15 I only have two things to say -- to say. The first
16 is about LaVeeda Morgan Battle before she gets up and leaves.
17 Which is I just want to publicly thank and acknowledge
18 LaVeeda for all the work that she put in to making this a
19 very successful board meeting. And for -- didn't take a
20 whole lot of persuasion to come here, but -- but I know now
21 why we should have come.

22 And also seeing LaVeeda in action last night for

1 her very brief but eloquent speech, again, led me to regret
2 that we hadn't had more opportunity to see LaVeeda in action
3 in that fashion before. But thank you very much, LaVeeda and
4 congratulations for a job very well done.

5 MS. BATTLE: Thank you and for Alabama, we have
6 really been proud to be able to host this meeting. And as
7 you just heard from Ted and from others, LSC is welcome back
8 at any time.

9 CHAIR EAKELEY: Well, as we have seen, there is a
10 lot to be proud of in Alabama and a lot going on going into
11 the future too. And I hope we are going to be in a position
12 to increase our support for those activities as we move
13 forward.

14 The only other thing I wanted to mention is
15 something that all of us our painfully aware of. After -- at
16 our last board meeting in Washington, we were feted at a
17 wonderful dinner honoring this work and its service and one
18 of the speakers and attendees was our friend Chuck Ruff, who
19 had served as counsel to President Clinton and given himself
20 unstintingly to the cause of equal justice.

21 Chuck, as you all know, died at far too early an
22 age. I spoke a little bit about what he meant to our

1 program, to the cause of equal justice and to me personally
2 at the NLADA annual meeting. John McKay and I and many
3 others attended the memorial service for Chuck at National
4 Cathedral at which President Clinton spoke and many others,
5 all eloquently.

6 And I was very pleased to see John include in his
7 LSC report a picture of the board with Chuck Ruff and Ab
8 Micva that are in the board materials. John has prepared a
9 resolution honoring Chuck and I would like to just use my
10 Chairman's report to present that for the board's
11 consideration.

12 The resolution reads, whereas Charles Ruff, or
13 Chuck, as he was known to all who were fortunate to know him,
14 was a truly remarkable human being who compiled a stellar
15 record of broad public service.

16 Whereas, Chuck was a pillar of the Washington legal
17 community for over 30 years, serving as President Clinton's
18 White House counsel and also holding other important
19 government positions, including U.S. Attorney for the
20 District of Columbia, Acting Deputy Attorney General and
21 Special Prosecutor for the Watergate Special Prosecution
22 Force.

1 Whereas, Chuck never lost sight of the interests of
2 the least advantaged in our society. And he did all that he
3 could to advance the cause of civil legal assistance to the
4 poor.

5 And whereas, Chuck was a person of great honor and
6 integrity, who served and will always serve as a model for us
7 all.

8 Now, therefore, be it resolved that the board of
9 directors hereby formally acknowledges and expresses its
10 profound appreciation for Chuck's truly remarkable efforts on
11 behalf of the disadvantaged in our society and expresses its
12 condolences to his wife Sue, his daughters and his mother
13 Margaret.

14 Adopted by the board of directors on January 27,
15 2001.

16 M O T I O N

17 MS. MERCADO: I so move.

18 MR. McCALPIN: I move that it be accepted by
19 acclamation and without dissent.

20 CHAIR EAKEY: Is there a second?

21 MS. FAIRBANKS: Second.

22 CHAIR EAKEY: All those in favor?

1 (Chorus of ayes.)

2 CHAIR EAKELEY: It is so adopted. Thank you very
3 much. That is my report. Members' reports? Vice Chairman
4 Erlenborn?

5 MR. ERLENBORN: Nothing to report.

6 CHAIR EAKELEY: Nancy?

7 MS. ROGERS: Well, the good news is that John McKay
8 is coming to Ohio very soon and lots has been prepared for
9 his visit. He will be meeting both with legal services
10 lawyers and with key members of the bar. It is an event that
11 lots of folks have been planning around.

12 And I am also pleased that two board members, John
13 Erlenborn and LaVeeda Battle, are coming to Ohio in the
14 months ahead. We are, through a student group at the
15 University that has been providing pro bono legal assistance
16 to legal service lawyers, planning a major conference to see
17 if we can interest the bar more generally in aiding legal
18 services.

19 MR. SMEGAL: Nothing.

20 CHAIR EAKELEY: Edna?

21 MS. WILLIAMS: The only thing I have to report is
22 that our study is going on in Vermont. We have done the

1 telephone study and -- for equal justice and are now working
2 on the questioning the people at -- at the lower courts and
3 everybody else that we can find that might have an opinion.
4 So we are going to the public now.

5 CHAIR EAKEY: Ernestine?

6 MS. WATLINGTON: Nothing now. I will wait.

7 CHAIR EAKEY: Mr. McCalpin?

8 MR. McCALPIN: Well, I would simply report briefly
9 that I have been given the opportunity hopefully to transmit
10 some of the lessons we have learned from state planning and
11 technology to the provision of health care for the unserved
12 and under-served in 85 counties of Missouri through a newly
13 created so-called conversion foundation.

14 CHAIR EAKEY: Great. A challenge. You never
15 stop, do you?

16 MR. McCALPIN: I hope not. My mother -- my mother
17 always said better to wear out than rust out.

18 MS. MERCADO: I think that was Neil Young.

19 CHAIR EAKEY: Maria Luisa?

20 MS. MERCADO: Yes. No, I think the only thing to
21 report is that, of course, Texas right now is in the process
22 of state planning and reorganizing, just as your board

1 member, getting a lot of input from different sources.

2 CHAIR EAKEYEY: Next is a report from our inspector
3 general, Len Koczur. Good morning again.

4 MR. KOCZUR: Good morning. Thank you, Mr.

5 Chairman. As you all know, we are involved in some
6 litigation and Laurie and I will discuss that during the
7 closed session.

8 The audits we have ongoing and planned include
9 Passaic County, where we did a review of their case service
10 reporting. We are going to issue a draft report to Passaic
11 next week.

12 CHAIR EAKEYEY: Len, I may be the only one at the
13 table who knows in what state Passaic County is located.

14 MR. KOCZUR: Passaic is in New Jersey.

15 CHAIR EAKEYEY: All right, John McKay reminds me he
16 knew where it was, too.

17 MR. KOCZUR: Yesterday we presented the corporate
18 financial audit report to the finance committee. And, once
19 again, it was an unqualified opinion. The statements fairly
20 represented our corporation's operations for the year just
21 ended. And we are complying with laws and regulations and we
22 have adequate internal controls in place to ensure that our

1 assets are protected.

2 We have planned for this year, and will start
3 towards the middle or late March, three audits on program
4 integrity. These audits basically will look at the --
5 whether the grantees are complying with the regulations on
6 transferring funds to other entities that may be doing
7 prohibited activities. So essentially we describe it as we
8 are going to follow the money. Where does -- how does our
9 grantees, how do our grantees support these other
10 organizations and is it within the regulations that have been
11 established.

12 We had a corporate audit -- I'm sorry, an audit of
13 the corporate procurement process planned and I have delayed
14 that. It probably won't go on until next year now. We had
15 one of my staff members, one of the staff members in audits
16 left at the end of the last fiscal year and we haven't
17 replaced her because of the appropriation not being passed so
18 long -- until so late in the year. So that -- that really
19 impacted our ability to do that audit.

20 In the evaluations area, we have a report on
21 performance measures indicators, which is a report that has
22 gone to the corporate management for review and we receive

1 comments. We are reviewing the comments now and will provide
2 responses to the comments in the report and provide the
3 report to the board of directors, probably within 30 days or
4 so. This is in accordance with the communication policy that
5 Ed and Mr. Eakeley established I believe in June of '98, so
6 that the board knew about the internal audit work or internal
7 work period that the office of inspector general was doing.

8 The -- the other evaluation project we have going
9 on, of course, is evaluation of the mapping tool. And this
10 is looking at how mapping can be used to help in strategic
11 planning. We have or we are working or trying to work this
12 program out in with the two Georgia programs and that is the
13 subject of the litigation we will talk about during the
14 briefing -- the closed session, I'm sorry.

15 The -- there are several other evaluation projects,
16 one on competition, one on pro bono and one on IOLTA that Ed
17 established before he left. And I am currently looking at
18 those again to see if we really can do them and fit them into
19 our schedule. So I -- basically, I am re-reviewing the
20 justification for these projects.

21 In the area of inspection, we annually do about
22 eight client trust fund inspections, where we go out and make

1 sure that -- or review how the grantees are controlling their
2 client trust funds. And this really is a good device, I
3 think, for the inspector general's office. It gives us a
4 presence out there. Offices that normally wouldn't see us,
5 have some familiarity with us.

6 We found rather minor problems that -- basically
7 internal control problems generally where there would be
8 things like clients will give the grantee cash and not
9 receive a receipt. Things like that. And we make
10 recommendations that they splint in their internal control
11 processes to ensure that the client trust funds are
12 protected.

13 Over the years, there have been a number of thefts
14 reported in the client trust funds. Generally not any that
15 are really large, but it seems to be a continuing problem and
16 we want to keep on top of it.

17 With the investigations, we have a number of
18 investigations. We have nine active investigations going on
19 and numerous other one that we kind of just monitor the
20 activity. The most significant one involves the Legal
21 Services of New York City, where some checks -- blank checks
22 were stolen, filled in and cashed. And the FBI is currently

1 directing this -- this investigation. And we really are more
2 or less in a monitoring role in that investigation.

3 And that pretty well concludes my presentation.

4 Are there any comments or questions?

5 CHAIR EAKELEY: Len, you have been in charge now
6 for two months. Are you getting the level of cooperation and
7 support, both from your staff and from management, that you
8 need and hopefully expected?

9 MR. KOCZUR: Oh, yes, without question. As John
10 mentioned, he and I met shortly after he came back from
11 sabbatical. I talk to Randy quite frequently. And, of
12 course, I have dealt with Mike and Danilo over the years, so
13 there is absolutely no problem at all.

14 I think the communication flow is good. They are -
15 - we have had a good exchange of information. I think the
16 comments we received on the performance indicators report
17 were very good and pointed out some things that we hadn't
18 considered and will need to fix in the report before we send
19 it to the board.

20 CHAIR EAKELEY: And I have appreciated the heads-up
21 calls I have received from you also, by the way.

22 MR. KOCZUR: Yes, and I have called Mr. Erlenborn

1 several times as the liaison with the IG.

2 CHAIR EAKEYEY: Any questions for the inspector
3 general? All right, well, thank you very much.

4 MR. KOCZUR: It is acting inspector general.

5 CHAIR EAKEYEY: Well, I know that.

6 MR. KOCZUR: I wouldn't want to be presumptive.

7 CHAIR EAKEYEY: It may be, but we only have one at
8 a time and you are the one. You are the man.

9 MR. KOCZUR: Thank you.

10 CHAIR EAKEYEY: Okay. Thank you. Next, we have
11 the president's report.

12 MR. MCKAY: Mr. Chairman, thank you. Mr. Chairman,
13 thank you very much. We will keep our eyes open for
14 speakers.

15 Let me begin also by adding my thanks to the
16 programs here in the state of Alabama, Tom and Ken and
17 Melinda have been terrific. I know that we sort of shocked
18 Melinda some time ago when we said we were thinking about
19 coming to Alabama and what did she think of that. And she --
20 when she got over the consternation of -- of the fact that it
21 would be quite a bit of preparation, she was very happy that
22 we were coming, and, over the course of the past year, has

1 indicated how excited people were going to be to have our
2 board in Alabama. And I think their reception speaks for
3 itself.

4 I also want to commend the staff here in the local
5 office in Montgomery for welcoming us on very short notice
6 yesterday afternoon and welcoming a number of board members
7 who went over and met with staff, board members and clients.

8 And, again, we are constantly reminded about the terrific
9 work being done by our programs across the country and in
10 very difficult circumstances, many of which are present, not
11 so much in the city of Montgomery, but in the challenges to
12 delivering legal services to rural poor. And I think
13 graphically displayed in the comments of some of the staff
14 people, some of whom are here today and if we haven't
15 welcomed them before, I would like to welcome them again to
16 our annual meeting here in Montgomery.

17 Since our last meeting, I just want to indicate as
18 part of my report and for the record, of course, that the
19 President did sign -- President Clinton signed our FY01
20 budget a \$330 million prior to the end of the Clinton
21 administration. We did submit to the prior administration
22 OMB a budget mark of \$395 million, which was approved by the

1 board.

2 We are working with the new administration. We
3 have had a number of contacts with the professional and
4 permanent staff at OMB, who will handle our budget. And we
5 understand now that the political staff, the management --
6 senior management at OMB is coming into place. And that, of
7 course, is one of our very important points of contact in the
8 administration.

9 I will report to the board that we were contacted
10 as part of the transition efforts for the incoming
11 administration. Our response was led by Jim Hogan and we did
12 provide substantial data, both our office and the office of
13 the inspector general, to the then transition team. And we
14 know that our materials have been delivered as the
15 administration really comes into place.

16 And, in some regards, we are facing a pretty unique
17 situation. Not to overstate it, but I think unique in
18 American history in the timing involved here. It is obvious
19 that the new administration will be spending some time
20 pulling its leadership together and putting together the
21 personnel. And we expect to work closely with them.

22 And we are encouraged by the fact that we were

1 assigned a transition team member, given folks that we could
2 talk with. And we know that the incoming administration,
3 President Bush has appointed a number of folks who are
4 familiar with the work of legal services today and we think
5 that is important.

6 With the commitment of this board and the
7 commitment of our bipartisan support in the Congress, we look
8 forward to working with the new administration to indicate
9 very clearly that what we do is serve the low-income needs of
10 -- civil needs of the poor so the poor in America. And we
11 are looking forward to reporting on our progress and working
12 with the new administration.

13 I believe since I was last here, two major things I
14 should -- I suppose to begin by thanking the board for
15 allowing me to take some substantial time off between the
16 last meeting and the meeting today. I won't go into detail
17 about my lousy golf, but I will tell you that it was a very
18 helpful process for me to get a bit of time away. And I am
19 as energized as I could be to work with you on the
20 transition.

21 And I have to say that I am tremendously grateful
22 to our staff, to Randi Youells, Mauricio Vivero, Victor

1 Fortuno, John Hartingh and in particular Jim Hogan, who did a
2 tremendous job, in my judgement, during my absence. And I
3 want to thank Jim in particular, and everyone at LSC for
4 doing a great job during my absence.

5 Let me indicate for the board a number of matters
6 that have occurred in house at LSC pending some discussions
7 with board members and the description of some additional
8 background that I will spare you all here, I have transferred
9 the office of compliance and enforcement to report to the
10 vice president for administration, Jim Hogan. That will be
11 formally effective at the close of this meeting. And we will
12 provide notification to the Congress of that change.

13 We are moving forward, as I indicated previously to
14 the board, on hiring the compliance and enforcement staff,
15 which has been mandated by the Congress. Now we have hired
16 five compliance and enforcement investigators.

17 I believe that we separately provided the board, in
18 a memo from me, background on at least three and maybe four
19 of those hirees. We will provide -- we will provide the
20 others.

21 Quickly I wanted to indicate to you that all five
22 are experienced attorneys. One is a previous LSC staff

1 employee coming straight from an LSC program. Two out of the
2 five have previously been LSC consultants in compliance and
3 enforcement. All five happen to be African-American, three
4 are women, two are men.

5 And they have been engaged since they were hired,
6 once -- once the -- once the budget was finalized and signed
7 by the President, we began our efforts to bring them on
8 board. And I know that they have been undergoing very
9 extensive training under the direction of Danilo Cardona,
10 director of compliance and enforcement. And I am very
11 pleased with the work that was done to hire them and the
12 ongoing training.

13 We will be hiring two more. I wanted to indicate
14 to the board that I have spoken with Jim Hogan and Danilo and
15 asked them to make particular efforts to work -- I'm kind of
16 looking down the table at Nancy Rogers to work with our
17 programs to help identify possible hires from existing
18 programs. It is difficult, frankly, to hire compliance
19 people who the auditing function and the review function is
20 quite a bit different from day-to-day work of a legal aid
21 lawyer.

22 But we have one and I think that it -- your

1 comments are well taken, Nancy, and we will do everything we
2 can to bring -- let folks know from existing programs that
3 they are more than welcome in our compliance and enforcement
4 department. And that we will continue to train them on the
5 work that they will need to undertake.

6 We have undertaken a reorganization -- a small
7 reorganization within the department of human resources and
8 administration. Alice Dickerson, of course, is our director.
9 You have heard from her on a number of occasions of human
10 resources. Some of the administrative functions have been
11 transferred to the comptroller's office, including mail,
12 reprographics, et cetera.

13 The library has been transferred to the office of
14 information management. And essentially we are shutting down
15 the hard book version of our -- of our library. We are
16 required to maintain a reading room for FOIA purposes and we
17 are doing that.

18 But basically we are moving towards an out-sourcing
19 of our printing functions. We studied that and found that we
20 will -- there will be substantial savings over time to -- to
21 out-source printing, and we have got a major reprographic
22 center at the corporation that we don't think is necessary in

1 the long run. And, again, that will be part of our
2 notification to the Congress once those adjustments are made.

3 We have made, as we indicated to the board we would
4 do last year, we have made some adjustments to pay for LSC
5 employees. I wanted to alert the board. As we -- the
6 federal cost of living increase was approximately 2.7 percent
7 this year and our cost of living increase will be the same
8 for our staff.

9 We have slightly adjusted the way in which we do
10 our compensation. We now call that a cost of living
11 increase. I think it was always there before, but we just
12 simply going to mirror the federal pay scale more directly.

13 The second increase, which has also taken effect as
14 of the first of the year, is the second phase of
15 implementation of locality pay. You were fully briefed on
16 and given an opportunity to be in dialogue with us on
17 implementing locality pay, which is, of course, part of the
18 federal pay scale, but one in which LSC was not in a position
19 to match.

20 With your approval, we began that a year ago,
21 always conditioned with our employees and with you, of
22 course, was on our ability to meet that obligation with our

1 funding. And we were in a position to do that this year, so
2 phase two of locality pay has been implemented. I believe
3 that number is somewhere in the end going to be an increase
4 of about 10 percent, maybe slightly more, over about a three
5 year period of time. The second phase has also been
6 added. There will be a third component of pay and that is a
7 -- a smaller portion than we have had in the past, that is
8 called merit pay. But there will be a number of employees
9 who ranked at the highest levels following performance
10 reviews which are now in progress, employees will be eligible
11 for merit pay.

12 The net -- the net change over our prior pay scale
13 is -- is nothing. We have not, other than the locality pay,
14 they are continuing to receive approximately the same scaled
15 pay increases as before. So there is no -- there is no net
16 increase over our prior system, but it is being structured
17 somewhat differently, including the major issue over this
18 three year period being the phase in of locality pay.

19 You received -- the finance committee, which I
20 think had most board members present, received a presentation
21 on a change in our provider for our investment vehicle for
22 employees, which is a 403(d). And the board -- the

1 committee, I think, has made a recommendation that we go
2 ahead and move our investment advisor and we will do so once
3 the board approves it.

4 You received a briefing this morning on transition
5 issues and I won't go into those in detail. As I indicated
6 in my opening remarks, I will continue to work and we all
7 will continue to work closely on transition. I will keep the
8 board informed if there are major issues, you should expect
9 to receive an interim memo. You are now receiving a memo
10 once a month from -- from us, with just new in LSC, news for
11 the board, issues for the board. If -- if events come up on
12 the transition, we will provide you with an interim memo with
13 details.

14 I have also indicated that I plan to, on a much
15 more regular basis as regard to transition issues, be in
16 touch with the chairman of the board and the vice chairman so
17 that I am very regularly reviewing the status. Even if
18 nothing has happened, I will be calling Doug and John and
19 filling them in.

20 And I want to say, at this point, that I am -- I am
21 very grateful to John Erlenborn for his wisdom and our
22 chairman, who has -- whose instincts are excellent and shall

1 we say cross-over ability to analyze the political situation
2 and to help us articulate important facts for the new
3 administration. And I will continue to rely on them and
4 appreciate their help very, very much.

5 I feel very good about LSC's transition. I feel
6 very good about the new administration and we look forward to
7 working with them.

8 I also have spoken with NLADA, with Clint Lyons.
9 There are a lot of folks who are very interested, of course,
10 in our efforts here and I will be working very closely with
11 NLADA and Clint and Julie Clark as we move through this
12 process, as will Mauricio. So I look forward to that and we
13 welcome their help and assistance as always.

14 We have a tremendous working relationship with Bob
15 Evans at the American Bar Association, and I want to thank
16 Bob for his efforts. I know that John Ross is probably here
17 in the room and, John, you are the senior ABA person present.
18 Thank you for your efforts and for the help of the American
19 Bar Association.

20 The board -- the board received a briefing this
21 morning on the status of LSC's efforts to secure a permanent
22 home in Washington and I want to just say publicly that we

1 are making progress in that regard. We do believe that we
2 will be in a position to acquire a permanent home. And I
3 think, if nothing else, I hope it serves as a tribute to the
4 hard work of our programs and the work that they do for their
5 clients. And I believe that will be a fitting statement of
6 this board's commitment and the work of many people who went
7 before us.

8 Victor will brief on litigation in -- in executive
9 session to the board and there is some news on that front.
10 He will fill you in.

11 Randi briefed on the results project. I won't
12 spend any additional time on that, but I think it is
13 important as you hear the briefing on performance measures,
14 the overlap between our efforts to assure accurate data
15 conveyance to the Congress, a self inspection is being
16 undertaken by our programs.

17 I look at Melinda Waters, and she knows full well
18 what I am talking about, and the work that our programs have
19 taken on. I want to commend them for heeding the call of the
20 Congress and helping us to make it clear to the Congress that
21 we are, by our old rules, reporting as accurately as we
22 possibly can. That we are making adjustments to that

1 structure to provide a more accurate picture of what we do,
2 the results project that Randi talked about.

3 And we are preparing a complete revamp of the way
4 we relate the services and the impact of our services and the
5 taxpayers dollars to describe to the Congress and to the
6 public the good works that are done by so many people who do
7 hard work for clients across America. And we are very
8 excited about that and you will hear the third part of that,
9 which is the performance measures portion when Tom McWeeney
10 and Randi Youells and I present a little bit later.

11 I wanted to alert the board that we did proceed to
12 make changes in the grant system with regard to the Native
13 American funds. As we briefed, I believe, on two prior
14 occasions to the board, because we did receive a substantial
15 increase in field funds, we went ahead and made the
16 adjustment which raised up the lower funded programs in
17 Indian country.

18 It is almost a million dollar adjustment in the
19 Native American line. That has been done now and the --
20 those programs will receive an increase who had, over quite a
21 period of time, not received the same basic funds that other
22 programs in Indian country had received. Given the increase,

1 we went ahead and made that change.

2 We are still awaiting, because Congress did not act
3 on our legislative package last year, we were not able to,
4 without the assistance of legislation, help establish the
5 programs that were outlined to the board, I believe in
6 Minneapolis, to establish new state-wide India -- Native
7 American programs in Florida and New York. We still consider
8 those to be an important priority and an important -- an
9 important conclusion reached at the LSC Native American
10 Conference almost two years ago.

11 There will be one -- one additional legislative
12 change, Native American, which is to seek the ability to
13 create statewide programs in certain states. And I don't
14 believe that issue is particularly controversial. But,
15 again, we did not get action on our legislative package and
16 we will look to Congress to help us on that once again.

17 I want to just again thank Len Koczur for his
18 efforts publicly here in the open session. We are happy that
19 he is on board as the acting inspector general. I will
20 continue to meet with him on a regular basis. And I wanted
21 to thank him and pledge further our open communication and
22 respect for his office and all of his staff.

1 Finally, I want to just indicate that many of you
2 have missed Nicki Ataway, who was a much valued and much
3 loved part of our staff who has left us for greener pastures
4 in another job and we -- we miss Nicki quite a bit. She is
5 doing very well and is staying in touch with us. But I know,
6 especially here at a board meeting where Nicki has always
7 been so helpful, that I should mention that and tell you that
8 we do miss her a lot and thank her for her terrific service
9 to the Legal Services Corporation.

10 That is my report, Mr. Chairman, thank you.

11 CHAIR EAKELEY: Thank you, John. Questions? Bill
12 McCalpin?

13 MR. McCALPIN: John, I have a concern that the bare
14 announcement of the transfer of OCE to administration
15 projects a hopefully inaccurate image of the corporation as
16 an entity, as are more committed to enforcement than to the
17 service of clients, which is of course, the basic reason for
18 our existence. I think that in our particular area of
19 activity, investigation and detection of -- of -- moves away
20 from the norms and required performance requires a knowledge
21 of the operation of the particular entity which is being
22 investigated and hopefully an on-the-spot ability to provide

1 remediation for any difficulty which is found.

2 I -- I have the apprehension that, without any more
3 explanation, that is not -- what is projected and I don't
4 know how this announcement is going to be received by the
5 programs who will ultimately be affected by it.

6 CHAIR EAKELEY: Let me just say one or two words
7 first Bill and then defer to John. As you know, John and I
8 have spent hours and hours discussing this change. And, as
9 you also know, we are trying to do a lot to free up staff to
10 concentrate on the main focus of our strategic plan, which is
11 state planning and the delivery of highly effective
12 accessible legal services.

13 I saw the -- the transition as hopefully freeing up
14 the vice president for programs and permitting the vice
15 president to focus on the delivery issues. I have John's
16 assurance, John McKay's assurance that he would remain
17 overall responsible for compliance and enforcement and
18 programmatic and to make sure that the two mesh carefully
19 together.

20 And, as you know, and as John has reported in the
21 past, compliance and enforcement staff are, indeed as we
22 discussed at the last board meeting, we have a well trained

1 and well functioning compliance and enforcement group soon to
2 be supplemented or in the process of being supplemented, who
3 have, as one of their marching orders, the requirement or
4 charge to look to cure rather than to harm.

5 I don't know whether I have misspoken, John, but I
6 just wanted to respond from my own standpoint that this is --
7 this is not a signal that we are becoming a law enforcement
8 agency but, indeed, as our strategic plan commits us to and
9 as the Congress requires us to, it is an important function
10 and it will continue to -- to function as it has in the past
11 in that sense.

12 MR. McCALPIN: I think it is important that that
13 message be given to those who are going to be affected by it.
14 I have not heard the detail of it until today.

15 CHAIR EAKELEY: Yeah, well, there is -- fair
16 enough. I think --

17 MR. MCKAY: Well, let me just echo the Chairman's
18 comments, because they are very close to mine. I -- first of
19 all, I think that our office of compliance and enforcement
20 has a stellar record in its administration of the
21 responsibility to, at this point, follow up on complaints and
22 handle specific issues in field programs. And I have spoken

1 with a number of executive directors who have been visited by
2 Mr. Cardona's staff and without fail they are very
3 complimentary of his staff as not only compliance monitors.
4 but teachers, in the sense that they can convey how to fix
5 the problem. So it is not a game of gotcha.

6 On the other hand, the purpose of the compliance
7 and enforcement staff in particular is a service I think to
8 everybody in this organization and all of our programs
9 because we have to be able to show the Congress that
10 Congressional restrictions, Congressional guidelines, that
11 financial practice is being met in an appropriate way. And
12 while the inspector general's office, through the independent
13 auditors has a significant portion of that, so does
14 management.

15 And so I would simply indicate that the change
16 should be seamless because I, as the president, am
17 responsible to the board and to the Congress to assure
18 compliance and enforcement and that doesn't change in the
19 slightest. I have always made and will continue to make all
20 major decisions with regard to compliance and enforcement.
21 That doesn't change in the slightest.

22 We do have additional new staff, mandated by the

1 Congress. A slightly wider purview, which is mandated by the
2 board in its strategic directions, and this is an effort to
3 match the resources of the organization with the call in the
4 strategic plan. And your strategic plan has meaning and it
5 has effect and that is what is occurring here. So I feel
6 very good about it.

7 We intend to emphasize the teaching aspect of the
8 compliance and enforcement unit. They have been very
9 successful at it. I have nothing but high confidence in
10 Danilo Cardona and Jim Hogan in his management of that
11 function and they will continue to report to me.

12 CHAIR EAKELEY: Any other questions? Hearing none
13 and before we move to the next item, we are back to the prior
14 item, which is public speakers. I just wanted to cite -- say
15 -- to cite as one example of the hard work and dedication of
16 the Alabama Legal Services community, the fact that one of
17 its leaders, not only gave up her night last night and her
18 day yesterday and her Saturday, but it is also her birthday.
19 So, Yvette Saxton, happy birthday, and thank you very much.

20 (Applause.)

21 CHAIR EAKELEY: John Ross was on my list of public
22 speakers after the Alabama public speakers spoke, but I

1 wonder whether he would mind being taken out of turn and
2 invited to come up and speak on behalf of the American Bar
3 Association's standing committee on legal aid and indigent
4 defendants?

5 MR. ROSS: I don't mind at all. Thank you very
6 much. For the record, my name is Jonathan Ross. I am
7 chairman of the American Bar Association's standing committee
8 on legal aid and indigent defendants and I am pleased to be
9 here with you at this meeting.

10 I wanted to start by thanking my new public
11 relations representative, Mr. McKay for all of the kind
12 things he said about the American Bar and me in the last two
13 days. It is really a group effort.

14 And I really think what I want to say to you today
15 is that that partnership will and must continue. That our
16 goals are basically the same, to provide access to justice on
17 an equal basis for all people in this country.

18 Now the American Bar will be in Washington May 9th
19 and 10th for its ABA day in Washington, and among our most
20 important efforts there in meeting with members of Congress
21 will be to talk about legal services and this corporation.
22 And I know that we will have your cooperation and we will

1 work together in passing the message on to Congress that the
2 direction they took this year must continue.

3 I am pleased to tell you that the leadership of the
4 American Bar Association continues to be very strong in this
5 area. And you know that Martha Barnett our present president
6 has been a stalwart for legal services.

7 And the president-elect, Robert Hershon, from Maine
8 has made the delivery of legal service and legal services to
9 the poor the hallmark of his message when he becomes
10 president. He is interested in having the ABA do something
11 on loan problems for legal service lawyers. For attracting
12 more people to this kind of service. And I see a lot of
13 areas for us to cooperate in in the future.

14 When you get to regulations, although we are
15 saddened that the meeting yesterday was not able to go
16 forward, I would like to say to you to consider in part 1611
17 to be sensitive to the amount of documentation and burden
18 that ends up falling on PAI attorneys. It is most important
19 that we make it possible for these folks to do more and not
20 to be discouraged by things that don't deliver direct
21 service.

22 And on 1626, I would just ask you to look carefully

1 at Erlenborn I and make sure that the documentation
2 requirements don't swallow the purpose. When service is
3 provided at a remote location, obtaining actual documents and
4 making copies is frequently impossible. And you might
5 consider, since we are all a family here, and we all have to
6 trust each other to do what we are here to do, that the
7 certification of a grantee's officer, whether it be a
8 paralegal or a lawyer, that they have seen those documents,
9 should be sufficient compliance.

10 I look forward to working with you and I thank you
11 for the opportunity to address you this morning. Thank you,
12 Mr. Chairman.

13 CHAIR EAKEYEY: John, thank you very much. Thanks
14 for coming all the way down here from the snowy north. And I
15 think that your message about documentation is something that
16 -- that actually we started our tenure trying to reduce and
17 it will be heeded.

18 MR. ROSS: Great. Thanks.

19 CHAIR EAKEYEY: Any questions or comments? All
20 right. Thank you again for your support.

21 MR. ROSS: Thank you.

22 CHAIR EAKEYEY: I continue to look to LaVeeda to

1 advise us when we -- when our public speakers arrive, but
2 that means that we will move next to item ten, consider and
3 act of the report of the board's committee on provision for
4 the delivery of legal services. Now, Ernestine, this is -- I
5 am reminded that -- that this is a very difficult assignment
6 because since all of us attended the meeting yesterday, we
7 are all going to be very carefully attentive to whether you
8 are going to report it accurately.

9 MS. WATLINGTON: Well, it -- it really isn't
10 because of -- one of the most pleasant and rewarding and very
11 informative and it is still good to even look and see that
12 our audience still full of clients that are here. I mean
13 when they are -- because it really makes me feel good when I
14 have lawyers that see that we clients do give that committed
15 timing how we can make a program be better in serving us.
16 Especially when there is such limited resources. So it --
17 that in -- to sum it up in words and it is nothing that the
18 board has to take action on, other than I just can't say
19 enough. And add to LaVeeda how proud she was of her people
20 and I am proud to be a client. I am proud of them also.

21 Because it was really a good meeting and we were
22 aware of -- I was not that much myself aware of how much

1 property that it was in Alabama, the state I mean, and the
2 welfare stipend and money is just ridiculous. I mean when
3 you start looking at that.

4 So we need to know and how much work that they are
5 doing for -- you know, for the limited amount of resources
6 they have to the amount of -- and apparently they are serving
7 their clients well because that is one thing we have a way of
8 letting you know when you are not. But this is -- they are
9 very supportive. I am very proud of all of them and being in
10 that committee meeting that we had yesterday.

11 CHAIR EAKELEY: Thank you, Ernestine. I think you
12 have captured all of our sentiments quite well. Let me turn
13 next to LaVeeda to ask her to introduce our next speaker.

14 MS. BATTLE: Yes, I just noticed that Judge Sharon
15 Yates has arrived and we would love for you to come up. She
16 is going to give us greetings from the Alabama state judicial
17 system. Justice Judge Yates is a member of our Court of
18 Civil Appeals. She is one of the senior members in our
19 appellate system today and she has been very deeply involved
20 in a lot of community issues throughout the state of Alabama
21 and is just very, very highly regarded as a wonderful leader
22 in our justice system. Judge Yates, thank you so much for

1 being here.

2 JUDGE YATES: Good morning, LaVeeda, and I am
3 delighted to be here, and I want to thank Melinda for giving
4 me the opportunity to be with you this morning.

5 I lived and worked in Washington and I am delighted
6 to have everyone down here. When Melinda told me you all
7 were coming I said well, you know, how about some good
8 weather, it has really been terrible down here. But you
9 really have the benefit yesterday and today of some of the
10 best weather we have seen in weeks. So if you brought it
11 with you, you all need to stay for a while.

12 CHAIR EAKELEY: It is snowing in New Jersey as we
13 speak.

14 JUDGE YATES: I am Sharon Yates and I am the
15 presiding judge of the Court of Civil Appeals. And just as
16 the majority of the cases that is handled by legal services
17 in Alabama are domestic cases, more toward domestic violence.
18 The largest percentage of cases reviewed by the Court of
19 Civil Appeals are domestic cases.

20 I have on my staff, she worked with legal services
21 in the early '80s, worked with me as a law clerk, went back
22 into the field for a while and again worked for legal

1 services and is back with me as my staff attorney. And she
2 is one that brings great insight into my court about what
3 goes on in the field.

4 I was a practicing attorney for a number of years
5 before going on the bench and a law professor. And one of
6 the things that I was really concerned about was the
7 representation that the have-nots and the people that need in
8 Alabama. And we have in Alabama a lot of people that need
9 the service of Legal Services Corporation and pro bono
10 services as well.

11 And one thing that you have got with Melinda Waters
12 having worked for the state bar, is the contacts that she and
13 LaVeeda have had within the field with, not only Legal
14 Services Corporation, but lawyers that are interested in
15 volunteering their time in this area.

16 I brought two things with me today and I know you
17 all have a lot of business and I guess it is the teacher in
18 me that wants to leave you with something. I bring you
19 greetings from the Appellate Courts, from the Supreme Court,
20 the Court of Criminal Appeals and the Court of Civil Appeals.
21 And one of the things that I am proud of in the state of
22 Alabama is our unified court system. We are rated nationally

1 as one of the best appellate court systems in the country.
2 And although Alabama may fall short in many areas, this is
3 something, as a member of the Appellate Courts, that I am
4 very proud of.

5 I brought, and I will leave them with you, it is a
6 guide to Alabama court procedures. It explains the entire
7 unified court system in the state of Alabama, from the courts
8 of limited jurisdiction to the trial courts and the types of
9 cases they handle and the types of cases that this
10 organization would be taking into the different courts.

11 And I also brought with me, it is a publication
12 that was put together by Angelo Trimble, who worked for the
13 administrative office of courts, and it deals with domestic
14 violence. And I think it is a wonderful handout. I speak
15 across the state from this publication and I just wanted to
16 leave it with you. And if you would like extra copies, I
17 would certainly be able -- be willing to make those available
18 to you.

19 But welcome to Montgomery. I am one who likes to
20 travel to Washington for vacations. In fact, I have family
21 still up there and plan Washington, DC. I worked there. I
22 enjoyed it. But, you know what? I guess I am a southern

1 girl at heart. I am glad to be back in the state of Alabama.

2 I am proud of our court system. We have a long way
3 to go in Alabama, though, in providing all those services
4 that are needed for those in our legal system. And one of
5 the things that has concerned me and that I have worked on
6 for a number of years is Alabama is one of few states that
7 has not taken upon themselves to deal with -- and I call it
8 fairness in the courts.

9 Different states have -- have called it dealing
10 with race, gender, age, disability, socio-economic biases in
11 our court systems. And I guess that is one of the projects
12 that I would like to see us do more with in the future.

13 Thank you again for coming to Montgomery. I hope
14 you have a wonderful rest of the day. And I hope you can get
15 outside a little bit later this afternoon and enjoy the
16 beautiful weather that we are having. Thank you.

17 CHAIR EAKELEY: Judge Yates, thank you very much
18 for sharing your Saturday with us, for your remarks. We will
19 read with interest your reports on the court system and on
20 domestic violence. LaVeeda has something to present to you
21 as a small memento of our appreciation for all of your work
22 and service.

1 MS. BATTLE: Yes, we just wanted to give you just a
2 small memento to let you know how much we appreciate your
3 support. Because, for us to diversify both our support base
4 as well as our resource base, it is wonderful for us to have
5 support as we do have in the appellate system of our courts
6 in Alabama. So I would like to present you with this.

7 JUDGE YATES: Thank you.

8 (APPLAUSE.)

9 CHAIR EAKELEY: Next we will move on to item 11,
10 which as modified, will take up some of the agenda from the
11 board's operations and regulations committee, deferring
12 action items until that committee can convene with its chair,
13 John Broderick, who was unable to make it at the last minute
14 as -- for a very unfortunate reason.

15 We will welcome to the table Victor Fortuno and
16 Mattie Condray.

17 MR. FORTUNO: Good morning, everyone. I think what
18 you will be hearing today is a report that was to be made to
19 the operations, regulations committee -- excuse me, committee
20 meeting -- at the operations and regulations committee
21 meeting yesterday. Because that meeting, due to unforeseen
22 circumstances, had to be cancelled, the report was moved to

1 today. We have staff here, members of the task force
2 available to address any questions the board might have.

3 Since Mattie Condray has been the lead person doing
4 the heavy lifting on the project, it seems only appropriate
5 that, unless the board prefers otherwise, she be given the
6 opportunity to make the presentation.

7 CHAIR EAKELEY: Can we stop her?

8 MS. CONDRAY: Just try it.

9 I think one microphone is more than enough for me.

10

11 First I will start by just giving a little status
12 report on the bigger picture of what the task force is doing.

13 As you know, the task force is charged with kind of
14 undertaking a top to bottom staff review of all of our
15 regulations to come up with a report for the board's
16 consideration, perhaps a blueprint for the future of where we
17 want to go with our regulatory program.

18 To that end, we published a notice in the Federal
19 Register announcing this effort and kind of providing kind of
20 an open-ended opportunity for the field to comment. We
21 received a handful of comments from the field.

22 Quite honestly, in preparation for this meeting and

1 other stuff going on, I have not had a chance to read through
2 those. But that is on the top of my to do list for when I
3 return to DC is getting those comments out and having the
4 task force have a chance to review those comments and really
5 starting to get to the meat of the work of the task force in
6 preparation for providing a final report at the March board
7 meeting.

8 I also hope to get the comments up on our website
9 at some point. That is the kind of the -- the use of the
10 website as an electronic docket is an ongoing project and I
11 am hoping to see that happen sooner rather than later.

12 In the meantime, I will now turn to the more
13 specific issue with the interim report of the task force. At
14 the last meeting, the task force was charged with, and
15 hopefully this is the last time I will ever use this phrase,
16 plucking some low hanging fruit.

17 We took that to mean that, in accordance with our
18 rule making protocol, the board is responsible for
19 identifying appropriate subjects for rule-making. At which
20 point, once the board has done so, has identified appropriate
21 subjects for rule-making, then the process continues on as
22 outlined in the protocol with the development of rule-making

1 options, papers, et cetera, et cetera.

2 So the task force went back and talked amongst
3 ourselves. And, in addition, Randi and Vic met with Alan
4 Houseman and Linda Perle to discuss their input, what they
5 saw as the most ripe issues for perhaps early identification
6 as appropriate subjects for rule-making, and we came up with
7 two suggestions.

8 The interim report of the task force I will note is
9 on -- starts on page 59 of the materials. So you can read
10 for that at -- at your leisure. I will say that we
11 identified part 1611 on eligibility and part 1626,
12 restrictions on legal assistance to aliens, as potentially
13 appropriate subjects for rule-making.

14 The part 16 regulations were among the rules that
15 had been proposed in the early to mid-'90s that no final
16 action had come of them, so that issue was out there. And
17 that was identified also by folks in the field as an issue
18 that they were interested in. And then with 1626, we had
19 already had the -- the incorporation of the findings of the
20 Erlenborn I commission as an appropriate subject for rule-
21 making.

22 CHAIR EAKELEY: Mattie, just let me interrupt you

1 there.

2 MS. CONDRAY: Sure.

3 CHAIR EAKELEY: For the people who don't have the
4 board materials in front of them, part 1611 deals with
5 eligibility and part 1626 deals with restrictions on legal
6 assistance to aliens.

7 MS. CONDRAY: Thank you. So there was a feeling
8 that we were already moving towards some rule-making on 1626.

9 In addition, for both 1611 and 1626, there have been changes
10 within our appropriations legislation that require some
11 clean-up -- you know, fixes to the regulations to provide for
12 those statutory changes.

13 And so I think I am going to leave it at that.

14 Those are the highlights of why we were making those
15 recommendations. So that is our report.

16 MR. FORTUNO: If I may? Just one point I wanted to
17 highlight was we did hear from Mr. Ross, chair of SCLAID,
18 just moments ago. SCLAID's position that -- at least an
19 urging that we be sensitive to documentation requirements and
20 the burdens placed on PAI attorneys. And I would add that
21 that is entirely consistent with the -- one of the purposes
22 of the task force, which is to conduct a burdens analysis to

1 determine whether any unnecessary burdens are imposed on our
2 grantees and see how we could best address those and
3 eliminate burdens that simply are not necessary and not
4 required.

5 So we are taking to heart the comments submitted by
6 SCLAID. We have a letter that was submitted by Mr. Ross and
7 John Pickering as chair of the subcommittee on LSC
8 regulations. That was submitted in response to the request
9 for comments that was published in the Federal Register and
10 posted on our website. And as was indicated in Mattie's
11 report, we have received some public comment in response to
12 that. We are going to be studying those all very carefully
13 and taking the mark.

14 CHAIR EAKELEY: Any questions? All right. Well,
15 thank you very much. Please keep up the hard work and we
16 will look forward to the next report.

17 MR. FORTUNO: Thank you.

18 MS. CONDRAY: Thank you.

19 CHAIR EAKELEY: Next is item 12, consider and act
20 on the report of the board's finance committee. For that I
21 will turn to our finance committee chair, Nancy Rogers.

22 MS. ROGERS: Thank you, Doug. Unfortunately, there

1 is not much of an element of surprise in this report because
2 not only were all of the members of the committee there
3 yesterday, but all of the members of the board who are here
4 today, also were there. So I will say very briefly --

5 CHAIR EAKELEY: Which is a record for the finance
6 committee.

7 MS. ROGERS: That there are three items that I want
8 to go over. The first is a resolution regarding the change
9 in the appropriations 403(b) thrift plan, which is Resolution
10 2001-004. After considering and hearing from the staff and
11 the processed they used, as well as the potential provider,
12 the committee unanimously recommends that the board adopt as
13 resolution changing the thrift plan administration from
14 Mutual of America Life Insurance Company to Diversified
15 Investment Advisors of Purchase New York.

16 CHAIR EAKELEY: Do you want to convert that
17 recommendation into a motion?

18 MS. ROGERS: Sure.

19 MOTION

20 CHAIR EAKELEY: It has been moved. Is there a
21 second?

22 MR McCALPIN: Second

1 CHAIR EAKEY: Any further discussion?

2 (No response.)

3 CHAIR EAKEY: Hearing none, all those in favor?

4 (Chorus of ayes.)

5 CHAIR EAKEY: Opposed?

6 (No response.)

7 CHAIR EAKEY: The ayes have it. The motion
8 carries.

9 MS. ROGERS: The committee also unanimously
10 recommends adoption of the consolidated operating budget for
11 fiscal year 2001, which is resolution 2001-001.

12 CHAIR EAKEY: And do you want to convert that to a
13 motion?

14 MOTION

15 MS. ROGERS: And that is a motion.

16 CHAIR EAKEY: Is there a second to the motion to
17 approve the consolidated operating budget for fiscal year
18 2001?

19 MS. BATTLE: Second.

20 CHAIR EAKEY: Any further discussion?

21 (No response.)

22 CHAIR EAKEY: Hearing none, all those in favor of

1 the motion say aye?

2 (Chorus of ayes.)

3 CHAIR EAKELEY: Opposed?

4 (No response.)

5 CHAIR EAKELEY: The ayes have it. The motion
6 carries.

7 MS. ROGERS: The committee also heard from acting
8 inspector general Len Koczur about the audit report. We were
9 pleased to hear that it was unqualified. Also pleased to
10 hear that the acting inspector general plans to change
11 auditors on a regular basis so that the standards of review
12 of the financial records of the corporation are always
13 rigorous and diverse.

14 And we reviewed the expenditures under the
15 temporary budget through November and, at the end of the
16 meeting, also received a report on the expenditures through
17 December of 2000.

18 And I would say, just as a matter of comment,
19 Chair, that David Richardson has done a very fine job in all
20 of these respects. The unqualified audit is really only a
21 small part of what we heard from here that was quite
22 impressive in terms of the job that he has done for the

1 corporation. And we usually accept that everything from him
2 will be quite good, but I wanted to take a minute to comment
3 on that.

4 CHAIR EAKEYEY: You stole -- well, not exactly
5 thunder, but I wanted to say the same thing and to say thank
6 you to David. I will also thank you to Alice Dickerson for
7 the pension report and recommendation and for Jim Hogan for
8 his oversight of these activities as well. A lot of work, a
9 lot of high quality work and some very important results to
10 us.

11 Anything further to report?

12 MS. ROGERS: Nothing further.

13 CHAIR EAKEYEY: And that turns us to the next page,
14 item 13, consider and act on the board's 2000 annual
15 performance reviews committee report on the annual evaluation
16 of the corporation's president, Mr. Smegal.

17 MR. SMEGAL: Thank you, Mr. Chair. The committee
18 met again yesterday, after having met on November 10th, at
19 which point we interviewed John McKay at some length.
20 Yesterday we reviewed a draft report. And I might say that
21 Mattie Condray was extremely helpful in this whole process
22 and I want to thank her personally for her efforts.

1 We now have a finalized version before you of the
2 fiscal year 2000 annual performance review committee report.
3 And I would ask that it be approved and will make a motion
4 to that effect.

M O T I O N

6 CHAIR EAKELEY: Is there a second?

7 MS. WATLINGTON: Second.

8 CHAIR EAKELEY: Is there an further discussion?

9 Any discussion? Mr. McCalpin?

10 MR. McCALPIN: Mr. Chairman, since the report, in
11 my opinion, does not fully or adequately reflect my views, I
12 will abstain from voting on the matter.

13 MS. BATTLE: I will also join Mr. McCalpin on that
14 point.

15 CHAIR EAKELEY: All those in favor?

16 (Chorus of ayes.)

17 CHAIR EAKELEY: Opposed?

18 (No response.)

19 CHAIR EAKELEY: With two abstentions noted. I want
20 to thank the very hard-working Mr. Smegal. The very hard-
21 working peripatetic, Mr. Smegal.

22 MR. SMEGAL: Thank you.

1 CHAIR EAKELEY: Since Section 5.0182 of our bylaws
2 provides for the dissolution of a committee by board
3 resolution, and since it has been our practice to dissolve
4 the annual performance reviews committee after they have
5 discharged their duties, item 14 on the agenda is to consider
6 and act on possible dissolution and we have a resolution.
7 Resolution 2001-002, which reads as follows.

Whereas, the 2000 annual performance reviews committee has completed its work of conducting the fiscal year 2000 performance evaluation of the president and has reported its findings and recommendations to the board, and,

Whereas, the board has considered and acted upon the report of the 2000 annual performance reviews committee,

Now, therefore, be it resolved that the 2000 annual performance reviews committee is hereby dissolved with the thanks of the board.

17 Is there a motion to adopt this resolution?

18 MOTION

19 MR. ERLENBORN: I move the adoption of the
20 resolution.

21 MS. FAIRBANKS: Second.

22 CHAIR EAKELEY: Any discussion?

1 (No response.)

2 CHAIR EAKELEY: All those in favor?

3 (Chorus of ayes.)

4 CHAIR EAKELEY: Opposed?

5 (No response.)

6 CHAIR EAKELEY: The ayes have it. The resolution
7 carries.

8 Item 15, which I am still -- we are okay with
9 public speakers? Item 15 is consider and act on adjustment
10 of the president's salary in light of the increase in level
11 five of the executive schedule, specified in 5 USC Section
12 5316.

13 As you will recall, the board is authorized, but
14 not required, to compensate the president of the corporation
15 up to, but no higher than, executive level five. And, as we
16 have discussed in the past, that is a level that is far below
17 what attorneys in private practice are able to earn. And,
18 indeed, below a number of -- of areas of government service.

19 There has been an increase in new level five, which
20 is less than a cost of living increase. It is something like
21 2.3 percent. It moves current level five from \$114,000 to
22 \$117,600.

1 I haven't done the exact figures, but recall the
2 corporation has instituted locality pay for its other
3 employees who have not bumped against these tops, as well as
4 a cost of living increase where appropriate and also merit
5 pay increases. But the proposal is simply to move the
6 president's current compensation to that new level five. And
7 I would entertain a motion to that effect.

8 M O T I O N

9 MR. ERLENBORN: So moved.

10 MS. FAIRBANKS: Second.

11 CHAIR EAKEYEY: Does Victor -- when was -- when was
12 the new level five -- I'm sorry, and forgive me for this.

13 MR. McCALPIN: January 1.

14 CHAIR EAKEYEY: January 1.

15 MR. SMEGAL: 8/99 of our material.

16 CHAIR EAKEYEY: Does it say what date?

17 MR. SMEGAL: Effective January. It doesn't say.

18 It says effective January 2000.

19 CHAIR EAKEYEY: Okay, I would propose that the
20 motion be as of the effective date of the new level, which I
21 think is the beginning of the year, but I -- I take it that
22 is your motion, Edna? Is there a second?

1 MS. WATLINGTON: I second it.

2 CHAIR EAKEYEY: Comments? Questions? Bill?

3 MR. McCALPIN: Refresh me, I don't recall. Has the
4 board adopted a practice of automatically tying any other
5 salary to the president's?

6 CHAIR EAKEYEY: Not that I know of. We have used -
7 - we have used the president's salary in -- in discussions
8 with the inspector general and talked with him about it, but
9 there is no -- there has been no automatic anything beyond
10 the president's.

11 MR. McCALPIN: I didn't remember.

12 CHAIR EAKEYEY: I am reminded the automatic is tied
13 to the most highly compensated vice president. So there is
14 nothing --

15 MR. McCALPIN: At one point we adopted a 19 percent
16 figure and I didn't remember whether that was continued.

17 CHAIR EAKEYEY: Yeah, that was in Atlanta in 1994,
18 I think.

19 MS. ROGERS: Boy, you have got a great memory.

20 CHAIR EAKEYEY: There are reasons why I remember
21 that. In any event, if there is nothing that goes other than
22 --

1 MR. McCALPIN: I didn't know whether we were doing
2 anything more than one thing.

3 CHAIR EAKEYEY: Any other comments, questions?

4 Hearing none, all those in favor of the motion?

5 (Chorus of ayes.)

6 CHAIR EAKEYEY: Opposed? Abstain. The ayes have
7 it.

8 Victor has reminded us that under our -- Victor has
9 reminded us that under our new rule-making process, if the
10 board wants to proceed on proposed revisions to part 1611 and
11 1622 -- 1626, we need to formally identify or specify them as
12 proper subjects for rule-making.

13 MR. McKAY: And may I just interject, Mr. Chairman?

14 CHAIR EAKEYEY: Yes.

15 MR. McKAY: Just to correct that, I don't want
16 there to be a misconception. There are not proposed changes
17 in existence to those rules. It would be the board
18 identifying those as proper subjects of rule making, which
19 will then kick off the process that the board has already
20 been through, the public process, of developing the potential
21 rule. There is no rule as present, no changes that are --
22 are proposed. You are simply identifying the subject matter

1 at the beginning part of the process of rule-making.

2 CHAIR EAKEYEY: But the reasons are set out in
3 pages 60 and 61 of your meeting materials for these two
4 particular parts to be the focus of rule-making activity.
5 Let me just open that up. Or is there a -- what -- what --
6 is it the sense of the board that these two areas are
7 appropriate for rule-making?

8 MR. ERLENBORN: Do we need a resolution or motion?

9 CHAIR EAKEYEY: Victor, do you want to -- or
10 Mattie, do you want to come to the table for a moment? Do
11 we need a formal motion by the board?

12 MR. FORTUNO: Yes.

13 CHAIR EAKEYEY: Should we?

14 MR. ERLENBORN: I think you should have a motion
15 and vote of the board.

16 CHAIR EAKEYEY: Okay.

17 M O T I O N

18 MS. FAIRBANKS: I will make the motion.

19 CHAIR EAKEYEY: Is there --

20 MS. WATLINGTON: I second.

21 CHAIR EAKEYEY: And Ernestine seconds it. Any
22 discussion of the motion? The motion is to specify parts

1 1611 and 1626 as proper subjects for rule-making, to initiate
2 the next stage of the rule-making protocol. MS.

3 BATTLE: Victor, what is the next stage after we have
4 designated particular regulations for proper rule-making?

5 MR. FORTUNO: I --

6 MS. CONDRAY: The next step is that then we will be
7 -- the office of legal affairs will develop a rule-making
8 options paper which sets out the proposed scope of the -- of
9 the rule-making, what subjects within that regulation we
10 think we want to look at, the scope of the changes, any other
11 sort of information that we should be considering as we go
12 forth with the concept of rule-making.

13 The rule-making options paper also will provide a
14 recommendation about how to proceed with rule-making, whether
15 it should be something that is done by a notice and comment
16 rule-making or by regulatory negotiation, which is the
17 preferred version under the rule-making protocol and a
18 justification for whatever recommendation is in there.

19 The rule-making options paper then goes up. The
20 president, in consultation with I think it is a joint
21 decision with the committee chair, then will kind of decide
22 yes whether they want to go ahead with this. And it gets --

1 you know, the next step is then it becomes a formal subject
2 for rule-making. We open up a rule-making. We notice it and
3 we start working on the development of an actual proposed
4 rule-making document.

5 CHAIR EAKELEY: And I take it from the -- just to
6 follow up from that, from both from your verbal report and
7 from the interim report, you have already consulted with Alan
8 Houseman and Linda Perle and the process of gaining input
9 from the field is hopefully already underway?

10 MS. CONDRAY: Yes.

11 MS. BATTLE: And I guess the other -- just
12 understanding the process, I think the reason -- the
13 underlying reason for the board identifying two particular
14 rules here has to do with the whole issue of unburdening or
15 unbundling some of the burden. So that has to be part of
16 what the -- the staff understands should be the purview of
17 how they develop what it is that they are going to do.

18 MS. CONDRAY: Oh, absolutely.

19 MS. BATTLE: Okay.

20 CHAIR EAKELEY: I sort of inferred that from the
21 interim report, but it is always better to have that
22 explicit.

1 MS. BATTLE: Okay, thank you.

2 MS. MERCADO: And the letter from the ABA SCLAID
3 committee also leads to that as well.

4 CHAIR EAKELEY: Yeah, yeah, yeah. Any other
5 comments or questions? All those in favor of the motion?

6 (Chorus of ayes.)

7 CHAIR EAKELEY: Opposed?

8 (No response.)

9 CHAIR EAKELEY: The ayes have it. Thank you for
10 coming back.

11 MS. CONDRAY: Thanks.

12 CHAIR EAKELEY: Next we have a presentation by John
13 McKay and John -- and Tom McWeeney on strategic planning
14 measures, including the development of performance
15 indicators, performance measure instruments and the testing
16 of these indicators and instruments in the real world. And I
17 would also like to invite to the podium Randi Youells and Tom
18 McWeeney's partner, Gus Schick. And I will recognize John
19 McKay to do the introduction.

20 MR. MCKAY: Thank you, Mr. Chairman. We revisit
21 the issue of strategic planning today. The -- let me just
22 provide a little bit of context here for what you are about

1 to see. We are very excited about the material that the
2 board is going to take a look at today.

3 Recall that we began this process as part of
4 strategic planning call. A call by the Congress through the
5 Government Results and Performance Act, a call by the board
6 to engage seriously in strategic planning.

7 A year ago, at our annual meeting in Austin, Texas,
8 you passed the first part of the strategic planning process
9 and that is the document that we call strategic directions.
10 And I want to assure you that, in the interim, during the
11 time in which the board adopted strategic directions, which
12 broadly, as you will recall, set forth the goals and the
13 general strategies that you have directed your staff to
14 undertake.

15 We -- we have talked from the beginning about the
16 importance of including performance measures. So broadly
17 stated, when you adopted the goals of first vastly increasing
18 the number of low income citizens that we serve, and
19 secondly, by providing them high quality legal assistance,
20 you also charge us with the responsibility to assess the
21 performance of the organization in achieving those goals.

22 We will go to the presentation in a moment. I have

1 asked Randi to be here as well to help us correlate between
2 the two projects that she described in her report to
3 provisions. We are going to break now for a moment because
4 we understand that we have an important guest here from the
5 mayor's office and I will turn it back over to Doug Eakeley.

6 CHAIR EAKELEY: We are not breaking, we are just
7 interrupting the presentation. Melinda, would you come on up
8 and introduce our guest? LaVeeda just left the room for a
9 moment.

10 MS. WATERS: This is Howard Mandell, legal advisor
11 to the Mayor of Montgomery, Bobby Bright, and one of the
12 founding members of the board of directors of Legal Services
13 Corporation of Alabama. And also who just entered Delores
14 Boyd is bringing greetings. She, too, is one of the founding
15 members of the board of Legal Services Corporation of
16 Alabama.

17 CHAIR EAKELEY: Thank you very much.

18 MS. WATERS: LaVeeda may have something she wants
19 to say.

20 MS. BATTLE: Oh, the one minute I walk out, all of
21 this activity takes place. But I did want to just say how
22 much I appreciate both Howard Mandell and Delores Boyd as two

1 founding members of the Legal Services Corporation of
2 Alabama, coming before us today to bring greetings. And I
3 know that Melinda has already mentioned that Howard Mandell
4 is now the city attorney for the city of Montgomery.

5 Both Delores and Howard have changed the fabric of
6 this state with their commitment to a lot of the issues that
7 Legal Services holds dear in their work. And we also have
8 joining them now another founding member of the LSCA board,
9 Judge Myron Thompson, U.S. District Judge for the Middle
10 District of Alabama.

11 I was just saying how their work over the years has
12 changed the whole fabric of this state in so many, many ways
13 and we are really grateful that they are here to join us.

14 MR. MANDELL: How would you like us to proceed?

15 MS. BATTLE: Judge Thompson, you are welcome to go
16 first.

17 JUDGE THOMPSON: It is an honor to speak to the
18 national board and all of you here who are working for
19 justice and to build a society where equal justice or access
20 to justice is substantially realized.

21 I am here not only on behalf of the Alabama Federal
22 Judiciary to welcome you, but also because I have a common

1 history, which I think has already been briefly mentioned.
2 Almost 25 years ago, I was one of the founding board members
3 for the Alabama Legal Services Corporation. As an aside, I
4 would note that I say with some pain that I can now count my
5 experience in quarter centuries.

6 CHAIR EAKELEY: You don't show it, though.

7 JUDGE THOMPSON: But back to the point. I look
8 back with humor on those days when some members of the state
9 and local bars thought that the sky was falling, that the
10 introduction of such services to this state was not only the
11 beginning of socialized legal practice, but the complete end
12 of private -- the private practice of law. Well, as I have
13 looked around over the years, and in particular in federal
14 court, and I have seen not just millionaires, but multi-
15 millionaires practicing -- that is lawyers practicing law in
16 this state, I think the person who predicted the demise of
17 the private practice law missed the mark a little bit.

18 In 1999, President Clinton made a speech at the
19 annual ABA meeting, which began with the call for increased
20 funding and bipartisan support for Legal Services
21 Corporation. The President's speech included a quote from
22 another judge, perhaps the most famous judge, except for the

1 one who served on the Supreme Court, Judge Frank Johnson,
2 which asserted that the hallmark of any civilized society
3 lies precisely in its ability to do justice.

4 This ability to do justice is also a benchmark for
5 judging the legal profession. The Western tradition of our
6 profession's responsibility for legal assistance to the poor
7 has roots that may go back as far as the Magna Carta. As I
8 am sure you are aware, one of its provisions states that to
9 no one will we sell, to no one will we refuse to delay the
10 right or justice.

11 In early English law, this provision was
12 interpreted as a guarantee that the legal profession would
13 provide some counsel to the poor. Today the Legal Services
14 Corporation continues this tradition of service. However,
15 this meeting of the national board occurs at a time of
16 perplexing challenge for the Legal Services Corporation and
17 all those concerned about the unmet needs of poor and
18 moderate income people.

19 And I take this opportunity to highlight some
20 concerns are perhaps better addressed to other aspects of the
21 legal profession, but I nonetheless think it appropriate to
22 make them known here. First, as we are all aware in this

1 booming economy that has characterized the end of the 1990s,
2 about 40 million Americans have remained at or below the
3 poverty line. While the market price of legal services has
4 soared to a level that may preclude even moderate income
5 Americans from hiring an attorney, one in five Americans are
6 in this income bracket that makes them potentially eligible
7 for legal services help.

8 At the same time, polls show that most Americans
9 favor government funding for legal services and that over 90
10 percent of Americans believe that the affluent have an unfair
11 advantage in our judicial system. I can speak anecdotally to
12 the truth of that. Yet the legal services for hundreds, if
13 not thousands of eligible people are turned away from basic
14 legal services every year as unfunded systems are forced to
15 resort to triage.

16 Second, the problem of unmet legal needs in the
17 last five years has been aggravated by the fact that, at the
18 same time, Legal Services has had to operate with reduced
19 budgets and increased regulation. The level of pro bono work
20 for private bar appears to have gone into sharp decline. And
21 I am sure many of you are aware of the recent articles that
22 have appeared in the American Lawyer and The New York Times

1 that reflects that the amount of pro bono work of 36 hours a
2 year recently compared to 52 hours a year in 1992.

3 I would also note the complicated distractor and
4 the third point that many law school graduates have
5 dramatically high student loans. Seventy-five percent of
6 today's law students have taken out student loans to cover
7 some of their law school costs. The average student debt is
8 about \$70,000. And many graduates have debts in the six
9 figures.

10 This high level of debt pressure has led many
11 lawyers to consider taking only firm jobs that come with the
12 high billable hours requirements -- precisely the working
13 conditions that may crowd out time and energy for pro bono
14 work.

15 And finally, and perhaps much worse for the future,
16 new attorneys and law students have a very low level of
17 involvement in pro bono activity. A recent study for the
18 American Association of Law Schools found that only 10
19 percent of our law schools require some type of public
20 service. That means most law students graduate without any
21 pro bono experience at all. It is a large proportion of new
22 attorneys and law students who are getting little exposure to

1 legal services for the needy. This early socialization may
2 have a disturbing long-term effect on how the legal
3 profession is defined.

4 Unfortunately, attorneys may learn to measure their
5 success and ability to do justice only in dollars earned,
6 rather than clients served. I know that there is little you
7 can do about what law schools teach and how much they charge
8 for a legal education. I know that there is little you can
9 do as to how much time private attorneys, solo practitioners,
10 law firms, small and large, devote to pro bono work.
11 Nonetheless, it is important to keep these concerns before
12 the public because, as you know, these concerns are concerns
13 for all of us.

14 Before I end, I would like to note one -- exchange
15 with you one bit of humor. Whenever I talk I usually say
16 well, someone is expecting your joke about lawyers and I
17 asked my law clerks to see if they could find a joke about
18 legal services lawyers. And I wanted to add it to my remarks
19 if possible. But I found that there are just no jokes about
20 these attorneys. So my point or comments to the legal
21 services profession is lighten up.

22 (Laughter.)

1 JUDGE THOMPSON: Thank you. Thank you very much.

2 (APPLAUSE.)

3 MR. MANDELL: I'm really torn now because the young
4 lady sitting next to me is my former law partner, too, and
5 speaks eloquently and I know if I go after her, I'm in
6 trouble, but go ahead.

7 MS. BOYD: I have the good fortune of following a
8 federal judge who, as he should, has given a proper
9 perspective on legal services for the poor and our challenges
10 today. My remarks are more in the nature of personal remarks
11 as a former board member. In fact, a board member with my
12 esteemed colleagues at this bench.

13 As I was preparing to come down today, I could not
14 help but reflect on those years when we left our homes and
15 our offices on Saturday and came down to deal with the
16 business of getting a legal services organization started in
17 the state of Alabama. Those were years marked by lots of
18 high moments, but lots of low moments as well.

19 And I recall that the low moments had much to do
20 with our different personalities as board members. Our
21 different expectations. Our different desires for getting an
22 organization started here in the state of Alabama.

1 We all represented different constituencies and, in
2 a sense, we all represented the same constituencies. So that
3 our board meetings, I'm sure unlike yours, became rather
4 protracted, sometimes contentious, particularly when it came
5 to matters involving personnel, matters involving race,
6 matters involving make sure that there was a good amount of
7 attention spent to those we were serving.

8 Those of us who are lawyers who are on the board
9 were always tempted to wear a dual -- to take on a dual role,
10 that is, to put ourselves in the positions of those who would
11 be rendering their services and we were tempted to tell them
12 exactly how to do it. There is one thing, though, that made
13 us all, at the end of the day, feel very, very good about
14 what we were doing. And that one thing is that no
15 matter how much we disagreed, we could all look at each other
16 and say at the end of the day, without a doubt, I know you
17 are committed to the concept, to the principle of providing
18 legal services to those who cannot afford it. There was not
19 a single one among us, during all those years, who did not
20 share that commitment.

21 And that is what your challenge, I'm sure, remains
22 as a national board, that is to find deep within you a

1 personal commitment to legal services for the poor. You are
2 brought together from disparate backgrounds. You all have
3 charges, mandates from different constituencies. And
4 sometimes in the mix, what gets lost is that commitment.

5 And I know for me it wasn't difficult to lose sight
6 of that commitment because my own private practice was one
7 which brought me into daily contact with the reality that
8 there are thousands and thousands and thousands of under-
9 served clients in this state and across the nation. Under-
10 served when it comes to legal representation simply because
11 of their economic status. So the need was always
12 there and reinforced by my having to perform more pro bono
13 services than I desired, than we desired, and by my
14 constantly having to find a way to get help for people who
15 needed help.

16 Now, for those of you who are not lawyers or whose
17 practices may not bring you into contact with persons who are
18 under-served, let me just suggest to you that when your
19 energy level gets a bit low, when you board meetings
20 challenge you to the point that you wonder why you are doing
21 it, recharge yourself by visiting a legal services office.
22 By taking some time to talk to some of the lawyers who are

1 daily struggling to make do with their limited resources.
2 Let them give you some of the anecdotes about the people that
3 they serve.

4 I am sure that on occasion you will find some
5 reason to go on. And that is important. Because I consider
6 the challenge for this 21st century still a challenge in
7 underscoring the need to fund legal services offices
8 meaningfully.

9 During our era as founding board members, we had
10 somewhat of a luxury in that this was a novelty in Alabama
11 and, while our state officials typically did not welcome us,
12 we had at the national level, a commitment expressed in
13 dollars. Expressed in priorities, so that legal services
14 offices could expect, for example, to generate some funding
15 from attorneys fees based on the kinds of cases they handled.

16 That no longer is the case and I know that you are
17 constantly confronted with the challenge of how to find
18 money.

19 All I suggest is that if you remain personally
20 committed if you keep your eye on the challenge that is
21 greater than ever, somehow I think you, as a board, will find
22 the strength, the character, the time to implore those who do

1 deal with funding that this must be a priority.

2 I welcome you to this city, my practice, since I
3 became a member of the board, still brings me into regular
4 contact with those who need you. As presiding judge for the
5 past year in our Montgomery Municipal Court, I have been
6 principally responding -- I have been principally responsible
7 for handling our domestic violence docket. And there is not
8 a week that passes when I don't wish that some of the people
9 who are affected by my cases, that is the victims, had the
10 means to secure legal help to get out of terrible situations.

11 Family law cases continue to predominate, I know, the legal
12 services dockets here in Alabama. And it is a tremendous, a
13 compelling need. Keep yourself committed. We know that you
14 are. And we are glad that we had some small role to play in
15 bringing legal services to the state of Alabama. Thank you.

16 (Applause.)

17 MR. MANDELL: Now you see what I mean. The
18 substance has been said, as well as the motivational speech.
19 And I am going to take a little different tack.

20 First and foremost, I do want to extend a sincere
21 and warm welcome to the city of Montgomery, both on behalf of
22 Mayor Bobby Bright and the city council of Montgomery. I

1 also, and I think I can do it on behalf of both Judge
2 Thompson and Delores, extend our thanks to each of you.

3 And LaVeeda asked me to go a little bit into the
4 background of the establishment of the statewide legal
5 service program and I will do that briefly so I don't lose
6 her friendship. But it is much more difficult and troubled
7 times today. And what you are doing is even more important
8 and more valuable than what we did 25 years ago because the
9 times are different. And, as the judge noted, there is not
10 that pro bono attitude among the bar that existed when we
11 were practicing law -- when we started practicing law.

12 Since you are here in Montgomery, I did want to share
13 something with you. I have been here 25 years, although my
14 accent probably doesn't show it. And I still don't quite
15 understand the city and I wanted to explain. It is a city of
16 paradoxes. And while you are here, if you have any time, you
17 may want to partake a little bit.

18 When one thinks of Montgomery usually it is the
19 Alabama Sovereignty Commission, which oversaw civil rights
20 leaders. It was the arrest of Rosa Parks and the bus
21 boycott. Unfortunately, in the neighboring country of
22 Lowndes County, we had the killings of a Reverend Jonathan

1 Daniel and Viola Louisa, who were merely trying to ensure the
2 voting rights of people. And, of course, George Wallace
3 standing in the schoolhouse door was an image that really
4 brought me down here.

5 On the other hand, I want you to know that there is
6 a much kinder and gentler and more humane side to Montgomery.
7 It is also the home of Martin Luther King and the Dexter
8 King Memorial Church, which if you have the time to visit.

9 There is an interesting story about two young men
10 from Montgomery who went to the University of Alabama
11 together. Came back and decided they were going to become
12 millionaires by the age of 30. And they started a book
13 publishing company here. And by the age of 30 they became
14 millionaires and sold their book publishing company.

15 And one of them took his money and started an
16 organization called the Southern Poverty Law Center and that
17 is Maurice Dees. The other, which is a little lesser known,
18 took his money and started an organization that just built
19 its 10,000th home, and that is Millard Fuller.

20 Two young men, both from here, both started to get
21 rich and both took their money to make the world a better
22 place. And that is Habitat for Humanity, by the way is what

1 Millard started.

2 It is also the home of somebody that Judge Thompson
3 referred to that brought me down here and I think was a role
4 model for so many of us starting our practice of law, and
5 that was Judge Frank Johnson, who was a native Alabamian.
6 And, in the fields -- of all the different fields of prisoner
7 rights, the rights of the mentally challenged and, of course,
8 in the voting rights, school rights, et cetera.

9 And, if you are here, I hope you have a chance to
10 visit some of these places. We now have, for example, to
11 show a difference, no longer is Rosa Parks vilified and
12 arrested, but we have just had a new Rosa Parks museum, which
13 is just several blocks away, which opened several weeks ago.

14 LaVeeda did ask me to give you a little about the
15 history of the Legal Service Corporation here in the state.
16 There were two legal services. There was one in Birmingham,
17 which just served Jefferson county area and there was one in
18 the Huntsville area. But there was no statewide legal
19 services. And I believe we were, as is often the case, the
20 last state to have one.

21 For me, it was preordained, I think, by that higher
22 power. When I was in law school, one of my first professors

1 and employers was one of the founders of OEO and boy that
2 takes -- I haven't heard that name for many years.

3 And then I went to work for a woman named Florence
4 Royceman, who had a special project in DC where they handled
5 class action innovative cases. One of my classmates became
6 the director Willy Cook later on.

7 And I came very close, if I hadn't come down to
8 clerk for Judge Johnson, to take a Reginald Heber Smith
9 fellowship. I don't know if they still have them. Do they?

10 CHAIR EAKELEY: Alas, no.

11 MR. MANDELL: Which is a wonderful opportunity and
12 may be along the lines of Judge Thompson saying to give young
13 people and young law graduates an opportunity to go out and
14 start off in this area and to serve the public.

15 For me, being involved in the early stages is a
16 matter of survival. When I got done practicing -- clerking
17 for Judge Johnson, he suggested I open up an office and start
18 serving those that before didn't have legal counsel. And if
19 a number of clients is any indicium of a successful law
20 practice, I had one.

21 (Laughter.)

22 MR. MANDELL: And that is why I say it was self-

1 survival. Early on I went to the bar, as Judge Thompson
2 mentioned, to see if they would support it and we were told
3 constantly that there was no need. That the bar itself was
4 providing all the representation that the fellows that didn't
5 have the wherewithal could still be represented.

6 And I think back then you needed the approval of
7 the state bar. So I got with Marvin Campbell, who had been
8 the director of the Birmingham program. And for several
9 years he lobbied the more moderate elements of the bar and
10 we put in an application. And I will never forget when we
11 received the news. It was even better than getting into
12 college and law school. That letter came back and we had
13 gotten the grant.

14 The only thing I will take credit for is realizing
15 my own limitations and shortcomings in going out and getting
16 a board that was so exemplary and so outstanding. And these
17 are two of the people, on my right and left, but we had a
18 number of others who are now judges and leaders of the bar
19 and community leaders.

20 And with a board like that, although it was
21 contentious at time as Ms. Boyd said, we were also able to
22 attract young lawyers from across the country. Some of whom

1 I believe are still involved with legal services and many
2 have stayed down here to do good things.

3 I do want to tell the story about Judge Thompson.
4 I think legal services had something to do with his becoming
5 a federal judge. I thought I was doing him a favor when I
6 asked him to chair the personnel committee.

7 JUDGE THOMPSON: I remember.

8 MR. MANDELL: And I would say that was probably the
9 busiest committee, more so than all the others put together,
10 because again, you had people from all over the country and
11 different backgrounds and I hope it is still that way. And
12 they met probably every week to have a hearing about
13 something.

14 So I remember when he was -- received a phone call
15 to see if he would be interested in being a federal district
16 judge. And we had a conversation, he was kind enough to
17 flatter me to call me just to -- I'm sure he was asking some
18 of his friends whether they thought he should do it. At the
19 time, I think he was about 30 years old. How old were you?

20 JUDGE THOMPSON: Thirty-three.

21 MR. MANDELL: Thirty-three. And I just remember
22 saying to him, Judge Thompson, if you could chair that

1 personnel committee, being a federal district judge will be
2 easy. So I don't know if that played any role in it, but he
3 did fortunately accept the position.

4 Well, all I wanted to say was, in conclusion, was
5 as I look back and it is something I have never been able to
6 get again. It is a sense of purpose and a sense of community
7 and a sense of commitment that I believe was felt and shared
8 by each board member, whatever his or her background, and by
9 all of the employees, the staff, the lawyers of Legal
10 Services. And I think each of us can look back and say at
11 least we tried to make a difference.

12 LaVeeda was kind enough to schedule this later
13 because today is the Jewish sabbath and I was at services and
14 I thank you for that, LaVeeda. And there is a term in the
15 Jewish faith, dorl'dor, which is from generation to
16 generation.

17 And all I would do is ask and implore each of you
18 if there is some way that legal services can carry on that
19 same feeling of commitment and community and purpose that
20 existed 25 years ago. We do live in a different time.

21 And I was troubled to hear that, as affluent as a
22 society as we have, with the national budget being many times

1 greater than it was before, as I walked in Melinda said that
2 the budget is less here today than it was when we established
3 Legal Services some 20 years ago for the state of Alabama.
4 And, as the Judge noted, if there is anything that can be
5 done, because we do live in a different time.

6 I just thank you all for all of your hard work and
7 efforts.

8 CHAIR EAKEYEY: Well, we thank all three of you for
9 coming.

10 (Applause.)

11 CHAIR EAKEYEY: We also want to thank you for your
12 commitment and your lifetimes of devotion and dedication.
13 And LaVeeda and I have just a modest memento for each of you.

14

15 MS. BATTLE: And let me just add my thanks to what
16 Doug has said, for what you have said to us today. Every
17 once in a while it is just good to hear what each of you have
18 shared with us and we are eternally thankful for you coming
19 and sharing your experiences with us.

20 CHAIR EAKEYEY: Tom and Gus and Randi to come back
21 up, please? Are we okay continuing or do you need a break?
22 We okay?

1 THE REPORTER: I'm fine. Thank you.

2 MR. MCKAY: Let me just welcome back Dr. Tom
3 McWeeney and Gus Schick and Randi Youells. And, again, we
4 are on the second part, if you will, of strategic planning,
5 which is performance measures.

6 By my count, I think that Dr. McWeeney has been
7 before the board, this is the fifth time. He was with us in
8 Denver. He was in the annual meeting in Austin. The meeting
9 in Washington to first lay out the major issues regarding
10 performance measures. With us in San Francisco and with us
11 here today.

12 This is the first time that you have worked with
13 Gus Schick. He has actually been working with our staff for
14 quite some time and so is well-known to us.

15 I should parenthetically add that although you have
16 seen Dr. McWeeney five times, I first began working with Tom
17 as part of this process, the consulting process. I have come
18 to admire him greatly and his leadership and I know that the
19 trust and confidence that I have in Tom, based on our
20 relatively brief experience together, is matched by the
21 board's. And so Tom, I want to thank you for your commitment
22 in following through to this point.

1 And the presentation the board is going to see
2 today has been viewed by a number of our staff, from Bob
3 Gross to Randi Youells to the inspector general and a number
4 of others. We are very excited about it and feel it is ready
5 to present to the board as a major tool in helping us develop
6 performance measures as part of strategic planning. At this
7 point, let me turn it over to Dr. Tom McWeeney.

8 DR. MCWEENEY: Thank you, Mr. President. The -- by
9 the way, can I get a call on the time? Are we talking about
10 a half an hour?

11 MR. MCKAY: I think, yeah, I think half an hour to
12 45 minutes or whatever the board should decree. Half an hour
13 because we have got a couple of -- go ahead, Tom and we will
14 --

15 DR. MCWEENEY: Give me some signs when you want me
16 to --

17 MR. MCKAY: I will do that. Thank you.

18 DR. MCWEENEY: Thank you very much. I do want to
19 express my appreciation for the board inviting me here today.
20 It is my fifth appearance before the board. The initial
21 presentation was in Denver about a year and a half ago, two
22 years ago when I first met John McKay and I was impressed

1 both by Mr. McKay's commitment to legal services and
2 commitment to improve the performance of government.

3 That is the basis of our relationship. Because as
4 I do this work, and as most of you know, I work with several
5 federal agencies and have trained several thousand federal
6 employees, the number of leaders who truly are committed on
7 their watch -- on their watch to make positive and
8 substantial changes in the operation of government are few
9 and far between.

10 But I commend both Mr. McKay and Mr. Eakeley as a
11 leadership team that I continue to refer whenever I go to GAO
12 and OMB and the Congress is about the best in the federal
13 government -- associated with the federal government today
14 and I mean that with all my heart.

15 I said in Denver at the first meeting we had with
16 you that if you adopt the principle of strategic planning and
17 performance management, you will begin a journey from which
18 you will begin looking at your entire organization
19 differently. I am very honored to be a small, perhaps
20 somewhat insignificant, piece, but I feel a piece of the
21 journey that you have taken.

22 Because as I hear the rhetoric today and the

1 discussion today, there is an organization-wide commitment to
2 things like state planning and things like performance
3 measurement and things like improving service. That is the
4 beginning of a cultural change that every organization in the
5 federal government is now going through.

6 And I think it is going to do you well and do your
7 cause well in the future. And, again, I commend the board
8 for that.

9 When I -- what we are going to do today is talk a
10 little bit about -- about the next step that I would
11 recommend you consider in making the goals and the objectives
12 and the strategies of your strategic direction that we
13 adopted last year in Austin a reality.

14 If you recall the many presentations I have made
15 for you, I have -- I have one niche that I think separates me
16 from many planning consultants because there are literally
17 hundreds of them, if not thousands of them, running around
18 these days because planning has become something at both
19 state and federal local agencies are doing. And folks who
20 have some training are making themselves available.

21 But where we try to plant our flag a little bit
22 differently is -- is in establishing the nexus between the

1 wonderful documents that are often written in a strategic
2 planning perspective and in the tangible, practical,
3 definitive actions that an organization makes to make them
4 happen.

5 As you recall in our previous discussions, the
6 failure of planning has not been the failure of good ideas,
7 it has been the failure of an ability to implement those good
8 ideas and to cause a positive change to happen by providing
9 the tools and the focus of the organization.

10 And that is what I specialize in. That is what my
11 company specializes in. And that has been what I believe to
12 be the perspective that we have helped to bring to the Legal
13 Services Corporation.

14 Now in -- when I spoke before you in Washington
15 last year, we talked about the next step in performance
16 management. Performance management is a funny term, but
17 basically it is the kind of thing anybody learns in day one
18 of management school. And that is you have to -- you have to
19 be able to have a focus, you have to be able to know what you
20 are going to do and you have to be able to see how well you
21 have done it.

22 It has all kinds of funny names. People are

1 calling it twenty-first century government. And, to that
2 point, I would like to just say a minute that I do believe
3 that what you are embarking on, and I do believe Legal
4 Services is at the forefront, it certainly was a priority of
5 the previous administration and by all indications the next
6 administration, which appears to be bipartisan.

7 It is going to emphasize and continue to emphasize
8 results, accountability for results and innovative strategies
9 to get those results. I think that is a piece of the
10 landscape. Legislation, such as that which has earmarked the
11 federal effort, has now been enacted in more than half the
12 states.

13 Foreign countries are coming to Washington for
14 special briefings on exactly what performance measurement
15 means in countries in Europe, Australia, Canada. Some are
16 ahead of us, some are behind us. But the change in dialogue.

17 And the question that is put to everybody is, once
18 we have these ideas lined up, what tools can we bring to the
19 table to ensure that the ideas become reality.

20 Back in Washington in last April, I believe, I said
21 that what I was going to assert as my contribution to the
22 next piece of the effort was to begin looking for the kinds

1 of tools that could make the very difficult job of
2 implementing strategic plans possible. Look, it is clear
3 that something -- been doing planning for 20, 25 years and
4 the government criticized itself for not being effective in
5 the implementation of those plans.

6 People have tried. People have tried hard and they
7 get overwhelmed in a lot -- for a lot of reasons. One of the
8 biggest reasons is the data, the information, the task at
9 hand usually overwhelms the capacity of an organization to
10 get their arms around it and to make it happen.

11 That is pretty much a reality. Almost everybody
12 who is in this business will tell you that. And the
13 initiative, because it is now serious, has caused a lot of
14 people to look at a wide array of tools that can be used by
15 an organization that is committed to make change to sort of
16 facilitate that change. And that is what we talked about in
17 April.

18 When I talked about some technology applications
19 that are -- that can possibly speed up the implementation
20 effort, provide you with a perspective and tools that would
21 take the existing way of doing business in LSC and moving it
22 forward. That is what I would like to share with you today.

1 As I have said, the basic piece of performance
2 management is to understand your environment, to have a clear
3 sense of direction, to have the tools to make the changes
4 happen and them to have the ability to monitor progress on an
5 ongoing basis and adjust it. That is all. It is a very
6 simple concept. Most federal public sector organizations
7 don't have those tools.

8 So what we would like to do today is to talk to you
9 for the next remainder of the time about -- about one
10 particular tool that has come to my attention in the last 90
11 days that we think has fairly widespread applicability, and
12 particular applicability to LSC.

13 Let me run through a couple of introductory points
14 to begin with if you don't mind. When we look at your
15 strategic plan, the commitment to improve access and improve
16 quality, when I look at implementing those plans, as the
17 speaker said that preceded me very profound words, it
18 requires an awful lot of effort. When you realize take pride
19 in your achievements, but realize the work that has to be
20 done.

21 And almost everyone that I have talked to since I
22 have been associated with you folks has acknowledged that we

1 need to have a much greater knowledge of the environment.
2 Who are getting services? But more importantly, who aren't
3 getting appropriate services? And why?

4 We need to have a broad relationship of the
5 relationship among the kinds of variables, the levels of
6 access versus the demographics of the environment. We have
7 to be able to communicate this on a program-wide basis.

8 We have to be able to perform performance-related
9 questions. How can we improve our efforts in this state, in
10 this program, in that area? This is what implementing
11 strategic planning looks like.

12 We have to have the ability to encourage change in
13 the way we formulate and roll out our programs. The way we
14 resource those programs. But we have to have knowledge to be
15 able to make those efforts rational. And we have to be able
16 to check and see how well we are doing and compare it to what
17 we said we wanted to do.

18 MR. MCKAY: Tom, let me just interrupt for a moment
19 and indicate in that point, this is the point which I think
20 in Denver I described as the intersection between performance
21 measures and our issues regarding CSR reporting. And I want
22 to remind the board and people here at this meeting that it

1 is very important to understand that we have made a
2 commitment to the Congress to report better about the work
3 that we do for clients across America. And we have made that
4 commitment repeatedly.

5 John Erlenborn and Doug Eakeley and I, to our
6 oversight committees, and in response to their questions
7 about the kinds of data and the accuracy of the data that we
8 report. Now we are talking about a whole new system of
9 relating the work done by our clients to the Congress. And
10 we feel a strong call by the Congress to do that.

11 DR. McWEENEY: Two more quick slides and I will
12 show you the presentation. Performance measurement, you are
13 going to hear an awful lot about, I believe over the next two
14 or three years. It can be made very complicated when you
15 talk about -- about the data you need and the issues you are
16 facing. But, in essence, it is good for those who oversee
17 performance measures.

18 And this where I usually work. I work with
19 directors, agency directors, secretaries, attorney generals.
20 And my communication to them is to make it as simple as
21 possible by simply ensuring that you are comfortable with
22 these five questions.

1 Performance measurement means that you are asking
2 the question what is the problem we have to address.
3 Specifically, what are we going to do about it? How do we
4 proceed? How do we know if we are successful? And how do we
5 show it to others?

6 You answer those questions and you have an
7 effective performance measurement scheme. Now it gets
8 complicated as you do it.

9 MR. McCALPIN: Does performance measurement have to
10 start with a problem?

11 DR. McWEENEY: Yes. Yes.

12 MR. McCALPIN: What if there is no problem?

13 DR. McWEENEY: Well, there is usually a problem
14 that says most organizations would like to do something a
15 little better, a little more effective, even if everything is
16 working.

17 Federal Express, for example, has a -- sort of a
18 standard that 99.9 percent of the mail gets delivered the
19 next day.

20 MR. MCKAY: How about this one, though? How about
21 this problem? We serve one in five eligible clients. We
22 serve one in five eligible clients. I think that is a

1 problem.

2 DR. McWEENEY: But even to take his point, Federal
3 Express is 99.9 percent. When they take a snapshot,
4 sometimes they are 99.7. Something has broken down and they
5 have got to fix it.

6 MR. McCALPIN: Are these performance measures for
7 the corporation or for grantees?

8 MR. MCKAY: Both.

9 CHAIR EAKELEY: But I thought that the -- the word
10 problem -- I mean my thinking is that the performance
11 measures are designed to measure how well we are achieving
12 our strategic objectives of maximum access and highest
13 quality legal services that affect outcomes of people. That
14 is the sort of -- that is what I think.

15 MR. MCKAY: Sure. Maria Louisa?

16 MS. MERCADO: Yes, and I think -- part of it I
17 think that maybe we sort of may have forgotten or overlooked
18 is that we were not, as Legal Services Corporation or the
19 legal services programs were not required to go under the
20 Government and Results Act, but this is a voluntary action on
21 behalf of the board in LSC as far as being strategic. I mean
22 it is not mandated for us as a federal agency. But I think

1 -- no, no --

2 CHAIR EAKEYEY: It is not mandated. You are right.

3 But if --

4 MS. MERCADO: But we chose to voluntarily do this
5 in order to provide better and effective and efficient legal
6 services to our clients and to our client community.

7 CHAIR EAKEYEY: Right.

8 MS. MERCADO: And so perhaps, and I am assuming
9 that the issue that Bill takes or the question that Bill
10 takes issue with is the issue of what is the problem.
11 Obviously, we discussed this before, the key problem, that we
12 don't serve all of the poverty population and how do we
13 improve that. And then with the limited resources that we do
14 have, how can we serve more of them in that manner.

15 CHAIR EAKEYEY: Correct.

16 MS. MERCADO: And efficiency. And so maybe it is
17 an issue of how we perceive the word problem rather than --

18 DR. McWEENEY: Sure. Sure. What I am trying to do
19 here is give you the basic methodology. When you do this,
20 you say what is the issue, problem or issue you are facing
21 and what are you going to do about it. It starts there. And
22 performance measures basically is how well did you do against

1 that standard.

2 I am trying to say that at the top, the oversight
3 requires you to be clear on what the organization is doing,
4 what issues it is trying to resolve. And you get to pretty
5 much define those issues within the context of your
6 organization. Nobody externally is telling what those issues
7 or problems are. The thing about this GPRA is that they are
8 asking you, in effect, to draw up your own report card and
9 then grade yourself. And it is a self-assessment and self-
10 evaluation and self-evaluation.

11 And I have got to tell you one more thing is that I
12 am dealing largely with leaders at the top of federal
13 organizations. And the ones that I am dealing with have
14 committed dramatically to this effort and transforming the
15 organization.

16 Most of them are not familiar with GPRA. Some of
17 them couldn't spell GPRA. Their point is that they are --
18 they have so bought into the fact that I have to make
19 something better. I have to enhance my organization while I
20 am here on my watch that I am putting this mechanism in
21 place. I honestly believe this GPRA of lexicon is going to
22 fade and this is going to be the way we run organizations.

1 But again, all I have tried to do with this slide
2 was say we can keep it pretty simple at one end by just
3 understanding this is the drill that people are being asked
4 to go through because it is how you manage an organization.
5 And then we ask ourselves what now becomes the tool we need
6 to get there.

7 Why don't you skip a couple of slides. Just skip
8 one more. We were -- I was fortunate about two or three
9 months ago to be approached by an individual named Bill
10 Lilly, who was a former Yale professor, economics professor.
11 He has taught in the classroom of several presidents, past
12 and present. Had some interesting insights about their
13 economic capability, which I won't share with you.

14 But the interesting piece of the Bill Lily story is
15 that about 15 years ago he organized a company based in
16 Washington, DC that has focused on dealing primarily in the
17 private sector. The -- primarily in the private sector in
18 which he made an assessment himself that the problem facing
19 most organizations is not really the data they have, which is
20 various stages of good/bad, but it is the data externals
21 their organization that puts their stuff in perspective and
22 explains how well they are doing.

1 He has over 15 years formed a company that we are
2 now affiliating with that tries to allow organizations to
3 chart their direction understanding better the environment
4 within which they operate so that they can redirect their
5 resources, their problems, their strategies to be more
6 consistent with their operations.

7 His clients, at this point, range from CBS to the
8 Federal Reserve Board to ESPN to race car -- Roger Pensky to
9 the American Bar Association. And many of these folks have
10 asked him to come in and say we are not convinced that we
11 have our programs aligned as effectively as they should be
12 and we need your help to understand things that are going on
13 in the environment which are outside our immediate ability to
14 reach, but have heavy, heavy implications about how well we
15 are doing and where we placed our resources and how we are
16 running our programs.

17 He has built this over 15 years. He has not, to
18 this date, had any substantial involvement in the government.
19 And when he came to me because he knew of the work that we
20 were doing, he said I think my efforts have substantial
21 availability to government agencies that are trying to begin
22 to understand the impact of their program on the environment.

1 In a nutshell, what he has done, again for 12
2 years, is collect -- is amassed a data bases, which they
3 maintain from almost every kind of external source, from
4 census to demographic data, household data. He is beginning
5 to help security and law enforcement agencies by identifying
6 threats to nuclear power plants and electric industries.

7 He has been able to look at locations of commercial
8 routes, highways. He basically has the capacity to take, in
9 very simplified ways you will see, any kind of external data
10 that you may be interested in and make it available to the
11 organization so you can compare your programs and your
12 efforts to it.

13 The program is an on-line data base. It is web-
14 based, so there is not a huge investment in computer,
15 computer software and things like that. The program that we
16 are talking about is something that, if you are interested,
17 can be available to board members and to program managers
18 tomorrow. It is available.

19 And it is a matter of looking and having a capacity
20 at your desktop, if you have a computer, to understand how
21 your programs interrelate with things like demographics,
22 population shifts and all kinds of data which I will show you

1 in a second.

2 But the key to this concept is rather than just
3 focus on internal data, cases, funding, number of attorneys
4 or whatever, it is identifying the external data that makes
5 that important. Not how many cases are we doing, but how
6 many cases are we doing in areas of need. Not how much money
7 are we spending, but how much money are we spending in areas
8 that are dominated by households that are poor. And that is
9 what he brings to the table.

10 It is the integration of external and internal
11 data, which is really what performance management has always
12 been about and which most organizations are struggling with
13 because they don't have the ability to reach and get that
14 data without tremendous investments of time and effort and
15 resources.

16 What we would like to do today is just to show you
17 what this system looks like for you to consider, discuss and
18 comment on. The -- the company has agreed, in fact we asked
19 them when they asked us whether any of our clients that we
20 work with would be interested, it is very hard to take
21 private sector stuff and superimpose it in a way that made
22 sense.

1 So we asked them would they be willing to spend
2 some time taking LSC data, integrating it into their system
3 and beginning to show us -- beginning to show us what it
4 might look like in a mapping sense. And they graciously
5 donated about two and a half months worth of their work and
6 energy, working with Randi Youells and the staff of taking
7 basic data, basic case data, basic funding data, basic
8 location data of offices and saying this is the kind of thing
9 that is possible in a system that is as flexible as the
10 system they have developed.

11 I want to say at the outset that we are not here to
12 endorse or discuss or validate any of the facts you see here
13 today because all we did, for demonstration purposes, is take
14 a hunk of data. We didn't vet it, although they have very
15 good statisticians who are pretty comfortable with what they
16 did. We just said put the data into the system.

17 And lets begin looking at the kinds of things that
18 it does. And so we just kind of wanted to show you this
19 capability today. If a project that we are suggesting goes
20 forward, it would probably start some time next month or so
21 and we will begin looking at it very seriously about the
22 kinds of data, the kind of measures.

1 But right now, we took a piece of data that we
2 thought was reasonable that is already in LSC, stuck it into
3 this system and with little effort, they were able to produce
4 what you are going to see right now.

5 MR. MCKAY: In the meantime, Randi is going to pass
6 out an outline for board members that has the various steps
7 of proposed implementation of this project that we are
8 working with the staff and we would like you all to take a
9 look at it and we would appreciate your comments as well. Go
10 ahead, Tom. Thank you.

11 DR. McWEENEY: Sure. At this point I will be
12 interactive with my associate, Mr. Schick, as we begin
13 talking to you for about the next 15 or 20 minutes about the
14 kinds of things that we have been able to do with virtually
15 no -- no effort. I mean this has been done free. There has
16 been no charges. And nobody has really felt overly
17 constrained by it.

18 Just to give you an idea of the overall system
19 there, for what you see is a map of the United States, if you
20 don't recognize it. It has got a lot of stars on it. Those
21 aren't the stars of the 50 states, those are the stars of
22 your program offices.

1 MR. MCKAY: Each star represents one of our
2 programs.

3 DR. McWEENEY: One of your program offices.
4 Program offices, again, this was dated -- that was just
5 placed in the system, but it was integrated with your phone
6 book. And the system was able to be able to show instantly
7 each program office and a basic set of facts that you have
8 just by popping up against the thing.

9 One of -- we are going to talk about three
10 different levels of capability here. The first capability is
11 having the ability to just do an awareness at the national
12 level. At the national level the kinds of things that
13 everybody associated with the program should have at their
14 fingertips, from the president to the director, to people
15 from Congressional oversight, to board members, to program
16 managers. This is the kind of thing that is just -- would be
17 generally available information. Facts and figures and data
18 about all LSC programs. And this is part of the routine
19 components of the system.

20 The column on the -- with the click of a switch,
21 the column on the far left-hand side identifies the LSC
22 attributes you want to see. We click programs first. Next

1 we click branch offices and up come all the branch offices
2 around the country with location and facts about them.

3 And then we have the ability to superimpose service
4 areas. We have the ability to take your aggregate data, just
5 factual information at this point, which is total LSC -- is
6 this total funding for LSC fiscal year 1999. And we have
7 been able to -- there is a lot of way of showing this. One
8 of the things that will become somewhat difficult is that
9 this is raw data which human beings have to organize into
10 ways that make sense.

11 So we asked them basically for graphic purposes to
12 take categories. And you will see a lot of this. Like total
13 funding and begin to chop it into three categories. Category
14 of highest funding, aggregate dollars, middle level funding
15 and lowest level funding. Just, again, to show capabilities.

16 And just with the flick of a switch, they have
17 taken all your data and you can see that states like
18 Washington, Oregon, California, obviously have far greater
19 amounts of funding than perhaps portions of South Dakota,
20 Vermont.

21 CHAIR EAKELEY: Those are total funding of LSC
22 grantees. I just want to clarify that.

1 DR. McWEENEY: Yes. Yes.

2 CHAIR EAKELEY: But the red is the highest and the
3 blue is the lowest?

4 DR. McWEENEY: Red is the highest, blue is lowest.

5 MR. SCHICK: You can also look at what the percent
6 of LSC funding was.

7 MR. MCKAY: Gus, could you pull the mike forward a
8 few?

9 MR. SCHICK: Yes.

10 MR. MCKAY: Thank you.

11 DR. McWEENEY: That is the notion of the -- because
12 you see, the difference because California drops out a little
13 bit. The percentage of funding, when compared -- of LSC
14 funding when compared to all sources. So we begin showing
15 you a little bit different. Who is getting money from other
16 areas and what the distinction looks like.

17 MS. FAIRBANKS: Are we going to get a copy of this?

18 DR. McWEENEY: Huh?

19 MS. FAIRBANKS: Are we going to get a copy of this?

20 DR. McWEENEY: I would love to put it right in your
21 house. There is -- I mean it is not -- this is on-line on
22 the Internet. This is not a piece of paper. We can. What

1 we can do on some of these things is make slides from them,
2 but this is on the Internet right now. It is being done.
3 This is being calculated. As we ask the question, it is
4 going into a database that is just data an calculating it.
5 So there is no document. This is -- this is in cyberspace.
6 It sounds a little bit Star Wars.

7 MS. FAIRBANKS: Well, my house doesn't have so much
8 cyberspace as you do.

9 DR. McWEENEY: We will bring it to Vermont. I
10 promise you that. The -- no, the -- for these things we can
11 make slides or we can make copies of the presentation,
12 certainly. But just be aware that this is being calculated
13 as we ask the question.

14 When -- when Mr. Schick asked the question on that
15 category on the right there, he asked I want to see
16 categories. This is average household income by various
17 levels by your service areas. And instantly it goes into the
18 database and it shows the areas which are red, which are the
19 highest 20 percent of household income. The areas in the
20 light blue are the lowest. So it shows you the more affluent
21 areas of the country, the middle and it shows you the --

22 MR. SCHICK: Or Appalachian or lower income areas

1 fall right down the Appalachian chain into the southeast,
2 upper peninsula of Michigan, southwest Texas.

3 We can look at some of your case service reports.
4 I heard you talk about domestic violence. We can look at
5 where domestic violence is an issue.

6 MR. MCKAY: Now this takes our data, Gus, at this
7 point, our case statistic data and links it into the system?

8 DR. McWEENEY: Right.

9 MR. SCHICK: That is correct. Right. This is
10 where you have a heavy concentration of domestic violence
11 cases. And it tracks pretty much with where I just showed
12 you the low income areas were.

13 CHAIR EAKEY: I mean then you can identify a
14 program within any of these states or you can meet them.
15 Well, you are going to get to the ZIP code.

16 DR. McWEENEY: Right.

17 MR. SCHICK: What is interesting about this kind of
18 thing is you see areas, the anomalies that come out to me are
19 where you have areas where it is more than 20 percent of an
20 office's case load and then in an adjacent program, it is
21 less than 3 percent. So that is -- it is just curious why
22 would that be. They are probably the same kinds of people in

1 generally the same economic areas.

2 DR. McWEENEY: Again, going back to my comments
3 about performance management, this has two things. This
4 begins painting a national picture.

5 One of the things, as evaluators, we tend to have a
6 propensity to -- to look at programs and begin to criticize
7 what they are not doing, what they are not doing. One of the
8 things that we have found as we went through this, is
9 wherever we would look critically, in many cases we found
10 incredible proper alignment linked to LSC resources and the
11 fundings and the office.

12 So one of the things this does also is begin to
13 tell the good pieces of your story very graphically. And we
14 are talking about -- this is a Congressional presentation,
15 which would be available for the next session, by showing
16 here is where we are and here is where we are working the
17 kinds of cases and the kinds of issues that are of concern to
18 the community and here is where we have put our offices. So
19 it offers a projection of the positive.

20 It also offers a series of things that we can begin
21 questioning if we truly want to improve our performance. And
22 that is the thing that has, again, over the past 60 days

1 convinced me that this is a phenomenal tool for the notion of
2 performance management. It gives you the truth. It gives
3 you the good and it gives you the things you may want to
4 improve on.

5 And it gives it to you with virtually no additional
6 work on the part of staff or investment in equipment that has
7 to be maintained. This is all on the Internet.

8 We have been able to load three categories of cases
9 on domestic violence, landlord-tenant and Medicare. And,
10 again, it shows you where the predominant activities are.
11 And, again, this is just information purposes at this time.
12 This is not really analytical, but it does -- it does begin
13 raising an awful lot of issues about -- about where your
14 resources are, what you are accomplishing and what the
15 problems may be.

16 And it is, as Gus indicated, it does raise
17 interesting questions about where you have different kinds of
18 work being done at very adjacent areas which you know that
19 the socio-economic situation has to be just about the same.

20 The last one we have there is Medicare. The next
21 one down. Yeah, right. The -- not an awful lot of areas are
22 working a lot of Medicare. But you can see that some areas

1 around the country which are working very small amounts of
2 Medicare cases or issues. And that is just, again,
3 right now we are just talking about information. We are not
4 -- there is no conclusions. As a matter of fact, I would
5 urge you not to make conclusions because that is one of the
6 things we would like to do as you begin to formulate
7 performance management. What are the issues in the area that
8 we need to be informed about when we set our goals, targets
9 and strategies.

10 The other capability that this has, just as a -- as
11 sort of a tool, and one of the things that we have discovered
12 is that it has -- again, it has applicability for executives
13 at the national level. You think -- ultimately, you will see
14 this will be a very effective presentation to Congress. It
15 certainly will -- will be an improvement over the data you
16 are now presenting because it is instant and it can answer
17 almost any questions you will see by any state.

18 It also has the ability, at the state level, to say
19 what are the issues in this state that we want to be focusing
20 on and what does the coverage look like. As we will tell you
21 by the end of the presentation, it shows you the ability to
22 get right down to the program level by the block and show you

1 what is going on there. But if you pick -- if you
2 are in -- if you are dealing with a member of Congress in
3 Ohio and you just happen to say that -- that I am curious as
4 to what is going on there, this thing has the ability to go
5 right to the state, as he just did, identify the
6 Congressional district, as he just did, do a click and the
7 webpage of the Congressman is up there with all the
8 information you need about him and his staff and everything
9 else. And all the links that that causes.

10 This thing is tied to webpages by state legislators
11 as well. And we understand it has the capability to do
12 county council people. So you have an instant connection to
13 other aspects of the Internet that may or may not be
14 relevant.

15 You can look at a state like Ohio and look at where
16 the program offices are and compare that to the cases that
17 are being worked. That is the funding, total funding. And
18 you can throw in the branch offices there. You can look at
19 the branch offices and begin to ask yourselves critical
20 questions about funding, about location, about access.

21 Why don't you just throw in the highway? We can
22 show them what that looks like. You can throw in the

1 interstates by a click of the switch. Now you can show the
2 interstates just to get a feel for the perspective. You can
3 identify major cities.

4 CHAIR EAKELEY: The -- the stars are?

5 DR. McWEENEY: Program offices.

6 CHAIR EAKELEY: Main offices and then the circles
7 are the branch offices and one thing you would look at is how
8 many. Okay, so the main office here is in the most
9 impoverished segment of the service area?

10 DR. McWEENEY: Right. You see a good story a lot
11 of the times. You see questionable stories sometimes. We
12 have a way of showing you --

13 MR. SCHICK: Do you want to look at Cleveland? We
14 can look at Cleveland.

15 DR. McWEENEY: All right. Take a look at
16 Cleveland. It can zoom down to the lowest level when you are
17 dealing with questions about service area and delivery.

18 Again, the thing that has impressed me is the
19 amount of data at your fingertips instantaneously. To
20 duplicate this is any kind of a manual setting would be reams
21 of employees, staff, books. But we have -- we have --

22 MR. McKAY: One of the benefits to this that we are

1 looking at and just kind of zipping ahead is in-state
2 planning. And I wonder if Randi would make a comment here,
3 who spent a lot of time in cars driving around the state of
4 Ohio as we were engaged with them in state planning. And I
5 know Randi is excited about the possibility this provides us
6 as we look to evaluate our efforts in state planning and
7 successes and challenges. Randi?

8 MR. SCHICK: What we've asked it to do here is look
9 at -- we just went to Cleveland and I have asked it to show
10 us the percentage of household incomes below \$10,000. So the
11 more red the area, the lower the income level.

12 DR. McWEENEY: Take at look at where you are --

13 MR. SCHICK: We can zoom in on this a little bit.

14 One of the nice features of this, if you want to take a
15 closer look, you can zoom in like that. What did I do wrong?
16 Zoom in. Well, I didn't do that very well.

17 DR. McWEENEY: That is okay. We go ahead and let
18 Randi answer the question.

19 MS. YOUELLS: There is certainly no question as you
20 endeavor to build a comprehensive and integrated state-wide
21 delivery system, the more data you have at your fingertips to
22 figure out what the gaps in services are, or the capacities

1 in services are, the easier the planning is going to be.

2 Heretofore, since 1998, we have gathered that data
3 through a large number of ways. Talking to the staff,
4 working on site in the state. As John said, traveling from
5 office to office, going up and down the highways to places
6 like Ohio where I did the state planning, and gathering reams
7 of data that we request from our programs in order to do that
8 analysis.

9 This is a tool certainly of state planning as well
10 as -- well, of congressional relations, performance measures.

11 It is a tool that would give us data fairly quickly and
12 would probably shortcut some of the planning activities.
13 Make them much more efficient and effective.

14 MR. MCKAY: Thank you.

15 MR. SCHICK: Okay, I have just asked it to zoom in
16 a little bit so we can get a little closer look at -- yeah,
17 well, it is Cleveland. Put the name in.

18 Closer look at what the demographics look like
19 there. Again, the red areas are areas where the percent of
20 household incomes lower than \$10,000 is more than 80 percent
21 of the population.

22 You can ask it any kind of demographic question you

1 want. You can ask it percent of African-American population.
2 This block group, it is a little bit slow because that is a
3 lot of data. Block group is much smaller than a ZIP code.
4 There is like 290,000 block groups in the country.

5 DR. McWEENEY: Pull the interstate on there to show
6 them what we discovered just this morning. When you
7 superimpose the interstate on this, you begin to get a look
8 at how neighborhoods develop. And you can see where the city
9 is divided. But, most importantly, take a look at where LSC
10 offices are in that area. LSC offices are --

11 MR. SCHICK: More importantly where they aren't
12 maybe.

13 DR. McWEENEY: LSC offices are identified by the
14 green and the branch offices and the red stars are the
15 program offices. This also has the capability, as you are
16 doing state planning, to give you some instant information.
17 If you were to look at the distance between the far end of an
18 area and a branch office, you can instantly ask yourself the
19 question -- take a look at this, how difficult do we think it
20 is getting to an office. And you draw this little line and
21 you see right away you have something --

22 MR. SCHICK: Well, that is about --

1 MS. MERCADO: Well, you know, if there is an issue
2 on this one about representing a community that is
3 predominantly Black on the other side of the highway and
4 there is no branch offices there, I mean issues of
5 transportation and access to --

6 DR. McWEENEY: That is exactly.

7 MS. MERCADO: Maybe that ought to be where there is
8 a branch office there.

9 DR. McWEENEY: Absolutely.

10 MR. MCKAY: Well, at least we would ask the
11 question. Now I know Lionel Jones pretty well and Randi is
12 nodding her head because she does too and a lot of us at the
13 table do. I have the feeling if Lionel were here, he would
14 answer that question and probably pretty well. But we think
15 that this is a good tool for our state planners, in
16 particular, to be able to come in and say respectfully, you
17 know, what is the situation and what are our plans to serve
18 that population.

19 MS. YOUELLS: If Lionel were here today, he would
20 say that he used to have branch offices, but with the funding
21 cuts that occurred in 1995, the Cleveland program had to
22 encapsulate and go down to one major regional -- one office

1 that serves the region. And they would be more than happy to
2 set up other branch offices.

3 But, John is correct, when you have this kind of
4 data, at least you can ask the questions and get people to
5 think in terms of the possibilities of where their clients
6 are coming from and how we are going to serve them better.
7 And where, perhaps, when the lease becomes expires or we can
8 negotiate a new lease, maybe it is an issue that we can
9 present to the program director to think about relocation.

10 It is certainly not something that we would ever
11 want to fling out in front of a program director and say this
12 is a problem. We would like to say this is an issue that is
13 part of building state justice communities we need to think
14 about and I would agree with that.

15 DR. McWEENEY: Keep in mind also I keep saying
16 multiple uses. The use -- and that is one thing that we have
17 come to appreciate about this system, the executive use and
18 external use is profound. I used to be the budget officer of
19 a justice department agency and I can tell you that you can
20 talk and talk and talk, but there is nothing, especially the
21 time frame that people have in appropriations to look at
22 mounds of data, like a picture to grab the attention of those

1 who are responsible for your funding.

2 MR. MCKAY: Nancy Rogers has a question for you.

3 MS. ROGERS: It was fascinating to watch that
4 because I actually was a legal services lawyer in Cleveland.

5 And I could see where my office used to be, which was, of
6 course, a high poverty area of Cleveland. I remember
7 the debates about where each of those offices ought to be
8 located. We did have to use all different sets of maps and
9 look at them together to look at the highways, to look at the
10 distribution. And this is much easier to see, of course, and
11 livelier and fun to look at.

12 But I was reminded by Randi that the reason that
13 those offices, which really served those areas well, and I
14 can tell you from a personal standpoint that there were
15 clients who could come to our neighborhood office who
16 couldn't make it downtown. In fact, if we have a downtown
17 court appearance, it was a question of whether we would pick
18 them up or whether they didn't get there. They didn't have
19 the money to make it.

20 So the closing of those neighborhood offices,
21 because of a lack of money, meant that many, many tens of
22 thousands of people in Cleveland were left unserved. And I

1 guess it takes me maybe to where you are going, which is at
2 what cost do we move forward and get more of this data? I
3 assume we are making choices and Cleveland might rather have
4 their neighborhood offices back if it is too much. So I
5 guess I would like to know what the trade-offs are.

6 DR. McWEENEY: Sure. That is an issue that is
7 being discussed. I will just tell you how this system works.
8 It is like a Lexis Nexis. It is a fee for use. We can't
9 give you -- I can't tell you today, although I have been
10 talking to both Mr. Eakeley and McKay about ranges of dollars
11 and I just assume not do that in a public forum, but the
12 issue --

13 MS. BATTLE: I'm sorry, could you speak up?

14 DR. McWEENEY: I'm sorry.

15 MS. BATTLE: I'm having difficulty understanding
16 you as you speak sometimes, so --

17 DR. McWEENEY: How far back should I go?

18 CHAIR EAKELEY: No, it is actually slowing down a
19 little bit. I know that is difficult.

20 DR. McWEENEY: The issue is that this is a -- it is
21 a Lexis Nexis kind of service and so it really depends on the
22 extent of the analysis that is needed to make the system

1 work. It is a range of cost from relatively inexpensive to
2 fairly expensive. But it is something that has to be part of
3 an analytical process to determine precisely what is the
4 level of service that you are looking for.

5 One of the things that they do, though, is with
6 what we are showing you right here, they are -- this is their
7 basic program and this is the basic data that is available in
8 the database. And so the issue that you are looking at of
9 Cleveland, Los Angeles, Washington, all that is available to
10 the country at the same -- at the same kind of fee. John?

11 MR. MCKAY: Let me just add that ironically Lionel
12 will help make that decision for us, Nancy, because Ohio is
13 one of the three test sites that we are proposing to test
14 this system. So we will go in there and give them the
15 opportunity. And I think the way this will work out is we
16 will have, I'm sure, more than one location in Ohio where the
17 executive director and the program has this capability
18 sitting in their office.

19 And when we hope that they will tell us what --
20 what items should be included, what datasets, what they think
21 its use can be as part of our analysis.

22 MS. ROGERS: What will it cost to put it in Ohio,

1 for example?

2 DR. McWEENEY: It doesn't work that way. It is a
3 -- the database is a nationwide database. So if you -- if
4 you affiliate with a company, you will get the nationwide
5 database.

6 The question of relative level of cost is how much
7 data do we want collected. Do you want what they have on
8 hand and just to look at it? That is not very expensive at
9 all. Do you want us to begin doing work to identify, for
10 example, indicators that they don't have?

11 They, for example, have a model they are working on
12 which is able to show expected areas of domestic violence,
13 based on a demographic and econometric model they are putting
14 together. As you get into trying to say what kind of issues
15 do we expect to see here in terms of landlord/tenant, in
16 terms of public utilities problems, in terms of that, as you
17 being asking for more complex information, that is what
18 determines the price. But everything you get is nationwide
19 in scope when you get it. So there is no Ohio versus
20 Virginia versus anything else.

21 CHAIR EAKELEY: Maria first, then LaVeeda, then
22 Bill.

1 MS. MERCADO: Yes, in trying to look at how you
2 compiled the data, for example, using the domestic violence
3 issue as an example, you were saying that by using the data
4 you could sort of determine from whatever the data has shown
5 you where there is more than likely to be domestic violence.
6 Now is that based on -- are you looking at other indicators,
7 other than what legal services grantees give you like police
8 reports or if there is other reports done by that state on
9 violence in that particular city or areas or how that breaks
10 down? I mean are you looking at other indicators, other than
11 what legal services grantees give you?

12 DR. McWEENEY: Absolutely. Absolutely. They --
13 this -- again, this organization, their specialty, please
14 understand, is data. It is not the system. The technical
15 system you see here is fairly much available these days to a
16 lot of industries.

17 I have been working with the Department of Justice
18 on this issue for three or four years. And the Attorney
19 General, Janet Reno, recently discarded the project because
20 she was frustrated with the lack of good data available to
21 the Justice Department. I wasn't aware of this at the time I
22 was doing that. This is a breakthrough because they do have

1 very good -- that is their business, externally validated
2 data.

3 What we would do in each instance is bring to Legal
4 Services Corporation here is what we think is an appropriate
5 surrogate to identify domestic violence or rent utilities and
6 you guys would discuss whether you think it is good or not.
7 But their job is to find the data.

8 CHAIR EAKELEY: Let me make a suggestion because we
9 are going to run out of time. I would suggest lets let Tom
10 finish the presentation and then lets open it up for
11 questions and discussion at that point. Is that okay for
12 you?

13 MS. BATTLE: If I don't forget my question.

14 CHAIR EAKELEY: Well, if you have got a question
15 about the -- yeah, well, if it is that kind of question,
16 either it is not worth asking or go ahead and ask it.

17 MS. BATTLE: Yeah, it is a simple question. To
18 follow up on what Nancy asked about how you assess the cost,
19 the answer that I heard was that the cost is derived by -- is
20 like Lexis Nexis usage because you are using a database? Or
21 how is it? We are trying to figure that out.

22 DR. McWEENEY: Yeah. The -- and I can't give you a

1 precise answer now. I honestly cannot give you a precise
2 answer. The basic cost, and they have been in business 15
3 years, is that they -- it is a fee for the -- for service and
4 it is related to use because if it is going to be used
5 nationwide, they have to put certain kinds of technological
6 apparatus in place to make sure the system is strong enough
7 to work nationwide. So if it is going to be used in a small
8 geographic area, it is one cost. If it is nationwide, it is
9 another cost.

10 CHAIR EAKEY: Lets come back --

11 DR. McWEENEY: But I just want to say the issue is
12 the complexity of the data they are collecting. And I would
13 like to show you some of that before we end the presentation.
14 That is the determination of the cost. What kind of
15 analytical work do they need to go into the system.

16 CHAIR EAKEY: Okay, we will come back to cost
17 because there will be -- I'm sure there are other questions.
18 But lets -- lets go ahead with the rest of the presentation.

19 DR. McWEENEY: In addition to the graphics, the
20 things that also impressed us was the ability of all this
21 data to be not only seen graphically and textually, but to
22 turn it into an immediate report that is available for use in

1 a variety of circumstances.

2 What we are doing here is just showing you how we
3 have kind of taken the country, all the data we have in the
4 country relative to the indicators that we have loaded there,
5 and you can see that we have identified service indicators.

6 We have identified median household income, 1998 population,
7 household incomes under \$20,000. I can't see that over there
8 -- oh, population density and population growth. Go ahead,
9 Gus.

10 Each of those can be -- can give you reports on any
11 question you have.

12 MR. SCHICK: Yeah, we can sort on any one of these
13 categories. So if you are interested in whether the -- which
14 programs have the largest numbers of potential clients, you
15 can sort it that way and the information is right there. If
16 you are interested in median income, you can sort it on that.

17 DR. McWEENEY: So it ranks on Legal aid Society of
18 Morris County, indicator of median income and Westchester
19 County. But in every question you ask, it arrays the various
20 legal services program in rank order as to how they would
21 rank. Again, this is just with data that was put together in
22 about a two week period. And I do suggest that the folks

1 that I have seen that look at this are over -- are just --
2 they don't have this data at their -- at their fingertip.
3 They don't have it at -- on the basis of a significant amount
4 of staff work.

5 MR. SCHICK: And this is their information total
6 cases.

7 DR. McWEENEY: This is your cases. Okay. Two more
8 things I would like to show you. Lets kind of wrap it up and
9 go to the ZIP codes. We are, in the interest of time, I want
10 to skip forward. I was going to show you some other stuff
11 about how you would begin looking at a state and parcelling
12 things apart, but in the interest of time I would like to
13 show you where we think some of the more significant
14 possibilities are here.

15 We were able to work with one program director from
16 Hampton, Virginia, who was able to deal with probably the
17 most difficult issue we had. Let me set it up this way.

18 When you begin looking at the issue of performance
19 management, again, we want to begin getting away from
20 reporting arrays of numbers. Whether it is the right numbers
21 or not, you don't want to be saying how many cases, how many
22 hours, how many positive perceptions, how many this. You

1 want to be able to understand how what you are doing has some
2 impact on the problem.

3 Now one of the reasons that -- one of the things we
4 would like to do is to be able to look at the kind of people
5 and the kind of problems that are availing themselves to
6 Legal Services. And that began getting us right away.

7 We started wanting to look at what is being done.

8 As a local level, we began being concerned of issues such as
9 attorney-client privilege and access. We realized that this
10 organization has had the ability to build in ZIP codes into
11 its system.

12 And so what Gus has done is array the area around
13 Hampton, Virginia by ZIP codes and the program director of
14 the Hampton -- in the office there in Hampton, but provided -
15 - legal services was able to provide the ZIP codes that were
16 associated with their clients, with a total guaranty of
17 confidentiality because all we know is the ZIP codes of the
18 people who came in.

19 And we took a quick look at that and arrayed the
20 ZIP codes in such a way that we can now identify who is
21 bringing legal services issues by a very small portion of the
22 community, so we could begin looking at the kinds of work

1 that is being done in very, very discreet areas.

2 Gus, why don't you explain to them what you have
3 here.

4 MR. SCHICK: This is essentially a question of
5 penetration. What we are looking at here is the cases per
6 household income less than \$20,000 by ZIP code. So you can
7 see in the red ZIP coded areas, three or more cases in the
8 per -- that is three or more cases per eligible household.
9 Up here we have a half to one. So you can see good
10 penetration up here, less so up here. And that is
11 proportionate to the potential eligible people

12 MS. YOUELLS: In this situation, the executive
13 director gave us 1999 data by case closing problem code
14 linked to client ZIP code. So that is how we were able to
15 extrapolate and associate legal problems with where the
16 client was residing in the service area.

17 MR. SCHICK: Right. And now here we are able to
18 see what kinds of cases are coming out of the individual ZIP
19 codes. And you can see that more than 30 percent of the case
20 loads coming out of these red ZIP coded areas are domestic
21 violence. Up here, virtually none. Now that is the only
22 category we have loaded in is domestic violence.

1 But potentially every category could be in there.
2 You could tell exactly what kind of cases are coming from
3 where and how many. So when you relate that to the
4 demographics and where the potential population is, it gives
5 you a good idea if you are addressing the problem in the area
6 where the poor people reside and what particular problems
7 coming out of those particular areas are.

8 DR. McWEENEY: And this is where I say they are
9 working on developing a model to tell you where they would
10 expect to see domestic violence cases in that area so you can
11 see is this high concentration of LSC cases related to an
12 area where there are high concentration of domestic violence
13 problems, filed in the courts with police reports and the
14 like.

15 So you are always able to contrast the work you are
16 doing with the problem in the community. And that is a very
17 big breakthrough. Are we doing the right stuff? Are we
18 focusing on the problems of concern by the people we are
19 serving? Are there problems out there that we are not
20 focusing on that are affecting the people that we should be
21 serving.

22 MR. McKAY: And we see this as a powerful tool in

1 the hands of the programs, in the hands of the executive
2 directors who can look at this data and assess their own
3 programs and help make decisions about where their resources
4 are going or to ask themselves questions about why they are
5 not penetrating certain areas that have obvious high
6 concentrations of low income people. It is, we think, a
7 pretty powerful tool that can be put in the hands of
8 programs.

9 CHAIR EAKELEY: Okay.

10 MR. SCHICK: Yeah and this again. This is just
11 another look at the demographics. This is the percent of
12 African-American population and where they are. And you can
13 do the distance thing again if you want to.

14 DR. McWEENEY: Okay, lets just go to the last --
15 the last presentation. Then and after he finishes that --
16 again -- I think if the program manager has that tool, how
17 effective is the use of it, et cetera.

18 The last thing I would like to talk to you about
19 just for a minute or two and then I will hold it open for any
20 questions you may have is in the area of performance
21 measures. And this is where I honestly feel the most
22 excitement about the possibility here.

1 As I said earlier, one of the things you want to do
2 to have an effective performance measure is just not state
3 the obvious. We have done so many cases or hired so many
4 people or spent so many money or solved so many problems.
5 You want to be able to relate it to the specific problems
6 facing your organization.

7 So we worked with the company over the past two
8 weeks to see if we can do something very simple for
9 demonstration purposes. And I don't mean to show this as
10 anything that we are even prepared to recommend yet, except
11 to show the power of the tool.

12 We have taken -- what we have looked at is sort of
13 three basic, you know, non-controversial indicators of
14 performance. And I don't mean to suggest they are the right
15 ones, but they are the number of LSC cases being completed.
16 They are the total LSC legal services funding in a service
17 area and the number of attorneys that are available in a
18 specific service area.

19 And we have asked the question don't just give us
20 the count, but lets see if we can figure out some index of
21 penetration to how -- how well we are doing with -- how well
22 we have penetrated the eligible areas of the state. And so

1 we have tried to say, in effect, can we get a graphic that
2 shows how many LSC attorneys we have per eligible client in
3 the area.

4 We have looked at what we call a surrogate measure
5 for eligible client, meaning those in areas in which the
6 household income is less than \$20,000 a year and the staff
7 basically agreed with that. And to make a somewhat
8 complicated story as simple as we can, we have taken
9 indicators like cases, funding and attorneys and say how do
10 these look when we look at how well we have penetrated into
11 these areas of the state because that is a real indicator of
12 success. Not are we spending a lot of money, but are we
13 spending a lot of money in relationship to our eligible
14 population.

15 This is where I think the power of this tool is.
16 And with the data that we have right now in these two areas,
17 you can see that the picture changes a little bit. If you
18 recall, this is the area of funding and we are, for example,
19 Washington State was among the highest states in terms of
20 total funding, but in terms of penetration, to what extent --
21 how does funding relate to the percentage of eligible person
22 in the state, Washington State ranks at the lowest for a lot

1 of reason which we have researched.

2 It begins asking a comparative sets of data. How
3 well are we doing compared to the population that needs us.
4 And this is where we have only scratched the surface on what
5 this tool may be able to provide for you. Real insightful
6 information as to how well our programs are getting into
7 these areas. He has thrown up these are the number of cases
8 for eligible household, and you can see that most of the
9 country is somewhere in the middle, but there is an awful lot
10 of areas in the blue which are at the very bottom of the
11 scale. Ironically, the upper mid-West, Maine, for whatever
12 reason, and we don't know the reasons for this right now, is
13 relatively high. And then the final one we had was
14 attorneys, the number of attorneys. And this tells you,
15 again, you can see that in terms of ranking, an awful lot of
16 states don't score nearly as high when you start asking the
17 questions how well have we penetrated areas in need. And
18 this makes an awful lot of sense when we keep hearing that 80
19 percent of the population is under-served. This begins
20 drawing a picture of where they are, where we are doing well,
21 where we apparently are serving most of the eligible or
22 fairly well percentage of the eligible population and where

1 we might have some work to do. And it is not aggregate
2 dollars. Washington State scores high on every total, and
3 yet when you put it in perspective of the eligible poor, it
4 scores on the bottom 20 percent.

5 Now this raises a whole series of level of
6 questions about how effective we want to be. And it gets --
7 it starts getting to how the qualitative measures of
8 performance and show whether or not we are really affecting
9 the lives of the poor. And this, to me, is the most powerful
10 aspect of the tool.

11 Now one last picture will take it one step further.
12 We have asked if they could combine all those into a single
13 indicator. Doesn't -- I wouldn't go with it, other than to
14 say it has the capability. They took those last three things
15 I have told you and ask the question, if you take total
16 number of funding, total number of cases and LSC attorneys
17 and asked -- and asked where are we -- where is the best
18 ratio in which they are penetrating the eligible population,
19 this is what the map looks like.

20 Again, this isn't anything that we are saying you
21 should do on this data, but it can combine all the relevant
22 indicators that you think are important and say, and here is

1 how, when we look at the whole picture, here is where those
2 indicators are scoring good across the board in terms of
3 being available to areas of eligible persons.

4 And I think that is -- and, again, and we have
5 divided this into a high level median. We had three
6 categories, upper 20 percent, lower 20 percent and the rest
7 is in the middle. If we were doing this in sort of real
8 time, we would probably have five categories to show you
9 various relations of where we are serving the poor.

10 But this is the first time I have been associated
11 with something. And I have an awful lot of people now
12 outside -- you know, in my world who are asking questions
13 about this. It is able to take your basic numbers and relate
14 them to the problem you are trying to solve. And to give
15 yourself some indicator of where you are doing well and where
16 you have to improve your performance.

17 CHAIR EAKELEY: Tom and Gus and Randi, thank you
18 very much. Any -- any further questions of them, as opposed
19 to John or just open it up. Nancy?

20 MS. ROGERS: I'm still trying to get some sense of
21 this is a neat tool, but at what price. In other words, what
22 portion of our budget are we thinking of spending for this?

1 MR. MCKAY: Let me address that. I have a memo
2 that Randi has prepared which lists the basic steps. It does
3 not include cost information because we are still developing
4 it.

5 But let me tell you what we know right now. We
6 have set aside around \$300,000 in our budget, between
7 \$250,000 and \$300,000 for some of our work on this for this
8 fiscal year. Our expectation is that we would be able to
9 handle most of this project with those funds, assuming that
10 we are able to fund the development at the state levels.

11 And, as Randi's memo points out and as we have
12 indicated to the board previously, we have selected three
13 states. They are Washington State, the state of Ohio and the
14 state of South Carolina. And they have volunteered to serve
15 as our field testing sites.

16 Now to fund the implementation of this and the
17 testing, we are going to encourage those states to apply for
18 technology grants as part of our technology grant program.
19 And we believe that we, in following up, for example, in
20 South Carolina which was one of our model states, that this
21 program will give the program, the state planners and LSC the
22 opportunity to ascertain the impact of our prior technology

1 grant on the state of South Carolina.

2 Randi tells me that that is precisely the reasoning
3 that will flow from determining the major reorganization of
4 service areas according to the wishes of the Ohio state
5 planners. And, in Washington State, we have a more mature
6 system that has already gone through that process as far as
7 state planning.

8 But the concept is they would apply for technology
9 grants within the parameters of our technology grant system
10 and that we would then budget whatever we think it takes to
11 accomplish the implementation of this within particular
12 states. So we are not sure yet because we haven't developed
13 fully the budget information. We are looking for feedback
14 from the board, of course, on this.

15 We are very excited about this prospect because I
16 think that it gives us the promise of both a significant
17 management tool, in terms of performance measures, both of
18 the corporation and individual programs. And I think puts
19 places at the disposal of programs the potential for huge,
20 huge amounts of information that executive directors and
21 local boards can use to ascertain their priorities and the
22 application of their own resources. So we are excited about

1 that.

2 And I think if you were to put a final price tag on
3 it for this year, we are probably talking about \$750,000,
4 maybe slightly more than that, if you were to include the
5 technology grants of the three programs. We don't have final
6 budget information.

7 And, again, Lily will have to come back to us, who
8 developed this system, to talk about once programs, for
9 example, determine how much data they want in their system,
10 that will affect the cost of the system for Lily. And I may
11 have left something out. If I may just have Randi supplement
12 and then take some questions.

13 MS. YOUELLS: I would just like to remind the board
14 that we are committed to the performance measurement project.

15 So the project that is disassociated from this, the one in
16 which we are now going to go out into three states, we are
17 going to work with them to evaluate their state justice
18 communities and then work with them to develop performance
19 measures in terms of where we want it to go is something that
20 is already in the development stage and we have talked about
21 in front of this board several times. So that project is
22 budgeted at about \$250,000 to \$300,000.

1 This would be a tool that we would overlay on top
2 of that project to make it more usable. But we are, right
3 now, engaged in a multi-year effort to develop performance
4 measurement rules to replace the CSR system.

5 CHAIR EAKEYEY: Edna, then Bill, then LaVeeda.

6 MS. FAIRBANKS: The question I had to ask was when
7 you are assessing the money that is coming in, are you just
8 using LSC money or are you using any of the federal grants
9 for domestic violence and things like that? Is that extra
10 money in there or no?

11 CHAIR EAKEYEY: Those are I think all funds
12 received by our grantees, which would include the Violence
13 Against Women Act funds.

14 MS. FAIRBANKS: But it is what is received by our
15 grantees, it is not something that would come into a sister
16 or brother grantee or come into the attorney general's
17 office?

18 MR. MCKAY: At this point that is right. Although,
19 we don't rule out letting states look at that data in some
20 other way. But what you saw today was either the LSC grant
21 funds or all the funds that our recipients received from
22 whatever source.

1 CHAIR EAKELEY: Bill?

2 MR. McCALPIN: I have two questions. One for the
3 consultants and one for the management. What are the
4 problems in keeping this database up to date, having in mind
5 that over the next 12 to 14 months, we will get an enormous
6 amount of new demographic data from the 2000 census?

7 MR. SCHICK: That is why you pay the IMAP fee.

8 That is what IMAP data does. That is their job and they keep
9 these databases current because the same demographics, they
10 are going to apply to all of their clients. So they have
11 thousands, literally thousands of databases.

12 And one of the main businesses that they do is keep
13 those databases current. So their data will be good data.
14 And they have a huge amount of it.

15 And that is one of the things that makes this so
16 useful. Whatever you think is relevant, they can go out and
17 pull it in. And if they don't have it, they can -- they can
18 get it. Your data -- that is a problem because your programs
19 are constantly changing and if I were to go through here and
20 show you some of the anomalies in the data, there is quite a
21 few, where the data doesn't seem to make any sense.

22 One of the things that is a benefit of this, is it

1 is going to force LSC to get its data right to rationalize it
2 and correct it and make it work. So that is something that I
3 think you will have to work on as you move into a new
4 performance management system and a new reporting system,
5 that data is bound -- it has got to get better. It has got
6 to get better.

7 CHAIR EAKELEY: You said you have two questions.

8 MR. McCALPIN: My other question is to what extent
9 does the viability of this program depend upon funding beyond
10 this current year?

11 MR. MCKAY: The numbers I gave you were what we
12 anticipated in the fiscal year, which would be until -- until
13 the end of September.

14 MR. McCALPIN: What happens if there is no funding
15 in the next fiscal year?

16 MR. MCKAY: Well, we are planning on funding.

17 MR. McCALPIN: I understand that.

18 MR. MCKAY: For the Legal Services Corporation.

19 MR. McCALPIN: I understand that, but I am not sure
20 that we will be around to make a funding grant in the next
21 year.

22 MR. MCKAY: Well, Bill, my philosophy is pretty

1 simple on that. We -- we have a charge from the board to
2 develop performance measures.

3 We have been out to the field. We have called
4 field representatives together to seek their input and
5 advice. We have asked national commentators to comment with
6 us. We have been in great contact with field programs on
7 issues of performance measures. We have promised them to the
8 board. We have promised them to the Congress.

9 So, if I were to follow your logic, it would
10 essentially be if it -- if it is a project that is going to
11 last longer than the anticipated life of this board, we
12 shouldn't act. And I am sure that is not what you mean.

13 So, yes, if the decision is made by future
14 management to continue this project, there will be costs
15 associated to the new board and the new management. I
16 believe this is such a powerful idea and so incumbent upon us
17 to establish performance measures on our strategic plan, that
18 the next administration is going to say well done prior
19 board, well done prior management, keep this thing moving
20 forward.

21 MR. McCALPIN: Let me put it another way. If there
22 is no further funding, will the funds expended this year be

1 wasted?

2 MR. MCKAY: Bill, let me just tell you something.

3 I will never ever assume that we will have anything less than
4 a continuation of federal funding for Legal Services. And we
5 will never, never plan to -- a scenario in which we do not.

6 So, my answer is there is no such planning. There
7 will be no such planning. And we will continue to serve our
8 clients in the anticipation that we will continue the
9 public/private partnership and the federal investment in
10 legal aid.

11 And I believe that the support in the Congress and
12 what we know about the incoming administration is very
13 favorable. And I think it is fully within the good practice
14 of this board, and I hope the good practices of this
15 management, to continue this project.

16 CHAIR EAKEY: But isn't this incremental in its
17 nature if -- if it is a pay per -- not pay per use quite, but
18 if we get into this substantially and there is some major
19 glitch we don't know anything about that makes it totally
20 unworkable, we are not committed to continuing even with the
21 current fiscal year?

22 DR. McWEENEY: It is a month-to-month process.

1 MR. MCKAY: And may I add --

2 CHAIR EAKEYEY: And you have got three different
3 decision making points in the process, too, with the
4 executive directors of the three programs or states that are
5 going to be working with this, along with a consultant
6 supervising it. LaVeeda wanted to get in and then Maria
7 Luisa.

8 MS. BATTLE: Yeah, I guess the question I have,
9 this is wonderful, wonderful new technology which allows you
10 to assess data and overlay it in a way that makes it very
11 meaningful. And I just heard from Nancy, of course, as a
12 legal services lawyer when you had ten maps that you had to
13 put in front of you to determine where to locate an office
14 and now you can push a few buttons and do that.

15 But my questions relates to one statement that you
16 made about Lexis Nexis. You know, as lawyers we have Lexis
17 Nexis and we have Westlaw. And there are probably other
18 providers out there with similar kinds of products. I am
19 assuming, I don't know whether there are or aren't.

20 And the issue becomes whether this, what we have
21 seen, which is really magnificent in terms of a database, is
22 the state of the art or if there is -- if there are other

1 products out there which can do the same thing and might
2 relate in much the same way. So I guess, from my stand point
3 of view, I am really impressed with this presentation because
4 it has expanded my knowledge and vision of what is available
5 in terms of how we can begin to look at data, but the
6 information that would be helpful to me is a better
7 understanding of this particular market and what is available
8 in it.

9 So if it is like trying to decide between the
10 Westlaw and Nexis for me as a lawyer in my law office, I at
11 least have had a chance to look at both and make an informed
12 decision.

13 DR. McWEENEY: I can take a quick shot at that.
14 There certainly are companies that can do similar technology.
15 If you can separate the maps and the pictures, that is a
16 fairly common technology and it really isn't that difficult
17 to do. That is available.

18 What we believe is unique is the -- this is not a
19 technology company, this is a data company. Okay? They are
20 in business to collect and analyze and keep current, as Gus
21 said, literally thousand of data elements around the country
22 from power plants to -- to utility companies to

1 landlord/tenant to where billboards are to where radio
2 stations are. That is what they do.

3 Now I don't, to answer your question, I don't know
4 for certain, but I can tell you a couple of things. The
5 Justice Department got rid of a project like this because
6 they couldn't find a data company to do it.

7 I have recently been told that the FBI is trying to
8 do something like this for their terrorism problem to show
9 were the power plants in the country are that need to be
10 protected. They went through an excruciating contract review
11 inside the Justice Department and are in the process of
12 awarding a sole source contract because they have concluded
13 that there was nobody else out that could get -- could
14 compete or had a comparable capability.

15 I do believe that this fellow who has worked in the
16 private sector has spent 15 years putting together databases
17 that cannot be matched. But I can't answer you conclusively,
18 but I don't know anybody who suggested the alternative.

19 MS. BATTLE: Sure. I guess the other question is
20 just like if I was looking at Westlaw and Lexis, I would want
21 to know who has used it and been happy with it. Because so
22 often, again, the glitches you talked about in our system and

1 how you being to interface with something that is brand new
2 becomes an important part of whether a particular new
3 technology system will work or not.

4 DR. McWEENEY: Sure.

5 MS. BATTLE: So are there customers who have used
6 this data company? I think that information would be helpful
7 to us.

8 DR. McWEENEY: I would be happy to give you their
9 client list. It ranges from the Federal Reserve Board, that
10 is some of it up there, I guess, yes -- industries. Their
11 clients are CBS News, ESPN, Federal Reserve Board, it goes on
12 and on and on. I have all this I can make available to you.
13 They have current clients. The American Bar Association has
14 dramatically endorsed their effort. And so we have a list of
15 folks that have done in the last several years that will get
16 you there. Any of that is available for the public record.
17 Most of it is on their website.

18 CHAIR EAKELEY: We are running out of time and I
19 don't want to shut off debate, but quickly, Maria Luisa and
20 Tom and Nancy. One at a time, but --

21 MS. MERCADO: Okay. One of my concerns, I guess, I
22 know you said that this entity IMAP keeps the technology

1 current. And I guess I was trying to figure out how it is
2 that we will present this information to the public, whether
3 -- I mean public in general.

4 I mean that can mean anybody because the
5 information or the data that is being gathered is fluid. In
6 particular as to the issue of cases, for example. You know,
7 this year they may have had 40 percent landlord/tenant, 10
8 percent domestic and, you know, 15 percent government
9 benefits or whatever else. And then next year maybe it may
10 be flipped.

11 And I don't know at what point the data that you
12 are having will define what direction you want the programs
13 to go in or not go in, because it seems that you would have
14 to look at a pattern of several years to sort of see what the
15 ebb and flow of client services are and whether, because of
16 infrastructure problems and transportation in reaching you,
17 there may be a lot of problems with domestic violence or
18 landlord/tenant or other issues. But they don't get to you
19 because of these other factors that are -- are not taking
20 into account in your data.

21 So I don't know how the data is going to be used in
22 a way that would positively assist the programs for better

1 delivery. Because some of those factors we can't control.

2 DR. McWEENEY: Sure and that is why we have offered
3 to go into those three areas, those three states and try it
4 out. I would envision that we want to take quarterly
5 snapshots of the data so we can compare trends. And we can
6 take a picture every quarter of what it looks like and use
7 that as the basis for comparing how things have changed and
8 how things have moved.

9 But I would -- I don't want to insult your
10 intelligence by saying we know the answers to these things.
11 Keep in mind, all we are saying today this is a tool that we
12 have recently discovered for performance management. The
13 capabilities are nearly endless. And all we are offering it
14 as a system of capabilities to begin asking those kinds of
15 questions.

16 CHAIR EAKELEY: Tom and then Nancy.

17 MR. SMEGAL: Well, let me see if I can just simply
18 this for myself. We have got two things going on here. We
19 have got a massive database that is commercially available
20 for whatever purpose. And then we have got an overlay of
21 Legal Service Corporation data.

22 DR. McWEENEY: Correct.

1 MR. SMEGAL: Now somehow that has got to get in.
2 Are we going to put that in or are they going to put that in?
3 Who is going to -- who is going to program that?
4 DR. McWEENEY: They have done it. It is done.
5 They -- the internal stuff, it is just a download.

6 CHAIR EAKEY: But Tom, what we have got is the
7 initiation of an ongoing effort to develop performance
8 measures that may generate new data needs and inputs that
9 will hopefully be used with or as this tool to give us
10 performance measures.

11 MR. SMEGAL: Well, yeah, and once that is in, once
12 that has been done, it is there and it keeps getting updated
13 as Maria Luisa was saying. But in response to what Bill is
14 saying, at some point where we don't want the data anymore we
15 just stop paying for it.

16 MR. MCKAY: Sure. That is right.

17 CHAIR EAKEY: Nancy?

18 MS. ROGERS: Well, people keep pointing out to me
19 that Ohio is one of the beneficiaries and I guess that is to
20 make me feel really guilty if I give an opinion that would
21 hurt Ohio. But I took an oath to represent legal services
22 across the nation and so I will live with whatever Ohio says.

1 I am an administrator. And I am used to making decisions
2 about useful kinds of planning devices in an organization
3 that has a budget of over -- not -- a billion dollars or
4 more. And how important it is to spend money to manage
5 information as opposed to how much you spend money to
6 actually do things.

7 And although this has been a short presentation,
8 you gave it to us to ask our opinion as to what we thought.
9 And based on what has to be very short, I guess I would weigh
10 in to say that I realize we need to go ahead on the research
11 on performance measures, but that this information management
12 overlay, at a cost of \$450,000 extra doesn't make sense to
13 me.

14 CHAIR EAKELEY: All right. Well, my -- I propose
15 that we study this further. I propose to -- to engage the
16 chair of the finance committee in the further scrutiny.
17 There are some other contract and procurement issues that we
18 had discussed before, just in terms of how does this get
19 done. And why don't we just study this further?

20 MR. MCKAY: I would be pleased to work with, in
21 particular, with the chairman and with Doug Eakeley and with
22 the chair of the finance committee, Nancy Rogers, as we go

1 through this process. I mean obviously it is a management
2 issue for us to manage this contract and to make the
3 decision.

4 But I am actively seeking the board's input and I
5 would like to, in the interim between board meetings, work
6 with Doug and Nancy so that they are aware of our thinking.
7 And that we also don't inordinately delay our process, which
8 I know you are very interested in us pursuing.

9 CHAIR EAKELEY: We are. But I mean this is a tool
10 that was recently discovered. It has all sorts of magnitude
11 and dimensions. And there are -- there are a variety of --
12 of not just cost implications, but I think I am assuming
13 staffing resource implications, too.

14 So I think the sense of the board is that people
15 need some more input, some more feedback. We have a helpful
16 memo from Randi that lays out the steps and how this relates
17 to the performance measurement activity that is going on and
18 we will report back.

19 Okay, thank you very much, Tom and Gus. We are on
20 item 18, election of board chair. We are on item 18,
21 election of board chair.

22 MS. ROGERS: I nominate Doug Eakeley as board

1 chair.

2 CHAIR EAKELEY: Is there a second?

3 MS. WATLINGTON: I second it.

4 CHAIR EAKELEY: Are there other nominations?

5 MS. WATLINGTON: I nominate that the nomination be
6 closed.

7 CHAIR EAKELEY: Is there a second to that?

8 MR. ERLENBORN: Second.

9 CHAIR EAKELEY: All those in favor of closing the
10 nominations?

11 (Chorus of ayes.)

12 CHAIR EAKELEY: All those in favor of Eakeley for
13 one more term?

14 (Chorus of ayes.)

15 CHAIR EAKELEY: Board vice chair, thank you very
16 much.

17 MR. ERLENBORN: We didn't have the noes.

18 CHAIR EAKELEY: What?

19 MR. ERLENBORN: I said you didn't ask for the noes.

20 CHAIR EAKELEY: Are there any noes? I'm sorry.

21 Great.

22 MS. BATTLE: I would like to nominate as our vice

1 chair, John Erlenborn.

2 CHAIR EAKEYEY: John Erlenborn? Is there a second?

3 MS. MERCADO: Second.

4 CHAIR EAKEYEY: I would welcome a motion that the
5 nomination be made by acclamation.

6 MOTION

7 MS. BATTLE: So moved.

8 CHAIR EAKEYEY: All those in favor of nominating
9 John Erlenborn by acclamation?

10 (Chorus of ayes.)

11 CHAIR EAKEYEY: Noes? Any noes? The ayes have it.
12 Committee appointments. I would ask this in the interest of
13 time. I have had some discussion with some of you about
14 changing committee assignments in our last year. I would
15 like to just make the rounds of the board separately and make
16 adjustments where we can.

17 And what I would like to do -- therefore -- and my
18 inclination also though is to let those who just assume
19 chairs of the committees who want to continue this last
20 period, continue with the chairs, but change the committee
21 assignments if we can to reflect differing interests on the
22 part of differing board members. And our bylaws permit the

1 board to delegate to the board chair the authority to appoint
2 directors to committees and I would propose that you let me
3 do this one more time. But I -- but it is not a strong
4 proposal, it is just a --

5 M O T I O N

6 MR. ERLENBORN: I will make a motion.

7 MS. WATLINGTON: I will second it.

8 CHAIR EAKEYEY: Is there any discussion of that
9 motion?

10 (No response.)

11 CHAIR EAKEYEY: Hearing none, all those in favor?

12 (Chorus of ayes.)

13 CHAIR EAKEYEY: Opposed?

14 (No response.)

15 CHAIR EAKEYEY: Okay. Thank you. I will get back
16 to you very promptly on that.

17 MR. MCKAY: Doug, I take it that your motion to
18 appoint chairs?

19 CHAIR EAKEYEY: Yes, and to appoint chairs, I
20 guess, but I -- yes, yes.

21 Meeting schedule? I want to -- meeting schedule.

22 We have an absolute conflict. Buckey cannot make it June 29

1 and 30. I think more board members can than not, but I want
2 to go -- I haven't been able to talk to Buckey about moving
3 that June board meeting, but we need to do that. And I think
4 we just need to go -- I need one more step.

5 Please note that we are going to move our September
6 meeting from Albuquerque to Santa Fe before we go to the
7 Navajo nation for our meeting there. Same dates.

8 Now I would like a motion to go --

9 MR. McCALPIN: My recollection is Santa Fe is not
10 easily accessible. You have to go to Albuquerque anyway to
11 get to Santa Fe.

12 CHAIR EAKELEY: I don't know, but we will --

13 MR. SMEGAL: You fly to Albuquerque and then you
14 drive to Santa Fe.

15 MS. BATTLE: How far is the drive?

16 MR. SMEGAL: Sixty miles. Sixty miles. It is a
17 freeway, but it is 60 miles.

18 CHAIR EAKELEY: We have got some time to review
19 this.

20 MS. FAIRBANKS: What is the dates in September?

21 CHAIR EAKELEY: I don't know.

22 MR. SMEGAL: 14th, 15th, 16th.

1 CHAIR EAKEY: Could I -- could I -- can I be
2 authorized, in the interim, to work out the June meeting date
3 and the place for the September meeting?

4 MR. SMEGAL: I'll go along with that only if you
5 don't go back to 9th and 10th.

6 MS. FAIRBANKS: I was going to say, if you don't go
7 back to the early part of June.

8 CHAIR EAKEY: We are going to go back and poll
9 the board because I don't know what the poll is and I don't
10 know why the change.

11 MR. SMEGAL: Elizabeth did a poll.

12 MS. WATLINGTON: They just came out when we were
13 leaving. I didn't get his answer.

14 MS. FAIRBANKS: It was 15th, 16th in Portsmouth,
15 New Hampshire the last I heard.

16 CHAIR EAKEY: Okay, well, I'm just -- may we -- I
17 would like a motion to go into closed session. I don't want
18 to -- I don't -- I have not talked to Buckey. I don't know
19 if that is our only alternative. Just do it that way. And I
20 am -- okay.

21 MR. MCKAY: Yeah, you did have the 2000 --

22 CHAIR EAKEY: Yeah, as long as we are going to

1 have a telephonic meeting of -- can we do 2002 meetings by
2 telephone also?

3 MR. MCKAY: Sure.

4 MS. MERCADO: Yes.

5 MR. SMEGAL: You have got to move the November
6 meeting because it conflicts with NLADA.

7 CHAIR EAKELEY: That is one. I think that is on
8 the -- that is not on our -- I thought we took care of it.
9 Lets get another look. I have -- I have had no feedback on
10 the schedule, so let's not do it right now. Closed session?
11 Is there a motion?

12 MOTION

13 MS. BATTLE: So moved.

14 MS. WATLINGTON: Second.

15 CHAIR EAKELEY: All those in favor?

16 (Chorus of ayes.)

17 CHAIR EAKELEY: All right. We are -- we are about
18 to go into closed session.

19 MS. MERCADO: Did you do the number 22?

20 CHAIR EAKELEY: No, we are going to do that by
21 telephone.

22 (Whereupon, at 1:22 p.m., the meeting was adjourned

1 to closed session.)
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1 CHAIR EAKELEY: All right. We are now back in open
2 session. Is there any other business? Hearing none, is
3 there a motion to adjourn?

4 M O T I O N

5 MR. McCALPIN: So moved.

6 CHAIR EAKELEY: Is there a second?

7 MS. WATLINGTON: Second.

8 CHAIR EAKELEY: All those in favor?

9 (Chorus of ayes.)

10 CHAIR EAKELEY: We stand --

11 MS. MERCADO: I assume we had no public comment of
12 the clients that were here?

13 CHAIR EAKELEY: I'm sorry, there -- no, I didn't
14 see anyone in the hall. They are all gone.

15 MR. FORTUNO: I have been advised that the public
16 has preceded the board to lunch.

17 CHAIR EAKELEY: All right, we stand adjourned.

18 Have a safe trip home, everyone.

21 * * * * *