

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

OPEN SESSION

Saturday, June 5, 2004

1:46 p.m.

The Hilton Omaha  
1001 Cass Street  
Omaha, Nebraska

BOARD MEMBERS PRESENT:

Frank B. Strickland, Chair  
Lillian R. BeVier, Vice Chair  
Robert J. Dieter  
Thomas A. Fuentes  
Herbert S. Garten  
David Hall  
Michael D. McKay  
Thomas R. Meites

Maria Luisa Mercado  
Florentino A. Subia  
Ernestine P. Watlington (by telephone)

## STAFF AND PUBLIC PRESENT:

Helaine M. Barnett, President  
Victor M. Fortuno, Vice President for Legal Affairs,  
General Counsel & Corporate Secretary  
Randi Youells, Vice President for Programs  
John Eidleman, Acting Vice President for Compliance  
and Administration  
Leonard Koczur, Acting Inspector General  
Laurie Tarantowicz, Assistant Inspector General and  
Legal Counsel  
David Maddox, Assistant Inspector General for Resource  
Management  
Mattie C. Condray, Senior Assistant General Counsel  
David Richardson, Treasurer and Comptroller  
Reginald Haley, Office of Program Performance  
Patricia Batie, Manager of Board Operations  
Karen Dozier, Executive Assistant to the LSC President  
Linda Perle, Senior Attorney/Legal Services, Center  
For Law and Social Policy  
Richard Teitelman, Judge, Supreme Court of Missouri  
Julie Clark, National Legal Aid and Defenders  
Association  
Pat McClintock, Iowa Legal Aid  
Lillian Moy, Director, Legal Aid Society of  
Northeastern New York  
Scott Hartsook, Iowa Legal Aid  
Bill O. Whitehurst, ABA Standing Committee on Legal  
Aid and Indigent Defendants  
Lillian Johnson, Community Legal Services

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address items listed under Closed Session 78

MOTIONS: 4, 5, 52, 64, 78

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

2 CHAIRMAN STRICKLAND: I'll call to order the  
3 meeting of the board of directors of the Legal Services  
4 Corporation of June 5, 2004.

5 The first item of business will be a motion to  
6 approve our agenda. Is there such a motion?

7 M O T I O N

8 MR. FUENTES: So move.

9 CHAIRMAN STRICKLAND: Is there a second?

10 MR. MEITES: Second.

11 CHAIRMAN STRICKLAND: Any discussion?

12 (No response.)

13 CHAIRMAN STRICKLAND: All those in favor of  
14 approving the agenda, please say aye.

15 (A chorus of ayes.)

16 CHAIRMAN STRICKLAND: Opposed, nay.

17 (No response.)

18 CHAIRMAN STRICKLAND: The ayes have it, and the  
19 agenda is adopted.

20 Now let's move to approval of the minutes of  
21 the board's meeting of May 1, 2004.

22 //

1 M O T I O N

2 MR. FUENTES: Move approval.

3 CHAIRMAN STRICKLAND: Is there a second?

4 MR. GARTEN: Second.

5 CHAIRMAN STRICKLAND: Those in favor say aye.

6 (A chorus of ayes.)

7 CHAIRMAN STRICKLAND: Opposed, nay.

8 (No response.)

9 CHAIRMAN STRICKLAND: The ayes have it.

10 And now let's approve the minutes of the  
11 executive session of the board's meeting of May 1, 2004.

12 M O T I O N

13 MR. FUENTES: Move approval.

14 CHAIRMAN STRICKLAND: Second?

15 MR. GARTEN: Second.

16 CHAIRMAN STRICKLAND: Those in favor, say aye.

17 (A chorus of ayes.)

18 CHAIRMAN STRICKLAND: The minutes are approved.

19 The chairman's report is very brief. It hasn't  
20 been very long since the last meeting.

21 On Thursday evening of this week, I attended  
22 the 80th anniversary of the Atlanta Legal Aid Society in

1 Atlanta, and a good time was had by all. It was a very  
2 low key event, and they just announced a couple of things  
3 that they're going to be doing. So it was a good  
4 occasion and it was good to be there.

5 So that concludes the chairman's report. Do  
6 any members of the board have reports?

7 MS. BeVIER: I have.

8 CHAIRMAN STRICKLAND: All right. Lillian?

9 MS. BeVIER: About ten days ago, I attended a  
10 reception for Alex Julata, who is the man who is the  
11 executive director of the now non-LSC-funded legal  
12 services provider in Charlottesville, Virginia. And  
13 there were a lot of ardent supports of legal aid there.

14 And I thought I might share with you a sense  
15 that I got there that, in fact, in a very odd way, the  
16 sort of near-death experience that LSC had in the '90s,  
17 coupled with the restrictions that were placed on LSC at  
18 that time, has energized a segment of the community in  
19 Charlottesville that was never involved with legal  
20 services before, and indeed, I mean, energized to the  
21 point of engaging their philanthropic impulses and their  
22 int.

1           And so there is -- I realize this is kind of  
2    ironic, and you might want to say, well, thanks for  
3    nothing. But the fact is that it has had a very  
4    beneficial effect, at least in Charlottesville, because  
5    now there are two providers of legal services, and one is  
6    not bound by the restrictions and the other is.

7           But more importantly, there's a community of  
8    citizens in Charlottesville that is engaged and actively  
9    contributing to this effort. So that's the silver  
10   lining, I guess, that one might find on what others  
11   regard as a big, huge cloud.

12           CHAIRMAN STRICKLAND: Any other board members  
13   have reports? Yes?

14           MR. MEITES: On Tuesday of this week, I  
15   attended the annual fundraising luncheon of the Legal  
16   Assistance Foundation of Chicago. And I didn't have the  
17   same experience as Lillian since there is no parallel  
18   organization. But I had a similar overview of what was  
19   happening.

20           We, Legal Services Corporation, and the United  
21   States of America, also we, were criticized for not  
22   funding legal services adequately in the United States.

1 That was two sentences.

2 But then the executive director spoke with some  
3 feeling about how successful Legal Assistance Foundation  
4 has been in making up the slack. And there was a full  
5 ballroom of large law firms filling expensive tables.

6 And so whatever the impulses behind the  
7 restrictions were, the fact is that at least those legal  
8 assistance grantees I've seen have energized themselves  
9 in a way that I don't think they ever would have done.

10 Now, I'm not advocating this kind of tough love  
11 is really the way to achieve change in the United States.

12 But sometimes it happens. And the results and the  
13 unexpected consequences often are very surprising.

14 And I think one of the surprises is although  
15 funding levels are still woefully inadequate, is that our  
16 grantees have -- at least the ones I've seen -- have  
17 really taken tremendous strides in learning how to raise  
18 money. And there's a real plus to being able to do that.

19 CHAIRMAN STRICKLAND: Thank you, Tom.

20 Rob, go ahead.

21 MR. DIETER: I have one, if you'll just indulge  
22 me a moment.

1           We hear so much about impact litigation and  
2 that sort of thing. And I had learned of a case in  
3 Colorado where Colorado Legal Services had provided  
4 representation to a two-year-old Medicaid patient in  
5 rural western Colorado, which would be similar to the  
6 communities lying west of where we went yesterday, and  
7 asked John Asher to give me a summary of it because it  
8 was interesting in terms of communicating, I think, to  
9 young legal services staff attorneys and people who might  
10 want to become staff attorneys the kind of work that you  
11 can do in terms of having an impact on an individual's  
12 life.

13           This two-year-old was suffering from a  
14 congenital deformity of the spine and rib cage, which the  
15 doctor called dramatic respiratory compromise, which  
16 basically meant that this child was going to be on a  
17 ventilator and possibly die as his body grew and outgrew  
18 his rib cage and caused constriction of his lungs.

19           And his HMO was denying medical treatment for  
20 an operation to correct this, with an expandable titanium  
21 rib cage, on the grounds that it had not been approved by  
22 the FDA and therefore was experimental.

1           And the local ombudsman at the hospital  
2           contacted the local staff attorney there in the small  
3           town, who then took up representation of this person and  
4           prepared to litigate the issue.

5           They were contacted in January of 2004 about  
6           the problem, and the operation as a result of Colorado  
7           Legal Services' involvement in the situation was  
8           successfully performed on April 15. And as a result,  
9           this expandable rib has been put in place and this child  
10          is doing well. And I just wanted to read the note to  
11          John Asher from the ombudsman there.

12          "I just wanted to let you know personally how  
13          wonderful it has been to work with the team of Peter and  
14          Joel on the titanium rib case. They have both gone above  
15          and beyond any reasonable expectation to make time in  
16          their already heavy workload to take on this case.

17          "Communication and cooperation has been superb,  
18          and their combined research and work product have  
19          achieved an outstanding result, saving the life of a  
20          child and creating the future for him. It is something I  
21          could never have done alone.

22          "I want you to know how deeply I appreciate

1 Peter, Joel, and all of the Colorado Legal Services.  
2 Thanks a million for making them available and for having  
3 such great attorneys on staff. They deserve  
4 acknowledgment and a special pat on the back.

5 "Peter has also been a very special member of  
6 my advisory board, again providing time and expertise  
7 that I know he has had to squeeze out of other pressing  
8 duties. I appreciate that commitment as well. Thank you  
9 and Colorado Legal Services. The experience of working  
10 together has been a privilege."

11 So that's an example of the kind of impact  
12 litigation that an individual staff attorney can have  
13 working with an individual client. It isn't always the  
14 dramatic cases that get publicity or are litigated in,  
15 you know, appellate courts. And I think it's important  
16 to draw attention to that and to recognize the good work  
17 that these attorneys have done. Otherwise I don't think  
18 anybody would have, you know, heard about this.

19 CHAIRMAN STRICKLAND: Well, thank you for  
20 letting us know about it. Is there any recognition being  
21 made of these lawyers by Colorado Legal?

22 MR. DIETER: No. I just asked John to give me

1 a -- I'd heard about it and asked him to give me a  
2 summary of it, and I was going to bring it to Helaine's  
3 attention. I have a letter.

4 CHAIRMAN STRICKLAND: Maybe we should look into  
5 some sort of recognition from our level in addition to  
6 anything that might be done by John Asher.

7 Any other board members have reports?

8 MR. MCKAY: Mr. Chairman?

9 CHAIRMAN STRICKLAND: Yes, sir?

10 MR. MCKAY: Very briefly, right after our  
11 meeting in Baltimore, I had the pleasure of going down to  
12 Washington, D.C. and meet up with a delegation of  
13 citizens from Washington, the state supreme court  
14 justice, president of the state bar association, to lobby  
15 our Washington state delegation for funding for legal  
16 services.

17 And it was a rewarding experience for those of  
18 us who've been involved in these communications over the  
19 years. Those who would not meet with us in the past are  
20 now supporting us. Those who were actively opposing  
21 funding for LSC are now meeting with us and allowing us  
22 to address their specific concerns, which I think is a

1 good process.

2           And so it was a wonderful experience. And, of  
3 course, it's reflected in some of my comments earlier  
4 today, keeping our eye on the ball, which everyone is, on  
5 this issue of compliance. Because a lot of hard work has  
6 gone into this up till now, and I know that as long as we  
7 continue, we're going to continue to move in the right  
8 direction with the members of Congress up on the Hill.

9           CHAIRMAN STRICKLAND: Thank you, Mike.

10          MR. GARTEN: Frank?

11          CHAIRMAN STRICKLAND: Yes, sir, Herb?

12          MR. GARTEN: I'd like to report on two events.

13         The first was probably the ABA Day in Washington that  
14 you just heard about, and I think the American Bar  
15 Association deserves a lot of credit for sponsoring that  
16 event where the number one item on their agenda is  
17 support for Legal Services Corporation.

18                 It's been going on for about ten years, and at  
19 least 200 lawyers from all over the United States attend  
20 each year. The primary focus is to call on members of  
21 Congress and the Senate to seek support, and also to call  
22 on those who have supported us from the very beginning.

1           Our Maryland delegation called on two Senators.

2       We had personal interviews with both Senator Mikulski  
3       and Senator Sarbanes. Senator Sarbanes found at least an  
4       hour to spend with us to discuss principally Legal  
5       Services Corporation and some other items that the ABA  
6       felt worthy of our seeking support from our congressional  
7       delegation.

8           Sarbanes, in fact, followed up with a personal  
9       note to me indicating his support, continuing support,  
10      and how important it was to the country, the job that we  
11      were doing. So just as Mike says, I'm very impressed  
12      with the support we're getting in Congress, although the  
13      Maryland delegation has been very supportive from the  
14      beginning.

15           And the second item that I'm sure President  
16      Barnett will report on was the fact that I was delighted  
17      to be present at the annual fundraising event of the  
18      Legal Aid Bureau of Baltimore, which was held on May  
19      27th, and the principal speaker was our president, whose  
20      remarks were very, very well received by about 200 people  
21      that were there, many of whom had attended our reception  
22      also.

1           So our presence in Washington and Baltimore is  
2 very, very evident. And I was especially pleased to see  
3 Helaine present for that particular occasion.

4           CHAIRMAN STRICKLAND: Well, Herb, thank you for  
5 that report. And we thank you again for a great visit to  
6 Baltimore and your hospitality in arranging -- making the  
7 arrangements. And those of you on the board who missed  
8 the crab fest on Saturday evening, you missed a real  
9 treat.

10          MR. GARTEN: I wonder if she should be giving  
11 an award for that.

12          CHAIRMAN STRICKLAND: There are photographs  
13 available of some of your board members in action.

14          MS. BeVIER: On the website?

15          CHAIRMAN STRICKLAND: I don't think we're going  
16 to put these on the website.

17          MR. GARTEN: No. they're available privately.

18          CHAIRMAN STRICKLAND: I learned how to use that  
19 mallet as a gavel. I know a little bit about how to use  
20 that.

21          All right. Helaine, we are ready for the  
22 president's report.

1           MS. BARNETT: Thank you. I'm pleased to have  
2 the opportunity to share with the board my activities and  
3 some developments at LSC since the last board meeting,  
4 which was just the first of May.

5           On May 7th, in observance of Asian  
6 Pacific-American Heritage Month, LSC celebrated Asian  
7 Americans and equal justice. It was a wonderful sharing  
8 of the different cultures and diversity of our staff,  
9 which represented five countries of Asia, and Karen  
10 Narasaki, the executive director of the National Asian  
11 Pacific-American Legal Consortium, was our keynote  
12 speaker. And she spoke eloquently on the issue of Asian  
13 Pacific-Americans and equal justice.

14           Two executive directors of LSC-funded programs  
15 also joined us and spoke about major historical events  
16 and their personal families' involvement with them.  
17 Bruce Iwasaki, the executive director of the Legal Aid  
18 Foundation of Los Angeles, talked about the evacuation of  
19 Japanese-Americans during World War II, and Lillian Moy,  
20 the executive director of Legal Aid of Northeastern New  
21 York, talked about the Chinese Exclusion Act of 1882. It  
22 was an extremely informative and moving program.

1           Regarding our technology initiative grants, we  
2 received 83 applications by the May 14th deadline, for a  
3 total request of close to \$6,900,000. As the board may  
4 recall, this year LSC has \$2.9 million to fund technology  
5 grant proposals.

6           The fact that we received requests for almost  
7 three times the amount of funds available means that,  
8 once again, we will have to make hard decisions about who  
9 will get these funds.

10           I'm pleased to report that we just learned that  
11 the Legal Aid Society of Orange County's I-CAN! project,  
12 which is funded by a TIG grant, has won the National  
13 Association for Court Management's Justice Achievement  
14 Award, which is a very prestigious award granted to one  
15 program annually.

16           In addition, we had a showing at LSC of a video  
17 entitled, "Voices of Legal Aid," which was produced as  
18 the result of another TIG grant by the Legal Services Law  
19 Line of Vermont. It is a very moving video of different  
20 staff members in legal aid programs explaining why they  
21 chose to work at legal aid.

22           Some of the events I attended have already been

1 briefly referred to. The ABA Day in Washington was May  
2 5th, and as was shared with you, bar leaders from around  
3 the country come to Washington on ABA Day to meet with  
4 their Congressmen on the need for adequate funding of  
5 LSC, which is a major priority of the ABA.

6 I was invited to address the gathering at lunch  
7 to talk about issues concerning LSC. I also attended and  
8 was recognized by Dennis Archer, the president of the  
9 ABA, at a reception that evening which honored several  
10 members of Congress.

11 When Representative David Obey was honored for  
12 his specific efforts to improve the American justice  
13 system, I was asked to join President Archer and be part  
14 of his recognition. I also attended a dinner with the  
15 leadership of the ABA that evening.

16 That morning I met with LSC with  
17 representatives of the Louisiana bar, including Wayne  
18 Lee, state bar president, Mike McKay, a different Mike  
19 McKay, president-elect, and Monty Moliere, the head of  
20 the Louisiana Access to Justice Program, who had come to  
21 Washington for ABA Lobby Day and had requested to meet  
22 with me beforehand.

1           On May 17th, I attended, as a long-standing  
2 elected member, the opening session and opening luncheon  
3 at the American Law Institute's annual meeting at the  
4 Mayflower Hotel in Washington. Chief Justice Rehnquist  
5 addressed the group, and during the luncheon I was  
6 recognized as the new LSC president.

7           On May 19th, I was the keynote speaker at the  
8 opening dinner of then Pennsylvania Legal Services  
9 statewide training conference in Valley Forge, which was  
10 attended by approximately 200 members of the Pennsylvania  
11 equal justice community.

12           I am pleased to report that I had a lovely  
13 conversation with Ernestine Watlington on that day, and  
14 congratulated her on being honored the following day with  
15 the first Ernestine Watlington Community Development  
16 Award for her leadership and advocacy in ensuring that  
17 the legal service delivery in Pennsylvania is responsive  
18 to the needs of low income persons in the development of  
19 affordable housing and community economic development  
20 issues.

21           On May 21st, I attended the Midwest Project  
22 Directors meeting in Chicago and met with the executive

1 directors of LSC grantees from Illinois, Indiana, Iowa,  
2 Kansas, Minnesota, Missouri, Nebraska, North Dakota,  
3 South Dakota, and Wisconsin.

4           It was a wonderful informal gathering. I  
5 learned an awful lot. In the morning they made  
6 presentations on the unique challenges to delivering  
7 legal services in rural communities.

8           They spoke of the special issues confronting  
9 programs serving Native Americans. They spoke of the  
10 need for collaboration between human and legal service  
11 providers, especially necessary in rural areas,  
12 highlighting a law and health project with the public  
13 hospitals.

14           They spoke of the role of Judicare and the  
15 various ways of using private lawyers to assist in the  
16 delivery of legal services in rural areas. And they made  
17 the same presentation that was made to us on the bus  
18 yesterday on the benefits of a centralized statewide  
19 telephone intake system, which is utilized here in  
20 Nebraska. After lunch, I shared with them recent  
21 developments at LSC, including an update on recent board  
22 meetings and our initiatives.

1           And as Herb Garten has already told you, at the  
2 request of Wilhelm Joseph, on May 27th I was the keynote  
3 speaker at the annual awards and recognition breakfast of  
4 the Equal Justice Counsel of the Legal Aid Bureau of  
5 Maryland, which took place at Camden Yards.

6           It was a wonderful opportunity to thank and  
7 acknowledge so many of the individuals we had met during  
8 our recent board meeting and at the dinner in our honor,  
9 including Chief Judge Bell, Maryland Bar President Harry  
10 Johnson, Dean Gilberg Holmes, Warren Olivieri, and Andrew  
11 Graham. And it was an honor to have Clint Bamberger and,  
12 of course, our own Herb Garten also in attendance. The  
13 audience did consist of approximately 200 key members  
14 of the judiciary, legal community, and advocates  
15 throughout Maryland.

16           I'd like to also report that on May 20th, I  
17 attended an accountability training conducted by Camilla  
18 Vasagam and David Delatour, who are staff attorneys in  
19 LSC's Office of Compliance and Enforcement, at the LSC  
20 recipient in Northern Virginia, Potomac Legal Services  
21 Corporation.

22           The training was provided at the request of the

1 executive director of the program. The purpose of the  
2 training was to help our recipient better understand its  
3 obligations under the regulations.

4 Also, the program had an OCE visit in late  
5 2003, and had requested that certain issues be more fully  
6 explained. The training lasted three hours, and it was  
7 attended by the entire staff of the program as well as  
8 the director of the sub-recipient, who conducts private  
9 attorney involvement.

10 I was amazed how Cami and David could make  
11 three hours of how to comply with regulations and  
12 procedures appear so informative, instructive, and  
13 entertaining. It was very interactive, with great  
14 participation by the 15 staff members in attendance.

15 And I was very pleased to observe a typical  
16 training. It helped me understand the excellent resource  
17 that LSC makes available to its recipients so that LSC  
18 can ensure that the recipient is complying with the  
19 regulations, and to understand the current issues faced  
20 by the programs and, in particular, the best practices  
21 regarding compliance requirements involved in client  
22 intake and case handling.

1           Everyone who has heard me speak about the  
2 possibility of a pilot project on loan forgiveness is  
3 very excited about it. Many ideas have been offered, and  
4 many have offered to work with us on this project.

5           As I mentioned, at the Finance Committee  
6 meeting yesterday we understand that the House of  
7 Representatives is drafting language to be included in  
8 our fiscal year 2005 appropriations legislation that  
9 would allow LSC to spend previously appropriated funds to  
10 launch a pilot loan forgiveness project.

11           On the assumption we will be successful our  
12 funding effort, we will be setting up a task force over  
13 the summer to help advise us on the design of such a  
14 pilot project.

15           I also want to share with the board that I am  
16 planning to have a meeting of the executive directors of  
17 all LSC grantees. Now that there are approximately 143  
18 grantees, we think that such a gathering is feasible.

19           I have formed an in-house planning committee  
20 and would welcome a board liaison for planning purposes  
21 to join us in that effort. And whether we can coordinate  
22 that event with our 30th anniversary celebration is under

1 discussion.

2           Regarding space, I am pleased to report that  
3 while an MOU with Friends of Legal Services has been  
4 executed, there have been some follow-up discussions  
5 between the parties concerning even a possibly more  
6 generally favorable resolution.

7           Since these alternative terms appear to be  
8 significantly better than the terms earlier discussed and  
9 incorporated into the MOU, we have pressed forward on  
10 this approach and hope to have for you shortly for your  
11 approval a revised MOU along those lines.

12           Two days ago I delayed my departure to Omaha to  
13 receive, welcome, and thank Bill Gates, Sr., who was  
14 visiting our building, which was funded by the Bill and  
15 Melinda Gates Foundation for the very first time.

16           Peter Edelman, on behalf of the board of  
17 Friends, and Herb Garten, on behalf of the Legal Services  
18 Corporation board, and Lynn Bulen, who is a member of our  
19 Office of Legal Affairs who works very closely with  
20 Friends, was part of the welcoming group with me.

21           We toured all of LSC's existing space and  
22 anticipated space, and I must say Mr. Gates was a most

1 cordial visitor, interested, asked questions about our  
2 work, and when I proposed to him the possibility of  
3 establishing a plaque in the lobby of our building to  
4 recognize the fact that LSC has a permanent home due to  
5 the generosity of the Melinda and Bill Gates Foundation,  
6 he thought that was a lovely idea. Of course, I  
7 committed that we would share with him beforehand an  
8 exact replica of what we were thinking of doing.

9 But it was certainly a highlight for all the  
10 members of the staff who got an opportunity to meet Mr.  
11 Gates, and we were most appreciative that he took the  
12 time and had the interest to want to see our headquarters  
13 himself.

14 Insofar as the overall structure, organization,  
15 and operation of LSC, I am continuing to focus my  
16 attention. I continue to have weekly meetings with the  
17 executive team, consisting of the existing three vice  
18 presidents, and as I mentioned also yesterday, I'm still  
19 interviewing candidates for the position of vice  
20 president for government relations and public affairs.

21 I meet monthly with the office directors, and  
22 have asked to attend their regular meetings. I've been

1 working with the controller's office on a review of our  
2 financial reports, and I've been working with our human  
3 relations department on proposed changes to our personnel  
4 manual and policies, and we are in the process of  
5 finalizing changes to our administrative manual and  
6 policies. I also continue to meet every other week with  
7 Len Koczur, the acting inspector general.

8 In conclusion, as I said previously, I remain  
9 impressed generally by the overall dedication,  
10 commitment, and quality of our staff, and at the same  
11 time, see possible areas of opportunity for improvement.

12 Of course, I continue to have to learn a lot more, and  
13 there's a lot more for me to do.

14 CHAIRMAN STRICKLAND: Thank you for your  
15 report. Does anyone have any questions for Helaine about  
16 her report?

17 (No response.)

18 CHAIRMAN STRICKLAND: Well, let me just note  
19 for the record that we certainly thank Herb Garten for  
20 changing his schedule to meet with Bill Gates, Sr.,  
21 during his visit. And we also again for the record  
22 express our appreciation to Peter Edelman on behalf of

1 the Friends board for joining in that visit.

2 I think it's great that Mr. Gates was  
3 interested enough during his Washington visit to want to  
4 stop by and see our building, and I'm sure he was  
5 impressed. And you might have changed your schedule,  
6 too, didn't you, Helaine?

7 MS. BARNETT: Yes. I'm very glad I did.

8 CHAIRMAN STRICKLAND: Well, we are, too. Thank  
9 you for doing that.

10 All right. Let's take the acting inspector  
11 general's report. Len, are you ready?

12 MR. KOCZUR: Yes, sir. Thank you, Mr.  
13 Chairman.

14 We continued our series of program integrity  
15 audits and are in the process of drafting the report on  
16 the Boston Volunteer Lawyers Program. We expect to have  
17 that out by the -- draft report by June 21st.

18 As you might remember, our report on CRLA had  
19 been referred to management for follow-up. The Office of  
20 Legal Affairs has produced a draft opinion on the report  
21 that we're currently reviewing. We expect to have a  
22 meeting with the Office of Legal Affairs staff either

1 next week or the following week, and have a response,  
2 written response, by June 18th to their report on our  
3 report.

4           We're continuing our private attorney  
5 involvement audits. We currently have three underway:  
6 Central California Legal Services, Legal Services of  
7 North Carolina, and Western Michigan Legal Services.  
8 Draft reports are being prepared on all these programs  
9 and are expected by the end of June, expect to be issued  
10 by the end of June.

11           We're moving forward with our technology  
12 initiative grants. We've pretty well -- grants audit.  
13 We've pretty well completed our preliminary work and have  
14 selected our first grantee for audit, which is the  
15 Kentucky Legal Aid, formerly Cumberland Trace Legal  
16 Services, obviously in Kentucky.

17           We're starting out -- we'd like to do this all  
18 the time; it's a new series of audits -- with a grant, a  
19 program, that appears relatively simple to audit. It's  
20 not the most complex-type thing to jump right into.

21           And this program has a single grant, about  
22 \$100,000, and the grant is essentially completed. So we

1 think this is a good place to start. The work is going  
2 to start on the 16th -- I'm sorry, June 28th. We had  
3 planned to start a little bit earlier, but the grantee  
4 has some scheduling problems. They have some issues and  
5 we just can't start until late in the month.

6 We've also received approximately 120 audit  
7 reports, the annual financial audit reports, on the --  
8 the grantees are required to prepare. They hire  
9 independent public accountants to prepare them.

10 We're reviewing those, the findings in those  
11 reports, and will refer the significant ones to LSC  
12 management for follow-up. This is our normal process.  
13 It's the process dictated by OMB in their Circular A-50,  
14 and we refer to it as our A-50 follow-up process.

15 Our Georgia mapping project is continuing, as  
16 I've reported. We're working with the grantees in  
17 Georgia and in southern -- five grantees in southern  
18 California.

19 In Georgia, we're updating our previous maps  
20 with 2000 census data. There are some additional maps  
21 that the programs in Georgia are particularly interested  
22 in. They want to see some maps of the persistent poverty

1 areas, the maps showing non- English-speaking and  
2 immigrant populations, and what I find more interesting  
3 or most interesting, they want maps that will indicate  
4 where people are eligible for Medicare payments.

5           Now, the Medicare law has changed. There are  
6 many more people apparently that are eligible. And  
7 the -- I believe it's the Atlanta Legal Services wants to  
8 pinpoint these people so they can get outreach to them  
9 and provide some education to them, perhaps on how to  
10 apply, to offer assistance on applying for these  
11 benefits.

12           In southern California, we're working with the  
13 five grantees, as I said. We're going to produce a range  
14 of maps showing the poverty populations at various  
15 levels -- 100 percent of the poverty line, 125 percent,  
16 which is the base for our eligibility, and 185 percent.

17           Again, we're going to map the  
18 non-English-speaking population. And we're trying, as I  
19 mentioned the last time, to get into other areas beyond  
20 just cases and closed cases and look at some other  
21 activities that they do, again at the grantee's request.

22           And of course, the most significant is the

1 items that we term "matters," which are not cases, but  
2 it's other work that they do, trying to map those. For  
3 example, if they have pro se clinics, that type thing,  
4 we're going to produce maps with them, where the pro se  
5 clinics are located, the population in the area, the type  
6 of population, and that type thing.

7           The grantees in southern California are very  
8 enthusiastic about this, and are interested in continuing  
9 this mapping after the project terminates, which I think  
10 most of the -- certainly most of the LSC staff knows.

11           The southern California grantees in general  
12 have been real strong advocates of technology and using  
13 technology to move forward. We expect to have our second  
14 report on the -- our report on phase two of the project  
15 completed by the end of September.

16           That concludes my report, Mr. Chairman.

17           CHAIRMAN STRICKLAND: Thank you, Len.

18           Does any board member have any questions for  
19 Len about his report?

20           (No response.)

21           CHAIRMAN STRICKLAND: All right, Len. Thanks  
22 very much.

1           MR. KOCZUR:  You're welcome.

2           CHAIRMAN STRICKLAND:  Now let's consider and  
3 act on the report of the board's Committee on Provision  
4 for the Delivery of Legal Services.  Chairman David Hall.

5           MR. HALL:  Thank you, Chairman Strickland.

6           The committee met yesterday here in this room.  
7 We had two major matters to come before the committee.  
8 I will report on both of those.

9           First we had an excellent presentation from  
10 representatives from the Iowa Legal Aid.  The executive  
11 director, Dennis Groenenboom, brought four of his staff  
12 with him, Frank Tenuta, Gail Klearman, Scott Hartsook,  
13 and Pat McClintock.  And they also brought one client,  
14 Jill Swope.

15           The theme that they presented on was the  
16 challenges of rural delivery and how one maintains  
17 quality in this particular setting.  It certainly was  
18 consistent with some of the things we learned on our trip  
19 here in Nebraska.

20           I will not try to touch on everything that they  
21 shared with us since most of us were here.  But I would  
22 like to focus on a few themes that they made us aware of

1 which I think are somewhat critical.

2           On the issue of how they ensure quality in this  
3 complex arena of rural delivery, the things they focused  
4 on primarily was the type of structure that they had  
5 within the organization, that structure including not  
6 only supervision but also the type of training and  
7 oversight that they provide to the individuals who are  
8 engaged in service.

9           The experience of their staff was something  
10 that they also pointed to. The use of the two litigation  
11 directors that they have, who not only have  
12 responsibilities for certain geographical areas, but also  
13 have responsibility for various substantive areas as  
14 well.

15           And they gave us some classic examples of how  
16 some innovative cases or cutting edge cases that were  
17 developing in their organization were able to reach a  
18 successful level because that structure provided a new  
19 lawyer with the type of insight and expertise and support  
20 along the way.

21           They also talked about some changes in the  
22 demographics happening in Iowa, especially in regards to

1 an increase in the number of Latino residents, and how  
2 that is causing them to have to make some changes and  
3 adjustments, especially in having more staff who can  
4 speak the language and be able to talk to clients in  
5 their language, and that they are trying to adjust to  
6 those.

7           There was a very compelling presentation on the  
8 whole area of domestic violence in rural areas, and that  
9 one of the challenges they have is being able to come to  
10 the client and not expect the client to come to them;  
11 that there are numerous counties within the state that do  
12 not have shelters, and therefore it becomes even a  
13 greater challenge for them to be able to provide safety  
14 for women in particular who find themselves in this type  
15 of situation. And so developing a holistic model to the  
16 whole issue of domestic violence is something that they  
17 are struggling a lot with.

18           There was a compelling story from the client  
19 who was present about her own personal experience and how  
20 Iowa Legal Aid was not only important in trying to  
21 provide her with some legal assistance, but just also in  
22 trying to empower her and give her a sense of self-safety

1 in that regard.

2 One of the staff spoke about the farm project  
3 that they have in Iowa and made, I think, also a very  
4 compelling presentation about how we need to better  
5 understand the challenges of farmers.

6 And just as we saw in our trip that individuals  
7 who may have large tracts of land and assets who we  
8 normally would view as not being eligible for our  
9 services, because so much of that property is encumbered  
10 and because their lives are really on the edge and that  
11 they're living off very meager resources, that they still  
12 fall into the category of being client eligible, and  
13 therefore they have some very unique problems that the  
14 individuals in the legal aid community have to address.

15 And so I thought that was also very  
16 enlightening about how one provides legal services to  
17 individuals who are in a different type of position where  
18 the poverty is not as obvious but is still there.

19 They also highlighted the condition of the  
20 elder community in rural areas, that there are numerous  
21 counties where, in essence, the youth or middle age  
22 individuals have abandoned those areas and the

1 predominate population are individuals who are elders.  
2 And those same counties also end up being the ones that  
3 are the poorest counties in the state.

4           And so you have a very critical situation of  
5 having individuals who are vulnerable from an age  
6 standpoint, but also vulnerable from an economic  
7 standpoint, and trying to develop some approaches that  
8 address their particular needs becomes a challenge in  
9 this arena.

10           Their final presentation on technology I  
11 thought was also very interesting, showing how one of the  
12 TIG grants that they received has allowed them to be able  
13 to meet some of the challenges in the rural area in  
14 connecting with clients, providing them with information,  
15 but also providing them with information of how to use  
16 the internet and how to use computers so that they are  
17 empowering citizens in addition to just giving them  
18 information.

19           So overall, I thought the presentation that  
20 they provided was very informative, very consistent with  
21 some of the things we learned on our journey here in  
22 Nebraska, but also again just demonstrated the excellence

1 of the people that are being employed by the various  
2 organizations that we fund.

3           The second presentation that we received was  
4 from Lillian Johnson, who is the executive director of  
5 the Phoenix Program, following up on a conversation that  
6 she had had with the chairman and also, I think, with  
7 Helaine around future leadership of the various offices.

8           She presented a proposal for the LSC Johnson  
9 Academy, creating leadership for justice. This was a  
10 proposal to, in the name of Earl Johnson, who's the  
11 California supreme court justice and the second director  
12 of the national legal services program, LSC, which would  
13 pretty much address the issue of future leadership within  
14 the various programs that we fund.

15           The crux of it or, I would say, the core part  
16 of it is developing a mentoring program which would first  
17 try to select individuals who would have certain  
18 potential to move up into leadership roles. I think the  
19 focus is primarily looking at executive directors, but  
20 also probably deputy director types of positions, being  
21 able to then select some mentors who are individuals who  
22 are already in those types but who have learned a lot and

1 gained a lot of experience and can help nurture and bring  
2 those individuals along. So there would be a matching of  
3 the mentees with the mentors.

4           There would be a training program. I think  
5 they are proposing in the beginning a two-day training  
6 program, both for mentees and mentors, that would in  
7 essence inaugurate this type of endeavor.

8           There would also be visits between the mentor  
9 and mentee so that the mentee could see the mentor, the  
10 executive director, in his or her environment to learn  
11 what are some of the challenges they face, how they go  
12 about making decisions, how do they handle the role of  
13 being a leader.

14           They also were proposing that at some of the  
15 key national meetings -- I assume the equal justice  
16 conference and NLADA's conference -- that there would be  
17 an additional one-day session for the mentors and mentees  
18 so that there could be a focus on issues of leadership.

19           My sense is that what this is trying to do is  
20 allow us to be much more strategic in developing the  
21 leaders for the future, and also trying to ensure that  
22 those leaders are diverse.

1           In our discussion of the proposal, there were  
2 various questions that committee members had and those  
3 who were not part of the committee had, and some of those  
4 questions were answered. I don't think all of them were,  
5 or we didn't have enough time to finish that.

6           My sense is, and I haven't had a chance to  
7 caucus with my other committee members, but since the  
8 Provisions Committee did not fully get a chance to  
9 explore this, that we are of -- or that I am of the  
10 mindset that we should ask the staff -- I've spoken  
11 briefly to Helaine and to Randi -- to work with Lillian  
12 to try to begin to address some of the issues that came  
13 up at the last meeting, to look at this program from a  
14 staff perspective.

15           That is, from a staff perspective, can this  
16 work? How would it work? How would it be funded? If  
17 there are other concerns that board members have or other  
18 issues that they would like explored, that we should try  
19 to identify them now so that staff working with Lillian  
20 and her group could better explore those issues and bring  
21 it back to the Provisions Committee at our next meeting.

22       And then depending on what they bring back, then we may

1 have something to bring back to this full body.

2 But we thought -- I personally thought that it  
3 was a type of issue that we need to be looking at.  
4 Whether we do it in the exact form that was presented  
5 depends on, I think, staff taking a harder look at the  
6 proposal and us having an opportunity to discuss it more.

7 There was no other further actions that were  
8 brought before the Provisions Committee. We pretty much  
9 ran out of time. I would say that though this ends my  
10 report, if there are other areas of exploration that  
11 other board members would have about the proposal in  
12 regards to the Johnson Academy, that it might time now to  
13 flag those so when the staff goes back and works with  
14 Lillian, that they will know what other concerns you  
15 might have. There were a couple of people who had  
16 questions at the end, and we just didn't have enough time  
17 to get to those questions.

18 So that ends my report unless there are some  
19 reactions that people have that I need to share with  
20 staff.

21 CHAIRMAN STRICKLAND: And are there any? Go  
22 ahead, Tom.

1           MR. MEITES: Yes. I was maybe a little bit  
2 confused by one aspect of the proposal. As I understood,  
3 the reason for the proposal, or a substantial reason, is  
4 that the advisory committee believed there was a  
5 succession problem, that we have a cadre of senior  
6 managers, executive directors, around the country who are  
7 nearing the end of their careers.

8           I understood it to be a concern that their  
9 successors had neither been identified nor properly  
10 exposed to the kind of unique issues that an executive  
11 director, as contrasted to a manager, has, particularly  
12 in dealing with funders, dealing with the board, and  
13 dealing with the broader equal justice community. And I  
14 believe there is such a problem.

15           However, when the proposal was presented as to  
16 who the mentees would be, it was not the middle managers.

17           It was not the next generation of executive directors  
18 who was to be the beneficiaries of this program.  
19 Instead, it would be people who are quite junior, two to  
20 five years of service.

21           Those people will not be in a position to  
22 become executive directors for ten or fifteen years from

1 now, and so will not be a possible solution to the  
2 succession problem.

3 Thus, I saw a disconnect between the problem  
4 that had been identified, or at least a problem that had  
5 been identified, and the thrust of the program.

6 CHAIRMAN STRICKLAND: Yes?

7 MS. MERCADO: There's actually two tiers, and I  
8 think probably the reason you see a disconnect is because  
9 it's actually addressing two tiers. It's addressing the  
10 tier -- the succession issue that you just brought up,  
11 which is a problem; but it's also addressing the issue of  
12 starting earlier at developing leadership that is  
13 certainly diverse.

14 And a lot of that was brought on, or at least  
15 these conversations were brought on a lot, because of our  
16 diversity -- not only the diversity workshops that we had  
17 but also because of the consolidation of a lot of  
18 programs, where a huge number of women and people of  
19 color who may have been directors or, in some cases,  
20 executive directors, no longer were because of  
21 consolidation. So you lost a big pool there.

22 But also -- I mean, you do have the succession

1 issue. But you also have the other issue as well. And  
2 it's really a twofold problem. And I think the --  
3 Lillian's recommendation is starting with bringing in --  
4 not necessarily -- I think she gave examples.

5           It wasn't necessarily young people. It may  
6 have been people that have been in legal services and  
7 went out into private practice, came back in again. May  
8 have been a clinical fellow. May have done something  
9 else. And came back in and say, it's an issue of  
10 service, not necessarily experience. They may have had  
11 longer experience.

12           But that's certainly something that the task  
13 force, as Chairman Hall is discussing, might look at if  
14 the time frame, two to five, is too short, whether, you  
15 know, it's a five to eight, maybe, range that you're  
16 looking at people having service with legal services.

17           But both tiers need to be addressed. And I  
18 think this sort of only addressed one tier, or the  
19 problem and not the other. And maybe that's a broader  
20 issue that we needed to look at, the succession issue  
21 that you're talking about.

22           CHAIRMAN STRICKLAND: Go ahead, Rob.

1           MR. DIETER: I had the same reaction as Tom to  
2 the proposal. And I was -- I guess I was also concerned  
3 about sort of the ingrown aspect of it and the narrow  
4 scope of it in terms of the executive director of a  
5 program picking someone that they, you know, thought, for  
6 sort of nebulous reasons, would be a person who would be  
7 an appropriate mentee under sort of very broadly  
8 defined -- or, you know, a concept of what leadership  
9 was.

10           Because it appeared that the succession issue  
11 is completely different from what this approach is. I  
12 personally don't see, you know, in terms of a priority of  
13 how to spend, you know, \$120,000, this would not be high  
14 on my list because I think it would -- it doesn't  
15 benefit, you know, the legal services staff attorneys in  
16 a broad sense.

17           And I would think that this kind of an approach  
18 could be communicated to everyone in a less costly way,  
19 in a different forum. I just -- I guess I'm concerned  
20 about the approach that strikes me a little bit of  
21 favoritism, a little bit of ingrown.

22           You know, for example, you know, Doug German is

1 an example of a person who wouldn't be identified in this  
2 kind of a program at all, yet he's the new director of  
3 this Nebraska program after having been out of this whole  
4 mix, and that there might be some sort of cachet attached  
5 to the fact that you're a mentee and therefore you have a  
6 leg up in terms of qualifications for succession as  
7 director or that sort of thing.

8 I don't know. Those are, you know, my general  
9 reactions to this, that I don't quite understand the need  
10 for this.

11 MR. HALL: Well, I'm sure -- and I don't think  
12 the goal here is for us to answer all of those questions,  
13 and I think Lillian would be in a better position.

14 But I think the obvious reason as to there is a  
15 need is the feeling that we don't have that type of  
16 diverse leadership, and that if you leave this up just to  
17 the marketplace, that is, you know, if people just do  
18 that on their own, that it's not going to happen.

19 I mean, one of the things that I'm struck by is  
20 that as we go and meet in various states and we see the  
21 individuals who are coming in front of us, I mean,  
22 there's very little diversity there, especially on a

1 racial standpoint. Because usually who's coming are the  
2 executive directors or the deputy directors, et cetera.  
3 And I think that's an issue that has to be addressed.

4           Whether this program, as it is presently  
5 spelled out, deals with every part of it, I'm not  
6 convinced and haven't had a chance to study it long  
7 enough. I do think the various issues that people are  
8 raising can definitely be developed.

9           If it's too ingrown and if the sense is that --  
10 though I didn't read in it that only the executive  
11 director can be the person that would nominate the  
12 individual. I thought the executive director had to  
13 approve the nomination or support it.

14           But if the sense is that it's too narrow in  
15 that respect, then maybe one develops a process where  
16 other individuals could nominate that person or get that  
17 person identified in some way.

18           But I think the sense behind it is that if we  
19 don't do something strategic, then we will continue to  
20 see the same problem manifest itself year in and year  
21 out. But I would suggest that if there are other types  
22 of specific things that the committee with the staff

1 could look at to try to address and make it an even  
2 stronger proposal when it gets back to us, that that's  
3 what we should be trying to, you know, identify.

4 CHAIRMAN STRICKLAND: Well, by way of  
5 additional comment on that, you heard Lillian -- those of  
6 you who attended David's meeting heard Lillian talk about  
7 a conversation that she and I had. And I think it was  
8 something like this: Who's going to succeed you?

9 And when I was talking -- I was directing that  
10 at Lillian. But it was a broader comment because as we  
11 move around the country and talk to executive directors,  
12 I know the two in Georgia have both been in their  
13 positions twenty years.

14 And we see a number of people similarly  
15 situated, or a number of programs similarly situated,  
16 with executive directors who've been in the position a  
17 long time. So that was the focus of it.

18 And I think it is something that we ought to  
19 focus on. And as David has suggested, and I think that's  
20 an excellent idea, that we ought to have the staff --  
21 Helaine, at your discretion -- just continue to work with  
22 Lillian and her committee on fine-tuning the proposal to

1 answer some of the questions and concerns that have been  
2 raised today.

3           Somewhere along the line I think maybe Lillian  
4 mentioned a concept that I didn't know about but she did  
5 called Reggie Fellows that existed a number of years ago.

6           And somehow people were identified to become a -- it was  
7 a Reginald Huber Smith Fellow, known as a Reggie  
8 Fellow -- to become a Reggie Fellow.

9           And I don't know whether that is at the root of  
10 some of the things Lillian is recommending or whether  
11 it's even a similar program. But I would encourage --  
12 I'm going to disagree respectfully with you, Rob, in  
13 saying that I think we should pursue this a little bit  
14 further to flesh it out and see if it's something that  
15 could be come an initiative for our board to place some  
16 emphasis on.

17           So I agree with the idea of let's bring this  
18 back for discussion before the Provision Committee at our  
19 next meeting. And whatever appropriate staffing that you  
20 see fit to bring to bear on the subject between now and  
21 then, let's try that.

22           Is there -- I take it you don't have an action

1 item for us?

2 MR. HALL: I do not.

3 CHAIRMAN STRICKLAND: If there are no other  
4 eqns, then, for David, let's move on to the report of the  
5 Finance Committee.

6 MR. DIETER: The Finance Committee met  
7 yesterday. We have two actions items for the board.

8 Before we get to the action items, we heard a  
9 presentation by David Richardson regarding internal  
10 budgetary adjustments for fiscal year 2004 and the  
11 financial report for the seven-month period ending April  
12 30th. I think most board members were there, so I'm not  
13 going to review the details. And those appear in the  
14 board book at page 19(a) and page 21.

15 There's a resolution at page 20, which is  
16 Resolution 2004-006, that the committee recommended to  
17 the board for approval by the full board. Essentially,  
18 the resolution accounts for grant recoveries in the  
19 amount of \$82,000 -- excuse me, \$82,318, which would be  
20 incorporated in the revised consolidated operating budget  
21 total that's cited in the resolution.

22 There was also a resolution that was presented

1 at the committee meeting, Resolution 2004-007, regarding  
2 an amendment to the Legal Services Corporation's flexible  
3 benefits plan that in essence provides a method by which  
4 the employee who contributes to the flexible benefits  
5 plan is able to access their money through a debit and  
6 credit card. And I believe that that resolution is  
7 self-explanatory and not particularly controversial.

8 So do you want to take action on those at this  
9 time?

10 CHAIRMAN STRICKLAND: Yes. Why don't you go  
11 ahead and make motions.

12 M O T I O N

13 MR. DIETER: Okay. Then at this time, I'd move  
14 that the full board adopt Resolution 2004-006, which  
15 appears on page 20 of the board book.

16 MR. FUENTES: Second the motion.

17 CHAIRMAN STRICKLAND: Any discussion on the  
18 motion?

19 (No response.)

20 CHAIRMAN STRICKLAND: All those in favor,  
21 please say aye.

22 (A chorus of ayes.)

1 CHAIRMAN STRICKLAND: Those opposed, nay.

2 (No response.)

3 CHAIRMAN STRICKLAND: And that resolution is  
4 adopted.

5 And you also want to bring on --

6 M O T I O N

7 MR. DIETER: Resolution 2004-007, that I  
8 believe everybody has a copy of. I'd move that the full  
9 board adopt that resolution.

10 MR. FUENTES: Second.

11 CHAIRMAN STRICKLAND: Any discussion?

12 (No response.)

13 CHAIRMAN STRICKLAND: Those in favor, please  
14 say aye.

15 (A chorus of ayes.)

16 CHAIRMAN STRICKLAND: Opposed, nay.

17 (No response.)

18 CHAIRMAN STRICKLAND: The resolution is  
19 adopted.

20 MR. DIETER: Then we heard a brief presentation  
21 on the 2005 fiscal year appropriation process. The  
22 bottom line is that that -- resolution of that

1 appropriation process is still in the hands of Congress,  
2 and that we will be advised if there is an action in  
3 terms of a final budget figure for us, and that we are  
4 proceeding on the prior year's appropriation budget at  
5 this time.

6 We then had a short discussion regarding the  
7 fiscal year 2006 budget mark, and it was a brief by David  
8 Richardson, basically to the effect that that budget mark  
9 would be considered and acted upon by the Finance  
10 Committee at the September meeting, and that by that  
11 meeting, we would formally request input from the ABA,  
12 Bill Whitehurst's committee, and the NLADA, either  
13 through Julie Clarke or Don Saunders, and that he would  
14 send them a letter to that effect, although they  
15 apparently know of that deadline; and that in the  
16 meantime, the committee would possibly have a telephonic  
17 meeting at some point to review information that David  
18 would be compiling in terms of coming up with some sort  
19 of a mark.

20 Finally, then, Helaine Barnett reported on the  
21 LRAP updated, which she reported to the board. And that  
22 concluded the business of the committee.

1           CHAIRMAN STRICKLAND: Okay. No other action  
2 items, then?

3           MR. DIETER: No.

4           CHAIRMAN STRICKLAND: Any questions for Rob on  
5 his report? By way of comment on the LRAP, I'm hoping  
6 that the LRAP program will become one of our board  
7 initiatives, so that it will get wide circulation that  
8 this board is pursuing the concept of an LRAP program  
9 that will have far-reaching impact, to the extent that  
10 that can be accomplished. So let's stay on that course.

11           Yes, ma'am?

12           MS. MERCADO: And Mr. Chairman, in line with  
13 that, it's certainly one of the factors that the board  
14 can look at as far as your budget mark for 2006. What we  
15 got from the IG budget was for a pilot program.

16           CHAIRMAN STRICKLAND: Right.

17           MS. MERCADO: We could add some other  
18 parameters of that.

19           CHAIRMAN STRICKLAND: Well, that's right.  
20 Because at our budget hearing, you may recall that we  
21 reported that Chairman Wolf brought up the subject, which  
22 surprised us. And we want to take that ball and run with

1 it, I think.

2 Okay. Let's take up the -- oh, the next one is  
3 one for me to report on, the Search Committee for  
4 Inspector General.

5 The committee met today and we considered 31  
6 applications --

7 MS. BeVIER: Wait a second. We forgot Ops &  
8 Regs.

9 CHAIRMAN STRICKLAND: Sorry. Skipped Ops &  
10 Regs.

11 MR. MEITES: No harm.

12 MS. BeVIER: No foul.

13 CHAIRMAN STRICKLAND: We certainly don't want  
14 to skip that important committee. So we're ready for  
15 your report, Tom.

16 MR. MEITES: Thank you. Our committee met this  
17 morning and considered two areas. The first, and one  
18 that requires action by the board today, involves  
19 proposed reservations to the standard LSC grant  
20 assurance.

21 It would help people to understand this report  
22 if they had two documents. I hope you all have them.

1 One is the very short three- or four-page revision which  
2 was prepared as a result of our meeting this morning, and  
3 this is a revision to the basic document, which is this  
4 blue document, which I think you also all have. If you  
5 don't have this, you have in your board book a non-  
6 redlined version of the document.

7           There are -- there were -- seven different  
8 proposed recommended changes. Our committee reviewed  
9 each of the changes at length. We engaged the staff with  
10 questions about the proposed changes, and heard  
11 substantial public comments.

12           I think I'd like to summarize our committee's  
13 conclusions with regard to the proposed changes. And for  
14 that, you have this three-page document. I think you can  
15 follow along.

16           The first proposed change is with regard to  
17 grant assurance No. 6. This deals in general terms with  
18 the obligations of a grantee to comply with appropriate  
19 professional standards.

20           There was considerable discussion about the  
21 inclusion of the ABA Code in its various forms as a  
22 measuring metric. The concern was that many states have

1 not adopted the Code or the Rules as proposed by the --  
2 as adopted by the ABA.

3           The language that you have before you seems to  
4 be a consensus version which is acceptable both the staff  
5 and to the field. I'd like to point out that there was  
6 one kind of -- if not a change, at least one adjustment  
7 made after our meeting.

8           As proposed, it would provide that the grantee  
9 agrees to provide effective legal assistance as measured  
10 by a number of performance criteria, and any applicable  
11 code or rules of professional conduct or ethics, and the  
12 provisions of the LSC Act, and rules, regulations, or  
13 guidance issued by LSC. I think that this captures the  
14 sense of our -- both of our meeting and of the comments  
15 we heard.

16           Mr. Chair, would you like me to ask for board  
17 reaction to these as we go along, or at the end?

18           CHAIRMAN STRICKLAND: That's fine. Sure.

19           MR. MEITES: All right. If there's questions  
20 or comments about our proposals for paragraph 6?

21           (No response.)

22           MR. MEITES: All right. Let me go on.

1           Paragraphs 9 and 10 were the subject of  
2 considerable discussion. The staff had recommended that  
3 what actually was old 9 and 10 be collapsed into a new 9.  
4       There was a concern expressed after we got into the  
5 language that, in fact, although on its face the proposal  
6 was a much needed simplification of existing 9 and 10,  
7 that the simplification might have unwittingly caused  
8 some substantive changes.

9           There was discussion back and forth about how  
10 to tinker with proposed 9 to avoid any substantive  
11 implications. But I think our committee's conclusion was  
12 that this was not something we could do on the fly at our  
13 meeting.

14           Instead, our recommendation is we keep existing  
15 9 and 10 for this year, but urge the field and the staff  
16 to meet before we get around to this next time and see if  
17 they can work out between them a revision which would --  
18 while simplifying existing paragraphs 9 and 10, would not  
19 effect any substantive changes in them. So that we do  
20 not recommend any changes in existing 9 and 10 in this  
21 version of the grant assurances.

22           As far as grant assurance old 14, which would

1 now be new 13 -- I'm sorry, old 11, which would now be  
2 new 10, we have --

3 MS. BeVIER: But it wouldn't be new 10. It  
4 will still be 11.

5 MR. MEITES: I'm sorry. It will still be 11.

6 MS. BeVIER: Because we're keeping 9 and 10.  
7 Right?

8 MR. MEITES: Old 11 is still 11. So from here  
9 on, the numbers remain the same.

10 The staff had recommended, among other things,  
11 dropping the word "appropriate." However, no one could  
12 provide a convincing, indeed any, rationale for the  
13 omission of the word "appropriate," and we felt that it  
14 should go back in. Otherwise, the proposed changes in  
15 No. 11 we felt were appropriate.

16 MS. MERCADO: Mr. Chairman?

17 MR. MEITES: Yes, ma'am?

18 MS. MERCADO: I think that we had crossed out  
19 "federal law" --

20 MR. MEITES: You're absolutely right.

21 MS. MERCADO: -- and put "applicable code or  
22 rules of professional responsibility or ethics."

1           MR. MEITES: We are -- and that's exactly  
2 right. And as in the document you have that change is  
3 not made, Vic, can you pick that up? That is at the end  
4 of 11, new 11. Instead of the phrase "federal law," it  
5 should provide as we stated, applicable law."

6           MS. MERCADO: "Applicable code or rules of  
7 professional responsibility or ethics."

8           MR. MEITES: "Applicable law, or code or rules  
9 of professional responsibility."

10          MS. BeVIER: "Applicable law or rule."

11          MR. MEITES: Or rule. Okay. Law, rule, or  
12 code. That's at the end of 11. Instead of "federal  
13 law," it should be, "applicable law, rule, or code."

14          CHAIRMAN STRICKLAND: Without the words "of  
15 professional responsibility," just "law, rule, or code"?

16          MS. MERCADO: No, no.

17          MS. BARNETT: Of professional responsibility.

18          MR. MEITES: Vic, do you have that?

19          MR. FORTUNO: Yes, I do.

20          MS. BeVIER: We're not talking about  
21 professional responsibility now. We're talking about not  
22 taking disciplinary action.

1 CHAIRMAN STRICKLAND: All right. All right.

2 MS. BARNETT: But it's a rule or code.

3 MS. BeVIER: Rule, code, or law.

4 MR. MEITES: Rule, code or -- so it should not  
5 be -- leave out professional responsibility?

6 MS. BeVIER: Law, rule, or code.

7 MR. MEITES: No professional responsibility.  
8 Law, rule, or code.

9 CHAIRMAN STRICKLAND: Okay.

10 MR. MEITES: End. Period.

11 MS. BeVIER: No PR there.

12 MS. MERCADO: No PR on that?

13 MS. BeVIER: No PR. Not in there. There is  
14 one where there is -- well, maybe not.

15 MR. MEITES: No, because we took that out.

16 All right. In No. 13, which is both existing  
17 13, the --

18 MS. BeVIER: No. Now it's No. 14. Because it  
19 was 9 and 10, and they recommended we --

20 MR. MEITES: Now they're both 14. It's 14 now.

21 MS. BeVIER: It's 14. Right.

22 MR. MEITES: Yes. It's 14. Exactly. Thank

1 you. We recommend the staff's suggestion that the Office  
2 of Information Management be included, be specified in  
3 the grant assurance provision.

4 In No. 21 --

5 MS. BeVIER: Twenty-two.

6 MR. MEITES: -- 22, we had a suggestion from  
7 the public to make a change which we recommend be  
8 adopted. The basic change is to change the technical  
9 specifications in the provision.

10 The public comment suggested that we also amend  
11 the language, as indicated in the draft before you, so  
12 that other kinds of information technology equipment that  
13 grantees buy are not limited by this provision. The only  
14 specifications set out are for computers and not for  
15 other kinds of devices that the grantees may buy.

16 There was a paragraph, grant assurance -- it  
17 will be now 23, which is old -- yes, old 25 and 23 would  
18 become a new 23, which essentially drops detailed  
19 language in the old rule in favor of incorporating by  
20 reference the LSC State Planning Evaluation Instrument,  
21 which is a much more comprehensive statement of the  
22 obligations of the grantee in this area than the laundry

1 list that was in the existing regulation. We recommend  
2 that this change be approved by the board.

3           The last grant assurance that a recommendation  
4 of change is made with regard to was old No. 25, which  
5 the change would specifically -- would make clear that  
6 multiple-year grants are subject to renewal each year  
7 instead of being automatically renewed, and that on such  
8 renewal, new terms and conditions may apply. After  
9 hearing from both the staff and the public on this, we  
10 recommend that those two changes be made.

11           There was a recommendation by the board that  
12 the grant assurance be further amended to state that it  
13 is not subject to the termination or suspension  
14 provisions of LSC regulations. The field and public  
15 comments raised questions about whether this would leave  
16 any protection to the grantees.

17           We decided, and we recommend, that this matter  
18 not be covered by amendment at this time, but instead the  
19 staff and the field discuss whether they can agree upon a  
20 procedure which is less than the full termination or  
21 suspension but is more than just a simple letter that  
22 you're not going to be renewed. And we would ask that

1 that be presented to us when we look at the grant  
2 assurances for next year.

3 M O T I O N

4 MR. MEITES: As presented, let me ask if  
5 there's any questions about any of the other -- any of  
6 the provisions that we've discussed. If not, I will move  
7 that, as amended, with the change in the No. 11, that our  
8 committee recommends that the board adopt the grant  
9 assurances as amended, and I so move.

10 CHAIRMAN STRICKLAND: Is there a second?

11 MS. MERCADO: Second.

12 CHAIRMAN STRICKLAND: Any further discussion of  
13 these changes?

14 (No response.)

15 CHAIRMAN STRICKLAND: All those in favor of the  
16 motion, please say aye.

17 (A chorus of ayes.)

18 CHAIRMAN STRICKLAND: Those opposed, nay.

19 (No response.)

20 CHAIRMAN STRICKLAND: And the motion is  
21 adopted.

22 MR. MEITES: The other matter that our

1 committee discussed was revisions to Rule 611. Although  
2 we had planned to discuss both the retainer agreement  
3 portion and the group representation, we only got as far  
4 as the group representation.

5 We heard from the staff as to the background of  
6 the change, and that what had been adopted by our  
7 predecessor board but never acted upon formally, that the  
8 staff's management position now was to take no position  
9 on the change.

10 The committee and the board asked a number of  
11 questions that I think indicated some questions both  
12 about where we were going and what the real need was. We  
13 heard some very, very informative comments from the  
14 director of the Iowa Legal Services, who -- Iowa or  
15 Nebraska? -- Nebraska Legal Services, who gave us very  
16 specific examples of the kind of needs that his  
17 organization has with regard to group representation.

18 What our committee would like to hear is more  
19 discussion of this area at our next meeting, along with  
20 returning to the retainer issue; also, if our discussion  
21 has pointed or shaped management's views on what it might  
22 recommend that might meet the kind of needs as

1 exemplified by the Nebraska presentation without in any  
2 way undercutting our obligations to adhere to our  
3 establishing law.

4           No action is required with regard to either the  
5 group or the retainer discussions. However, I think, Mr.  
6 Chair, that I will ask that at our next meeting in  
7 September, if it can be accommodated, that our committee  
8 be given a somewhat longer time period for its  
9 consideration.

10           CHAIRMAN STRICKLAND: We've already been  
11 talking informally about the need to adjust our board  
12 meeting format. So Helaine and I will work on that.

13           MR. MEITES: Thank you very much. That  
14 concludes my report.

15           CHAIRMAN STRICKLAND: All right. Thank you  
16 very much.

17           The next item is the one I jump-started a  
18 moment ago, the report on the Search Committee for IG.  
19 The committee met today and considered a number of  
20 applications, and has narrowed the field to a number, a  
21 much smaller number. And we anticipate interviewing  
22 those individuals during July.

1           And assuming we are successful in that effort,  
2   that we would bring a recommended number of candidates to  
3   the board at its September meeting, at which time we  
4   would hope the board would be in a position to make a  
5   selection. So that's the report on that committee.

6           Does anyone have any -- any board members have  
7   any questions relative to that?

8           (No response.)

9           CHAIRMAN STRICKLAND: All right. No. 12 on our  
10   agenda, location for the board's meetings.

11           We're not ready to report on that. We're still  
12   looking at a couple of possible locations, and we should  
13   be in a position -- we've already set the dates of the  
14   10th and 11th, but we should be in a position to send you  
15   an e-mail notice as to the location very soon, maybe as  
16   early as next week.

17           MR. FUENTES: Mr. Chairman?

18           CHAIRMAN STRICKLAND: Yes?

19           MR. FUENTES: I know that we have set the date,  
20   and I certainly respect that. I have a potential  
21   conflict on that weekend, and I'm wondering if there is  
22   any potential of the weekend before or the weekend after

1 for this meeting. I don't want to upset the applecart,  
2 but I just want to ask.

3 CHAIRMAN STRICKLAND: Well, we'll just have to  
4 take that under consideration because I think if we -- in  
5 our effort to -- well, we try not to do that around the  
6 table because it has ended up being sort of difficult to  
7 do that because people don't have their calendars  
8 necessarily with them.

9 So I think that those dates were set based on  
10 some polling that Pat Batie or someone on the staff did  
11 some time ago. So we don't always bat 1000. We've got  
12 real good attendance today. But we'll certainly take  
13 that into consideration as we plan that meeting.

14 Is there any other business to come before the  
15 meeting?

16 (No response.)

17 CHAIRMAN STRICKLAND: And is there any public  
18 comment?

19 MR. FUENTES: Mr. Chairman, on other business,  
20 during President Barnett's report she was so kind to  
21 mention the national award received by the Orange County  
22 team. And I would like to respectfully ask if the board

1 might direct the president to convey by letter the  
2 congratulations of our board to Bob and Owen and the  
3 folks in Orange County on that achievement.

4 CHAIRMAN STRICKLAND: Absolutely. Unless we  
5 need a motion, I think we'll just -- and if there's no  
6 objection, we'll just instruct the president to prepare  
7 such a recognition.

8 MS. BARNETT: I'd like to do the same for the  
9 attorneys in the Colorado case.

10 CHAIRMAN STRICKLAND: Yes. Absolutely. I  
11 think that would be appropriate, as we said earlier.

12 Maybe I was moving too quickly. I didn't mean  
13 to move on past the other business to public comment.  
14 But is there any other business now to come before the  
15 meeting?

16 (No response.)

17 CHAIRMAN STRICKLAND: And is there any public  
18 comment? Yes, sir?

19 MR. WHITEHURST: Bill Whitehurst, with the ABA  
20 Standing Committee on Legal Aid and Indigent Defendants.

21 I simply wanted to bring a couple things to the  
22 board's attention since the last meeting. First of all,

1 I wanted to confirm what others said about the ABA Day.  
2 On behalf of the ABA, I want to tell you that it was a  
3 very successful event. We had broad participation, good  
4 access, and I think everyone went away knowing that this  
5 was the best bipartisan support we've seen for -- well,  
6 maybe in its history.

7 But it was really, I think, very favorable in  
8 all quarters. I know particularly that was true in  
9 Texas; for the first time, we have both of our Senators  
10 signed on in support of the increased budget mark for  
11 legal services.

12 I also had the opportunity to visit with  
13 Senator Kennedy's staff and Al Gonzalez, counsel to the  
14 president. Harriet Meyers also addressed us. We have  
15 wonderful support in the White House for legal services.

16 And we also took that opportunity to encourage  
17 completion of this board, confirmation as well as  
18 completing the appointments to this board, and let them  
19 know that on all sides, we wanted this to go forward, we  
20 were ready for it to go forward, and would hope that that  
21 would be done. Whether that will happen or not, I don't  
22 know. But we certainly got a favorable response from

1 those we talked to about it.

2 I also wanted to mention to you that since our  
3 last meeting, the SCLAID committee has published two  
4 major manuals. One is the most comprehensive guide that  
5 we've ever produced on raising funds for legal services  
6 for the poor, not just for LSC-funded programs but for  
7 all kinds of programs -- bar committees, bar  
8 organizations, to raise money for legal services. It's  
9 very comprehensive and we're real pleased with it, and  
10 that's now available throughout the country.

11 We also completed a manual on the access to  
12 justice commissions that we have been working on. We now  
13 have sixteen access to justice commissions in sixteen  
14 different states, with another sixteen hopefully that  
15 will be coming on eventually.

16 We have six hopefully will be additional ones  
17 will come on this year. Another 22 bars have committees  
18 which are doing similar work that the commissions.

19 We like the commission pattern because it  
20 includes the courts, in most instances, a member of the  
21 supreme court of that state. We've found that formula is  
22 very successful in getting support from the bar and from

1 the community in the broader legal services for the poor  
2 effort, not just again LSC-funded programs but all  
3 programs.

4 And finally, I just came back from Chicago,  
5 where I met with Bob Stein, executive director of the  
6 American Bar Association. And I want you to know that  
7 the Standards for the Delivery of Legal Services for the  
8 Poor revision and update is underway.

9 I think the general feeling in the ABA is that  
10 we view these on the same standards as our Rules of  
11 Professional Conduct, ABA's Rules of Professional  
12 Conduct; also, the certification for law schools.

13 We want to do it right. We're in the process  
14 now of getting a reporter and getting funding. But it  
15 will be a comprehensive review and effort, of which we  
16 hope the LSC will be very much a part of. And I wanted  
17 you to know that that is underway and a priority for us.

18 CHAIRMAN STRICKLAND: Bill, thank you very  
19 much. Does any board member -- oh, sorry. Here's  
20 another public comment.

21 MR. WHITEHURST: Did you have any questions?

22 CHAIRMAN STRICKLAND: Any questions for Bill

1 Whitehurst?

2 MR. MCKAY: Just a quick follow-up comment  
3 here, Bill, if I could, very briefly.

4 CHAIRMAN STRICKLAND: All right. Sure.

5 MR. MCKAY: Back to the access to justice  
6 commissions in the different states. You know that one  
7 of them was in Washington state.

8 You commented on the fact that at least one  
9 member of the judiciary is on the commission. What  
10 impressed me about the success we had in Washington state  
11 is we had members from the legislature, from both  
12 parties, who were forced to sit there and listen to the  
13 problems.

14 And we had no way of predicting it, but in our  
15 subsequent follow-up meetings with members of the  
16 legislature, you have these people who are on these  
17 commissions now back in the legislature saying, hey, what  
18 they're saying is right.

19 And so there are some ancillary benefits to the  
20 commission other than just simply informing the public.  
21 It was informing the legislature.

22 MR. WHITEHURST: And, Mike, you're absolutely

1 right. It's given us renewed access to legislatures,  
2 including legislators on the commissions. We really have  
3 been able with this model to make it so much more  
4 inclusive and have access.

5 And what we're creating -- and I think this is  
6 important to understand -- we're creating an  
7 infrastructure through these access to justice  
8 commissions that will serve us well in what this board  
9 does and what we're trying to do all over the country in  
10 energizing access to legal services for the poor.

11 CHAIRMAN STRICKLAND: Maria Luisa?

12 MS. MERCADO: Yes. Just a quick -- one of the  
13 points that he made was that our two Texas Senators were  
14 very supportive of our budget mark. What was that budget  
15 mark that we had to --

16 MR. WHITEHURST: Well, what we did is we took  
17 the budget by the -- that was -- I don't have the amount  
18 in mind.

19 MS. BARNETT: 352.4.

20 MR. WHITEHURST: What was it? 350?

21 MS. BARNETT: 352.4 million.

22 MR. WHITEHURST: Yes. 352.4, which is the

1 President's -- what the President has said, plus the  
2 kicker that they took off because they were using it  
3 for -- it was a supplement that was given. We added the  
4 supplement back in.

5 So it's more than what the President has  
6 requested, but not as much as we would all like. But  
7 recognizing that if we can get what we got last year with  
8 the additional supplement added back into it, and they've  
9 agreed to support that amount.

10 MS. MERCADO: And was that the budget mark or  
11 the budget appropriation for this coming year?

12 MR. WHITEHURST: It was the appropriation for  
13 this coming year.

14 MR. DIETER: I think the 352 represents a 4  
15 percent increase over the prior year's budget that  
16 included the 9.5 million. So --

17 MR. WHITEHURST: We circulated letters to the  
18 Senators and to the Congressmen, House of  
19 Representatives, and got bipartisan support in signing on  
20 to that, the first time we've ever been able -- last year  
21 I think we got it from the -- we got it from one group  
22 but we never could get it bipartisan. And now we have

1 bipartisan support on the committee and, actually, in the  
2 Senate and House of Representatives as well. It was the  
3 best we've ever done.

4 CHAIRMAN STRICKLAND: Yes?

5 MS. BARNETT: I've been reminded that LSC  
6 actually paid for two copies of the ABA manual for  
7 raising funds that we sent to each of our grantees.

8 MR. WHITEHURST: That's right. That's true.

9 CHAIRMAN STRICKLAND: Good. That sounds like a  
10 need.

11 MR. WHITEHURST: And it was a real cheap price.  
12 I hope we gave you a special deal.

13 CHAIRMAN STRICKLAND: Well, we appreciate that  
14 consideration.

15 All right. We have another public commenter,  
16 Justice Richard Teitelman of the Supreme Court of  
17 Missouri.

18 JUSTICE TEITELMAN: And I will be brief. I  
19 just wanted to say, before I was a judge on the court of  
20 appeals and then the supreme court, I was an executive  
21 director for 20 years. And I attended the Midwest  
22 Project Directors Meeting on May 21st.

1           And I just wanted to -- from a receiver of the  
2 presentation by the president, President Barnett, she was  
3 very straightforward, warm, shared her history with legal  
4 services which matched anyone else's in the room, and her  
5 insights and perception and her patience through  
6 excellent presentations was extraordinary.

7           She left us with a commandment from a learned  
8 hand, "Thou shalt not ration justice." And everyone left  
9 inspired by her -- by everything she did and her  
10 presence. Thank you.

11           CHAIRMAN STRICKLAND: Thank you, Judge.

12           Any other public comment?

13           (No response.)

14           CHAIRMAN STRICKLAND: All right. At this  
15 point, then, I would entertain a motion to authorize an  
16 executive session of the board to address the report of  
17 the -- a briefing by the acting inspector general and the  
18 general counsel's report on potential and pending  
19 litigation.

20           Is there such a motion?

21                                   M O T I O N

22           MR. HALL: So moved.

1           CHAIRMAN STRICKLAND:   Second?

2           MR. FUENTES:    Second.

3           CHAIRMAN STRICKLAND:   Any discussion?

4           (No response.)

5           CHAIRMAN STRICKLAND:   Those in favor, please  
6 say aye.

7           (A chorus of ayes.)

8           CHAIRMAN STRICKLAND:   Those opposed, nay.

9           (No response.)

10          CHAIRMAN STRICKLAND:   All right.   That is  
11 adopted, and we will move now into our closed session.  
12 And we will adjourn the meeting from the closed session.

13                   (Whereupon, at 3:15 p.m., the board adjourned  
14 to closed session.)

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