Tuesday, April 14, 2015

9:07 a.m.

Legal Services Corporation
3333 K Street, N.W.
Third Floor
F. William McCalpin Conference Center
Washington, D.C. 20007

BOARD MEMBERS PRESENT:

John G. Levi, Chairman
Martha L. Minow, Vice Chair
Robert J. Grey Jr.
Charles N.W. Keckler
Harry J.F. Korrell, III
Victor B. Maddox
Laurie Mikva
Father Pius Pietrzyk, O.P.
Julie A. Reiskin
Gloria Valencia-Weber
James J. Sandman, President, ex officio
STAFF AND PUBLIC PRESENT:

Lynn Jennings, Vice President for Grants Management
Rebecca Fertig Cohen, Special Assistant to the President
Wendy Rhein, Chief Development Officer
Patrick Malloy, Grants Management/Legislative Fellow, Executive Office
Justin Howell, Extern, Executive Office
Ronald S. Flagg, Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Mark Freedman, Senior Assistant General Counsel, Office of Legal Affairs
Stefanie Davis, Assistant General Counsel, Office of Legal Affairs
Peter Karalis, Graduate Law Fellow, Office of Legal Affairs
Sarah Anderson, Graduate Law Fellow, Office of Legal Affairs
David L. Richardson, Comptroller and Treasurer, Office of Financial and Administrative Services
Carol A. Bergman, Director, Office of Government Relations and Public Affairs
Wendy Burnette Long, Executive Assistant, Office of Government Relations and Public Affairs
Jeffrey E. Schanz, Inspector General
Laurie Tarantowicz, Assistant Inspector General and Legal Counsel, Office of the Inspector General
John Seeba, Assistant Inspector General for Audit, Office of the Inspector General
Daniel O'Rourke, Assistant Inspector General for Investigations, Office of the Inspector General
Joel Gallay, Special Counsel to the Inspector General, Office of the Inspector General
STAFF AND PUBLIC PRESENT (Cont'd):

Magali Khalkho, Director of Management Operations, Office of the Inspector General
Roxanne Caruso, Director of Audit Operations, Office of the Inspector General
Lora M. Rath, Director, Office of Compliance and Enforcement
Sheila Mashhadishafie, Program Counsel, Office of Compliance and Enforcement
Janet LaBella, Director, Office of Program Performance
Evora Thomas, Program Counsel, Office of Program Performance
Lisa Buffalo, Administrative Assistant, Office of Program Performance
Eric Jones, Network Engineer, Office of Information Technology
Herbert S. Garten, Non-Director Member, Institutional Advancement Committee
Frank B. Strickland, Non-Director Member, Institutional Advancement Committee
Thomas Smegal, Non-Director Member, Institutional Advancement Committee
Dianne Rouse, Office of Information Management
Jean Edwards, Office of Information Management
Hulett Askew, Friends of Legal Services Corporation
Alex Forger, Friends of Legal Services Corporation
Don Saunders, National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy, National Legal Aid and Defender Association (NLADA)
Terry Brooks, American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Bev Groudine, American Bar Association Commission on IOLTA/SCLAID
Dominique Martin, Law99.com
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24. Consider and act on motion to adjourn meeting

Motions: Pages 6, 6, 66, 69, 70, 71, 74 and 91
PROCEEDINGS

(9:07 a.m.)

CHAIRMAN LEVI: This is the fifth anniversary of this Board, and we were sworn in by Justice Kennedy in April of 2010. So congratulations to all of you. And on that note, let's call the duly noticed meeting of the Legal Services Corporation to order. And I'm going to ask Robert Grey to lead us in the Pledge of Allegiance.

(Pledge of Allegiance.)

CHAIRMAN LEVI: Thank you. So do I have a motion to approve the agenda?

MOTION

DEAN MINOW: So moved.

CHAIRMAN LEVI: Second?

FATHER PIUS: Second.

CHAIRMAN LEVI: All in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: The approval of the minutes?

MOTION

DEAN MINOW: So moved.

MS. REISKIN: Second.
CHAIRMAN LEVI: All in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: Anyway, first of all, thank you all for last night. Just a terrific event. Jim, wonderful remarks, and you did such a great job, I thought, introducing both. And really, afterwards the number of people that just came up to me who had such a great time and enjoyed it so much.

And then to walk in our lobby and see these justices from other parts of the country talking about their Access to Justice Commissions together, and I thought, well, there is the power of convening.

And if you think back to five years ago and where we started and where we are today, and the number of folks last night who were there who either had been on the Fiscal Oversight Task Force or the Pro Bono Task Force, and they've gone on to do other things, many of them, but still remain interested in and connected with the mission of LSC in powerful ways, those of you who helped us put together and manage those two task forces, really, what a credit not only to LSC but to the profession, that we pulled together two really very
strong pieces of work.

So if you will recall, we did a strategic plan early on in our tenure because the strategic plan was in need of update. And if you look at our current strategic plan, I think it has an end date of 2016. So you know that strategic plans don't just happen. We didn't know as much as we know now when we had the strategic planning the last time, so we actually did have a consultant.

But I think maybe we can do it without a consultant because I've asked Father Pius and Gloria to chair the strategic plan, and they both said yes. It seems to me that the Delivery of Legal Services Committee is a good place also for the strategic planning to start rolling.

And I think -- well, I know that Father Pius had a heavy hand in authorship the last time. Do you remember that? And so maybe -- look. If you folks tell us that we need a consultant again, of course. But I think we don't. Do you all agree?

BOARD MEMBERS: Yes.

DEAN MINOW: Please save us from a consultant.
(Laughter.)

MR. MADDOX: They promised to use a low of PowerPoint.

FATHER PIUS: Yes, the awkward icebreakers.

CHAIRMAN LEVI: Yes. Well, in any event, I didn't want to begin that process until we were far enough along in our 40th year that we didn't overwhelm people here and that we didn't overwhelm our Board. But I think we're reaching that point. In order to come up with a new plan a year from now, I think it's time to start that process. So I look forward to working with you to establish a calendar.

The rest of the year, we've talked about the end of the 40th. The California folks are very excited about our coming, but they want to know more. So we will have to spend some time planning these upcoming meetings. But I would like to think that by the time we get to California, we're seriously thinking about our strategic plan. I don't know if that timing works for you.

FATHER PIUS: Yes.

CHAIRMAN LEVI: And so for all of the
Committees and all of you on the Board, I just want to say, at five years, I'm proud of what we've been able to accomplish. I wish we'd been able to accomplish more funding. That's something that is not completely out of our hands, but it's certainly been a vexing, vexing problem, and I feel that it requires all of our energies.

And hopefully we'll be able to leave with some structures in place a few years from now that the next group will be able to carry on, and that will help them be successful, and that eventually the power of our convening will add enough voice to the need that we can accomplish, if not now, soon greater funding for legal services.

So with that, that's my report. Any members' reports that -- Gloria and Julie, did you want to say -- Gloria? Because you went to --

PROFESSOR VALENCIA-WEBER: On April 9th, which was just shortly last week, I spoke at the Federal Bar Assn's meeting on Indian law, which is the largest gathering of federal bar sections, about 450 people. And I was on a panel on the history of Legal Services
Corporation, and before that its ancestor, Legal Services Program in the Johnson War on Poverty Office of Economic Opportunity programs.

It was on a panel of tribal court judges and tribal court prosecutors. And when we have our meeting in July in Minneapolis, I'll present just a quick numerical report on how many of those tribes are now exercising the power under the Tribal Law and Order Act and under VAWA.

You may recall that we had to issue a new reg in order to comply with Congress's charge to us. And so we will have a better picture of how that criminal jurisdiction is being used and where in the country some of our grantees might be called to exercise that option to provide criminal defense.

CHAIRMAN LEVI: Julie?

MS. REISKIN: Yes. I attended the medical-legal partnership summit, and it was interesting. It was good to see and learn a little bit more of some of the good work of our grantees in that arena. And I think that's a real promising practice that has a lot of expansion possibilities.
But the best part of it for me was a seminar I went to given by Kate Marple, who's the manager for marketing and communications at the National Center for Medical-Legal Partnership, and she's at the George Washington University.

I would like to arrange to have her either meet with the whole Board or the Communications Subcommittee, whatever our chairman thinks is most appropriate. She gave a talk about messaging and why legal aid is so invisible compared to health that I think everyone needs to hear.

It was very illuminating and gives us some really good things to think about. It was really talking about the words we use and language we use in communication. Again, I couldn't do it justice by sharing it. And she's very willing to do that. It could be by Skype or by a webinar. So if people are interested, I'd like to set that up.

CHAIRMAN LEVI: Please do.

I probably should have said at least that we have our landlord here, and we ought to recognize Tom Smegal and Alex Forger and Bucky Askew. Any other
board members in the room?

MR. SMEGAL: Not yet.

CHAIRMAN LEVI: Not yet. Okay.

MR. MADDOX: Have we paid the rent?

(Laughter.)

CHAIRMAN LEVI: Dave? Have we paid the rent, Dave?

MS. REISKIN: The check's in the mail. Right?

CHAIRMAN LEVI: Are they providing the services that we're supposed to get from them and the proper discount?

MR. SMEGAL: Yes, sir.

CHAIRMAN LEVI: Okay, good.

Jim?

PRESIDENT SANDMAN: Thank you, John. Good morning. I'd like to start with some thank yous. I'd like to start by thanking those who helped me prepare my presentation, Patrick Malloy and Wendy Burnette Long and Eric Jones. Thank you.

I'd also like to thank Justin Howell, who's sitting in the back, who is an extern with us this semester from Duke University Law school. Justin
helped me prepare my introductions of Justice Ginsberg and Chief Judge Garland last night. Thank you.

So I'd like to report on --

CHAIRMAN LEVI: Both of you did really well.

We'll sign you up for introductions any time.

PRESIDENT SANDMAN: That was a labor of love, I think.

I'd like to report on six items this morning, first, to give an update on our communications strategy. As you'll recall, the second goal of our strategic plan is for LSC to be a leading voice for access to justice and civil legal aid in the United States.

Second, I'll report on some business process improvements that we're implementing here at LSC headquarters. Next I'd like to report on two developments involving the Department of Justice's Legal Aid Interagency Roundtable.

Next I'll report on where we stand on making our 2015 Pro Bono Innovation Fund grants. I will then report on a example of best practices that we promulgate at LSC involving technology baselines for
our grantees. And finally, I'll give you a report on the activities of our grantees for 2014.

As Carl Rauscher reported yesterday in a briefing, we're doing several things with our website. We currently have five different LSC websites. We are in the process of integrating them all into one.

We plan to increase the search capability for our website. It currently can be pretty difficult to find information on our website, and we hope to promote ease of navigation.

We plan to roll out our new website in July, and I'd like to thank Carol Bergman and Peter Campbell for spearheading this effort. I think you'll be very pleased with the simplicity and appearance of our new website.

We're doing many things with social media. Social media provide a way for us to amplify our voice. I think social media are a much better communications device than a mere website, which is by its nature passive. It requires people to come to it; whereas when we can push information out through social media and get other people to further our message, to
re-tweet or otherwise to retransmit it, we can reach a much larger audience.

We have initiated a program of having daily client stories, state by state, on Facebook, Twitter, and LinkedIn. Every day you will find a new story about a client success as a result of the work of our grantees on these media.

We track the following of the stories that we report. We track re-tweeting, the number of hits that we have, and we're seeing very significant following of these stories. Connecting these stories to a locality, to a state, is very important to us because that local hook is often much more effective in getting media coverage than some national generic story. And finally, we've started a new blog on our 40th anniversary page.

We've had success recently in placing some op-eds. John Levi had an op-ed in the Miami Business Review in connection with our January Board meeting in Miami. And two justices of the Michigan Supreme Court, Justices Young and McCormack, recently published an op-ed in the Detroit News that Carl Rauscher was very
helpful in preparing and placing.

We have some articles in the works. John Levi will be publishing an article in the summer edition of Daedalus. Daedalus is an academic publication. It is the journal of the American Academy of Arts and Sciences.

This is an illustration of our work to reach new audiences, people outside the traditional legal aid network, opinion-makers and thought leaders who may not know anything about civil legal aid. But this is an effort to educate them about what civil legal aid is, about the crisis in access to justice, and why they should care about it.

There's also going to be an article in the July issue of the American lawyer focused on civil legal aid authored by Susan Beck, who is one of the leading reporters for The American Lawyer. I met with Susan a couple of weeks ago.

My sense was that she feels a sense of almost outrage about what the state of civil legal justice in the United States is today, and she is determined to focus a spotlight, or maybe a floodlight, on it. And I
think that she can be an important ally in helping to reach the legal profession, which in my experience is still woefully ignorant of the magnitude of the crisis in civil legal aid today.

Finally, we have a number of speeches and lectures and briefings going on. We're going to have a briefing for Senate staff tomorrow. This is sponsored by Senator Lamar Alexander of Tennessee. And we will have four state supreme court chief justices -- the chief justices of Texas, Tennessee, Kentucky, and Florida, a bipartisan group of state supreme court justices talking about the impact on their court systems when the courts are overwhelmed with unrepresented litigants.

This is a replay, a modification, of a briefing that we had on the House side last May that was very well received. A couple of Senator Alexander's staff members did the unbelievable thing of crossing over from the Senate side to the House side to attend our briefing last year, and they were very impressed and asked if we would do it again on the Senate side. So we're expecting to have a good
audience there tomorrow.

CHAIRMAN LEVI: Jim, they came last night, I believe.

PRESIDENT SANDMAN: Yes. Two of Senator Alexander's staffers were at the Supreme Court reception last evening.

I do what I can to get out and try to talk to any audience that I think is worth reaching. I've spoken twice recently at the Georgetown Law Center. I'm developing kind of a side practice in talking to law firms. And I spoke to the worldwide convening of Dechert, a major law firm, in connection with their annual pro bono awards in March. I spoke live in Philadelphia, but it was videoed to all of their offices worldwide.

I spoke to a group of senior partners at Arnold & Porter on March 13th. I'll be speaking at Hunton & Williams here in Washington in June, and to an international convening of DLA Piper lawyers -- that's a 4,000-lawyer firm -- in Chicago in July.

When I talk to law firms, my experience confirms my impression, that the legal profession is
unaware of the magnitude in the crisis in legal aid. When I cite the statistics, I can almost see the jaws drop in the audience, and people come up afterwards to tell me that they didn't know.

So if we think that the audience we need to reach is just the American public, that they're not aware of the magnitude of the crisis, I think it's even worse. I think within the legal profession itself we have our work cut out for us, and that's why I think it's important to take opportunities like this to speak to influential people in law firms and tell them what we're up against.

I'll be speaking at the ABA National Summit on Innovation in early May. We have a House briefing in May, which as Carole reported yesterday will deal with what legal aid does for veterans. We've been advised that this is a very important issue to our congressional supporters on Capitol Hill, and we will have a number of panelists who will talk about what our grantees are doing to provide legal services to veterans. And I'll be speaking to the annual meeting of the South Dakota state bar in June.
Carl Rauscher is also doing some outreach to try to find speaking opportunities that may not come to us. We've been in responsive mode in the last few years, accepting invitations to speak but not trying to instigate them.

Carl has made some headway in getting speaking engagements in Atlanta and St. Louis with a variety of audiences. He's been very strategic about trying to identify opportunities where we might not be able to reach not only legal audiences but broader public audiences as well. Thank you, Carl.

And finally, we are using videos on our website to communicate. We have videos from our Technology Initiative Grant conference in January currently on our website. We have the panel presentations from our Miami Board meeting in January on the website. And we have five interviews that we recorded at our 40th anniversary conference last September on our website.

We do find that the videos can be helpful in triggering press inquiries, particularly the videos of our judges and justices panels at Board meetings.
Those have been noticed by a number of reporters and legal reporters, who find very useful information there. And it's caused them to follow up with us and to ask further questions and give us interview opportunities.

We have a few things going on to try to improve our business processes here at LSC. We are working on what we call a new data portal. This will be a way of allowing all of our people here at LSC to access in one place all of the information we have about our grantees.

As you've heard many times, we currently have information about our grantees segregated and siloed in many different places. That makes it very difficult to reach, and it does not give us a complete profile of all of the information we would like to know about our grantees. Peter Campbell and our Office of Information Technology are spearheading this effort and making good progress on this.

We're also in the process of moving to a new grants management system. The current grants management system that we have is antiquated and very
cumbersome. It has been modified and customized over the years to such an extent that it makes it impossible for us to implement upgrades to the system that are prepared by the original developer. It's just too different from what they initially sold us for us to be able to apply the upgrades to it.

We issued a request for proposals for a new grant system. We received five responses. We expect to make a decision about who our new provider will be by June 1st and to roll out the new grants management system in early 2016. I think this will have a huge, long-term benefit to all of LSC. I think that this is one of the most significant things that we're doing.

We have a project underway to standardize protocols for visits by the Office of Compliance and Enforcement to grantees so that we can systematize things. We are looking at the process by which we select grantees for visits, how we prepare for visits, how we write our reports, and how we issue the reports, so that there is consistency across what we do and that the nature of the preparation and the reporting does not depend on the identity of the particular team that
goes out to visit the grantee.

There are some very interesting things going on with the Legal Aid Interagency Roundtable, and you'll hear something about this at the White House Forum this afternoon. I expect that the Attorney General will be saying something about this. And I'd like to report on two developments in particular.

First, the Legal Aid Interagency Roundtable, LAIR, as it's called, has created a working group to deal with self-represented parties in administrative proceedings. A lot of attention has been focused in recent years on self-represented litigants in judicial proceedings, in court proceedings, but very little attention on administrative proceedings.

A lot of the matters that affect low-income people have been in administrative proceedings. And this is an effort to try to bring to that process some of the thinking that we've seen brought to the judicial process, and this working group is intended to develop best practices.

We're fortunate to have the investment of the Administrative Conference of the United States in this,
which is an advisory group that provides assistance to
all of the administrative agencies of the United
States -- Ron Flagg serves as LSC's liaison to this
group -- so that they can provide cross-agency
expertise.

The challenge otherwise is that every
administrative agency in the departments of the United
States has hundreds and hundreds of types of
administrative proceedings. And if you left it to
their own devices to try to deal with this problem
independently, it would be a bear. So I think this is
a very positive development, to bring cross-agency
perspective to bear on a problem for low-income people.

The other development that I think is very
encouraging is the convening by the Legal Aid
Interagency Roundtable of a conference at the
Department of Justice in May on the 20th and the 21st
to focus on research involving civil legal aid.

This is a vastly under-researched area. Not
nearly the resources that have been devoted to criminal
justice research have been devoted to civil justice
research. And the Legal Aid Interagency Roundtable
will be bringing together a group of academics, funders, and government and private sector people to talk about what the most important areas for civil legal aid research area and how we might go about funding them, with a particular focus on measurement and evaluation.

MR. MADDOX: Jim, before you go on, can I just ask a question?

PRESIDENT SANDMAN: Yes.

MR. MADDOX: What is our focus in that roundtable discussion? Do we have a particular position that we're pushing on the various agencies? For a number of years we've talked about how legal aid lawyers seem to have to spend a lot of their tim doing things that agencies ought to be doing in the first place.

Is part of our focus getting them to dedicate more of their resources toward eliminating that problem?

PRESIDENT SANDMAN: Yes. That's certainly a part of it. And part of our focus also is getting them to spend more of their own money and less of ours on
these issues.

This is an example of the benefits of our quasi-governmental status. As you know, under the Legal Services Corporation Act, we are not a government agency. But nevertheless, the Legal Services Corporation has a seat at the table at the Legal Aid Interagency Roundtable -- I'm a member of the roundtable -- and that's because of our quasi-governmental status.

I think that's very, very valuable, and I can speak up about issues exactly like that, trying to identify systemic problems, processes that are not working well that, if they were corrected internally at administrative agencies, could be enormously beneficial to low-income people and require less attention by legal aid lawyers.

We are proceeding with our next round of Pro Bono Innovation Fund grants. This year we have a fund of $4 million appropriated by Congress for Pro Bono Innovation Fund grants. That compares to about -- to exactly $2-1/2 million last year.

What we've done this year is to initiate a
process a little different from what we did last year. Last year we just solicited applications, and we got 79 of them. This year we decided to have a preliminary process where we solicited letters of intent so we could do a preliminary review of the ideas that people were contemplating for funding and make some cuts, and not make everybody go through the process of submitting a full application, and not submit our staff to the burden of having to review full applications.

So this year we got 59 letters of intent from 38 states. Now, that's fewer than the number of full applications that we received last year. I don't think that's really surprising. One of the conclusions from our experience last year was that the odds of getting a Pro Bono Innovation Fund grant were not high. We made 11 grants last year against 79 applications.

They were large grants. These are grants that people use to hire people, as contrasted to technology initiative grants, where they often use the money to purchase things. People are more expensive than things. And I think that some of our grantees may have taken the lesson, that if the odds are not that good,
they should be more selective in their applications.

The total dollar value of the letters of intent that we received was almost $12-1/2 million. The average request was $210,000. Now, keep in mind that your average technology initiative grant is less than $100,000. It's about 85- or $90,000, which illustrates the point that people are using these grants to hire people, not to purchase things. And the total available for grants, after we pull our a reserve for our administrative expenses, is $3.8 million this year.

So after reviewing the letters of intent, the 59 letters of intent that we received, we invited full applications from 25 projects across 21 states. And the total dollar value of those is $6.2 million, the average request almost $250,000. So we expect to be making decisions about these later this year, and certainly to have the money out the door by the end of the fiscal year on September 30th.

Next I'd like to give you an example of something we do to promote best practices among our grantees. We issued in 2008 a publication called,
"Technologies That Should Be in Place in a Legal Aid Office." And this is very specific advice about what technology every legal aid office should have.

In a way, it's not really a best practice. It's a set of minimum practices, what everybody should have as a baseline, although it does go beyond that and make recommendations for additional things that grantees could do.

This was seven years out of date, which in technology terms is an eternity, and a number of things have happened since then -- a lot of developments in mobile devices, social media, cloud computing, security, knowledge management, web and videoconferencing. And we needed to update to reflect recommendations of our Pro Bono Task Force.

So we just put out this update. I think this is a unique resource. I don't think anyone else in the field of legal aid is doing this. But more importantly, I think that this is a model for what the nonprofit world can be doing generally, and I think that what we recommend is of applicability to all kinds of nonprofit organizations and not just legal aid
Although these might be just minimum standards for our grantees, I think they're a best practice for LSC itself. This is what I think a funder should be doing as a best practice to provide guidance to its grantees. And I'd like to thank Glenn Rawdon and Jane Ribadeneyra and David Bonebrake and Peter Campbell for their work on this.

We recently received reports from our grantees about their activities in 2014. And what we saw was a leveling off in terms of cases closed. We're not really seeing a decline any more. You will see a slight decline here between 2013 and 2014, but the reason there is that we have two programs that have not fully reported their numbers for 2014.

One of them is implementing a new case management system and has had some glitches that have prevented their getting their information to us. Another still owes us some information on their pro bono cases for last year.

If they were to report for 2014 numbers similar to what they reported in 2013, we'd see a cases
closed number about equal to or a little bit above what we had in 2013. As you'll see, the scale on the Y axis here is exaggerated. It only goes from 700- up to 950,000 cases, so it tends to magnify the size of the differences from one year to the next.

This slide compares funding to cases closed. There are two different scales here. Cases closed are expressed in thousands, funding in millions, but it tends to work. The numbers seem to correlate this way. So the blue line is cases closed, the green is funding, but the dark green being LSC funding and the light green being non-LSC funding.

And as you can see, there is generally a correlation between funding and cases closed. Total funding did go up last year. We did not see an increase in cases closed last year equal to the increase in funding, but I don't think that's surprising.

I think there's always some lag period between increases and decreases and the effect on cases closed. It takes a while for programs to staff up. And I have some further detail on this in a minute.
We look carefully at pro bono cases because that's been a focus of ours in recent years. Pro bono cases closed last year were a little up from last year, very much in the same range as we've seen over the past few years, but if you look at the percentage of total cases closed attributable to pro bono cases, we're seeing a continuing increase.

Last year 10.7 percent of all cases closed were attributable to pro bono work compared to 10.4 percent the year before, 9.9 the year before. You see a progression here, and I don't think that that's an accident.

We look at the types of cases that our grantees handle, and there's a fair amount of consistency, a lot of consistency from year to year in the types of cases that our grantees handle. Family law is routinely the largest category of cases; it's typically around 35 percent. It's varied between 32 percent last year and 35 percent over the last four years.

The second largest category of cases closed is routinely housing; that overs around 25 percent. It
was up to 28 percent last year. And the next largest
category is all other, which we can provide a further
breakdown on.

We look also at the type of work that was
done. And it's a little difficult to read,
particularly in the back of the room, but what this
shows is that once again, counsel and advice accounted
for by far the largest category of work done for
clients; 60.3 percent of all cases closed last year
were closed with counsel and advice. That's very
similar to what we've seen over the last few years.

This is something I think we need to take a
close look at. The majority of the matters that our
grantees handle are not full case representation in the
way that a litigator in private practice would consider
a case to be handled. It's counsel and advice.

I think we need to figure out a way to assess
the extent to which counsel and advice makes a
difference. Does it work? Does it have an effect on
outcomes? This is hard to do because often, the
contact with clients in a counsel and advice
circumstance is very limited.
It may be a half-hour telephone conversation or a meeting. Simply locating the client after the fact can be hard. Determining cause and effect relationships, whether the outcome in the case was attributable to the intervention of the counsel and advice, can be hard. But the difficulty of the task I don't think should deter us from trying to pursue it.

This graph shows the mix between LSC funding and non-LSC funding. And as you can see, total funding from all sources was up last year to $912 million. That's the highest number since 2011, but still not as good as the total in 2010.

LSC funding accounted for 39.6 percent of total funding, on average, for all of our grantees last year, which is in the same range as we've seen over the past three years, but down from where it was in 2011 and before.

CHAIRMAN LEVI: If you took our New York, and next year New York is getting a really big number --

PRESIDENT SANDMAN: Yes.

CHAIRMAN LEVI: I can't remember what the New York number was last year. I don't know if anything
does. But the judicially funded stuff is a big number now.

PRESIDENT SANDMAN: Yes. Averages can distort reality, and there are some states that are very generous in funding legal aid. Entirely because of the advocacy of Chief Judge Lippman in New York, state funding there has gone up considerably since he became chief judge.

It's moved from zero the year before he became chief judge to I believe it's $85 million this year. I think last year it was $70 million. So we to get into this number in more detail. This may give you a misimpression of what's going on nationally because of a few positive developments in just a few states.

MR. MADDOX: Jim, I'm sorry. Could you go back to the last line just for a moment?

PRESIDENT SANDMAN: Yes. Oh, sorry.

MR. MADDOX: The next one. There. So the cases closed number for counsel and advice, that's 60 percent of -- was it roughly 750,000 cases closed?

PRESIDENT SANDMAN: Yes.

MR. MADDOX: And counsel and advice can
involve half an hour of telephone conversation?

PRESIDENT SANDMAN: Yes.

MR. MADDOX: So then there's maybe 150,000 or 200,000 other cases in all the other categories? Is that right?

PRESIDENT SANDMAN: It's going to be more than that. But one thing that this doesn't capture is the number of hours that are being spent on the matter. And our grantees tell us that they spend a lot of time on the matters where they're providing much closer to full representation.

MR. MADDOX: Sure.

PRESIDENT SANDMAN: So without an hours count to correlate with this, you're not getting a full impression.

MR. MADDOX: Is that something you're working on to try to get a better picture of?

PRESIDENT SANDMAN: Yes. And that's really hard.

MR. MADDOX: Hard to do. Sure.

PRESIDENT SANDMAN: Yes. As Steve Hanlon reported from SCLAID the other day, in the context of
public defender cases, they got them to record their
time. Getting lawyers to record their time is tough.

MR. KORRELL: Do you have a sense of
why -- oh, I'm sorry. Go ahead, Charles.

MR. KECKLER: Yes. I could point out that we
have a regulation that says they should record their
time, 1635, but --

PRESIDENT SANDMAN: Yes. It's the level of
detail that is the problem.

MR. KECKLER: Yes. In quarter-hours. But
anyway, I was going to talk about something else, but
the relevant point is that if that's a serious matter,
we can revisit 1635 and strengthen that regulation.
That's a thing we can do.

But I had another question about two things
that you pointed out, which one is the new funding in
New York. And then thinking about that in the context
of the research conference coming up at the Department
of Justice and what's needed in civil legal aid, a
question that I've had for a long time, which is a hard
question to answer, is what is the difference it makes
in the overall delivery of justice, of civil justice,
the different levels of funding.

I think that there's now, especially with the greater funding in New York and so on, there is significant differences between jurisdictions in the level of support for civil legal aid. Here in D.C. there are a lot of different non-LSC-funded organizations. How much difference does that make to civil justice here in the District vis-a-vis a comparable city where there's much less support, or New York, where there's lots of funding vis-a-vis another state?

I think that's a very important question because that's the central policy question behind levels of funding. So if they can make any purchase on that comparative effect at a macro level in the general delivery of justice, that would be extremely valuable.

PRESIDENT SANDMAN: Well, I believe I've seen information from New York that shows that their additional expenditures are making a difference. The number, I recall, is that a few years ago there were 2.3 million self-represented litigants in the state courts of New York, and that last year the number was
down to 1.8.

MR. KECKLER: Right. That's a great step, and to look at that vis-a-vis another state, to talk about self-representation. But then I was thinking the real nub of it would be then to look at case outcomes and whether or not that representation has really improved the lives of the people in poverty who are in the courts vis-a-vis another jurisdiction.

Do that kind of comparative -- it's not a controlled experiment, but it's a quasi-experimental, almost, sort of structure.

CHAIRMAN LEVI: And I do remember, Charles, but I don't know its methodology -- they came up that they were saving $6 for every one. I don't know how they figured that, but -- Harry and then Julie, and then Jim is still in his report.

MR. KORRELL: On the timekeeping piece, it does surprise me every time to hear that it's hard because I record my time in six-minute increments. And for many clients, I record the tasks that I am performing. You're familiar with the task codes. It drives lawyers nuts, but when our clients demand it, we
As a result, you can go through a bill, a matter that lasts a week or an hour or one that lasts months or years, and you could find out to the six-minute increments what people did, descriptions of what they did, and task codes so you can find out how much work was spent on counseling with a client, meeting with witnesses, looking at documents, writing briefs.

It just seems like in the rest of the legal world, that's fairly common. Is it a cultural issue? Those tools are available for our grantees.

PRESIDENT SANDMAN: They are. There are some timekeeping tools, particularly technology tools, that may not be available to them because of cost. But we can follow up on this.

MR. KORRELL: I still use a piece of paper and write it down.

(Laughter.)

PRESIDENT SANDMAN: This stacked bar graph shows the -- yes. I'm sorry?

MS. REISKIN: Yes. As you're thinking about
outcomes and studies and all of that, one area that just struck me where we might be able to do some comparison is housing because housing is one area where we seem to have programs that do full representation and advice and counsel, and there should be some publicly available data about evictions, foreclosures. And so that just might be an area that would be relatively low-hanging fruit in terms of a study.

PRESIDENT SANDMAN: Thank you.

This stacked bar graph shows all of the different sources of non-LSC funding over the past number of years. Non-LSC funding, as you can see, was at the highest level last year of any year shown on this graph, although it's roughly in the same range as some prior years.

I know it can be difficult to read the numbers. I will provide this by email afterwards, and I'll send a copy to Don Saunders for NLADA to post. But one of the things that's noticeable here is that private funding -- that's the orange, three from the top -- was up last year to $74 million, which is a significant increase, particularly if you look back to
2011.

You'll see the continuing erosion in IOLTA funding. That's the green. It's gone from almost $112 million in 2008 down to $47.8 million last year. And state funding has been up generally. That was $168-1/2 million last year, down nominally since 2013, but I think there's a lot of unevenness across the states in the level at which they support funding for civil legal aid.

MS. REISKIN: Jim, where in that chart is cy pres and attorney fees?

PRESIDENT SANDMAN: That would be in other, the light blue that's the second from the top.

This graph shows the distribution of our grantees in terms of the extent to which they are dependent on LSC for their funding. And what it shows is that by numbers, 65 percent of our grantees get less than half of their funding from LSC.

But you do see that there's also a not insignificant number that get more than half of their funding from LSC. I think it's very important to keep these numbers in mind. Congress expects no less of our
oversight of a grantee that's at the left end of this chart than they do of a grantee that's at the right end of this chart. A dollar of taxpayer money is a dollar of taxpayer money.

But nevertheless, we need to be pragmatic. If you're a grantee down at the left end of this chart getting less than 30 percent of your funding from us, I think we just need to be aware of how much we can impose on them.

So if we have grand ideas about doing particular types of training or imposing requirements on them, we need to think about what other grantees might be imposing, too, and how what we're doing relates to the requirements that they're subject to from other grantees. This is particularly important with reporting requirements. We don't want to put our grantees in the position where they spend more time reporting what they do than doing what they do.

This has been a dramatic change over time. Back in 1980, our grantees, on average, got 88 percent of their funding from the Legal Services Corporation. So I think this sends a message in terms of the
importance of our sensitivity to funder/fundee relations and what our role should be in dealing with our grantees. We don't own them. They're not franchisees. They're grantees.

So my final slide shows staffing over the past few years. And you can see, we inched up last year. This is good. We seem to have stemmed the decline that we saw over the prior three years. Lawyer count was up. Paralegal count was up. Other staff was down, but total staff was up a little bit from 2013, up from about 8,580 to 8,712. And I do hope, if we're able to sustain this, that next year we would see a corresponding increase in cases closed.

That completes my report. I would like to say that I recently completed four years of service with LSC. I'm very grateful to the Board for bringing me here. I love my job. I love the mission of LSC. I hope to be with you, and maybe with your successors, for a long time. Thank you.

(Applause)

MS. REISKIN: Jim, you forgot to mention something important, which is, I heard, that you're
getting an award next month from the local bar association?

PRESIDENT SANDMAN: Yes.

FATHER PIUS: Well, say a little more.

PRESIDENT SANDMAN: It's June, actually. I'm getting the Justice William Brennan Award from -- well, maybe Ron could say something. I don't --

MR. FLAGG: Jim is being characteristically modest. He's getting the William Brennan Award, which along with the Marshall Award, which is given in alternate years with the Brennan Award, is the highest award the D.C. bar bestows on a member of the bar for public service. And the list of prior awardees is quite impressive. And Jim is very deserving, and we're lucky to have Jim and lucky to have somebody of his caliber.

MR. MADDOX: Jim, just a quick question. Yesterday Bob Henley asked me if we had any insight into the degree to which our Fiscal Oversight Task Force has been implemented. Do you have any thoughts on that, and can you share them with us?

PRESIDENT SANDMAN: Oh, yes. Lynn Jennings
has an implementation chart that we'd be happy to provide. It has had a very significant impact in a lot of ways. You can see it in our special grant conditions, our fiscal-related special grant conditions, in our grant terms, and you can see it in particular in actions we've taken with regard to specific grantees, one in particular recently. I think we're in a completely different place in our fiscal oversight now from where we were four years ago.

MR. MADDOX: Is our implementation of that largely complete? Is it basically up and running?

PRESIDENT SANDMAN: Yes. There are still some things ongoing and will be ongoing.

MR. MADDOX: Right.

PRESIDENT SANDMAN: But yes, the vast majority of the recommendations have been implemented. And we can provide the table on that.

PRESIDENT SANDMAN: Thank you.

CHAIRMAN LEVI: Martha and then someone else. Harry? And was there somebody?

DEAN MINOW: This is a splendid report, and your leadership continues to just set the highest
standards of integrity and vision. And I am very
delighted to see the proactive role about speaking
because you're a great speaker, and getting the message
out is great.

I had two specific questions. One is on the
best practices in technology. I think that's a great
initiative. I'd wonder about keeping it current
because, as you said, a year is an eternity in this
field, particularly the security issues.

If we say something about minimum standards,
and the security protocols are changing so rapidly, I'm
not worried about liability, but I am worried about
accuracy and best practices on that front. And how do
we deal with that?

Is there some pro bono help we can get on
that? You can spend a whole lot of money on getting
security advice, but particularly dealing with data and
other issues, I think there are some very sensitive
issues, I can say, as someone who manages 26 clinics.
And it's something very hard to stay on top of.

The second is, I wonder if at some point we
can do a closer analysis of the case load on family
cases. So the distinction between intra-family and
family versus state is so profound both in terms of the
stakes and in terms of the resources that are
necessary.

I think it would be very helpful for us to get
some finer-grained information, and maybe the
Performance Committee could actually look into that and
see who's doing best practices, their relationship,
with domestic violence.

That's an area, since it is the largest share
of the work that we do, we don't talk about it as much.
We talk much more about other matters. It's not as
sexy, but it's really important.

CHAIRMAN LEVI: Harry and then Charles and
then Gloria.

MR. KORRELL: I think the speaking tour, the
law firm speaking tour, is terrific. I'm on the board
of the King County Bar Foundation, where we raise money
to support the bar's pro bono programs. And one of the
things that I've discovered in doing this is that there
is just so much noise. And it's noise about something
important, which is legal aid.
The law firms are exhausted. There's an alphabet soup of organizations that are asking for money, and that's just the legal aid stuff. Then there's also the education programs and all these other programs. And the law firms are really inundated and exhausted by the requests that come in on a weekly basis, sometimes a daily basis, to sponsor a table here, donate money there, serve on this.

I don't expect an answer, but obviously it's a challenge, and a big one, for LSC to try to rise above that and really communicate the magnitude of the problem because it's going to get drowned out by the conversations locally.

I don't know how you do that, but it strikes me as very important to get above that din because managing partners and partners in charge of various offices spend a huge amount of their time just fielding requests for philanthropy. And I'm not sure how you're going to do it, but it seems very important to me.

MR. KECKLER: Picking up on Martha's comment, one thing that many organizations do in strategic plans that we did not do, and still might not do, is to look
at one of the substantive areas that we deal with and make out a particular priority and focus of research and impact during the forthcoming five years. So family law is one that might be considered, and housing is another.

That's one thing to think about, so first, the question of whether you want to pick a priority area, and secondly, what that might be. And so that's something that Gloria and Father Pius might communicate with and think about that as we move towards the strategic plan.

But family law is certainly one that is one where we could think about focusing on making a particular difference.

PROFESSOR VALENCIA-WEBER: Yes. And tying the two comments together, the family law area, even if we don't decide to make it a focus group for our strategic planning, I think that a finer collection and analysis of data would be important, particularly with regard to what we do and its impact on children.

There are an increasing number of foundations and private donors across every class of citizen in our
communities for whom children are a key focus in terms of what we can do for them. Some of them are the children of the clients who would receive the services, but many of them are simply good-hearted people who say, if we're going to have a future as a society, we have to invest in children now.

And so whatever we can do to tie what we do and its impact on the children in those families, whatever the outcomes, whether resolution of domestic violence, foster care, ultimate adoption, that presumably moves a child to a better future, we need to have some kind of data to approach organizations and donors who traditionally have not been giving to legal aid.

CHAIRMAN LEVI: Any other? Thank you very much, Jim.

That brings us to the Inspector General.

MR. SCHANZ: Yes, sir. And with me today is Dave Maddox, the Assistant Inspector General for Management and Evaluation.

To start with, I'd like to commend Jim. That's quite an impressive activity report. And mine,
of course, will be oral. And I'd like to thank my whole staff for providing the expertise for me to present this report.

We've been dealing quite heavily with Congress. In fact, you know that's true because I was walking through the halls of the Senate building, and I heard somebody behind me say, "That looks like an IG."

Okay. Well, I used to know people who worked in that building when I was with the Justice Department. And lo and behold, it was our chairman, John Levi.

(Laughter.)

MR. SCHANZ: So as auditors and accountability experts and investigators, we have validation from our chairman that in fact, yes, I am dealing with Congress on a fairly regular basis.

What we did, we met with the Senate Approps and the House Approps, and we talk about our budget, of course, or the LSC budget. But inevitably, during any conversation I have on the Hill, how is LSC doing? They want to know that, especially with a lot of new staffers.

And I am always happy to report that in my
seven-year tenure as an Inspector General, I see things improving, on the upswing, pretty much in every area of what LSC does -- our grants, our Management, our oversight, our Board, et cetera, et cetera.

So it's an easy visit for me on the Hill, and I'm very much curious as to why the new staffers are still so interested in LSC because I think our past history has been pretty much resolved or mitigated.

So I am of the open, when I speak on the Hill or meet with the people, that I can say, oh, no. This is a great organization. What you know from the past -- and they're all new because of the past election, so they're dealing with past history and I'm dealing with the present, dealing in the now. And I can honestly say that we've improved so much that I feel like I'll be out of a job soon. Not really.

(Laughter.)

MR. SCHANZ: But one of the things they're always asking about right now is IG access to records. And I can tell them that we have had no problems getting access to records. There are three agencies that have had, and they've been fully ventilated in the
But since my first year here, I've been able to deal with this Board and with the prior Board and get complete and unfettered access to records, which is precisely what the IG statute requires. So we're doing what we need to do. There is no hide-the-ball mentality any more. I believe that the grantees respect this IG -- OIG -- and we're just moving forward on all cylinders.

So they do question some of the things that some of my colleagues have gotten into problems with, which is the integrity committee of the CIGIE, Council for Inspectors General for Integrity and Efficiency. There's been some bad actors, and it leads to the old adage, one bad apple.

So there is legislation on the Hill right now. It's in the Senate. It's called the IG Empowerment Act. My counsel can speak a lot more authoritatively on that, but I'll give you the CliffsNotes version.

What it does, it provides for testimonial evidence for IGs. And this is still being played out and percolating through the Hill. The Department of
Justice OLA thinks it's a very bad idea. Several of my colleagues think it's a very good idea. So that's still playing out.

What the Empowerment Act does provide, though, is also an enhanced integrity committee by CIGIE to deal with some of the bad actors. And I can count on one hand the IGs that abuse their position, which I just -- I won't get into it because I'll get too upset. I don't understand it.

But as far as congressional oversight now of the CIGIE community and the IG, they're asking for quarterly reporting on open recommendations from the agency. So we've reported. We do that now. I will mention that the semi period ended March 31st, so we're going to be capturing the data of what we've done in the last six months and provide that to the Hill.

But in addition to that, and this comes from Senators Grassley and Johnson from Wisconsin, they want to know where we are on open recommendations on a quarterly basis. So our semiannual has essentially turned into a quarterly report. As I said, the formal semiannual period ended on March 31st.
A couple other things I want to talk about.

We, the IG community, held our annual meeting with GAO. And this is quite detailed. We talk about cross-cutting issues with GAO and with the IG community and the high-risk list that you may have heard about. We are not required to provide that; that comes from the GPRA. But we do keep a high-risk list, and you'll see that in our strategic plan, which is when I'll turn this over to Mr. Maddox.

We continue to work with Management on policies and procedures. I mentioned in Miami that the development of policies and procedures is not done in a vacuum in this building. We have significant input into most things that come out of Management.

One of the most recent examples is the grant assurances. We make sure that that covers what the grantees need to report to the OIG, and when they have to report, and ethics and conflicts of interest. We provided a lot of information to Management.

Interestingly, and this is more of a personal matter, Congress has also asked for a survey on IG salaries. And I am not happy to report but I can tell
you that I'm at the very low end of that scale.

There are some IGs, particularly in the financial institutions, that make significantly more than any of us sitting around the table. And they're trying to get a handle on, is there equity within the community? And I can answer that without a survey. The answer is no. But Congress has turned an eye towards that also.

So with that, I'll conclude my portion of the report and turn over to Dave Maddox, who's going to discuss the strategic plan, the draft strategic plan, that is in your Board book at page 225.

CHAIRMAN LEVI: Are there any questions at this point from the Board before the -- no? Okay.

MR. D. MADDOX: Thank you, Jeff. I'm here to just briefly introduce the draft OIG strategic plan for the years 2015 through '19. It is -- uh-oh.

MR. SCHANZ: And for the record, this is why I provide my report orally.

MR. D. MADDOX: The draft was entirely internally developed, so no use of consultants, across the five units of the Office of Inspector General.
AT THIS development stage, we are requesting stakeholder feedback for ways to improve our plan -- from the Board, from Management. We're reaching out to the Department of Justice OIG as a peer organization. Subsequently to that round of comments and consideration, we will post to the OIG website for additional stakeholders and comments from the public.

The strategic plan, of course, is the highest-level OIG planning document that provides our approach to implementing the IG Act at LSC. It guides future work planning on our risk assessments, maintains flexibility for future stakeholder requests and shifting priorities. Annually, it is complimented by an annual work plan as well as operational unit priorities.

Considerations going into the OIG strategic plan are, of course, statutory requirements; OMB guidance on effective working relationships between agencies and OIGs; IG community strategic planning best practices.

We did an extensive review of OIG strategic plans. We also did an extensive review of LSC
documents, including the LSC strategic plan for 2012 to '16; the Fiscal Oversight Task Force report; GAO reports on LSC; LSC's risk matrix; and the human capital management plan. Ultimately, we relied on our professional experience, including past OIG strategic plans, risk assessment, standard products, and results.

The plan's elements include mission and vision to serve as an independent resource to protect the integrity and improve the efficiency of LSC and its grantees' programs. Statutory requirements, of course, come right out of the IG Act as well as LSC's annual appropriation.

Core values that we determined as the five guiding principles to fulfilling our responsibilities include accountability, integrity, professionalism, communication, and teamwork.

The heart of the plan are the goals and objectives and strategies. We have two goals, seven objectives, and 33 strategies. I won't take your time, but I will read the two goals that we have produced.

The first is to promote LSC's effectiveness by delivering high-value OIG products as a tested advisor
that identifies areas for improvement and successfully communicates those to stakeholders. Our second goal is to advance excellence in OIG performance by effectively managing and leveraging our human resources and information management systems.

In terms of our relationship to the LSC plan, of course, the OIG has a supplementary mission to LSC. LSC major management challenges: This is an IG community practice required by many IGs by law -- not in our case -- but identifies high-risk management areas to guide future OIG work planning and reporting.

We also included environmental impacts, to identify external factors that will impact the degree to which we can meet our strategic goals going forward so that we can better plan to manage these factors ourselves.

This is a very quick and brief introduction to a draft plan. We very much would appreciate your thoughts and feedback on ways to improve it, either individually or collectively, however you would like to give those to us.

We've initially assigned a May 8th date.
There's not a real driver for that, so if you all need more time, we would appreciate it. If you'll direct your comments to me, I would appreciate it. Any questions? Father Pius?

FATHER PIUS: Dave, could you send the draft at least to me? I don't know about the rest of the Board, but could you at least send the draft plan to me just so I can have a look at it?

MR. D. MADDOX: Sure.

MS. REISKIN: It's in our book.

FATHER PIUS: Oh, it's in here? I'm sorry.

MS. REISKIN: It would be great to have just the plan in one document separate so that -- no. It's under the Board report. It's on page --


FATHER PIUS: Got it. Thank you.

MR. D. MADDOX: If you'd like an electronic version, easier to comment on, certainly.

MS. REISKIN: Yes. It is. Separate.

MR. SCHANZ: Well, that concludes the IG report in open session. Of course -- yes?
FATHER PIUS: Actually, it's nothing that you talked about, but something I forgot to ask earlier, two questions that we're going to consider as a Board, but I don't remember if we got OIG input.

The first was the revision to the list of federal statutes that deal with fraud, waste, and abuse. Did the OIG have a role in -- you guys looked at that and helped to provide the input on that, and you're comfortable with the list that we've provided in there?

MR. SCHANZ: Yes.

FATHER PIUS: And then the second would be with regards to -- partly because this stems from an issue with the OIG is the subgrant issue. Right now we're just putting it out for comment. But has the OIG weighed in on the proposal that we're putting out for comment, and are you planning, at least, to provide some comment on the subgrant issue? So those two questions.

MS. TARANTOWICZ: This is Laurie Tarantowicz, counsel to the OIG. We received a draft of the subgrant rule a little bit late in the process, and we
didn't have time to give -- I gave some informal

comments to OLA, was able to do that. We do plan to
take a look at it and give some comments in the formal
comment period.

MR. SCHANZ: And in closed session, to pique
your interest, we will talk about -- we provided a

subgrant report to Management based on our analyses.

DEAN MINOW: I notice in the strategic plan
the risk matrix. And I wondered if there are ways in
which you might be thinking about some proactive

sessions, as you have done with fraud, to deal with

risk more generally.

MR. SCHANZ: That's an excellent question, and
the answer will be yes. We will consider that. And of
course, it's going to vary by grantee, but we can put
out the factors that would lead us to red-flag a

grantee.

CHAIRMAN LEVI: And finally, with strategic

plans, they often end up on the shelf. Do you guys

have a program where you look at it every so often and

assess how you're doing as against your goals? Is that

something we should expect to hear from you in future
reporting?

MR. D. MADDOX: We look at the strategic plan each year as we go through into our annual planning. One of the items, initiatives -- as I said, there's 33 in the report -- one is to better OIG performance measures as one of the items we think we can improve on. So yes.

FATHER PIUS: I think I mentioned this maybe the last time, but one thing that would be helpful is once you come up with the final one, especially Jeff, is to even reference that in your annual self-evaluation to the Board, is to tie that a little bit to this strategic plan. I think that would be helpful for us as a Board to keep these things together.

MR. SCHANZ: We heard you loud and clear in Miami and are working towards that, yes.

CHAIRMAN LEVI: Thank you.

MR. SCHANZ: Thank you.

CHAIRMAN LEVI: Mr. Grey, it's the Finance Committee's turn.

MR. GREY: Thank you, Mr. Chairman. The
Finance Committee met yesterday, one of the more deeply
discussed committee meetings, I think, of the Board.  
And Father Pius agrees with me, I see. 

Anyway, we were brought up to date by the  
Treasurer on the current expenditures of LSC's revenue  
basis. And we were asked to consider a revised  
consolidated operating budget, which we recommend to  
the Board that it adopt.  

In addition to that, we heard reports on the  
FY '16 and '17 appropriations by Carol Bergman. We  
continue, I think, to be vigilant, in our discussions  
with those on the Hill that are most interested and  
responsible for our funding.  

I think Carol's report gives us a window into  
understanding what work we have to do and those that we  
need to talk to in order to be sure that we're on the  
same page with those that are responsible for our  
budget. We did not hear any public comment, and we did  
ot consider any other business. 

MOTION  

MR. GREY: So the action item would be the  
consolidated operating budget for FY '15, which is in
CHAIRMAN LEVI: And that's in front of us. It doesn't need a second. It doesn't need a motion. All in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: Opposed?

(No response.)

CHAIRMAN LEVI: Thank you for your report.

MR. GREY: Thank you.

CHAIRMAN LEVI: Any questions for Mr. Grey?

(No response.)

CHAIRMAN LEVI: The Audit Committee. Any action items?

MR. MADDOX: There are no action items, Mr. Chairman. The Committee received a briefing from the Inspector General and his staff on April 3rd regarding some followup questions that came out of our Miami meeting and also concerning the Inspector General's work plan.

We met yesterday and received a briefing by the Inspector General. We received a Management update regarding risk management from General Counsel. We
received a briefing from the Office of Compliance and
Enforcement regarding referrals from the OIG. And we
had a closed session in which other matters were
discussed.

We also received an update on the 403(b) plan
performance, which is doing well. And there are no
action items for the Board.

CHAIRMAN LEVI: Thank you. Questions for Mr.
Maddox?

(No response.)

CHAIRMAN LEVI: Ops and Regs.

MR. KECKLER: Thank you, Mr. Chairman. The
Operations and Regulations Committee met on Sunday. We
have three regulatory actions to bring before the
Board. Before doing so, I wanted to mention two other
items.

The comment period on the agricultural and
migrant farmworker population data has been extended.
The Board last time approved a 45-day comment period.
It was extended by 30 days and will close on April
20th. And we expect to have further information at the
next meeting on that methodology and those adjustments.
Secondly, there was a public comment received from John Meyer expressing a number of concerns. Management is aware of these concerns and briefly responded.

The three items that we're going to bring to you today: The Committee has recommended a notice of proposed rulemaking for 45 CFR 1627 and some related regularly provisions. That's the subgrant rule. You'll find information on that rule beginning at page 17 of the Board book. This is a longstanding issue that's gone through a number of iterations.

MOTION

MR. KECKLER: The Committee has recommended publication for comment of a notice of proposed rulemaking. The Committee has recommended it, so if there's not any further discussion --

CHAIRMAN LEVI: Yes. All in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: Opposed?

(No response.)

MR. KECKLER: Thank you, Mr. Chairman.

The other notice of proposed rulemaking that
the Committee has recommended to the Board is a
revision to 45 CFR Part 1628 involving recipient fund
balances, which expands the potential for recipients in
extraordinary and compelling circumstances to maintain
larger carryovers. And you will find that rule, the
discussion of it, beginning on page 49 of your Board
book, and the rule itself, or the notice, rather, of
the proposed rulemaking, beginning at page 60.

MOTION

MR. KECKLER: The Committee has recommended
the matter to the Board.

CHAIRMAN LEVI: All in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: Opposed?

(No response.)

MR. KECKLER: Thank you, Mr. Chairman.

Finally, the Committee considered a Final Rule
for 45 CFR Part 1640, which is a revision of our rule
involving applications of federal laws on waste, fraud,
and abuse to LSC recipients, in which we will create a
dedicated list of such federal laws applicable to our
recipients and then use that as the basis for our
regulation. You will find that beginning on page 72 of your Board book.

During discussions regarding that rule and after receiving some public commentary from the NLADA, we made a small revision to Management's draft. That revision should have been sent to you by email.

There was a typo that was corrected, and in addition, the clarification that was made is on page 78 of your Board book, and it's at the bottom of that page regarding Section 1640.2(a). And it changes the following language.

The sentence says, "The list may be modified with the approval of the Corporation's Board of Directors." The Committee approved a clarification that, "The list may be modified with the approval of the Corporation's Board of Directors at a public meeting."

MOTION

MR. KECKLER: With that change, the Committee has recommended the adoption of this as a Final Rule to the Board.

CHAIRMAN LEVI: All in favor?
(A chorus of ayes.)

CHAIRMAN LEVI: Opposed?

(No response.)

CHAIRMAN LEVI: Thank you.

MR. KECKLER: Thank you, Mr. Chairman. That concludes the report of the Operations and Regulations Committee.

CHAIRMAN LEVI: Thank you. Questions for Charles?

DEAN MINOW: How do you have the patience and attention to detail that's so excellent here?

CHAIRMAN LEVI: And even remember the numbers? It's really quite remarkable.

(Laughter.)

CHAIRMAN LEVI: Thank you.

Martha, Governance and Performance.

DEAN MINOW: We don't have an item for action. We had a very good update about continuing GAO no problems -- love that kind of report -- and also a good update on the possibility of outside funding for research and other kinds of outside grants.

Jim Sandman reports on the evaluations that he
conducted of our Treasurer, and as I think none of us
are surprised, the report on Dave was excellent; report
on the Vice President for Grants Management, and I
think all of us stand in awe of what Lynn has done,
including implementing the Fiscal Oversight Task Force
recommendations, but many, many other fronts, including
the Pro Bono Task Force elements, and basically keeping
the place going and getting better all the time; and
also an evaluation of the Vice President for Legal
Affairs, and I think we all join together in great
admiration for what our great lawyer and advisor has
done to clean up the backlog and also so ably represent
the organization internally and externally.

So three great leaders. I think that maybe we
all could applaud. What do you think?

(Applause)

DEAN MINOW: Finally, I think that we are
grateful to Ron and his team for putting together the
sources of authority governing LSC Board actions. And
I would just like to note this is a very good down
payment on an activity that we need to undertake for
ensuring smooth and easy transition and succession for
our Board and for any senior staff. And I think this
is a very good start. I think that topic represents a
major going for this Committee going forward.

CHAIRMAN LEVI: I agree with that.

DEAN MINOW: That concludes my report. Thank
you.

CHAIRMAN LEVI: Questions? Observations?
(No response.)

CHAIRMAN LEVI: Institutional Advancement. I
don't believe we have any action items for the
Board -- I'm sorry. Oh, we do have that, yes, the
Minnesota charitable.

So our Committee met. We heard about the
fundraising efforts, the grants proposals to certain
foundations, the successes of our efforts and our
continuing efforts in the 40th anniversary campaign,
and the fact that we've to date raised over -- isn't
that a public figure -- over $4 million. And that's 4
and 40. I don't know. But anyway, it's very exciting,
and keep growing it.

MOTION

CHAIRMAN LEVI: But we do have an action item.
I guess we have to approve as a Board the registration in Minnesota. It's in your Board book at 214.

So could I ask for all in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: Opposed?

(No response.)

CHAIRMAN LEVI: And that concludes our report. The Delivery of Legal Services Committee.

FATHER PIUS: Thank you. The Delivery of Legal Services Committee met -- when did we meet? Monday, I think. These dates run together. As most of you, I think, know, with the revision of the charter and the change of the name, we changed, really, the focus of the committee to focus on delivery of legal services.

And the charter changes envisioned some ongoing reports from management on their assessment of the quality of legal services provided by our grantees, so the first of which we had at this meeting.

So I was very pleased with the report that we got from Management with the details that we have, I think for the first time really going into some of the
assessments of the grantees and the status of some of these. And it's the beginning of a process.

So I think there was some feedback on the kind of information that we would want in the future and when. But I would appreciate, too, just from the members of this Board, if you have some time or if you have some response about more detailed information that you would like to see, at least we can provide a portal in which to follow what has become known as the Korrell rule, that we could just make sure that the members of the Board get the information that we think that we need in a way in which Management can realistically be expected to provide it.

So any feedback from Board members on the reports that we received, the way future reports would go, either send it to Gloria or myself, and I think we would appreciate that very much.

No action items from the Committee right now. And then as we move forward, we'll be taking on the role, probably through the Committee, of the strategic planning, and so we'll get some more information on that when we've had a chance to think about it.
CHAIRMAN LEVI: Any questions for Father Pius?

I realized in Institutional Advancement I should have given Julie a minute to report on the Communications Subcommittee, if you would like, or do you want to do it at the new business? Do it right now.

MS. REISKIN: We had a great briefing on the communication efforts. I think the stories is probably, to me, the most significant thing. The analytics are looking great. And we will hopefully be able to have, next meeting, hearing from Ms. Marple on how we can continue to improve that. But I think it's all good news on that front.

CHAIRMAN LEVI: Thank you, Julie.

Report on implementation of the recommendations of the Pro Bono Task Force. I assume this is Ron and Lynn. Is that correct? We heard a little of it from Jim, I think.

MS. JENNINGS: That's right. He kind of stole my thunder. This is Lynn Jennings, Vice President for Grants Management.

With regard to implementation of the Pro Bono Innovation Fund, I really have very little to add other
than our continued thanks to Mytrang Nguyen, who really
got this program up and running. And we have augmented
the team with Alla Polyakova -- I hope I got that
right -- and Meredith Horton.

We have also had the benefit of Maureen
Syracuse's expertise during this process. And we've
also worked with our friends at DLA Piper on this as
well, and they will continue to serve as reviewers for
applications in the next round of grants.

Mytrang and Meredith are going to the Equal
Justice Conference in Austin next month, and they will
be meeting with our initial round of grantees there to
see how things are going. I'll be participating in
some of that meeting. And they're also holding a
session with Lisa Dewey and Annie Helms from DLA Piper.

Yes, Martha?

DEAN MINOW: Do they have a reporting
requirement?

MS. JENNINGS: Yes. We have a set timeline
for them based on whether they're an 18-month grantee
or a 24-month grantee. And based on that, I think it's
every six months. And so Mytrang and Alla and Meredith
DEAN MINOW: And will we do some public announcement about what they've accomplished and/or analysis?

MS. JENNINGS: Yes. And in addition, we are in the process of reviewing applications for the evaluation. We put out the request for proposals, and we have about seven or eight responses to that. And we'll be reviewing and interviewing some people in the next month, and hopefully in the month of May engage an evaluator. But through constant communication with the initially round of grantees, if there is significant progress made, we will provide an update on that.

With regard to the committees of the Pro Bono Task Force report, I think Ron and I, since we've made significant progress on a couple of programmatic items here and regulatory items, we can now turn our attention to some of the other activities that were part of the followup.

DEAN MINOW: That's great. Well, I know you got the Innovation Fund up and running so quickly last year, there wasn't time to have evaluation alongside.
But as we do a next round, I wonder about how evaluation will be treated.

MS. JENNINGS: Yes. We will be doing it.

They do submit an evaluation plan with their application. But this is a third party independent evaluator, and so we'd like to see how this goes.

Right.

MR. FLAGG: One of the principal recommendations of the Pro Bono Task Force was that the LSC review its private attorney involvement regulations to see if they could be revised in a way that would facilitate additional pro bono work. As the Board is well aware, the regulations were in fact revised, effective last December.

We have had quite a number of inquiries from the field, both directly to us through the NLADA and to OCE and OPP. We are trying to answer those inquiries on as close to a realtime basis as we can, and have come up with a website location where we answer questions on an ongoing, rolling basis.

You can see at pages 243 to 248 of your Board book what is currently posted on the website, which is
quite detailed responses to questions about the implementation of the PAI regulation. Even as I speak, Stefanie Davis and Mark Freedman of our office are considering, with the assistance of OCE and OPP, answering additional questions. And I'd also like to thank Don Saunders and Robin Murphy of NLADA for helping to shepherd the most frequently asked questions to us and facilitate this process.

CHAIRMAN LEVI: Questions for Lynn or Ron?

(No response.)

CHAIRMAN LEVI: Anything further on that?

Jim? No? Thank you all.

Public comment?

MS. THOMAS: My name is Evora Thomas and I'm an attorney in the Office of Program Performance. And since I've last addressed this Board, I'm also now the president of IFPTE Local 135. And it's in that capacity that I want to address you today.

You will recall, Mr. Chairman, that at the time that you first assumed the leadership of the Board of LSC --

CHAIRMAN LEVI: Excuse me. Someone else has
joined you at the table. Can you identify yourself?

MS. EDWARDS: Hello. My name is Jean Edwards. And I'm here to speak after Evora, so should I sit in the back and wait?

CHAIRMAN LEVI: That's fine.

MS. EDWARDS: It's fine? Okay.

CHAIRMAN LEVI: Stay right there. Are you together or separate?

MS. EDWARDS: Separate.

CHAIRMAN LEVI: Oh, okay.

MS. THOMAS: Yes. I wanted to just reflect upon our early conversations at the time that you became chairman of this Board and prior to many of the other members having been appointed.

We engaged in numerous conversations regarding the reasons why Local 135 came into existence and the kinds of challenges that we hope to partner with LSC Management and governance in resolving. And that continues to be our goal.

Many of our members are people who have had decades of experience in their commitment to the delivery of civil legal services. I began as a Reggie
back in 1977 with a legal services program in New Jersey. And although my career has not continuously been as an LSC employee or as a legal services employee, I've always remained involved in that mission.

Many, many of the staff, particularly in the Office of Program Performance, are career legal services people. And in other offices throughout the Corporation, employees have dedicated themselves to the mission of LSC.

And it's with that spirit and that commitment that we continue to proceed in two realms, first, in the negotiating of a collective bargaining agreement.

We've been a long time in accomplishing that goal, and in part that's attributable to the fact that rather than beginning with a positional approach, we elected instead to undertake this massive project with an interest-based approach, meaning that both sides of the bargaining table would put forth what they perceive to be the issues of concern, and that we would try, rather than an adversarial approach, one that said, let's do what's going to be in the best interests of
the mission of LSC and all of its components, including the staff. And we've done that over the past three years.

We've evolved. We are now looking at other types of issues that have a monetary implication, and so that makes us a little bit more positional. But I think that in regard to collective bargaining that we are continuing to move forward. I'm optimistic that we will see some resolution of an agreement this year.

The concern that brings me to the table today has more to do with the other kind of bargaining that we're doing, what we call labor-management, the day-to-day issues that arise within the organization, things that warrant negotiation because of the effect that they have on employees and working conditions.

We began, after the union was organized, with a biweekly labor-management meeting, where we attempted to bring concerns. Management brought concerns to the union and vice versa. The union brought issues of concern that we learned about to that table as well.

It is through that component that we have also seen efforts at implementation of things that we've
already negotiated, things such as the employee
performance plan. And we are chagrined at the
difficulty that has been experienced in the smooth
implementation of that plan.

We have attempted to work on a resolution of
those things, but find that as it currently stands,
what both labor and management design together is
meeting with difficulty in implementation. And we just
ask this Board to ask critical questions with regard to
what you perceive as being an important tool in the
operation of the organization.

We feel that rather than it promoting
productivity and quality work, that it is having a
debilitating, having a divisive, impact and that people
are feeling demoralized. We feel that it warrants
additional assessment and review before it is fully
implemented.

No one is naive enough to believe that LSC is
ever going to agree to an environment where some form
of evaluation doesn't take place, and we're not asking
that. We are, however, asking that an evaluation
system that is going to affect the employment record,
the income opportunities, the promotional opportunities of employees be implemented so that it is, in effect, done fairly, without any preferences or biases shown to anyone, and that all of the managers are fully trained to understand the system and to be held accountable for its implementation.

With regard to other issues that are pending, I don't want to belabor my time right now talking about those. But I believe that we will be presenting our proposals to Management, and I have every confidence that our General Counsel, who is representing Management with regard to those things, will hear us and will respond accordingly.

Thank you, Mr. Chairman.

CHAIRMAN LEVI: Questions for Evora Thomas?

(No response.)

CHAIRMAN LEVI: Thank you for your service.

Appreciate your coming today.

And your name, again?

MS. EDWARDS: Hi. My name is Jean Edwards, and I'm one of the ones that was working in the OIM division, one of the ones that was let go. I worked
for Legal Services 27 years, and I just came here today because for -- the reason why I came here is to let you know how I was told that my job was over.

I was at home due to a death in my family. My mother's sister had just passed away. And Traci Higgins, the HR director, called me at home, and she said, Jean, where you at? I say, I'm at home. She said, well, Jean, this is how it is. I want you to know as of today, your job is over with.

And I said, what? She said, yes, pretty much so. You don't have to come to work tomorrow. And we'll be sending you a Federal Express package with severance pay. And you had 240 hours of vacation; you will get paid for that. And then Sophia will be sending you a package along with that.

So she said, yes. She said, Jean, it don't have anything to do with your working. We don't have no problem with you as far as your work. You're a good worker. It's just that we are organizing OIM. The name is going to change, and you are an administrative assistant II, and we no longer need administrative assistant II person.
So I felt that was really unfair for her to even call me, unprofessional for her to even call me at home and tell me something like that. But I feel that that is retaliation as far as Traci Higgins because Traci is a bully to people, and she feels that because of title, she can say anything she want to say to a person and they're just going to take it and walk away, don't say anything.

But the incident I had with Traci before she called me -- it was a year ago, but it still was an incident -- that she came to my office. She asked me do I mind giving my parking space up. I had a senior parking space. Give my parking space up and piggyback with another employee, Dianne Rouse.

And I told her, I've been on the waiting list for years. Why should I give mine up to another employee? And she took her hands and clapped in my face like that (demonstrating) and say, it's not like I'm asking you to kill your firstborn.

So when she made that statement, when John Meyer came in, I reported to John Meyer what she did to me. And later on that day she came back to me and
apologized what she did. I guess she thought about what she did and everything, but that's not the point.

This is the HR director. And some people feel because of their titles, they can do or say anything they want to say to a person. But I had been here for 27 years. My evaluation, had good evaluation, never had no problem. My coworkers, had no problem with them.

Like Jim said, made a statement that he here for four years, Jim, and you said you love your job? I love my job. I been here for 27 years, and I love my job. I love working with Legal Services. And for me to get a phone call at home saying something like this right here, it was really stressful.

And I really -- it was suspicious because Jim, if you recall, we had a self meeting one time, and you stated about the reorganization might happen soon. But you said out of your mouth that no one would lose their job.

And here I am sitting at home now. And I really thank the union for the part that they played and what they're doing. If it wasn't for them doing
the part that they did, I probably wouldn't even have
gotten as far as I've gotten it.

I'm at home on administrative leave. But I love my mission with Legal Services, too. So I just had to come here and just put that in there, say that. Just because a person has a position, they should not feel that they can just treat anybody any kind of way.

And with me, I went to Traci Higgins about a sexual assault situation from a manager, a supervisor, and I just feel that I've been retaliated on for me speaking up. I've been blackballed for years with Legal Services, but I still continue doing my work.

People ask me, how in the world can I come here and knowing the way I've been treated and everything? Because you treat a person the way you want to be treated. And what goes around comes around.

So when it's time for the other person who treats somebody wrong, when it's their turn, they better hope and pray that they can accept the way they have been treated.

So that's all. I just wanted to come here to say that. But I really feel that it was unfair. Thank
you.

CHAIRMAN LEVI: Questions? Comments?

(No response.)

CHAIRMAN LEVI: Thank you.

Any other public comment?

(No response.)

CHAIRMAN LEVI: New business?

(No response.)

CHAIRMAN LEVI: We now have to have a motion to close the --

MOTION

FATHER PIUS: So move.

MR. MADDOX: Second.

CHAIRMAN LEVI: All in favor?

(A chorus of ayes.)

CHAIRMAN LEVI: Thank you all.

(Whereupon, at 10:59 a.m., the Board was adjourned to Closed Session.)

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