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LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS MEETING

OPEN SESSION

December 10, 1991

9:17 a.m.

The Clarion Hotel
200 South 4th Street
The Mississippi Room
St. Louis, Missouri 63102

Board Members Present:

George W. Wittgraf, Chairman
Howard H. Dana, Jr.
J. Blakeley Hall
Jo Betts Love
Penny L. Pullen
Thomas D. Rath
Norman Shumway
Basile E. Uddo
Jeanine E. Wolbeck

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Staff Present:

John P. O'Hara, President
Patricia Batie, Secretary
Ken Boehm, Counsel to President
Victor Fortuno, General Counsel
Charles Moses, Acting Director, Office of Field Services
Edouard Quatrevaux, Inspector General
David Richardson, Treasurer and Comptroller
Leslie Russell, Manager, Program Support and Technical
Assistance Division, Office of Field Services

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MOTIONS: 3, 4, 6, 7, 37, 38, 41, 69

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P R O C E E D I N G S

CHAIRMAN WITTGRAF: May I have your attention, please? It's about 9:17 a.m. The regularly scheduled meeting of the Board of Directors of the Legal Services Corporation has been set pursuant to notice given for 10:00 a.m. on this date.

I believe that the regulations under which we operate, assuming subsequent amended notice, allow us to change the time of our meeting now or any other time as the need arises. That being the case, the Chair is prepared to entertain a motion that the time of our meeting be changed from 10:00 a.m. on this date to 9:15 a.m.

M O T I O N

MR. RATH: So moved.

CHAIRMAN WITTGRAF: Thank you. Motion by Mr. Rath. Is there a second?

MS. LOVE: Second.

CHAIRMAN WITTGRAF: Seconded by Ms. Love. Is there a discussion?

(No response.)

CHAIRMAN WITTGRAF: Hearing none, those who are in favor of the amendment of the starting time for this meeting on this date will signify by saying aye.

1 (A chorus of ayes.)

2 CHAIRMAN WITTGRAF: Those who are opposed, nay.

3 (No response.)

4 CHAIRMAN WITTGRAF: The ayes appear to have it. The
5 ayes do have it. The motion is adopted.

6 Our agenda does indicate that there are several items
7 to be considered in a public or open session before we proceed
8 to Executive or Closed Session. In light of the fact that we
9 have given notice for 10:00 a.m., it seems appropriate to the
10 Chair that we not begin with those items that will be
11 considered in public or open session, but rather that we
12 proceed initially and at this time to our deliberations in
13 Executive or Closed Session so that any members of the public
14 who are interested will not be prejudiced in any way by our
15 actions.

16 Accordingly, the Chair is prepared to entertain a
17 motion that we proceed at this time to Executive Session for
18 discussion of those matters for which notice has been given
19 previously.

20 M O T I O N

21 MR. RATH: So moved.

22 CHAIRMAN WITTGRAF: It's been moved by Mr. Rath. Is

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1 there a second?

2 MS. WOLBECK: Second.

3 CHAIRMAN WITTGRAF: Seconded by Ms. Wolbeck.
4 Discussion?

5 (No response.)

6 CHAIRMAN WITTGRAF: Hearing none, those who are in
7 favor of proceeding to Executive or Closed Session for
8 deliberations there at this time will signify by saying aye.

9 (A chorus of ayes.)

10 CHAIRMAN WITTGRAF: Those who are opposed nay.

11 (No response.)

12 CHAIRMAN WITTGRAF: The ayes appear to have it. The
13 ayes do have it. The motion is carried.

14 (Whereupon, at 9:20 a.m., the open session was
15 adjourned to convene to Executive Session.)

16 * * *

17 (10:35 a.m.)

18 CHAIRMAN WITTGRAF: Good morning, ladies and
19 gentlemen. We have, from approximately 9:15 a.m. until a few
20 minutes ago, had the regularly scheduled Executive Session of
21 the Board of Directors of the Legal Services Corporation.
22 We're now prepared to move to Open Session and to proceed with

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1 consideration of the agenda of which notice has been given.

2 In that regard, the Chair is prepared to receive a
3 motion for approval of the agenda as presented in the so-called
4 Board book.

5 M O T I O N

6 MR. DANA: I move.

7 CHAIRMAN WITTGRAF: It's been moved by Mr. Dana. Is
8 there a second?

9 MR. RATH: Second.

10 CHAIRMAN WITTGRAF: It's been seconded by Mr. Rath.
11 Is there discussion?

12 (No response.)

13 CHAIRMAN WITTGRAF: Hearing none, those who are in
14 favor of approval of the agenda as presented in draft form will
15 signify by saying aye.

16 (Chorus of ayes.)

17 CHAIRMAN WITTGRAF: Those who are opposed, nay.

18 (No response.)

19 CHAIRMAN WITTGRAF: The ayes appear to have it. The
20 ayes do have it. The agenda as presented in draft form is
21 adopted.

22 Agenda Item 2, then, pertains to the approval of the

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1 minutes of our last meeting Board meeting, that of November 18,
2 1991. You have before you in the Board book, the draft minutes
3 for that meeting. The Chair is prepared, then, to receive a
4 motion for the adoption of the minutes as drafted.

5 M O T I O N

6 MS. WOLBECK: So moved.

7 CHAIRMAN WITTGRAF: It's been moved by Ms. Wolbeck.

8 Is there a second?

9 MR. HALL: Second.

10 CHAIRMAN WITTGRAF: It's been seconded by Mr. Hall.

11 Is there discussion? Any additions, corrections, editorial
12 changes?

13 (No response.)

14 CHAIRMAN WITTGRAF: Hearing no discussion, those who
15 are in favor of the adoption of the minutes as drafted will
16 signify by saying aye.

17 (Chorus of ayes.)

18 CHAIRMAN WITTGRAF: Those who are opposed, nay.

19 (No response.)

20 CHAIRMAN WITTGRAF: The ayes appear to have it. The
21 ayes do have it. The minutes as drafted are approved.

22 I have just a couple of comments I'd like to make at

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1 this time. Let me, first of all, again, thank our president,
2 Jack O'Hara and his staff, and in particular our secretary, our
3 Corporation Secretary, Patricia Batie in her staff for the work
4 that they did and the many long hours they put in in preparing
5 for and then carrying off our conference for Legal Services
6 providers yesterday. There have been some grumblings about the
7 facilities here, but I think, perhaps appropriately, it would
8 be difficult to criticize the facilities as having been too
9 opulent. So perhaps there was some method in Ms. Batie's
10 madness.

11 Aside from that, my impression at least is that
12 things went very well, and we had a good dialogue yesterday,
13 and do I thank Ms. Batie and her staff in particular. Again, I
14 thank Mr. McCalpin of NLADA and Mr. Taylor of PAY for their
15 cooperation in making the program arrangements, and again, I
16 thank Mr. Teitelman, the Executive Director of Legal Services
17 for Eastern Missouri, for his many efforts in assisting with
18 the program and program arrangements and the balmy weather
19 which seems to be with us yet today, and if we came make it
20 through today, Rick, we'll be delighted, and let the snow fly
21 tomorrow.

22 MR. TEITELMAN: We'll take care of it.

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1 CHAIRMAN WITTGRAF: I should say, too, on behalf of
2 my colleagues on the Board, we thank Ms. Love for her having
3 brought pecans from her front yard to share with us this
4 Christmas season. If there is time yet today, we may have a
5 demonstrate on the appropriate cracking and moving of pecans.

6 MR. RATH: The Chair is obviously not sitting at this
7 side of the table, because --

8 CHAIRMAN WITTGRAF: You mean Ms. Wolbeck's been
9 demonstrating --

10 MR GREG? No. Director Uddo has been doing that.
11 Ms. Wolbeck characterized it something akin to a squirrel.

12 CHAIRMAN WITTGRAF: I think Mr. Uddo has been called
13 a squirrel before.

14 MR. UDDO: Been called worse.

15 CHAIRMAN WITTGRAF: The Nutcracker Suite or the
16 Nutcracker squirrel? Which is that?

17 MR. UDDO: You all ought to try these. They're good.

18 CHAIRMAN WITTGRAF: If you'd crack a few for me, I
19 will.

20 MR. UDDO: I'll be happy to.

21 CHAIRMAN WITTGRAF: Thank you. Are there further
22 comments by members of the Board?

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1 (No response.)

2 CHAIRMAN WITTGRAF: Any comments at this time by
3 members of the Board?

4 (No response.)

5 CHAIRMAN WITTGRAF: Hearing none, well proceed to the
6 President's Report. Mr. President.

7 PRESIDENT'S REPORT

8 JACK O'HARA, PRESIDENT

9 MR. O'HARA: Thank you, Mr. Chairman. I will be
10 brief in my report. Just a few comments on the activities that
11 we have undertaken since the last Board meeting. I met with
12 representatives of the programs on one occasion and then
13 followed that with another meeting a week later with my
14 corporate staff to discuss the creation and establishment of an
15 advisory group on the competition matter.

16 I will not be participating as a member of the
17 advisory group. I feel that we should have the executive
18 directors and the staff work together without any influence
19 from the outside. I also met with Roger Rosenthal of MLAP, the
20 Migrant Legal Action Program, to discuss programs for
21 additional and more effective use of migrant funds, and we
22 continue to work in that.

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1 The first addition of Inside Legal Services has now
2 been published and circulated, and I understand received
3 throughout the country. We've had an initial favorable
4 response, as evidenced by some of the letters which have been
5 brought to my attention at corporate headquarters, and we are
6 planning a second edition in February and are soliciting again
7 an article or two from the executive directors in the field.

8 I also met two weeks ago with the directors of five
9 of the national support centers to discuss with them a way that
10 we can coordinate our activities with their expertise to assist
11 some of the programs which have a need for the type of
12 expertise which these centers have developed, but,
13 unfortunately, the programs do not have the resources to do
14 what we planned to do; that is, to get some of these people out
15 to the programs to assist them.

16 We have also initiated communications to begin
17 preparation for the publication of our annual report, which
18 should come out about April 1st of next year, and that will
19 enable us to receive all of the necessary data from the field
20 for inclusion at that time.

21 The refunding applications continue to be well ahead
22 of schedule. The competition committee met in Chicago and are

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1 planning a meeting of the advisory group on Thursday of this
2 week. Next week, I plan to visit two programs as the start of
3 my mission, which I said I would get out to the programs and
4 meet with them. I will be visiting two programs next week.

5 I also met on Sunday afternoon and had an excellent
6 meeting with representatives of the Native American programs,
7 and we are planning to have a two or three-day session in
8 middle to late January or middle February, and I'm depending on
9 that group to set up the agenda. We're going to allow three
10 days. We will go to a location probably near Phoenix, Arizona.
11 We will visit the Indian courts, and I hope that out of that
12 meeting will come some additional programs that we can generate
13 to get some activity in the Native American programs and also
14 get a handle on how much additional resources we need for those
15 programs.

16 As the Board knows, and for the benefit of our
17 friends out here, we have been meeting with the representatives
18 of Trammel-Crow and the owners of the building in Washington,
19 D.C., and I want to publicly acknowledge the efforts and work
20 of David Richardson, Ken Boehm, Kelly Martin, Vic Fortuno, Eric
21 Hagerstrom and several other employees who have contributed
22 immensely in time and talent in helping us with this lease.

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1 thereafter would be the recess for the purposes of
2 reappointment and the understanding all the way around is that
3 the White House is prepared to make appointments in a very
4 timely manner. So that should not hinder any deliberations of
5 the Board.

6 Something has come along that some members of the
7 Board are familiar with, HJ Res 157, which is a dire emergency
8 supplemental appropriation, has been passed by the Congress.
9 It was initially thought to be subject to a Presidential veto.
10 Now the thought is it will be signed. It must be signed by
11 December 14th of this week, just a few days away.

12 I checked with the White House Clerk's office this
13 morning. As of this morning it had not yet been signed, and in
14 that bill is an appropriation for \$950,000 that must be spent
15 prior to September 30, 1993. This is for provision of legal
16 services for veterans and their families, dependents, who must
17 go before the U.S. Court of Veterans' Appeals but who meet the
18 definition of poverty, and there was some informal
19 conversation.

20 Some of the members of the Board are already aware of
21 this. I have a copy of the language and will make it available
22 to all of the directors. Informally, at the staff level, we've

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1 talked already with the support center that handles veterans'
2 affairs, and they've been tracking this extremely closely and
3 have some ideas as to how the \$950,000 can be best utilized to
4 provide those legal services.

5 As I say, we should know before December 14th, but
6 the disposition is, and while we thought it was going to be
7 vetoed, the expectation is now it will be signed. There were
8 some controversial portions that were stripped out, and the
9 expectation is that the signature will come this week.

10 CHAIRMAN WITTGRAF: Mr. Uddo.

11 MR. UDDO: Will that come back before the Board
12 before any decisions are made?

13 MR. BOEHM: The Board, as I understand, is meeting
14 January 13th. I believe Howard has been tracking this as well,
15 Howard Dana.

16 CHAIRMAN WITTGRAF: Mr. Dana.

17 MR. DANA: My understanding of this is that it is a
18 \$950,000 appropriation by Congress to the Corporation for
19 purposes of providing counsel to veterans before the Veterans'
20 Court of Veterans' Appeals, and we were required, as part of
21 the statute, to undertake a grant process. We are the granting
22 agency.

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1 MR. BOEHM: It's a little complicated and a little
2 arcane. Let me just read the relevant language. "Provided
3 such grants and contracts," this is for the \$950,000 "shall be
4 made by the Legal Services Corporation pursuant to a
5 reimbursable payment from the U. S. Court of Veterans' Appeals
6 for the purposes provided herein," and provided further, "The
7 Legal Services Corporation is authorized to receive a
8 reimbursable payment from the United States Court of Veterans'
9 Appeals for the purpose of providing financial assistance
10 provided herein." It is a little bit complicated in its
11 administration.

12 MR. DANA: And the reason for it, I think, Ken, is
13 that they have \$950,000, the Court has it, and this is
14 authorization for a transfer from the Court to us for purposes
15 of providing these grants.

16 MR. BOEHM: That's my understanding.

17 MR. DANA: It's not directly from Congress; you're
18 correct.

19 MR. BOEHM: Right. And even the people who have been
20 following it closely say that there are some technical issues
21 that need to be addressed. If we're administering this, there
22 are questions as to what requirements we can hold the grantees

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1 to, and there have been discussions along these lines.

2 CHAIRMAN WITTGRAF: Mr. Dana.

3 MR. DANA: I know some of the background here. The
4 Court is not in the business of making grants to advocates
5 before them, but a substantial number of veterans that appear
6 before this Court are unrepresented, and it is their belief and
7 the belief of the American Bar Association Committee on
8 Veterans' Affairs that it is in the interest of justice and a
9 better process for veterans to be represented.

10 Therefore, since they had some extra resources, they,
11 through the services of the National Legal Aid and Defenders
12 Association, approached David Martin and me as Chairman of the
13 Appropriations Committee, to determine whether or not we would
14 be receptive to this matter.

15 It was a matter of some delicacy at the time. I
16 discussed it as soon as it became possible to do it, I
17 discussed it with the president. We are in the business of
18 making these kinds of grants, and I indicated to the Court and
19 indirectly to the Hill that this director and, as far as I was
20 concerned, the presidents of the Corporation would be receptive
21 to this, and that's where the matter sits.

22 It has passed Congress, and until very recently there

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1 was a threat of a Presidential veto, but, apparently, that has
2 been removed.

3 MR. UDDO: Mr. Chairman.

4 CHAIRMAN WITTGRAF: Mr. Uddo.

5 MR. UDDO: I guess my question is, to whom would the
6 grants go?

7 CHAIRMAN WITTGRAF: Mr. Dana.

8 MR. DANA: That's our job. We would, obviously, have
9 a process. It would be an open process, and we would,
10 presumably, solicit applications consistent with the
11 legislation to oversee this service.

12 MR. UDDO: So it's not just grants to go to the basic
13 field programs, as far as you know? We've got to come up with
14 a process for providing this money for the purpose intended?

15 MR. DANA: Yes. It's not contemplated that we would
16 do it ourselves. We would seek applications from outside
17 sources. It might well be a current grantee, but it need not
18 be a current grantee.

19 CHAIRMAN WITTGRAF: Mr. Boehm.

20 MR. BOEHM: Yeah. If I can address that point a
21 little bit. Jack O'Hara and myself had met with a number of
22 executive directors of support centers. We do have a support

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1 center that deals with veterans' affairs. In the course of our
2 conversations with him, and my recollection is it was about two
3 weeks ago, they have done extensive training for representation
4 on veterans' issues. They have a very good record on
5 understanding veterans' issues, which frequently, as a benefit
6 program, are fairly arcane, fairly complicated. Frequently, it
7 is represented to us the Veterans Administration itself has
8 difficulty tracking the various precedents and so forth.

9 So there is some expertise within the legal services
10 community on these issues and some expertise in training the
11 advocates.

12 CHAIRMAN WITTGRAF: Mr. Dana.

13 MR. DANA: Our national support center for Veterans
14 Affairs is very, very highly regarded by the people before whom
15 -- by this Court, but we have regulations that require on any
16 kind of new grant a competitive process with notice and comment
17 and all of the good things that the migrant programs of
18 Mississippi and Alabama are used to, and other used to be.

19 So we would have to go through our process, and under
20 our current regulations, that would be required. So it's not
21 clear now where the monies would go.

22 MR. BOEHM: That's correct. And it doesn't stipulate

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1 within the legislation that it be sole source of anything of
2 the sort. It just says that we administer the grant.

3 CHAIRMAN WITTGRAF: Mr. Uddo.

4 MR. UDDO: What committee is likely to be the one to
5 take this up, A&A?

6 CHAIRMAN WITTGRAF: Mr. Uddo, it seems to me that
7 what we're looking at is recommendations from the staff,
8 essentially, to be reviewed with the committee, and it could
9 arguably be either our Committee for the Provision of the
10 Delivery of Legal Services or our Audit and Appropriations
11 Committee.

12 I think my inclination probably is it would be the
13 former as soon as we have statutory action and as soon as the
14 staff has some recommendations to provide.

15 MR. UDDO: All right. The only reason I'm asking the
16 question is because I've been contacted by people who were
17 involved in veterans' organizations and things inquiring about
18 the grant, and I didn't know anything about it.

19 MR. BOEHM: It's been kicking around for an awful
20 long time, and there were several other legislative vehicles,
21 and it was thought that this was going to be vetoed so it was
22 going to go on another legislative vehicle in January.

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1 MR. UDDO: Well, I'm satisfied we're going to have a
2 chance to figure out what to do with it through our committee
3 and Board structure, and that's all I really needed to know, I
4 guess.

5 MR. BOEHM: And, as I say, it should be signed this
6 week, is the expectation.

7 CHAIRMAN WITTGRAF: Further discussion on this
8 matter?

9 (No response.)

10 CHAIRMAN WITTGRAF: Further legislative matters you
11 wish to share with us, Mr. Boehm?

12 MR. BOEHM: Very quickly, because the status really
13 hasn't changed from the previous Board meeting. The
14 reauthorization legislation is still pending for House
15 consideration. The expectation -- and it's no more than
16 expectation, because they really set their calendars in January
17 -- is that sometimes, perhaps in February, that's H.R. 2039,
18 the legislation has passed the Judiciary Committee, would be up
19 for consideration in the full House.

20 On confirmation issues, there really has not been a
21 change since the last board meeting, and that remains as it was
22 then, and that concludes.

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1 CHAIRMAN WITTGRAF: Questions for Mr. Boehm,
2 comments?

3 (No response.)

4 CHAIRMAN WITTGRAF: Thank you, Mr. Boehm.

5 Anything further, Mr. O'Hara you wish to bring before
6 the Board at this time?

7 MR. O'HARA: Nothing at this time, Mr. Chairman.

8 CHAIRMAN WITTGRAF: Thank you, Mr. President. That
9 being the case, the Chair calls upon the Corporation's
10 Inspector General, Mr. Quatrevaux, who has met with us
11 previously in Executive Session regarding certainly privileged
12 matters, to present at this time what matters he has for open
13 session. Mr. Quatrevaux.

14 INSPECTOR GENERAL'S REPORT

15 EDOUARD QUATREVAUX, INSPECTOR GENERAL

16 MR. QUATREVAUX: Thank you, Mr. Chairman. I only
17 have two items today. First, I'd like to share with you that
18 I'm pleased to have selected Ms. Karen Voellm for the position
19 of Assistant Inspector General for Audits. She'll join us at
20 the end of this year.

21 CHAIRMAN WITTGRAF: Could you say that again and
22 spell it both for the Board members and for the record?

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1 MR. QUATREVAUX: Yes, it's Karen, K-a-r-e-n, Voellm,
2 V-o-e-l-l-m has been selected as the Assistant Inspector
3 General for Audits. She has a 15-year background in audits,
4 most of that with the AARP and was a principal, apparently, in
5 their growth and the administration thereof.

6 In addition to financial and performance audits, she
7 is a certified information systems auditor and has experience
8 with very large information systems, and that should be useful
9 in the position here.

10 The next item, if there are no questions, the
11 planning for our audit of travel and other related expenses
12 continues. Toward that end, I'm going to distribute to the
13 Board a questionnaire, which is pretty much open-ended, but I
14 wanted to get your ideas on a variety of aspects.

15 We have requested that you return that to us as a
16 self-addressed envelope by the 1st of the year, but please
17 don't use FedEx to expedite it.

18 CHAIRMAN WITTGRAF: Is it already if we fax it, if we
19 don't seek reimbursement for the telephone charges?

20 MR. QUATREVAUX: You may put your name on it. It's
21 strictly optional. We will follow up based on the comments
22 that are contained in the questionnaire. If, of course, you do

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1 wish to ensure further discussion, please indicate so. That's
2 all I have for the Board this morning.

3 CHAIRMAN WITTGRAF: Thank you, Mr. Quatrevaux.
4 Questions, comments?

5 (No response.)

6 CHAIRMAN WITTGRAF: Thank you. Have we received
7 these questionnaires to which you just referred?

8 MR. QUATREVAUX: I have them here. We'll distribute
9 them.

10 CHAIRMAN WITTGRAF: Something to look forward to,
11 thank you.

12 At this time, then, the Chair is prepared to move to
13 consideration of Agenda Item 6, that being the report of the
14 Audit and Appropriations Committee of the Board. For that
15 purpose, the chair calls upon Mr. Dana.

16 CONSIDERATION OF AUDIT AND APPROPRIATIONS COMMITTEE REPORT

17 HOWARD DANA, CHAIRMAN

18 MR. DANA: Mr. Chairman, the Committee, with Mr. Hall
19 and yourself met on Sunday afternoon, and for those in the
20 audience, there is a green Board book that was available, and I
21 may be referring to portions of that in this report. The first
22 major item that we discussed was the prospect of signing,

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1 entering into a lease for space in the 750 First Street in
2 Washington, D.C.

3 We have four years to go on our existing lease. We
4 are able -- it's been represented to us that lease is a
5 valuable lease in that the rent in the particular area of
6 Virginia Avenue where the building is, is higher than our
7 existing lease. We have reason to believe that we will have no
8 problem in subletting it.

9 We can move to newer, better, larger space for less
10 money, and I won't review all of the benefits of this
11 particular space, because we discussed it extensively at the
12 last meeting and authorized management to bring a lease to us.
13 Frankly, your committee was operating under the assumption that
14 we would have no problem subletting or assigning our existing
15 lease, and, therefore, we are recommending to the Board the
16 following resolution, which I hope, with the consent of the
17 Committee, I have revised slightly since Sunday.

18 The resolution as slightly revised reads as follows:
19 "Be it resolved that the Board of Directors of the Legal
20 Services Corporation authorizes the president of the
21 Corporation to execute a lease in substantially the form of
22 Draft No. 4, dated December 7, 1991, contingent upon the

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1 Corporation selling without recourse its existing lease of the
2 space at 400 Virginia Avenue for a one-time payment to the
3 Corporation of not less than \$3.50 per square foot."

4 That is substantially the resolution that the
5 Committee is recommending to you. I've since been advised by
6 Mr. Boehm that that condition may be a deal-breaker.
7 Apparently, notwithstanding the fact that -- the one concern I
8 have and have had for the last two months or actually month and
9 a half is we don't want to get the Corporation in a situation
10 where we are paying twice as much rent as we have available in
11 the budget.

12 So while that is the resolution of the Audit and
13 Appropriations Committee, I think that management would like to
14 argue us out of that condition. Maybe I should turn the matter
15 over to you for discussion at this point.

16 CHAIRMAN WITTGRAF: Is there discussion and questions
17 for Mr. Dana?

18 (No response.)

19 CHAIRMAN WITTGRAF: Mr. Dana.

20 MR. UDDO: I think we need to hear from Mr. Boehm.

21 MR. DANA: That's what I was thinking. It seems to
22 me you want to talk us out of our recommendation that I thought

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1 we had passed with your blessing on Sunday.

2 CHAIRMAN WITTGRAF: Mr. Boehm.

3 MR. BOEHM: That may be my fault. I thought there
4 was maybe a little more wiggle room in there than there was.

5 MR. DANA: Well, there is clearly wiggle room, and I
6 indicated to you off the record that I thought you ought to
7 have some flexibility in negotiating the terms and conditions
8 with Trammel-Crow, and hence the use of the word "substantially
9 in the form of."

10 It was not my understanding that the wiggle room
11 would include incurring \$1.4 million worth of unbudgeted
12 additional expense in the hope, belief, that we were going to
13 be able to sell our existing space, and that's more wiggle room
14 than I think that this Board should -- maybe we should take
15 that risk, but it's more wiggle room than I'm prepared to
16 authorize without benefit of full Board discussion and
17 understanding of the risks involved. We might have to fire
18 \$1.4 million worth of central office management staff in order
19 to find the resources to pay that double rent.

20 MR. BOEHM: Let me, if I could, just kind of give the
21 rationale, and Dave and I both have been kind of involved in
22 this, but the rationale has been this: We're in the southwest

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1 part of D.C. The rest of the D.C. real estate market is very
2 soft. It's about 12 or 13 percent vacancy rate.

3 In our area, incredibly, it's less than 1 percent.
4 In other words, the demand far outstrips supply. Prior to us
5 even looking a year ago or so, on a regular basis, prospective
6 tenants, real estate people, and so forth would be contacting
7 us seeing if we wanted to sublet.

8 We're in an area that's right about a block away from
9 NASA's new 500,000 or 600,000 square foot office space that
10 they underbuilt, and they needed space and had an outstanding
11 RFP, Request for Proposal, that they couldn't fill. All of
12 their contractors that need space and need to be within a so-
13 many-block area were looking for space and couldn't find it.

14 When it became known through the real estate
15 grapevine that we were looking, we had a long list of
16 interested folks. To date, just of the government agencies
17 that have expressed interest in our space has been the General
18 Services Administration, both on behalf of individual agencies
19 as well as others.

20 Federal Emergency Management Administration, they're
21 coming through tomorrow, NASA itself, the Environmental
22 Protection Agency. The Postal Service has been through and has

1 asked for floor plans and are very anxious. Federal Aviation
2 Administration, Martin Marietta, who is the principle tenant in
3 our building, and so forth.

4 Our assumption, but it wasn't, hopefully, a rash
5 assumption, if we were in the part of the city where real
6 estate is soft, it would have been, and certainly we would have
7 never recommended that sort of thing, but our assumption was by
8 the time we have to move in, which at this point is June 1st of
9 next year, in that six, seven-month period, we would have ample
10 time not only to sublet it but we benefit from the fact that
11 our lease is quite a bit under market for that area.

12 We're entitled, under our current lease, to all the
13 profits that would come from that. We don't have to share that
14 with the current landlord. So we were in a very enviable
15 situation to have a long list of the potential interested
16 folks, 1 percent vacancy rate, which is just incredible in D.C.
17 and incredible nationally with the glut of office space. It's
18 just we happened to be in the right place at the right time.

19 We wanted to benefit the full amount from those
20 profits. We didn't want to -- because we're entitled to them
21 under lease, we didn't want to just sign away that. We wanted
22 to have the various interested suitors, if you will, kind of

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1 bid up the price of our space. It's now on the market being
2 quoted at low 30s, and there is considerable interest.

3 Our costs are about 26. These are square foot costs.
4 So considering we have 49,000 close to 50,000 square feet of
5 space, that's a considerable profit margin that we would be
6 entitled to. So our assumptions were based upon the market,
7 the interest -- it wasn't just represented to us as interest,
8 but the interest from all sorts of third parties coming to us
9 and saying, "When will it be available? Can it be available?
10 Can we come through?" Even before we were even looking for
11 space, the interest was there.

12 My fear, the flip side of that is with the new office
13 building that Trammel-Crow, actually its partnership involving
14 Trammel-Crow, is putting together, that that, for its own
15 unique reasons has a lot of interest. With us in it, it would
16 be 92 percent rented. They have a principal tenant, APA, that
17 takes most of the space.

18 It's the only parcel of ground in D.C. in the last
19 ten years that's had a tax abatement or 100 percent tax
20 abatement with 50 percent for the remaining five years, years
21 six through ten. That's pretty unique. Big nonprofits, of
22 which D.C. has more than its share, being the capital, have to

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1 pay taxes that pass through from the developer.

2 Our cost per month is \$12,000 that we pay out to the
3 District government month in, month out, and it's been going up
4 every year and will continue. So when we annualize this from a
5 economic standpoint, the chance to get into a building with the
6 taxes low, the build-out, the free rent, a lot of other things
7 that were very attractive, when we, in a very flinty-eyed way
8 looked at the deal, it was a very good deal, the new building.

9 At the same time, there was a lot of interest in a
10 new building. It was no secret, and we knew from various
11 sources that the American Hospital Association was also looking
12 at the top two floors, and they were right behind us. We
13 signed the letter of intent in advance of them preparing, and
14 they've continued to express some interest in the space.

15 My fear is that if we killed the deal, or if we say,
16 "We have to rent our space prior to committing on a lease for
17 the new space," that they'll turn around and say, "Well, when
18 is that going to be, when we have another interested party,
19 American Hospital and others, in this tax exempt or tax evaded
20 space," that we would then lose the deal and the benefits that
21 might flow from that.

22 So there is some risk in the sense that if we can't

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1 rent our space in seven months, then we would be on the hook
2 for two spaces. Our assessment of it was that we could not
3 only rent the space but rent it at a reasonably nice profit in
4 that period of time, and worse comes to worse, our fallback
5 position is just rent it at the current rate, which is fairly
6 below market for that area and still not be -- that would
7 eliminate the risk that normally would be in a soft market for
8 holding space.

9 Those were the concerns that we had. Let me just
10 suggest a possible, what they call zwichenzog, an in-between
11 move that may buy us a little time and allow the Board to have
12 further consideration.

13 We must, as a matter of law, have a reprogramming
14 letter, because it's a change of office space. My
15 understanding of this process, and I stand ready to be
16 corrected, Dave, or I guess Vic is here as well, is a letter
17 goes to the Hill, and they have 15 days to respond if we're
18 going to do a set number of things, including change offices.
19 We did it, for example, with the regional office.

20 Perhaps what we can do is, in this 15-day period,
21 when we're still seeing -- I mean, people are coming through
22 our space on a daily basis, there is a lot of interest, my

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1 sense is we couldn't sign that lease anyway unless it was with
2 contingencies in that 15-day period.

3 Maybe see where we are in the 15-day period that we
4 need to get Congress's response, candidly go up to Congress and
5 say, "Here's the situation." Explain it to them as well to
6 make sure they understand completely where we are and what the
7 incentives and the attractions are for the Corporation for the
8 move and then at that point reconsider and not sign a lease
9 prior to that, and it would be in full consultation with all
10 members of the Board with as much information and detail as
11 possible going out.

12 My fear is that if we make it contingent on them
13 taking our lease, and they don't want our lease, they're
14 developing a new building, and so forth, then we'd kill the
15 deal when it's still possible to make a very attractive deal
16 for the benefit of the Corporation. I think maybe if we allow
17 the 15 days, if during that 15 days, perhaps postal could move
18 quicker -- when they were looking for additional space in our
19 market southwest, they signed a lease within two weeks.

20 So they have been moving faster than you'd normally
21 expect, but the fear is that even if we get an interested
22 party, there is lease negotiations, other things that might

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1 consume a month or so, and I hate to see, for a negligible risk
2 a very good deal that we probably won't see again -- we're
3 certainly not going to see a tax abated property, because there
4 is only one, and they have no intention of doing it again.

5 Being on the Hill was a factor. There is very little
6 new office space on the Hill that could accommodate us, and
7 almost all of space we looked at downtown was a very small
8 floor plate. So 50,000, 60,000 square feet would be five or
9 six floors with windows on maybe only one or two sides and a
10 host of other features, a half block from Metro. Our staff is
11 about half of it dependent on Metro. So there is all those
12 compelling reasons went into our thinking on it, and it was our
13 assessment that the risk was negligible.

14 We certainly wouldn't have done it if we were, say,
15 in the central business district, and it is hard to market
16 space. Where we are, it was the opposite, and we did want to
17 take full advantage of the profit. That was the rationale, and
18 I'm just hopeful that perhaps there is some way we can limit
19 the risk or assuage how -- put some limitations on the risk
20 without killing the deal.

21 CHAIRMAN WITTGRAF: Mr. Dana, could you clarify where
22 the \$1.4 million of risk arises?

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1 MR. DANA: The risk would be that we would not be
2 able to sublet or otherwise dispose of our existing lease. We
3 would pick up an additional obligation, and we would be stuck
4 paying rent on two locations rather than one. That's the risk.
5 It's actually the risk of having to pay rent in two locations
6 for four years. In the first year, in our new location, we are
7 getting free rent, but with have factored that free rent for
8 one year into the overall decision to evaluate the two
9 alternatives.

10 I, myself, think that probably management's
11 recommendation is a risk that is worth taking. I think this
12 space that we're moving to is terrific, and I think that
13 everything they've said is correct about the rentability and
14 assignability and the interest in our existing space is also
15 true, but I wanted to be sure that if we did take that risk we
16 did so everybody holding hands and understanding that it's a
17 risk that is taken with the full understanding that there is a
18 down side.

19 CHAIRMAN WITTGRAF: Further discussion? Mr. Rath.

20 MR. RATH: Mr. Chairman, the resolution that has been
21 drafted, that I have seen, would make the new lease contingent
22 upon the transaction with Trammel-Crow, and I have to tell you

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1 that it is my experience that it's difficult for those who are
2 at the table negotiating to take a condition that's imposed
3 upon them by people who aren't at the table negotiating.

4 I think they can take our counsel and use as a
5 negotiating tool our desire, strong desire not to get caught in
6 a double-rent situation and take heed of that. On the other
7 hand, I think the analysis that I've heard this morning
8 convinces me that the risk is worth running, and I am just
9 very, very reluctant to impose some condition upon our
10 negotiators when we're not the negotiators.

11 So I think they've evidenced a sensitivity and
12 perspective on this issue that I can accept, and I feel
13 comfortable going ahead knowing that this certainly is an
14 option for them to use, but I would be disinclined to make a
15 conditioned this absolute upon them.

16 CHAIRMAN WITTGRAF: Do all of the members of the
17 Board have the materials to which Mr. Rath is referring?

18 MR. DANA: The resolution is slightly different. Let
19 me read the resolution as Mr. Rath is recommending it, I think.
20 It is the first three lines of the resolution before you, and
21 then it would read, "In the form of Draft No. 4 dated December
22 7, 1991," which has been provided to all members of the Board.

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1 "Contingent upon."

2 CHAIRMAN WITTGRAF: Mr. Dana, perhaps you could read
3 the proposal in its entirety.

4 MR. DANA: "Be it resolved that the Board of
5 Directors of the Legal Services Corporation authorizes the
6 president of the Corporation, John P. O'Hara, to execute a
7 lease in substantially the form of Draft No. 4, dated December
8 7, 1991."

9 CHAIRMAN WITTGRAF: And that is the whole of the
10 resolution?

11 MR. DANA: Correct.

12 CHAIRMAN WITTGRAF: Are you moving that resolution at
13 this time?

14 MR. DANA: With all of the indicated misgivings,
15 absolutely.

16 M O T I O N

17 CHAIRMAN WITTGRAF: Is there a second?

18 MR. UDDO: Second.

19 CHAIRMAN WITTGRAF: It's been seconded by Mr. Uddo.
20 Further discussion?

21 (No response.)

22 CHAIRMAN WITTGRAF: Hearing none, those who are in

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1 favor of the adoption of the resolution will signify by saying
2 aye.

3 (Chorus of ayes.)

4 CHAIRMAN WITTGRAF: Those opposed, nay.

5 (No response.)

6 CHAIRMAN WITTGRAF: The ayes appear to have it. The
7 ayes do have it. The resolution is adopted. Mr. Dana.

8 MR. DANA: Mr. Chairman, the Committee deliberated at
9 length concerning the consolidated operating budget for M&A for
10 this current fiscal year, and before all of you and, hopefully,
11 members of the public who have access to David Richardson's
12 pile of these documents, we have an Attachment G dated as of
13 December 5, 1991, and it is our recommendation to the Board
14 that it adopt as its consolidated operation budget for Fiscal
15 Year 1992 for Management and Administration a sum of
16 \$11,409.850 in the form of Attachment G dated December 5, 1991.

17 That is our resolution, and I would speak to it
18 briefly, if I may.

19 CHAIRMAN WITTGRAF: Mr. Dana.

20 M O T I O N

21 MR. DANA: First of all, Mr. Chairman, this is
22 management's recommendation. It represents a 5.9 percent

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1 increase over the 1991 budget, a 13.8 percent increase over the
2 1991 actual expenditures. It contemplates an ultimate staffing
3 level of 142 employees, which is an increase of 18 over where
4 we are today, but only 5 over last year's budgeted level.

5 Most importantly, perhaps, it represents the second
6 year in a row that this Board has authorized a doubling of the
7 IG's staffing level. As of the beginning of 1990, the IG's
8 office had 3 employees, it currently has 6, and this budget
9 proposes that the IG's office goes to 12.

10 If you subtract that increase and just looked at the
11 balance of the Corporation, as of a year ago, we were at 118
12 employees. We are currently at 118 employees, and this is an
13 authorization to increase staffing by 12 additional employees
14 to 130.

15 The Committee unanimously recommends this proposal,
16 and I commend management for its efforts.

17 CHAIRMAN WITTGRAF: Thank you, Mr. Dana. The Chair
18 interprets the Committee's recommendation as a motion. I think
19 Professor Uddo feels most comfortably that such efforts don't
20 require a second. We have, then, the Management and
21 Administration budget for Fiscal Year 1992 as proposed on
22 December 5 of 1991 and as reviewed by the Audit and

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1 Appropriations Committee before us. Is there discussion?

2 (No response.)

3 CHAIRMAN WITTGRAF: Hearing none, those who are in
4 favor of the adoption of that budget as presented will signify
5 by saying aye.

6 (Chorus of ayes.)

7 CHAIRMAN WITTGRAF: Those who are opposed, nay.

8 (No response.)

9 CHAIRMAN WITTGRAF: The ayes appear to have it. The
10 ayes do have it. The budget is adopted. Mr. Dana.

11 MR. DANA: Mr. Chairman, the next item is to
12 determine how we come up with this money. Congress has
13 appropriated in the current budget \$9,774,000. If you subtract
14 that from the proposed and now adopted consolidated operating
15 budget, we have a \$1,635,850 shortfall, but we have a \$746,683
16 carryover in the M&A line, and other funds available of
17 \$671,655, largely the result of interest, leaving us a deficit,
18 if you will, of \$217,512, which we need to take from somewhere.

19 Also before you is a piece of paper which lists in
20 various categories the funds available from which we could take
21 \$217,512. Mr. Richardson has copies for the audience, but it
22 lists for the various fiscal years involved monies from the

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1 basic field line, migrant lines, program development, which was
2 timekeeping money, national support lines, and state support
3 lines, totaling collectively, \$1,158,008.

4 The recommendation of the Audit and Appropriations
5 Committee is that the \$217,512 be obtained by reprogramming
6 \$154,336 from the 1990 migrant line, \$40,001 from the 1991
7 national support line, and \$23,175 from the 1991 state support
8 line. That recommendation is adopted, and we also reprogram
9 the \$671,655 from the other funds available line.

10 We will have sufficient monies in the M&A line to
11 carry out the COB for 1992.

12 CHAIRMAN WITTGRAF: Was such an action taken by the
13 Audit and Appropriations Committee, Mr. Dana?

14 M O T I O N

15 MR. DANA: It was. The Committee recommends to the
16 Board those transfers.

17 CHAIRMAN WITTGRAF: The Chair, then, will assume that
18 this matter is before the Board. Is the Chair correct in his
19 understanding that such an effort will trigger or require
20 compliance with the reprogramming provisions of the law as to
21 this \$217,512?

22 MR. DANA: My understanding is the Chair is correct.

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1 CHAIRMAN WITTGRAF: Wherein the Corporation, through
2 its staff, will give notice to the appropriate committees of
3 the U.S. Senate and the U.S. House of this reprogramming, and
4 thereupon, they will have 15 days in which to react? Their
5 failure to react in any way is taken as compliance; is that
6 correct?

7 MR. DANA: Yes, Mr. Chairman. It is true that when
8 Congress adopted the budget, they did so with the understanding
9 that we were at that time predicting \$1.5 million of carryover.
10 We are, in fact, reprogramming or using \$1.6 million of
11 available carryover for this budget.

12 CHAIRMAN WITTGRAF: Further discussion?

13 (No response.)

14 CHAIRMAN WITTGRAF: Hearing none, those who are in
15 favor of the reprogramming of the funds as described by Mr.
16 Dana on behalf of the Audit and Appropriations Committee and as
17 portrayed in the handout before you will signify by saying aye.

18 (Chorus of ayes.)

19 CHAIRMAN WITTGRAF: Those who are opposed, nay.

20 (No response.)

21 CHAIRMAN WITTGRAF: The ayes appear to have it. The
22 ayes to do it. The motion is adopted.

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1 MR. DANA: Mr. Chairman.

2 CHAIRMAN WITTGRAF: Mr. Dana.

3 MR. DANA: For the record, the sheet that's before
4 you indicates that having done this, the Board will still have
5 \$423,213 for Board initiatives should it choose to use those
6 funds and \$517,285 in Migrant National Support and State
7 Support lines deemed by the Committee to be adequate for
8 additional start-up and/or training grants in the migrant area
9 and in the national and state support area should management
10 and the Board desire to do that.

11 Pending the adoption of a Board policy concerning
12 one-time grants, especially in these areas, this board member
13 encourages management to continue to recommend to the Board
14 approval of one-time grant that it believes are in the best
15 interests of the programs and for which there is money
16 available.

17 Mr. Chairman, your Committee considered the six
18 proposals for a 1993 mark set out in the green book at pages 23
19 to 28. Because the Provisions Committee would like additional
20 time to consider whether and what it will recommend in the area
21 of a student loan repayment program, a reinstatement of the
22 Reggie program, National or State Client Advocacy funds, and a

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1 line item for innovative grant proposals.

2 Because the Operations and Regulations Committee
3 hasn't made a recommendation concerning the level of funding
4 desired for the second year of the competition grants, the
5 committee is not prepared at this time to make a committee
6 recommendation for a 1993 mark. We hope to be able to do so at
7 the January meeting.

8 I would also encourage board members to continue to
9 work with Mr. Richardson to revise their proposals based upon
10 committee input and the input from yesterday's conference, and,
11 hopefully, a Board consensus will develop this month and before
12 the meeting.

13 Finally, Mr. Chairman, the committee explored with
14 management its view of the relative permanence of the seven new
15 state support grants mandated by Congress this year. Although
16 management is issuing one-time grants in 1992, I took from the
17 discussion on Sunday that these programs receiving funding in
18 1992 could, generally speaking, contemplate being annualized in
19 1993. If I am incorrect, I hope Mr. Moses will -- is that
20 substantially correct?

21 MR. MOSES: That's correct.

22 MR. DANA: The committee also explored with

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1 management the plight of the Micronesian Legal Services program
2 in securing adequate funding based upon census data, since two
3 of the four components served by Micronesia Legal Services are
4 no longer part of the United States. That presents a problem,
5 because they are not covered by the U.S. Census.

6 Management is working with the program, the UN, and
7 probably soon with Congress to achieve a fair and equitable
8 approach to their funding for 1993. Sorry for the extended
9 report, but that concludes it, Mr. Chairman.

10 CHAIRMAN WITTGRAF: Thank you, Mr. Dana. Is there
11 discussion, in light of the report made by Mr. Dana in areas
12 other than those in which we've acted already?

13 (No response.)

14 CHAIRMAN WITTGRAF: Hearing none, thank you. At this
15 time, unless there is objection and particularly with the
16 blessing of the Chairman of the Committee for the Provision for
17 Delivery of Legal Services, the Chair will move to Agenda Item
18 8, skipping over momentarily, Agenda Item 7, taking into
19 account the travel plans of the Chairman of that committee.

20 The report, then, of the Operations and Regulations
21 Committee, Mr. Rath.

22 CONSIDERATION OF OPERATIONS AND REGULATIONS COMMITTEE REPORT

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1 THOMAS RATH, CHAIRMAN

2 MR. RATH: Thank you, Mr. Chairman. The Operations
3 and Regulations Committee was, as you know, scheduled to meet
4 during the course of these couple of days in St. Louis to
5 further the work that we began in our meeting in Chicago.
6 After consultation with some of the members of the committee
7 and staff, we felt that such a meeting in advance of the
8 meeting between the staff who was working on the competition
9 study and the advisory group of providers and others from the
10 field would be inappropriate.

11 We didn't want to, in any way, anticipate how that
12 meeting would unfold, and we felt it was significant to our
13 work to have that meeting proceed ours. Accordingly, we
14 deferred our meeting. In the meantime, an advisory group will
15 be formed, and they will meet. We anticipate meeting to
16 further the work that we're doing in early January, hopefully
17 in advance of the next full Board meeting, either that same
18 weekend, or even, if necessary, before then, but that is our
19 report.

20 We're not going to meet, in essence, until the
21 advisory group gets together with the staff. That is the
22 report of the Operations and Regulations Committee.

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1 CHAIRMAN WITTGRAF: And the advisory group or
2 committee to which you've referred is the one that is meeting
3 Thursday of this week in Washington, as noted earlier by Mr.
4 O'Hara?

5 MR. RATH: It's the one Mr. O'Hara referenced in his
6 report.

7 CHAIRMAN WITTGRAF: Thank you. Discussion?
8 Questions for Mr. Rath? Comments?

9 (No response.)

10 CHAIRMAN WITTGRAF: Hearing none, thank you, Mr.
11 Rath. We'll move back, then, to Agenda Item 7, the report of
12 the Committee for the Provision for the Delivery of Legal
13 Services. Mr. Hall.

14 CONSIDERATION OF PROVISION FOR THE
15 DELIVERY OF LEGAL SERVICES COMMITTEE REPORT

16 J. BLAKELEY HALL, CHAIRMAN

17 MR. HALL: Thank you, Mr. Chairman. The provisions
18 committee did meet this last Saturday. Our purpose was to look
19 at several topics which could be or may should be included in
20 our upcoming funding request. I think the general consensus
21 and hopeful prediction is that Congress will be granting us
22 additional monies, in light of the upcoming census and that

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1 this would be an appropriate time to look at some new ways or,
2 perhaps, to revive some of the old ways of providing legal
3 services.

4 So we did hold a hearing on Saturday that was
5 strictly informational. It was not intended at that time to
6 come up with any recommendation, and so we have none. However,
7 I did want to share with you and the members of the audience
8 some of the items that we discussed and some of the thoughts
9 that we had on them.

10 My comments today are subject to being corrected at
11 any time, particularly by Charley Moses, because he knows these
12 facts better than I do, and of course other members of the
13 committee and other board members who were present with us,
14 which was you, Mr. Chairman, and Mr. Dana, I believe. Basile,
15 did you --

16 MR. UDDO: No, I was not here.

17 MR. HALL: Anyway, the first topic we looked at was
18 the unsolicited grant proposals, and those have come in two
19 forms. One are the emergency grants, which everybody is pretty
20 familiar with. So we didn't focus on those. We looked at the
21 other types that are made. We did learn that there are various
22 proposals received by the Corporation from all sources

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1 including some from the field.

2 The past process of granting these, as I understand
3 it at least is they've been reviewed by staff committee within
4 the Corporation, a recommendation is made to the president,
5 then he grants these under his grant-making authority.

6 They are one-time grants. They're small amounts, if
7 you can call \$12,000 or \$40,000 per grant small. As I
8 understand it, at least within the past years, it's been no
9 more than \$60,000 or \$70,000 total per year awarded in these
10 types of items, and, as I understand it, the source of money
11 has been from the carryover funds and that the lines have been
12 respected as closely as possible when these are made.

13 Two ideas that came forth and that we'll look at
14 further on this item, one is that in the coming years, the
15 Corporation may want to use up more of this remaining money in
16 granting some of these. There may have been some desire to
17 hold back on granting all of these, and there may be some
18 worthwhile projects that, perhaps, the Corporation may want to
19 grant; in other words, make a move toward wanting to grant
20 these more than holding back, I guess might be the best way to
21 say it.

22 Secondly, Mr. Dana suggested that guidelines be

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1 developed. I think there is at least no written guidelines
2 right now on what is considered by the Corporation or by the
3 president in making these, and I think the staff is going to
4 draw up some proposals on these guidelines that we'll discuss
5 next time around.

6 That's kind of, I believe, where we ended on that
7 one. We did take a very brief look at loan repayment,
8 assistant program. I understand that there is a study underway
9 within the Corporation on that, and that we're to receive a
10 report back on that at our next meeting.

11 We also looked at client advocacy and the National
12 Client's Council, the revival of that. We learned that it was
13 defunded. I'm sure that everyone is familiar with that. I
14 think some of the questions we had was, should it be revived?
15 Did it work? I think, apparently, the management of it didn't
16 work, but had the management worked, would it be a good
17 program? Mr. Sanders from PAG apparently has some type of
18 project going on this that he may or may not share with us, and
19 we certainly invited him to share it with us. We're interested
20 in that.

21 I guess the other main thing we looked at was the
22 Reggie program and reviving that. I think our thoughts on that

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1 were basically the same. The main idea was to reconsider it.
2 Apparently, it was zero funded in '85 and '86 by the LSC based
3 on a study that said it wasn't cost-effective.

4 We learned that the main problem with the program was
5 that it was terribly run, at least that's what our monitoring
6 report showed, and we wondered, had it been effectively run,
7 would it have been cost-effective? Would it be a good program?
8 We're wondering if there are any studies that have been made on
9 it to show that had it been run in an efficient manner, was it
10 a working program?

11 Then we looked at some other things. We had a brief
12 overview of the law school projects and whether or not we
13 should continue with those, and I think we were assured that
14 they are good programs, that they are cost-effective. They're
15 a good way to recruit, and that they have lasting effects, even
16 after the one-time grant is gone.

17 We looked also at an item, I call it pet projects or
18 innovative grant awards, I suppose. We looked at consolidation
19 of the programs very, very briefly. We'll look at that more.
20 That's basically what we did, Mr. Chairman, and where we are.
21 We gained a lot of information, and I want to say that we
22 appreciated the work that the staff did for us. We felt their

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1 performance was admirable, and we do plan to meet again before
2 the January meeting and make some recommendations on these
3 matters. That's all I have.

4 CHAIRMAN WITTGRAF: Thank you, Mr. Hall. There is
5 nothing by way of Board action that's necessary at this time, I
6 gather, from your report?

7 MR. HALL: That's true.

8 CHAIRMAN WITTGRAF: Okay. I'd like to make one
9 comment as a follow-up. You did indicate at the end of your
10 report that there had been some discussion of consolidation
11 incentive awards, and I think I indicated in the context of the
12 committee meeting -- and I'll do it again now so that no one is
13 prejudiced by my not mentioning it -- just as we have \$1
14 million from the Congress to utilize for demonstration or
15 initiative fund in the competition area, I'm hoping that in the
16 next fiscal year we might have a comparable amount of monies to
17 be used for demonstration or initiative efforts in the
18 consolidation area.

19 I think consolidation is probably separate from
20 competition, perhaps somewhat easier to grapple with, but I
21 think there is a great deal of potential, in terms of economy
22 and efficiency in and through consolidation. I have, in

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1 looking at the budget figures presented by the Audit and
2 Appropriations Committee, the sheet referred to earlier by Mr.
3 Dana, where so-called Board initiative monies of as much as
4 \$423,211 might be available for Fiscal Year 1992, encouraged at
5 least one program here in Missouri to make a so-called
6 unsolicited grant proposal.

7 I guess my encouragement makes it a solicited grant
8 proposal request. I would say for the record that, as we look
9 at Fiscal Year 1992, if there are other programs across the
10 country who would be motivated, stimulated toward consolidation
11 with a small financial incentive or grant, that I would
12 encourage them, as I did the one program here in Missouri, to
13 send to Mr. O'Hara and the staff a so-called unsolicited grant
14 proposal to that end.

15 Is there further discussion?

16 (No response.)

17 CHAIRMAN WITTGRAF: Thank you, Mr. Hall. We'll move,
18 then, to Open Session Agenda Item 12. That is a brief report
19 by the staff, I believe, Charles Moses, Deputy Director of the
20 Office of Field Services regarding the status of applications
21 for the utilization of available migrant funds. Mr. Moses.

22 CONSIDERATION OF REPORT BY STAFF ON

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1 THE STATUS OF APPLICATIONS FOR MIGRANT FUNDING

2 CHARLES MOSES, DEPUTY DIRECTOR, OFFICE OF FIELD SERVICES

3 MR. MOSES: Thank you, Mr. Chairman. As you recall,
4 at our last meeting on November 18th, we had a more detailed
5 discussion of migrant fund for the states of Alabama,
6 Mississippi, Arkansas, and Tennessee. At this point, the only
7 thing that has changed since that time we still have not
8 finished our 30-day comment period for the grant in the state
9 of Mississippi.

10 That, however, is due to expire within the next week
11 or so, at which time the grant will officially be made. We are
12 also in negotiations at this point with what was an unsolicited
13 proposal for the training of individuals in these four states
14 to assist in their service delivery for migrants.

15 That is in negotiations with our national support
16 center, Migrant Legal Action program in Washington. At this
17 point, we are still in negotiations but hope that we can
18 conclude those very quickly. Assuming after the actions that
19 have been taken by this Board concerning what we need to do
20 with an unsolicited proposal, because this was an unsolicited
21 proposal, I am, however, assuming that we can go forward with
22 this particular proposal, because we certainly think that it is

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1 something that needs to be done, and a sufficient amount of
2 funds were left in the carryover budgets to fund what we're
3 talking about.

4 MR. DANA: Mr. Chairman.

5 CHAIRMAN WITTGRAF: Mr. Dana.

6 MR. DANA: How much additional funding do you think
7 that is called for?

8 MR. MOSES: At this point, we are still getting
9 requests from the four states involved asking us for portions
10 of their carryover funds for their start-up costs. In addition
11 to those requests, we have gotten this request from MLAP for
12 \$90,000.

13 MR. DANA: Would you like Board authorization prior
14 to the next meeting to deal with the \$90,000 training grant?

15 MR. MOSES: I think that it would be useful, yes. I
16 think that we should make that grant as expeditiously as
17 possible.

18 CHAIRMAN WITTGRAF: I concur with the need to move
19 forward you and Mr. Moses are discussing. I'm wondering if we
20 really want to establish an precedent for having to pass off on
21 grants such as these. The Committee discussion, as I
22 understood it, over the weekend was concerned with development

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1 of a policy so that anybody who is interested knows that there
2 is such a thing as unsolicited grant proposal funds, and we
3 made an effort through that committee meeting, and a further
4 effort will be made under President O'Hara's guidance, and
5 guidelines will be developed, as Mr. Moses indicated already,
6 but I guess in light of that consultation and discussion, I'd
7 like to think that the staff has the ability and the authority
8 to move forward that and their moving forward and approving the
9 grant when they're ready shouldn't require specific Board
10 action.

11 Obviously, Mr. Dana, you may wish to disagree with
12 me, but I'm concerned about the precedent of our passing on
13 \$90,000 applications regularly.

14 MR. DANA: No. I agree with that, except that I
15 think it was no less a board member, but its chairman who urged
16 the Corporation, pending looking into this, not to issue grants
17 of a one-time nature that would reduce our flexibility in the
18 area of board initiatives.

19 So as long as the Board is comfortable with having
20 been advised that it is management's intention to issue a grant
21 in this area, I have no problem. I would have a problem, I
22 think, absent some kind of a policy authorization for, for

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1 instance, the grants being issued in the middle column, Mr.
2 Chairman.

3 If you look at this one-page --

4 CHAIRMAN WITTGRAF: For the benefit of the discussion
5 among the Board and our friends in the audience, we're looking
6 at the sheet of paper distributed this morning that is not
7 captioned as such except at four columns Available Funds, M&A,
8 Board Initiatives, and Remaining; is that correct?

9 MR. DANA: Correct.

10 CHAIRMAN WITTGRAF: And when you say "the middle
11 column," are you referring to the Board Initiatives column?

12 MR. DANA: I am, and it's my understanding that there
13 are sufficient funds in the Remaining column for the grants
14 that you are discussing, and if the Board is happy with
15 management continuing to make grants in that area without their
16 authorization, I think we ought to make that clear.

17 CHAIRMAN WITTGRAF: It's been my understanding or at
18 least my assumption that that's what Mr. Moses had in mind, and
19 that the so-called Board Initiatives column would remain
20 inviolate short of further consultation with the Board, that
21 the \$90,000 would be taken out of either remaining migrant
22 funds from FY 1990, or remaining migrant funds from FY 1991.

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1 Both say 1990. I think one of those is supposed to say 1991.

2 MR. DANA: Correct.

3 MR. MOSES: That is correct. The one correction I
4 might make is that we have not settled on an exact figure yet.
5 That might go up or down; we're still talking.

6 CHAIRMAN WITTGRAF: I think that fact underscores the
7 fatuousness of our attempting to grant specific authority at
8 this time.

9 MR. MOSES: The other thing that I would like to make
10 sure, at least for my administrative purposes, that I'm very
11 clear about is that the way I understand it, at this point, if
12 there are funds coming out of what is in the Board's fourth
13 column, Remaining, that you do not necessarily want us to wait
14 until after there is a policy adopted by this Board for
15 unsoliciteds, or is it only on this one matter that we not
16 wait?

17 Because technically what we're dealing with here is
18 an unsolicited proposal, and I'm trying to make sure that we do
19 not end up violating what this Board said it wanted us to do
20 with unsolicited proposals.

21 CHAIRMAN WITTGRAF: Mr. Dana.

22 MR. DANA: I think your caution is a good one.

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1 MR. MOSES: Because we will be getting more
2 unsolicited proposals in during this time period, and I'm
3 trying to make sure I know what to do with those.

4 MR. DANA: Is it likely, as a practical matter, that
5 you will be called upon to actually make an unsolicited grant
6 proposal between now and our next meeting that you don't know
7 about now?

8 MR. MOSES: No. However, it is likely that we will
9 be getting requests, and I do need to know what to tell
10 individuals whether or not we want them to submit something,
11 whether or not we want to delay that.

12 MR. DANA: I think it's very clear, as the Chairman
13 indicated earlier, that the process of people making
14 applications should certainly continue. I think it's also
15 clear that management should continue to process those and make
16 recommendations. What is not clear is whether or not the Board
17 wants to give or have management to have carte blanche
18 authority to make unsolicited grants or one-time grants without
19 any kind of Board oversight or there being any policy in the
20 area.

21 I, for one, would like to have a policy so that
22 everyone out there knows what the rules are, but absent an

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1 objection from management or from the Chairman, I would
2 encourage you to proceed as you're doing. I think you've got
3 clear authorization with respect to the migrant area, and I
4 think you should proceed.

5 I don't think you should sort of lock the door, shut
6 the windows, tell everybody to stay home while the Board is
7 considering this. Blakeley's committee is meeting before the
8 next committee. I think you could profitably have a proposal
9 or some guidelines available for his committee, and then,
10 ultimately, adoption by the Board at its next meeting.

11 CHAIRMAN WITTGRAF: Mr. Dana, if I might, it seems to
12 me the situation of Mr. Moses is analogous to the 15-day
13 reprogramming requirement under which we operate. I think
14 we're asking simply to be advised or consulted, and, in the
15 absence of any objections or concerns to the contrary, once the
16 advice is given and the consultation is sought or requested,
17 then you'll go forward. In this case, 15 days would be simply
18 any subsequent Board meeting, I assume. Does that help.

19 MR. MOSES: I think it helps. I'll read the
20 transcript later to make sure. The other thing that I think is
21 important to make sure that the Board understands is in the
22 area of emergency grants. I think that we still need to have

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1 the flexibility --

2 CHAIRMAN WITTGRAF: And that really is a separate --

3 MR. MOSES: It's separate, but it's always been
4 combined and treated as an unsolicited proposal.

5 CHAIRMAN WITTGRAF: I think our concerns have not to
6 do with emergencies but rather to do with what I'll call new
7 initiatives, unless somebody wants to correct me or clarify our
8 thinking. Further questions or comments for Mr. Moses?

9 (No response.)

10 CHAIRMAN WITTGRAF: Further discussion?

11 (No response.)

12 CHAIRMAN WITTGRAF: Thank you, Mr. Moses. Mr. Moses,
13 you might want to stay with us. As I look at Agenda Item 13,
14 Consideration of Other Business, it was at this point in the
15 agenda in our last regular board meeting that we did have some
16 general discussion of the status report given to us regarding
17 month-to-month fund.

18 You have, and we appreciate having received a current
19 month-to-month fund list. I don't want you, obviously, to
20 discuss with us the particulars of the programs listed therein,
21 but perhaps you could make a couple comments regarding that
22 list, and then, if any of the Board members have any questions

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1 or concerns, they can raise them at this time. Do you have a
2 copy of that with you, Mr. Moses, or would you like to pick up
3 a copy before we proceed?

4 MR. MOSES: And, in fact, I think Mr. Shumway doesn't
5 have his copy yet, either. They were being distributed here
6 rather than sent out before, and I had not had an opportunity.

7 CHAIRMAN WITTGRAF: A general status report I think
8 would be appropriate, and I know Mr. Kirk was concerned in this
9 area, as we visited last month.

10 MR. MOSES: Certainly.

11 MR. DANA: Mr. Chairman.

12 CHAIRMAN WITTGRAF: Mr. Dana.

13 MR. DANA: Am I correct that this is a confidential
14 document?

15 CHAIRMAN WITTGRAF: That's correct, yes. Thank you
16 for that clarification.

17 MR. MOSES: What types of things would you like to
18 know about the month-to-month list? I mean, at this point --

19 CHAIRMAN WITTGRAF: It's my understanding we are
20 making some progress in either deciding whether programs are
21 fish or fowl, and if you will summarize that, it might be
22 instructive.

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1 MR. MOSES: I think that we are making progress --

2 CHAIRMAN WITTGRAF: That was fowl with a "w" not a

3 "u."

4 MR. MOSES: We are making progress with several
5 programs. We still have some work to do with several programs.

6 This progress is detailed on your month-to-month confidential
7 reporting sheet.

8 In addition, there might be additional programs that
9 will be involved with month-to-month funding in the next fiscal
10 year that would not be reflected on this month's month-to-month
11 reporting sheet but would be on the January reporting sheet.

12 CHAIRMAN WITTGRAF: I think the Board is concerned
13 with --

14 MR. MOSES: And there will be, by the way, I think as
15 is noted on the report sheet, initial indications are that some
16 of the these have, in fact, been able to work with us to
17 correct their problems and will be going off of month-to-month
18 funding as of the first of the year.

19 CHAIRMAN WITTGRAF: If I'm recalling the discussion
20 correctly, Mr. Kirk was concerned last month that month-to-
21 month funding should not be an indefinite, almost permanent
22 status, but rather should lead to a resolution of either return

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1 to annualized funding or, perhaps, a move toward
2 reorganization, consolidation, or defunding, and I think that's
3 the general concern.

4 Any Board members have any questions, any comments?
5 Mr. Dana.

6 MR. DANA: Just one. When a program has indicated
7 that it's on month-to-month funding because of a problem with a
8 particular subgrant or with a migrant grant, for instance, is
9 it only the migrant grant that is on month-to-month, or is the
10 entire funding of the program on month-to-month.

11 MR. MOSES: No. It would only be that component. We
12 reserve the right to have different components of each grant on
13 month-to-month, and there are several recipients that have a
14 single component on month-to-month funding.

15 MR. DANA: So that it is, in some cases, far less of
16 a burden if a relatively small component is on month-to-month?

17 MR. MOSES: That is correct.

18 CHAIRMAN WITTGRAF: Further questions, comments? Mr.
19 Moses.

20 MR. MOSES: I was going to add, if you look at your
21 report, we tried to separate those out so that you could
22 understand those instances in which the full program funding

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1 was on month-to-month versus those instances in which only one
2 small component of funding was on month-to-month.

3 MR. DANA: Thank you.

4 CHAIRMAN WITTGRAF: Thank you. At this time, the
5 Chair is prepared to return to the President's report. The
6 president is otherwise occupied at the moment, but as he has
7 done the last two months now including this three months,
8 President O'Hara has asked the directors or the key members of
9 the Corporation staff to share with the Board briefly their
10 areas of activity and their ranges of responsibilities.

11 Leslie Russell of the staff is present for that
12 purpose today, and I'll ask him to join us in front at this
13 time. Mr. Russell.

14 PRESENTATION OF LESLIE RUSSELL
15 MANAGER, PROGRAM SUPPORT AND TECHNICAL ASSISTANCE,
16 OFFICE OF FIELD SERVICES

17 MR. RUSSELL: Thank you, Mr. Chairman.

18 MR. UDDO: Mr. Chairman?

19 CHAIRMAN WITTGRAF: Yes, Mr. Uddo.

20 MR. UDDO: Is this the last item on the agenda? Have
21 we completed the agenda otherwise?

22 CHAIRMAN WITTGRAF: I believe that's correct, Mr.

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1 Uddo, yes.

2 MR. RUSSELL: I'll attempt to be brief.

3 CHAIRMAN WITTGRAF: Don't take that as any --

4 MR. UDDO: Take as long as you like.

5 CHAIRMAN WITTGRAF: Go ahead and identify yourself
6 fully for the record and for the Board by name and title,
7 please, Mr. Russell.

8 MR. RUSSELL: For the record, my name is Leslie
9 Russell. I am the manager of the Program Support and Technical
10 Assistance division in the Office of Field Services. I've been
11 asked to speak to you this morning briefly about the structure,
12 personnel, and activities of the division.

13 As you know, the division was created in August of
14 this year, and, as such, we are still in the development stage.
15 We are still trying to -- well, one of the things I am
16 particularly trying to do is survey the field and assess their
17 level of need for assistance and what they want, what they
18 need, how they think it can be best provided so that we can
19 come up with a strategy and mechanism to provide that type of
20 assistance.

21 As currently set up, the division consists of five
22 employees, myself as manager, three assistants, and one

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1 administrative person. Currently, responsibilities include
2 oversight of state support, national support, regional
3 training, and CALR programs, and the production of the annual
4 LSC Fact Book.

5 It is hoped that we will be able to provide on-site
6 technical assistance to programs needing and requesting such
7 assistance. Additionally, it is anticipated that the division
8 will be working in many of the new areas that the Board is
9 interested in, in terms of innovative grants and new projects,
10 including the Loan Forgiveness or Loan Repayment Assistance
11 program, and the Reggie program.

12 The fund raising, in terms of the potential that the
13 Corporation has to assist programs in their fund-raising
14 activities, it is proposed that the new division undertake a
15 reactivation of the Corporation's commitment in the Native
16 American area, and I believe Mr. O'Hara spoke earlier about the
17 proposed forum with the Native American grantees. That is
18 something that the new division will also be involved in.

19 Outside of that, we are looking at assisting programs
20 in the area of the Americans with Disabilities Act, which was
21 implemented, and in conjunction with the Office of Human
22 Resources, we will be providing whatever assistance we can to

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1 programs in that area.

2 It is envisioned that, with Mr. Sanders' discussion
3 of the National Clients Council, we will be looking and trying
4 to develop something along those lines for presentation to the
5 Board. Generally, I've spoken to some program directors, and
6 there is an interest in the field for mini-training and things
7 of that nature.

8 The Corporation formerly provided mini-training
9 grants and technical assistance grants and things of that
10 nature, and we plan to explore, possibly with some of the
11 innovative grant funds the possibility to do some of those
12 activities.

13 Generally, that's where we stand. We're pretty much
14 still in the developmental stage, and we're trying to get the
15 staffing together so that we can figure out where we're going
16 and how fast we can get there.

17 CHAIRMAN WITTGRAF: Thank you, Mr. Russell.

18 Questions? Comments?

19 (No response.)

20 CHAIRMAN WITTGRAF: Thank you very much. Further
21 business to come before the Board at this time?

22 (No response.)

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1 Shumway. Those who are in favor will signify by saying aye.

2 (Chorus of ayes.)

3 CHAIRMAN WITTGRAF: Those opposed, nay.

4 (No response.)

5 CHAIRMAN WITTGRAF: The ayes appear to have it. The
6 ayes do have it. With the Chair's holiday wishes, the meeting
7 is adjourned.

8 (Whereupon, at 12:03 p.m., the Board of Directors
9 meeting of the Legal Services Corporation was adjourned.)

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