LEGAL SERVICES CORPORATION

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MEETING OF THE BOARD OF DIRECTORS

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Hyatt Regency Hotel
Embarcadero Center
Embarcadero Room A
San Francisco, California

Thursday,
December 6, 1979

- - -

The above-entitled meeting was convened, pursuant to notice, at 9:00 a.m., Ms. Hillary Rodham, Chairperson presiding.

MEMBER PRESENT:

MS. HILLARY RODHAM, (CHAIRPERSON)

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I N D E X

Opening remarks by Chairperson Rodham.	3
Adoption of Agenda.	3
Approval of minutes of last meeting.	5
Appropriations and Audit Committee report.	8
Discussion of the 1981 budget.	28
Discussion of fellows program.	39
Discussion of National Support efforts.	42
Discussion of utilization of existing technology.	58
Discussion on client participation.	72
Public discussion.	
Mr. Bruce Morrison New Haven Legal Assistance Corporation	92
Mr. Bernard A. Veney National Clients Counsel	105
Mr. Don Greisman, Executive Director Sacramento merger & expansion program	115
Discussion of pro bono activities.	135
Report on the Committee Meeting of the 12th.	170
Discussion of National Support Centers.	173
Discussion about the National Health Law Program.	183
Discussion of OMB budget.	199
Discussion of Legal Aid Center in Portland, Oregon.	211

I N D E X

Opening remarks by Chairperson Rodino. 1

Adoption of Agenda. 3

Approval of minutes of last meeting. 3

Appropriations and Audit Committee report. 8

Discussion of the 1981 budget. 28

Discussion of follows programs. 39

Discussion of National Support efforts. 42

Discussion of utilization of existing technology. 50

Discussion on client participation. 72

Public discussion.

Mr. Bruce Merrion
New Haven Legal Assistance Corporation 82

Mr. Bernard A. Veney
National Clients Council 105

Mr. Don Graham, Executive Director
Sacramento Merger & expansion program 115

Discussion of pro bono activities. 139

Report on the Committee Meeting of the Club. 170

Discussion of National Support Centers. 172

Discussion about the National Health Law Program. 180

Discussion of OMB budget. 200

Discussion of Legal Aid Center in Portland, Oregon. 211

P R O C E E D I N G S

MS. RODHAM: Can we get started? We're running a little late. I want to welcome you to the Board of Director's meeting of the Legal Services Corporation. A few of our members will be late, but we want to proceed because we do have quite a bit of business that needs to be taken care of.

Is there a motion that we adopt the agenda as set forth in the Board book?

MR. TRUDELL: So moved.

MS. RODHAM: Any questions? All those in favor of adopting the tentative agenda please signify by saying aye.

Opposed?

The agenda is adopted. The first item on the agenda today is the approval of the minutes of the September 7, 1979 meeting. Are there any additions or corrections to the minutes as they appear in the Board book?

MS. ESQUER: On Page 6 I would like that the motion in the first paragraph, which states, "Ms. Esquer moved that the completion of expansion efforts for native Americans residing on or near a recognized reservation be funded at the 1977 level of up to $10 per poor person."

The rest of the wording was not part of my motion. I would like that deleted. And for clarification maybe that

PROCEEDINGS

MS. NORMAN: Can we get started? We're running a little late. I want to welcome you to the Board of Director's meeting of the Legal Services Corporation. A few of our members will be late, but we want to proceed because we do have quite a bit of business that needs to be taken care of.

Is there a motion that we adopt the agenda as set forth in the Board book?

MR. TEUBNER: So moved.

MS. NORMAN: Any questions? All those in favor of adopting the tentative agenda please signify by saying aye.

Opposed?

The agenda is adopted. The first item on the agenda today is the approval of the minutes of the September 7, 1979 meeting. Are there any additions or corrections to the minutes as they appear in the Board book?

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The rest of the wording was not part of my motion. I would like that deleted. And for clarification maybe that

wording could be put with the person that that was put in the motion referred to that there had been a staff recommendation that native American expansion take place the same as the other expansion.

That wording was not part of my motion.

MS. RODHAM: Any other additions or corrections?

MR. MCCALPIN: On Page 4 at the end of the first full paragraph is a reference to an attachment and a restatement of the principles and the attachment is not with the minutes. It's difficult to check to see whether they're restated in the manner that we contemplated or not.

It seemed to me we ought to have the attachment as part of the minutes.

MS. RODHAM: We have not included the attachments because often we have numerous attachments, but the attachments do appear in the original of the Board minutes that are kept at the Corporation.

I agree with you, if there is any question that any Board member has with references in the minutes, we need to clarify that.

MR. MCCALPIN: As I recall we did a lot of editing in connection with this at the time and I didn't really have a chance to see how it came out in the wash.

MR. ORTIQUE: For that particular one, why don't we attach it as of some significance and I think it should

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in connection with this at the time and I didn't really have
a chance to see how it came out in the wash.

MS. ORTIQUE: For that particular one, why don't

have our support and be part of the minutes.

MS. RODHAM: Could we go ahead and have that attachment either provided to the Board during the day or else mailed to the Board so they can check it against their memory, and if there are any problems we can clarify that situation at the next meeting.

Does the absence of the attachment strike you as serious enough?

MR. MCCALPIN: No.

MS. RODHAM: Any other additions or corrections to the minutes?

MS. ESQUER: Just one typo on Page 5, it should be reauthorization, just a typo.

MS. RODHAM: That's the bottom paragraph?

MR. ORTIQUE: I think what we do is maybe say that subject to such statistic and grammatical changes as may be necessary.

MS. RODHAM: Any other additions or corrections? Is there a motion that the minutes be approved as corrected with the circulation of the reference attachment "A" and with whatever stylistic or typographical errors need to be corrected?

MR. MCCALPIN: Second.

MS. RODHAM: All in favor? Opposed?

The minutes are approved subject to those corrections.

The minutes are approved subject to those corrections.

MS. JORDAN: All in favor? Opposed?

MR. MCCALPIN: Second

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Is there a motion that the minutes be approved as corrected with the circulation of the reference attachment "G" and

MS. JORDAN: Any other additions or corrections?

MR. ORTIQUE: I think what we do is maybe say that subject to such stylistic and grammatical changes as may be necessary.

MS. JORDAN: That's the bottom paragraph?

MR. ORTIQUE: Yes.

MS. MCQUEEN: Just one typo on Page 3, it should be renumberization, just a typo.

MS. JORDAN: Any other additions or corrections to the minutes?

MR. MCCALPIN: No.

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Does the absence of the attachment strike you as

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else mailed to the Board so they can check it against their attachment either provided to the Board during the day or

MS. JORDAN: Could we go ahead and have that have our support and be part of the minutes.

MR. ORTIQUE: As I came into the room this morning there are a number of folks who have been added to the staff in the last month or two. Rather than wait until the President makes his report, I would like to have those persons added to the staff in the last 60 days or even 30 days, whatever the cutoff is, introduced to us now.

MS. RODHAM: I think that's an excellent idea. Besides, the next thing on the agenda is not here yet.

MR. BRADLEY: I was going to ask you to permit me to do that. I think most of you met these persons, I have spoken with the Board on the telephone concerning the various appointments.

Gerry Singsen. Gerry is the Corporation's new Vice President for Finance and Management, and ambassador with portfolio. He's been working closely with us in terms of internal management and planning and internal administration.

Mario Lewis, who is sitting in the back row, Mario is our new General Counsel. He's from California, been here in San Francisco for many years. He's currently on the General Counsel staff of the Community Services Administration in Washington.

He's been the Regional Counsel for OEO and CSA here in California, he's now Special Counsel in CSA in Washington.

Gerry has worked as a staff attorney in various positions in legal services, especially in the northeast,

MR. COTTON: As I came into the room this morning there are a number of folks who have been added to the staff in the last month or two. Rather than wait until the President makes his report, I would like to have those persons added to the staff in the last 30 days or even 30 days, whatever the cutoff is, introduced to us now.

MR. DONAHUE: I think that's an excellent idea. Besides, the next thing on the agenda is not here yet.

MR. DRISCOLL: I was going to ask you to permit me to do that. I think most of you met these persons, I have spoken with the Board on the telephone concerning the various appointments.

Gerry Simpson. Gerry is the Corporation's new Vice President for Finance and Management, and ambassador with portfolio. He's been working closely with us in terms of internal management and planning and internal administration.

Mario Lewis, who is sitting in the back row, Mario is our new General Counsel. He's from California, been here in San Francisco for many years. He's currently on the General Counsel staff of the Community Services Administration in Washington.

He's been the Regional Counsel for OEO and CSA here in California, he's now Special Counsel in CSA in Washington.

Gerry has worked as a staff attorney in various positions in legal services, especially in the northeast,

and more immediately has been doing some consulting work in terms of budget planning and resource allocations.

Mario has served in a lot of different positions. He has also been an attorney with the California Rural Legal Services working out of the Modesto office many years ago, and we welcome both of those persons.

I don't think there is anyone else on the staff, Judge. Charles Ritter, I think most of you know Charles. Charles is going to be the Director of the division of, in effect, internal audits.

Judy Riggs, all of you know that Judy has been a jack of all trades for the Corporation and is now officially working with me in the executive office, especially dealing with policy decisions and some of the issues we have to deal with in the future.

I think Judy is here also. I don't think there's anyone else here that you haven't met.

I'm sorry, Barbara Campbell, who is sitting in the front row. Barbara is working with me in the executive office and has been involved in legal services. We, Barbara, Micky, several of us worked closely together at legal services in 1969 and '70.

For the last four years she's been an attorney in Sacramento and recently returned to Washington and is working with me there.

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I think Judy is here also. I don't think there's anyone else here that you haven't met.

I'm sorry, Barbara Campbell, who is sitting in the front row. Barbara is working with me in the executive office and has been involved in legal services. Ms. Barbara Nicky, several of us worked closely together as legal services in 1980 and '70.

For the last four years she's been an attorney in Sacramento and recently returned to Washington and is working with me there.

MS. RODHAM: Thank you. Is either Mr. Janofsky or Mr. Clifford here? We're expecting both of those gentlemen and when they arrive we'll break what we're doing.

The next item on the agenda is the report from the Committee on Appropriations and Audit, and Steve, were you prepared to give that report?

MR. ENGELBERG: Yes. If you have no objections, we'll start first with Item 2, which is the report on the audit of the Legal Services Corporation, fiscal year '79.

Essentially Dan and I met with the Price-Waterhouse people in my office on Monday of this week where they presented us, and Dan reviewed it prior to that, the audit I think everybody has in front of them.

We discussed in general the conclusions of the audit. I also asked questions of Price-Waterhouse about their general satisfaction with the internal and external auditing procedures of the Corporation.

They made it very clear that they were fully satisfied with both the competence of the staff and the way these auditing procedures were being carried out, and essentially they assured us that the financial affairs of the corporation are in order.

We did not have them come to San Francisco simply to save money.

Unless anybody has any questions?

MS. MORGAN: Thank you. Is either Mr. Janofsky or Mr. Clifford here? We're expecting both of those gentlemen and when they arrive we'll break what we're doing.

The next item on the agenda is the report from the Committee on Appropriations and Audit, and Steve, were you prepared to give that report?

MR. NEUBERGER: Yes. If you have no objections, we'll start first with Item 7, which is the report on the audit of the Legal Services Corporation, fiscal year '79.

Yesterday Dan and I met with the Price-Waterhouse people in my office on Monday of this week where they presented us, and Dan reviewed it prior to that, the audit I think everybody has in front of them.

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Unless anybody has any questions?

MR. BRADLEY: I think I might comment because I asked this question. Price-Waterhouse has been the corporation's outside accounting firm since our inception, and helped us establish our internal auditing, accounting and financial control procedures and they have worked very closely in a continuing capacity.

The format of this particular financial statement is the same format that they have been following since the beginning of the corporation, and we basically make the decision as to how we display and allocate the direct grants as opposed to costs of the corporation.

They spent 700 hours of time in the preparation of this audit report, and on both occasions that I met with them they assured me and reassured me and reassured me again that everything that they found in terms of our systems, in terms of financial controls, was extraordinarily good and they rendered to me an unqualified audit report.

If you have questions about any of the items, how it's displayed, we'd be happy to try to answer those. Henry Thompson, who worked with Price-Waterhouse in the development of the financial report is present and we'd be happy to--Bill, you look like you have a question?

MR. MCCALPIN: I guess I ought to put an exclamation look on my face.

MR. ENGELBERG: I don't think this requires any

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MR. MCCARTHY: I guess I ought to put an explanation look on my face.

MR. MCKENZIE: I don't think this requires any

action, it's just a report for the Board's review.

MR. BRADLEY: I apologize that we did not get delivery of this audit from them until yesterday, and that's the reason you were not provided with a copy of it.

They were purposely working against a deadline because we had asked them to be through with the audit so we could have it available for this Board meeting today, and they did meet with Steve and I'm sorry that we didn't get it to you a week or two ago.

MR. SACKS: Doesn't somebody from the Board, some committee, need to approve this audit or do we just take it--

MS. RODHAM: Well, the practice in the past has been that we have always received pretty much of a clear audit by Price-Waterhouse, and the audit has been presented to the Board as a whole.

The committee has been charged with the responsibility of working with Price-Waterhouse and working with Mr. Thompson and other people on the staff to be sure, but because we have never had any difficulty, the only question that has ever arisen is who should do the audit, so it traditionally has been presented to the Board for its review and we have not formally adopted or accepted the audit because we have never had any question presented to us that called for anything other than a vote of thanks.

MR. ENGELBERG: It's an outside audit.

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MR. MCCLENNEN: It's an outside audit.

MR. ORTIQUE: But you're charged with the responsibility of calling to our attention if there's any problem, then the Board would step in, sort of a watchdog.

MR. RODHAM: Are there any proposals for change in the audit procedures for next year, any kind of a report that would be relevant at this time?

MR. BRADLEY: No.

MS. RODHAM: Then the next item is what?

MR. ENGELBERG: I can go back to the final report on the fiscal year 1979 expenditures.

Gerry, do you want to go ahead?

MR. SINGSEN: In the Board book it's attachment C on Page 43. The revised preliminary final consolidated operating budget for fiscal year 1979, the final expenditure level for '79 prepared just before the completed audit was done.

The numbers here are in fact the correct final numbers but could not be certified as such at the time it was sent to you.

It presents the expense patterns, the final budget revised to reflect expenditure patterns at the end of the year. You asked a question about that at the committee meeting, let me respond that we have in the past followed the practice of preparing a fourth quarter revision of the budget for the year, and the main purpose appears to be

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operating budget for fiscal year 1973, the final expenditure C on Page 13. The revised preliminary final consolidated

MR. SINGSEN: In the board book it's attachment

Gerry, do you want to go ahead?

on the fiscal year 1973 expenditures.

MR. ENGELHORN: I can go back to the final report

MS. ROSNAM: Then the next item is what?

MR. KRAPLEX: No.

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MR. ORTTOEN: But you're charged with the

because we are trying to track a government process where there is a limit on line item expenditure and exceeding the authorized level of expenditure in a line item without getting approval from the authorizing body, is an improper act of a government agency.

We have in the past revised to this final level. I'm not convinced we have to do that in the future, but we followed the practice for this year rather than try to change it.

Column 4 presents the balances forward, the money not expensed during 1979, and then there is more information on the distribution of that money in 1980 between committed activity where '79 funds are being used during 1980 to finish activities begun in '79, and money available for one time usage, which we will be discussing later this morning in the report of the committee.

MR. ENGELBERG: Gerry, as I understand the item of the Reggie Program, does that just account for the fact that the contract was not signed?

MR. SINGSEN: No, what that accounts for is we disbursed the money starting in August for a year's worth of Reggie activity on a monthly basis, so in 1979 we spent only two months of the 12 month's worth of money for the Reggie Program, the other ten months is still in our control.

MR. ENGELBERG: This will be out of fiscal '79

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MR. KNOEBBERS: Gerry, as I understand the item of the Reggie Program, does that just account for the fact that the contract was not signed?

MR. SIMMONS: No, what that accounts for is we disbursed the money starting in August for a year's worth of Reggie activity on a monthly basis, so in 1979 we spent only two months of the 12 month's worth of money for the Reggie Program, the other ten months is still in our control

MR. KNOEBBERS: This will be out of fiscal '79

money?

MR. SINGSEN: Yes, the money in the budget for 1980 for Reggie. Not the carry-over money, but the appropriated money will not be spent until August of 1980.

Are there any other questions?

MR. BRADLEY: Let me make a comment. I was concerned about the issue that Mr. McCalpin raised, and for the other Board members so they will understand what that issue was.

What the question is is that we begin each year with an approved budget approved by the appropriations committee and approved by the full Board. Then we have quarterly budget review both with staff and audit appropriations committee and we do this throughout the year at the end of each quarter and we review our expenditure level and in that process the committee has always exercised the jurisdiction, in fact, our procedures permit the Board to make budget adjustments.

When I met with Price-Waterhouse last week, I questioned them whether or not that was in fact an acceptable accounting practice. They assured me that not only was it acceptable, but it was almost uniform, especially in corporations not for profit.

It made no difference to them when I cross-examined them whether or not we chose to follow that procedure or

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When I met with Pride-Baltimore last week, I questioned them whether or not that was in fact an acceptable accounting practice. They assured me that not only was it acceptable, but it was almost uniform, especially in corporations not for profit.

It made no difference to them when I cross-examined them whether or not we chose to follow that procedure or

not, that that was a management decision basically left to the Board.

But what it basically amounts to, and I think what we'll do next year is show you the beginning budget and the adjustments that we might make on a quarterly basis, because your question, Bill, in effect was if we don't know what our budget is, if we keep changing it from month to month, why do we go through this process?

And we're going to try in the display of the budget for the quarterly review meetings next year, we're going to try to address that concern that some of the Board members have.

MS. RODHAM: Any other questions about the final '79 figures?

MS. SHUMP: I have a question concerning what type of a result we have had--the result of the contact with Senator Hollings and continued investment of appropriated funds.

Where is this in the budget? Is it in the budget?

MR. BRADLEY: Let me, if I understand your question in terms of whether or not we would be permitted to quote, "draw down our appropriated funds for investment purposes," no, that would not be reflected in the budget as a budget item, that's more of a policy consideration in terms of the Treasury Department and our oversight

terms of the Treasury Department and our oversight as a budget item, that's more of a policy consideration in question in terms of whether or not we would be penalized to quote, "draw down our appropriated funds for investment purposes," no, that would not be reflected in the budget but what it basically amounts to, and I think what we'll do next year is show you the beginning budget and the adjustments that we might make on a quarterly basis, because your question, Bill, in effect was if we don't know what our budget is, if we keep changing it from month to month, why do we go through this process?

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Where is this in the budget? Is it in the budget?

MR. BRADLEY: Let me, if I understand your question in terms of whether or not we would be penalized to quote, "draw down our appropriated funds for investments purposes," no, that would not be reflected in the budget

committees.

The question, without going into a lot of history, is you will recall on our '77 appropriation from Congress we drew down under letter of credit from the Treasury Department all of our appropriated funds for that year and we invested it and earned substantial income as you know, and we have used that income for things like the QUIP Program and other activities that the Board previously approved.

As you know, there were some concerns by government officials and by Members of Congress about us doing that, and we have not done that for the last couple of years.

This question has come up repeatedly from a lot of sources. We have had discussions with the oversight committee and I think that it's fair for me to represent to you today that we will not be able to draw down, in fact we should not as far as the oversight committee is concerned, our full appropriation of $300,000,000 and invest that at the highest possible yield, the same reasons that the oversight committee has or had still apply.

However, I think it is also accurate to represent, and I cannot tell you anything other than this, that if we draw down the funds that we need to manage the corporation and to make disbursements to our grantees, if we draw down those funds in such a way that it appears we are prudently and reasonably managing the funds, and in that process we

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However, I think it is also accurate to report, and I cannot tell you anything other than this, that if we draw down the funds that we need to manage the corporation and to make disbursements to our grantees, if we draw down those funds in such a way that it appears we are prudently and reasonably managing the funds, and in that process- we

earn some interest income, I think that we will not have the same objections to that that we had in the past.

But we have not yet finalized, we are discussing this with our oversight committees, we are discussing this with our bankers, we are trying to decide exactly what additional investment income we could possibly earn, but we have assured our oversight committees that we will not breach the commitment that we made to them.

They also, I think, understand that if we do in fact use the float on some of our grantee checks and some of the monies that we do not need today, but may need next week to earn additional income, I don't think that we'll run into the same type of objections that we have had in the past.

MR. MCCALPIN: Let me answer you another way, Ramona. 43, 4 and 5 are simply an expenditure budget. They do not show income. If you turn over to Page 39 we have an income budget and at the bottom of that page under Planning it says total appropriated funds, and the next item is investment income.

And that's where you would see the return from the kind of program that Dan is talking about. You find it in here but not in the document which was attachment "C".

MS. RODHAM: I have a question, Gerry. I know that footnotes 6 and 7 relate to transfer of money, it looks

that Secretaries A and I talked to Treasurer of Money, it looks

MS. ROBINSON: I have a question, Gerry. I know there has not yet the document which was attachment "C", kind of program that Dan is talking about. You find it in Planning it says total appropriated funds, and the next item is Investment Income.

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MS. ROBINSON: I have a question, Gerry. I know

as though principally to the delivery systems data report, but can you bring me up to date, probably this is my fault, what the status of the case service report and local information systems effort is, and what had to be done with whatever that budget was in order to continue the DSS analysis?

MR. SINGSEN: Clint Lyons is here I believe and could probably speak to this in more detail. The transfer in terms of the completion or continuation of the delivery systems study data collection analysis from the case service reports, was permissible, was available, because we were not expensing the full amount of the case service reports item during 1979.

There were some delays in the implementation of that, the narrative has gone on, the statistical portion is only now going ahead. The development of the local materials for use in local programs was delayed by the delay in implementing the case service report itself, so that expenditures originally planned for 1979 are now going to be taking place during 1980.

A good part of the amount not expensed in 1979 is permitted to those activities. The remaining balance was available to pick up higher costs in the delivery systems study data collection and analysis area that had originally been projected, so we could carry out the study on the time-

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table we planned.

On case service reports, I'm not sure whether that answers your question, it's a transfer within this budget item in order to meet costs that exceed original projections in the first of the two categories.

MS. RODHAM: One of my questions, of course, is it was my recollection that we have on several occasions told either GAO investigators or Congressional inquirers, or other interested people that we would have a case service report system in place by the spring of 1980, and the transfer of this fund of money into the DSS analysis obviously means that we couldn't proceed along the lines that we originally envisioned when we appropriated the amount that we did initially, so how far behind schedule are we and what effect, if any, will this have on meeting the self-imposed deadline as to being able to report to Congress and others as to the status of this system?

MR. BRADLEY: That basically there are two components of that. One component, and I hope that we're on schedule, I have been assured we are approximately on schedule, is the case service information that is associated only with the DSS report to Congress.

At the same time that same process involves the completion and implementation of the case service report for all grantees for the management needs of the Corporation.

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Mr. ROBINSON: That basically there are two components of that. One component, and I hope that we're on schedule, I have been assured we are approximately on schedule, is the case service information that is associated with the 1985 report to Congress.

The second component is the transfer of this system to the Corporation and affects as to the status of this system? the self-imposed deadline as to being able to report to Congress and what effect, if any, will this have on meeting the 1985 report to Congress?

Mr. BRADLEY: That basically there are two components of that. One component, and I hope that we're on schedule, I have been assured we are approximately on schedule, is the case service information that is associated only with the 1985 report to Congress.

At the same time that some process involves the completion and implementation of the case service report for all practices for the management needs of the Corporation.

We are not on schedule as far as I'm concerned and the implementation and development of the second component, I think that I can represent, unless Clint wants to speak to the point, that in terms of the commitment and the time frame we are trying to complete the DSS, compiling the analysis of that information and thus reporting that on a timely basis to Congress.

I think that we are in reasonably good shape on that component. We are not in good shape today on the broader implementation of the case service report for all grantees.

MS. RODHAM: Is the thought that the analysis techniques used in DSS will be transferable in some way to the case service system reporting?

MR. BRADLEY: Yes.

MR. SINGSEN: Not only that, but also several of the by-products of the study involved the development and use of tools out of the case studies being done in the delivery systems study in local programs.

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Cost benefit analysis material, client satisfaction material, impact assessment material, these kinds of tools coming out of the analytical learning from the study are being created for us in local programs, manuals, tools.

Additional studies are being conducted also with part of the committed money not yet expensed from '79 that appears on the tables here, which will produce for us during 1980

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things that both regional offices in their monitoring functions and technical assistance functions and local programs, so that they can manage better, will be able to use.

MS. RODHAM: Any other questions?

MR. ORTIQUE: I'd like to make one comment with reference to our commitment to Congress, I think I speak for the rest of the Board, we don't want to have to make another apology.

We have had to do that frequently. At one meeting we're told well, we look like we're on schedule and the next meeting we're told a month or two months behind schedule. This Board is embarrassed.

If there's a problem I would think that the President needs to be made aware if there's a problem, so our Chairman will know we're going to be embarrassed one more time.

Hopefully we won't, but I want to express that feeling on behalf of the Board. We don't like to be embarrassed.

MS. RODHAM: I certainly agree with that.

Any other questions or comments about--this is your last chance to take a shot at the '79 budget.

Mr. Engelberg, do you want to proceed?

MR. ENGELBERG: I'd like to now turn to the review of the fiscal year 1981 budget request and I'd like to ask

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if it's okay with the rest of the Board--

MR. MCCALPIN: Gerry, do I understand, do you want a motion to conform to the last adjustment of the '79 budget?

MR. SINGSEN: It's my impression that we have not routinely approved budget modifications during the year as a Board vote, but we have reported them and I think at the end of the year, I don't know what the past practice has been, perhaps it would be a good idea to accept the 1979 final report.

You have the numbers in fact, but you do not have the piece of paper formally styled final 1979. If we can bypass the title of the page, then I think it could be approved and probably would be desirable.

MR. BRADLEY: But the consequences, Mr. McCalpin, in terms of it's now for better or worse a fait accompli. We now have our final audit report information which we represent to Congress and OMB and the General Accounting Office that is an accurate reflection of the Board decisions and expenditures for fiscal year 1979.

MR. MCCALPIN: I merely thought I understood from the audit and appropriations committee the last time that in fact you amend the budget finally to conform to the expenditures and it seemed to me we were leaving the budget behind without having done that.

MR. BRADLEY: I don't think a formal motion is

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MR. BRADLEY: I don't think a formal motion is

necessary.

MR. SINGSEN: Because we are not subject to the controls that in fact led us to the practice of making the final quarter revisions in fact. A formal approval is not required.

MS. RODHAM: Let me ask, following up on some of Bill's earlier inquiries, are you going to be proposing that we do it differently next year, that there be a different procedure?

MR. SINGSEN: We are going to be internally managing more closely than quarterly reviews, and the presentation of a fourth quarter budget written to conform to expenditure patterns, and stating that we have not exceeded any line item authorizations, is not a practice I think we have to follow.

The final expense report shows the actual distribution of our expenditures and a comparison with say the third quarter operating budget shows overages based on our best planning ability through the third quarter.

We can look at the original budget and see how good our planning was and determine how we erred, if we did. To write it down as a formal matter is not necessary and I'm not sure it gives us anything that we'll be needing in operating.

MS. RODHAM: It might be useful to look at the

MS. NORMAN: It might be useful to look at the operating.

I'm not sure it gives us anything that we'll be needing in the future. To write it down as a formal matter is not necessary and our planning was and determine how we proceed, if we did.

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MR. SIMPSON: We are going to be internally required.

MS. NORMAN: Let me ask, following up on some of Simpson's questions, because we are not subject to the constraints that is due to the practice of making the final quarter revisions in fact. A formal approval is not necessary.

1981 projected budget if you could share with us any of the lessons you have learned about the planning process, and Bill's questions really are behind this, what is it about our planning process that created the needs for realigning expenditures or is there nothing that could be said of a general nature that might help us?

MR. SINGSEN: As a general matter, first let me say that in 1979, while we made a number of adjustments between budget categories, we did not make massive adjustments.

The kinds of shifts are the kind that come as a program learns more and changes its operating priorities during a year. So that I don't mean by my comment to suggest that we were doing something strange when we planned in 1979, it is my impression and I think it's shared by the senior staff generally, that particularly this year, having reduced our operating budget substantially below the level of our actual expenditures in 1979, so that we have no inflation cushion in the '80 budget.

We are running a very tight budget, that our budget management and control, both by cost centers around the Corporation, within each division and overall, needs to be tighter because we are in fact tighter this year, we do not have much flexibility in the 1980 budget.

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In terms of planning for 1981 what we have done in preparing this budget is a modified zero base approach to our expenditure expectations in 1981.

MR. MCCALPIN: One more question. We approve a budget at the beginning of a year. If during the course of the year it turns out that one of those line items is about to be overspent or is predictably going to be overspent, do you come back to the Board and ask for a formal budget revision with respect to that item?

MR. SINGSEN: We have not done so in the past. What we have done is present quarterly operating statements of the budget and amended the consolidated budget to the appropriations and audit committee, and those have been passed on to the Board.

And it has not been, perhaps there have been cases, but by and large the shifts have not been massive in size.

MR. MCCALPIN: What is it to the appropriations committee if it's not an amendment of the budget to cover a predicted overage?

MR. SINGSEN: What is brought to the Board as a report, if I understand how we've managed in the past, how staff has managed the budget, and made modifications during the year.

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MR. ENGELBERG: What happens, where they're reprogramming decisions all of those are approved, in the past have been approved by the committee and the Board itself.

MR. MCCALPIN: As an amendment to the budget?

MR. ENGELBERG: The point is there are no shifting of funds within the budget by the staff without ultimately the Board's approval. That's always been the case in the past.

I don't know whether we formally called it an amendment to the budget, but always approval.

MR. BRADLEY: In effect, Bill, in simple terms that's the primary reason we have the quarterly budget review with your committee.

MR. ENGELBERG: And I sit in on it and I don't think since I've been on the Board no money has been reprogrammed without not only the committee approval, but the Board's approval.

The committee obviously makes a recommendation.

MR. MCCALPIN: It amounts to a budget amendment.

MR. ORTIQUE: Maybe we ought to reconsider what Bill was suggesting in the first place, and that is that as we close out those various, what amounted to various amendments to the budget, we ought to formally put a statement in the record saying okay, that's put to bed.

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And as we do these things from now on, I think we ought to formally adopt a statement saying this reflects an amendment in the budget for purposes of someone, oversight committee or whoever, Congressional investigation, not being able to have the feeling that this Board didn't have control over what was going on, because you're right, we don't say this does now reflect an amendment to the budget, therefore we adopt a motion.

But it's true we go through the motions, Bill, but we probably do not have anything in the record that someone examining the record would know that this Board had absolute control.

MR. ENGELBERG: The kind of thing we don't vote on, things that are informational report items, but certainly we have always approved any shifting within the budget.

We do what you're saying, but not in a formal--

MR. BRADLEY: I think the Judge is right, I think we need to for the reasons you have stated. When we go through the quarterly review, Steve, those items where a decision is made to transfer funds, we'll state that and make sure that you are aware of it and the minutes of the committee meeting reflect that decision made by the committee and I think that it's responsible for us to do that and we will do it in the future.

MS. RODHAM: Any other questions on the 1979

MR. ROBINSON: Any other questions on the 1979 committee and I think that it's responsible for us to do that and we will do it in the future.

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MR. ENGELBERG: What I would like to do, we are now on the item review of the fiscal year 1981 budget request, let me report on what the committee did or didn't do.

At the November meeting we spent most of the time debating the allocation of one time funds during fiscal year 1980. At the end of the meeting a fairly lengthy discussion but not a great deal of debate, and the committee decided, particularly since there were a number of Board members there, to basically shift the entire decision-making process to this meeting with no formal votes or decisions made.

But I would like to propose that the President would like to make a very brief overview statement about the '81 budget request.

I would then like Gerry and Judy to then give a fairly detailed presentation of the staff recommendations and the reasons behind those recommendations and I would ask, if it's acceptable, that Board members try to simply ask informational questions and not debate it until they have had the opportunity to complete their presentation as a whole.

I think it might be more orderly to let them make the presentation and we'll hear from people in the audience,

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and obviously a debate I assume will ensue.

I do feel, particularly on the one time area, that in the heat of argument I don't think that, and again I take full responsibility, the staff really had a chance to make its own rationale.

We have to make the final decision, but the staff has put a lot of time and effort in this and in fairness I would like them to have a coherent presentation.

MR. BRADLEY: I will try to be brief, believe it or not. But I do think that it's important as we spend the next hour or two discussing the '81 budget request, that the Corporation will submit to Congress January 20, 1981, that you as a Board understand some of the discussions of the staff, some of the discussions that we had that led up to the kind of budget that we will now be presenting to you in some detail.

It's much easier in some instances to report to you what the budget request is not, rather than to try to explain to you in this context what it is.

Please keep in mind, and I think it's important for you to understand the historical chronology of the Legal Services Corporation. As you know, from year one we went from 71.5 million dollars to 300 million dollars appropriation, which we have now.

The major component of the budget request to Congress

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for the last three or four years, the major debate and major policy, the major program activity of the Corporation, even though there have been a lot of other activities, has been the completion of minimum access, and we all know what minimum access means in terms of the budget request and you know what it means in terms of the staff activity and what we have been doing.

We have now completed minimum access. The question that the staff addressed and that we addressed with our meetings, where do we go from here? And it's clear, and I think you need to think of this budget in that context, it's clear that we made the staff decision that this year as a transition year, we were not proposing to the Board, to Congress, to OMB, a major new initiative with new program goals, new program objectives, new ideas, the implementation of the result of all that we have learned as a result of the completion of minimum access.

The DSS study, the QUIP study, the next step process, the 1007-H, the national support study, we have not yet fully analyzed and thus built a budget that fully addressed all of those issues, and I think it's important that you need to think of this budget in the context that this is a transition budget.

And then the obvious question is if it's a transition budget, how do we go from 300 million dollars to 350 million

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And then the obvious question is if it's a transition budget, how do we go from 300 million dollars to 350 million

dollars?

That appears to be a fairly significant increase, and it certainly would raise in the minds of anyone following this discussion, a very bold new initiative on the part of Legal Services Corporation.

I think in our meetings, and we are meeting next week with OMB and explain to OMB, I think that what I'm going to attempt to represent to OMB is that this is basically a program in place with some refinements and addressing some particular critical needs that the staff will address in the next few minutes, but if you think about it in terms of just keeping current with inflation, the cost of living, you basically are talking about another 30 million dollars.

We have not prepared a budget that specifically implements everything that we have done vis-a-vis those studies we have talked about previously. What we have attempted to do is try to take some parts of those efforts on the part of the Corporation, the 1007-H study as an example, we have made a decision that we will ask Congress to consider giving us some additional resources next year to address some particular problems of the institutionalized and that budget item will be explained.

This budget reflects that we have also tried to go back and address some of the issues that we have not allocated sufficient resources to in the past. For instance,

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national support, state support, we do not view as a staff the request that's in this budget for national support and state support as a new initiative of the Corporation.

It is in fact an opportunity for us to try to bring our national support, our state support, our training and all of the other resources that the Corporation tries to provide to our local programs, this budget reflects an effort on the part of staff to try to match our national support effort with the 300 million dollar minimum access completion that, as I have indicated to you, is now completed.

There are a few other small parts of this budget, but we'll go into it. But I do think it's important for us to understand that this budget is nothing other than, and this is the representation that we will be making on the Hill on our budget request, in fact, when we appeared before the authorization committee and in continuing communication with the oversight committee, that we have not yet addressed the issue of the future funding formula, whether it's a special needs, whether it's maximum access, whether or not we're going to move now in this transition year to implement the results of the DSS study to address the issues that the Board and all of us will be concerned about.

This budget and this request does not represent those types of issues and I would ask you as we discuss this to

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please keep those kinds of decisions in mind.

Later this afternoon in my report I'm going to explain to you more fully why we have made some of those decisions, and what I'm recommending to this Board is that we proceed in the future vis-a-vis some of those issues.

If it's all right with you, Steve, Gerry and Judy both, the staff has spent considerable time and we made a conscious effort in this memorandum in the Board briefing book to try to explain to you all of the factors and considerations that went into the preparation of this budget.

Gerry?

MR. SINGSEN: I'll try to be relatively brief in going through the specific items. If you wish to refer to a table or set of numbers as I'm going through the items, they appear in Attachment B.

But I'd like to approach the budget proposal information that's on Page 40 for 1981 more on the level of what it is that we are hoping to accomplish with this money in the frame that Dan has already suggested and not talk in terms of this specific figure or that specific line, because I think it's harder to follow the shape of what we're talking about doing in 1981 if we put ourselves too much into numbers instead of into purposes and functions.

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53 million dollars to our current 300 million dollar base.

Of that amount, 27 million, just over half of the increase, is simply to maintain what we now have in place. Almost all of that money, 25 and a half million of it, is going to the field programs.

Not only the basic field programs, but also the national and state programs keeping those operations functioning.

We have calculated the inflation, the cost of maintenance adjustment at nine percent of the existing 1980 budget for those programs.

Now, there's a technical piece here which I want to speak to for a moment. We had requested in our 1980 budget request funds to put, I think it was, six percent cost of service into programs. We did not receive enough money to do that on an annualized basis from Congress, we were only able to give five percent to the programs in the field as an annualized amount, money that will appear in 1980 and reappear in 1981.

We have allocated an additional one percent of one time money to bring to six percent the amount of funds available to the field programs and we'll be discussing later we are proposing some additional one time money for the programs in 1980 so that they will be able to deal with inflation at least to a fair degree.

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The reason we are at nine percent in 1981 proposal, we feel that an eight percent inflation adjustment is an appropriate adjustment given all of the competing priorities. Over the 1980 base, that is the 1980 program dealing with inflation in 1981, we will need an eight percent adjustment in order to stay even, but we think that needs to be on the six percent base in 1980, that is the one percent one time which doesn't occur again in 1981 unless we add it on, needs to be added on.

So that with the nine percent that we're using for continuation or maintenance volumes is eight percent to deal with 1981 inflation and one percent to annualize what we were only able to do on a one time basis in 1980.

For the Corporation's activity, the direct expense portion of the budget, we will only program the eight percent for inflation. We have not budgeted this year in 1980 because the money is tight for this increase for inflation in the Corporation's direct expense budget, as I said, in the management and administration area we are running slightly behind the expense level of 1979.

In that area in what we're budgeting to spend in '80 we don't need to build in one percent, we're not functioning that way on a direct expense budget. We do need it in the field where that operating characteristic is different, so we are proposing eight percent for the direct expense

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portion.

That total, the eight percent for direct expense and the nine percent for the field, comes up to the 27 million dollars that I mentioned simply to continue the activity that we now have in place in 1980, and on Attachment B that's the second column, continuation and maintenance.

MR. SACKS: Where does the eight percent come from?

MR. SINGSEN: The eight percent is an attempt, and it can be only an attempt, to estimate a figure that will provide a reasonable capacity to deal with inflation in 1981.

It's a need figure. There's been a proposal that we go on a nine percent on personnel, 13 percent on non-personnel and field programs in calculating inflation. The actual inflation rate in the country projected on a basis of each monthly rate is running around 12 percent and it fluctuates from month to month as you all know.

There are projections that it will go during this coming year anywhere from eight to eighteen percent. We are always at this stage looking more than a year ahead, guessing about what it will take to deal with inflation.

When we made our proposal to Congress last year we were figuring that the President would be at a 5.5 level for the federal employee raises. As you know, he moved to

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That total, the eight percent for direct expense and

seven percent just a couple of months ago, which meant that our programs did not receive an inflation adjustment and we hadn't even requested an inflation adjustment.

We don't know what the President will request a year from now.

When I say it's a net figure, what I mean is certainly if we were to flat keep the programs exactly as they are and nobody left the programs, there was no turnover and all expense patterns stayed the same for the program, to maintain everything in the next year it would need more than nine percent.

The fact is, however, that we do have turnover and that as a result of turnover your actual costs of operation do not have to absorb a hundred percent of inflation.

You have a netting out effect by senior people departing and junior people being hired and the experience level of the program can remain the same because people are becoming more experienced as the years go by.

On the non-personnel side there is some ability to deal with inflation by cutting expenses, by becoming more productive. I think you have the article that I wrote a little while ago, there are a lot of possible ways, many of them already in use in the program.

There are programs that have been dealing with inflation problems for years, which have less flexibility.

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Where there may be more budget reducing, there are productivity types of steps that the program can take to maintain its activity.

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There is no method that we have developed that scientifically says nine percent is right and ten percent is wrong. The final factor is looking at our realistic possibility in Congress and in operating the program, and it is our judgment that the inflation adjustment proposed here, nine percent, eight plus one, is at a level that we can go to Congress and justify.

We will do a job good enough, given our budget reality, to keep the programs in place and we will not be so high that it cuts into our ability to carry out the other activities that we're proposing, almost all of which in fact mean money going to programs, but going in more targeted ways.

MR. SACKS: Do we know what the President will recommend for the rest of the budget?

MR. BRADLEY: If you can believe the Washington Star, there was a major story saying that it appears that OMB is going to propose a seven or eight percent pay raise for federal employees next year.

So I think that if he's projecting seven or eight, I wouldn't be surprised if it went out higher than that, but we are in the same ballpark.

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MR. SINGSEN: There is one other aspect of the OMB position, that all inflationary adjustments should be absorbed through productivity increases. But if your costs rise by eight percent, you should reduce your operating staff, facilities, et cetera to absorb that eight percent increase, but by becoming more productive maintain the same level of result.

The difficulty for our program, we're dealing with 15 percent or 20 percent of the needs of the folks who come to our programs, is that there is so much demand, so much need for service that programs have been trying and are going to continue to increase their productivity, but they need to put increases into more services and reductions in staff, in order to maintain hypothetical service levels are not an acceptable basis for us to approach the Congress that we need to maintain the facilities and the staff, and that this inflation adjustment is our attempt to do that within the reality of the budget we're going to present to Congress.

MR. BRADLEY: We're going to try to effectively explain to OMB and the appropriations committee the effect that stationary funding had during the period from 1970 to 1975, when our federal appropriation remained at 71.5 million, and we're beginning now to try to put together that factual presentation where they will understand that if we go into

preservation where they will understand that if we go into and we're beginning now to try to put together that factual 1973, when our Federal appropriation remained at $71.5 million, that statutory funding had during the period from 1970 to explain to OMB and the appropriations committee the effect

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MR. MINORE: There is one other aspect of the

that period again, it's going to affect the quality of service and the amount of service that we provide.

MR. SINGSEN: Let me move to the second group of increases that Dan has spoken to and are discussed in the presentation.

Those are activities where we are essentially completing plans that we have all discussed and made in the past. We are bringing into fruition items of great importance which have had to be delayed because of the top priority that we have and the Congress beginning with the completion of minimum access.

Here we're dealing with increase in the office of program support and training activities with the national support centers, state supports centers, with the final moves in the act of changing from the profit law reporter to the clearing house review centralized case service.

We're also talking here about a couple of activities which in the past have been highly productive but we have not been able to afford in 1979 and 1980.

Here I'm speaking about the fellows program in the research institute, the seminars, national seminars on issues that the research institute has in the past run, but has not been able to afford this year and the summer intern program, which we propose to fund in 1980.

And as you know, it is now proposed that we use some

As we know, it is now proposed that we use some savings, which we propose to fund in 1980.

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MR. GINSBURG: Let me move to the second group of

service and the amount of service that we provide.

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one time money so we can recommence that program in 1980.

We're dealing with a total of 11 million six hundred thousand dollars in the 53 million.

To go back to each specific item, the office of program support, our training vehicle, was in 1980 by our budget request to increase by even more than is proposed now. We didn't receive enough funds to do that.

Program support for training efforts that we conduct, management training, lawyer training, client training, and in 1982 we propose to develop materials used for secretarial training and develop community legal education tools which is a basic way we believe to directly interact with the staff providing that service, and support their efforts.

What is going on right now in the Corporation is an extensive planning process regarding the specific content of the training activities for 1980 and 1981. It is a process in which a great many field program representatives, people involved as trainees and trainers from around the field, experts from outside the Corporation, and Corporation staff are engaged together.

It is an attempt to draw together the learning of the last few years about training to emphasize and move further on the delivery of training locally as opposed to the delivery of training through large national training events.

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Those planning efforts will not be completed yet for I'll say several months, and more.

What they will produce I cannot tell you at this moment in terms of the specific emphasis of training, how basic lawyer skills or paralegal training for new paralegal advocates will balance against training on major complex substantive litigation or advanced advocacy skills, but those are the issues wrestled with in that planning effort.

The attempt here with this 3,900,000 dollars in new activity is to put in place a basic capacity for the future to train and support the very large staff that we now have around the country.

In each of the last couple of years we have added a great many lawyers, a great many paralegals, but we have not been able to increase our training capacity to address their needs.

One other thing I want to mention about the office of program support, we have talked frequently with OMB about productivity, I think it's important to note that even though the budget in the office of program support has been pretty static in this last year or two, there has been in fact a great increase in the productivity of the office by moving to the more locally delivered training events and

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developing other methods so that training is conducted with the least cost possible for the most benefit.

That's a trend, of course, that we expect to continue in the future.

For national support, we are proposing a two million five hundred thousand dollar increase in the national support effort, which goes back to the '60's to the efforts of what were then styled back-up centers and has had to stay relatively low in its total funding, while the field programs to which it responds and with which it works, has grown.

We're trying to follow up on what was discussed in 1007-H in the support planning process and put in place the capacity to provide national support, local programs to develop programs for national advocacy to do the job which only national support can truly address.

The state support effort has a different sort of genesis. It does come out of the planning process, but here you're dealing with 54 different jurisdictions in which we provide service, including--

MR. SACKS: Could I ask a question about expansion of existing national support efforts? On Page 17 of your textual presentation, in the third paragraph you say the funds will be used for two purposes, to permit expansion of existing national support efforts, what you just talked

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about.

I want to ask you a question. If I were to go into any one of these national support centers and ask for data on unmet requests for technical assistance from the field, the same way you go into a local program and see how big a backlog on divorce cases, what would I find?

MR. SINGSEN: I think what you would find are some pretty specific answers.

MR. SACKS: All I want to know is are the answers there?

MR. SINGSEN: Yes, they are. The programs maintain logs of incoming requests and responses to the requests.

There was an evaluation of all the national support centers conducted in here if you don't want the details, this planning regarding the activities of those centers, and I think the matter of record keeping, the matter of unmet demands, the areas of emphasis, the creation of issue access through the development of technical expertise, will be addressed during that presentation.

MR. SACKS: If I ask you for some examples of important requests that are not being met because you haven't got the staff to meet them, examples that I would understand and that would be important, have you got them?

MR. SINGSEN: Yes, I believe we do. The 1007-H study devoted considerable time to that question, areas of

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MR. SIMONSEN: Yes, I believe we do. The 1987-88

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support need which we were currently unable to meet in the special access needs and the special legal question areas that those study groups involved.

MR. SACKS: I'm not just talking about new things, one of your arguments is that you're not doing a job even on the existing kinds of legal questions and I'm asking you have you got specific, dramatic examples that you're ready to produce at a moment's notice?

MR. BRADLEY: If I may without specifically answering your question, we do have this afternoon, we reserved time at the end of the agenda, we're going to try, I know you're interested and other Board members have asked me those types of questions, and we have an agenda item with the persons who in effect participated in doing the evaluation we have just completed of our national support centers, and every question you have asked were questions we tried to address in that overview, and I think we'll have an opportunity this afternoon to tell you a lot more.

MR. SACKS: I'm not being skeptical about the--

MR. ENGELBERG: I read somewhere that apparently many of the national support centers have opened Washington-type offices. I'd like more information on that, but I'd like to know how the figures for '81, do they deal with the question of potential Washington policy oriented support in Washington, and I know that there's a big increase for

in Washington, and I know that there's a big increase for
the number of national Washington policy oriented support
type offices. I'd like more information on that, but I'd
like to know how the figures for '81, do they deal with the
special access needs and the special legal questions areas
that those study groups involved.

MR. SACKS: I'm not just talking about one thing,
one of your arguments is that you're not doing a job even
on the existing kinds of legal questions and I'm asking you
to produce at a moment's notice
MR. BRADLEY: It's way without specificity
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type offices. I'd like more information on that, but I'd
like to know how the figures for '81, do they deal with the
question of national Washington policy oriented support
in Washington, and I know that there's a big increase for

national support?

MS. RIGGS: The national support study completed a couple of years ago identified national policy representation as one critical component of national support. If 1981 money is going to be used to further implement the results of the study, then national policy representation will be an essential component of any support activity that's funded or at least so that we can't say you're going to spend "X" amount of dollars on national policy as opposed to something else.

But we are trying to do something, the need is there, we would want to see the whole range of activity around that.

Just one other quick point, when we had our extensive internal staff reviews of the budget, one of the things that we spent a substantial amount of time talking about is the need to be able to document to Congress exactly the kinds of things that you were suggesting and we are in the process of gathering the information that will let us present the justification in exactly that way.

MS. SHUMP: I have a question and I hope that perhaps this afternoon someone can answer it for me. And that question is in keeping with the state support centers and the national support centers and it's concerned with how we're going to go about insuring that the Boards

how we're going to go about insuring that the Senate and the national support centers and it's concerned with that question is in keeping with the state support centers representation as one critical component of national support. If 1993 money is going to be used to further implement the results of the study, then national policy representation will be an essential component of any support activity that's funded or at least so that we can't say you're going to spend "X" amount of dollars on national policy as opposed to something else.

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MR. SHARP: I have a question and I hope that perhaps this afternoon someone can answer it for me. And a couple of years ago identified national policy

MR. KING: The national support study completed

national support?

governing these support centers are in compliance and that there is sufficient participation at both levels.

MR. BRADLEY: I think that's a very important issue. If you don't mind, on this issue generally about national support and how it all fits together and what it means and how effective it is and what we should be doing, we do have about an hour set aside this afternoon for that type of close explanation and exchange with the Board.

MR. SINGSEN: I was speaking about the state support area and what's happening in state support I think we have just discussed before. It follows out of the planning process on support issues on all levels.

There are some states in the country that we already have funded for significant support efforts on the state level.

The Massachusetts Law Reform Program and the Western Center are two specific programs that have existed.

There are other states which you will remember three years ago took special needs funds and decided that their highest priority for the use of those funds was to create a state support effort, a coordination effort, perhaps a training effort, sometimes it was a state legislative advocate effort, in each state different depending on the specific needs most pressing.

But rather than use the money in the local programs,

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MR. BRADLEY: I think that's a very important

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the states concluded that the money could best be applied on a state level.

We had, I think, in the 1979 budget money moved into an annualized base so that those programs which had taken money from their basic $7 per poor person to fund that state support effort, would have back in their local area the $7, that was the discussion of back-up if you recall.

What is happening now around the country is that we allocated money last year for a planning effort in every jurisdiction that we fund, planning efforts involving all of the programs in that jurisdiction taking part with out assistance to determine the most important needs for state support in the jurisdiction, trying to decide among the many kinds of state support, the many ways of coordinating on the state level, what would be the most effective.

Those plans are now being completed and coming in.

The $4,725,000 suggested for 1982 is not at this moment a calculated figure off those plans because they aren't available yet to calculate. The 4,275 is an estimate of what it will take to provide a basic state support capacity in every state.

When we have the plans we will probably have difficult allocation problems to deal with, but there will probably be much more need in those plans than we are going to be able to address, which was mirror the situation in the

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programs which are getting these state support plans together, but it's our feeling that this four million will provide the basic state support capacity around the country.

At least a minimum state support effort going with the minimum access effort so that quality services, access to substantive expertise, coordinated training, coordinated litigation work around the state will be possible in every state, that's the purpose of this four million seven.

It's our hope that we'll be able to put in place that kind of a capacity which has been wanted for quite a long time in our programs around the country.

MR. SACKS: Isn't it also true this is a form of improvement in productivity?

What I'm thinking about, the legislature and state passes a new law, you don't have twelve different offices each doing research on the history of the law, interpreting and so forth, it's all done at the state support center and the results are sent out to the twelve offices so you free up a lot of time to provide direct services to clients.

MR. SINGSEN: I think we do it in other ways as well. Instead of having four lawyers on a particular problem in the state law, a particular problem in the administration of a state agency or, indeed, a particular problem with a private defendant, a landlord, the capability to coordinate means that the resources are used more

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MR. PACKER: Isn't it also true this is a form of improvement in productivity?

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MR. SINGSEN: I think we do it in other ways as

efficiently and less money is spent on dealing with the problem overall than will be spent if we don't function in a coordinated fashion.

Training is more effective when it's conducted in a manner that deals with all the programs that need the training rather than on a program by program with each separate local program developing a training, trying to develop somebody expert enough to do the training.

MR. SACKS: All I'm suggesting to you is that words like efficiency and economy and productivity and all the buzz words should be more liberally distributed through your presentation.

MR. MCCALPIN: Let me ask a question or two about 1982 base. I would gather that the first item you addressed, the continuation maintenance of 27 million will become a part of the 1982 base.

Now, looking at the area you are now and with particular reference to national and state support at the total of nine million two twenty five, do I understand that that will not become--

MR. SINGSEN: That will become part of base. That reference in the table is a parenthetical figure in column one.

MR. MCCALPIN: So that everything you're talking about, the total of eleven million six that you have

about, the level of eleven million six that you have
one.

MR. MCCALVIN: So that everybody you're talking
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MR. WINGREEN: That will become part of base. That will not become --

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1982 base. I would rather that the first item you addressed, your presentation.

MR. MCCALVIN: Let me ask a question or two about the base words should be more liberally discussed through words like efficiency and economy and productivity and all

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problem overall than will be spent if we don't function in efficiently and less money is spent on dealing with the

discussed so far, or that you are discussing now becomes a part of 1982 base?

MR. SINGSEN: Yes, in terms of the distinction between base and the consolidated operating budget. The major distinction is carryover balances being used and appropriated funds, and all of the continued maintenance and growth items here are being paid for with appropriated funds in 1982.

So they will all become part of the 1982 base, unless we decide to reallocate the funds available to us, move them among categories, but the 353 will be our 1982 base figure.

MS. RIGGS: There's an important distinction between the base for 1982 and the amount of that base that represents annualized commitment.

Your concern, if I can project to your next question, how much of this is going to be annualized?

MR. SINGSEN: The answer to that question I think is on the first page of this memorandum, that about 322 million of the 353 in the 1982 budget request, 323 million will be going out in an annualized fashion.

Several pieces of that--let me just rest with that statement.

The remainder is going out in ways which are more directly subject to alterations, would not be subject to

discussed so far, or that you are discussing now becomes a part of 1982 base?

MR. SIMONSEN: Yes, in terms of the distinction between base and the consolidated operating budget. The major distinction is carryover balances being used and appropriated funds, and all of the continued maintenance and growth items here are being paid for with appropriated funds in 1982.

So they will not become part of the 1982 base, unless we decide to reallocate the funds available to us, more than about categories, but the 783 will be our 1982 base figure.

MR. RUDGE: There's an important distinction between the base for 1982 and the amount of that base that represents annualized commitment.

Your concern, if I can project to your next question, how much of this is going to be annualized?

MR. SIMONSEN: The answer to that question I think is on the first page of this memorandum, that about 332 million of the 351 in the 1982 budget request, 283 million will be going out in an annualized fashion.

Several pieces of that--let me just rest with that statement.

The remainder is going out in ways which are more directly subject to alterations, would not be subject to

defunding hearings.

That's a total of about 30 million dollars in 1981 base. Current figures are 280 million and 20 million annualized and non-annualized, so we have a slight increase in the percentage total which are non-annualized.

MR. MCCALPIN: You're talking about adding 40 million dollars to the annualized base?

MR. SINGSEN: That's correct.

MS. RIGGS: There is always the possibility as well, we don't have to make a commitment at this point about how much of that actually becomes annualized. In the past we have, for example, some national support money, although it is annualized for our budget purposes, some of that money goes for one kind of purpose one year and can be turned around and used for another purpose in another year much as the special needs is.

While it's annualized in the total budget, there is flexibility about how it's spent.

MR. SINGSEN: Are there other questions on state support?

The remaining items, there's a small increase for clearing house which is discussed sufficiently in the basic memorandum having to do with completing the capacity of the clearing house.

The summer intern program and the two research

The summer intern program and the two research clerking house which is discussed sufficiently in the basic memorandum having to do with completing the capacity of the clerking house.

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MR. SINCLAIR: Are there other questions on state flexibility about how it's spent.

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MR. SINCLAIR: That's correct.

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MR. MCCARTHY: You're talking about adding 40

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That's a total of about 30 million dollars in 1981

de-funding hearings.

institute changes, the new activity or growth which do not represent really stepping out on a new initiative.

The summer intern program itself which we want to start in 1980 and a new round of research institute fellows looking into basic areas of profit law, developing the issues which our lawyers will be litigating in the years ahead, which we will be dealing with in our communities around the country in the next couple of years.

We did a round of research fellows, as you know, starting in 1977. That group of fellowship contracts is completed in 1980 and a new solicitation is what is being proposed with funding beginning in 1982 to develop issues, to work on the substance of our service work around the country through the research institute fellow program.

The seminars proposed on substantive issues bring together experts from around the country to explore in depth the areas of current importance and develop strategies for programs on those issues.

This package, 11,648 is a continuation package in the sense it's a filling out of plans made, activities we have done before. There are four items in this budget request which are stepping off in a somewhat new direction.

One of those, the first is the technical assistance increase of one million. What's proposed here is that the regional offices which are now in the process of making

regional offices which are new in the process of making increases of one million. What's proposed here is that the bulk of those, the first is the technical assistance which are stepping off in a somewhat new direction. done before. Three are four items in this budget request none it's a tilting out of plans made, activities we have for programs on those issues.

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We did a round of research fellows, as you know, ahead, which we will be dealing with in our committees issues which our lawyers will be litigating in the years looking into basic areas of profit law, developing the start in 1980 and a new round of research institute fellows institutional efforts which are new in the process of making increase, the new activity or growth which do not represent really stepping out on a new initiative.

The seminar internal program itself which we want to

their monitoring approach more flexible, more responsive to local conditions and putting their work efforts more into technically aiding programs, and become more productive and efficient in getting more product and more quality with the funds that they have.

We want to enhance the capacity of regional offices to give money to local programs for specific technical assistance purposes. For the person who can come in and do the study which will result in a better supervision system, for a better way of gathering information about housing problems, for a wide variety of specific needs that the regional office can identify working with local programs and then put money in that program.

The second increase that's proposed in this change in direction or this enhancement, is the money which is described as planning for the future. That may be a misnomer.

What we're essentially talking about is the implementation of a group of policy decisions which I anticipate will be made by the Board this year, policy decisions with implications for the next 20 years in legal services, questions about how we relate to the census, the result of the census that will come at the end of 1981, and our basic eligibility.

At that point if we're going to change it, look at the

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question of people unable to afford assistance instead of a straight profit line standard.

We're going to need to work and it's going to cost money.

The fact of the matter is, unless we happen to make a set of policy decisions which do not have any cost implications we're going to have trouble carrying out those decisions.

Another area you're familiar with is the possibility that we will move in one way or another closer to actual legal needs. We'll have to do some work if we decide to use the actual legal needs in either our presentations to Congress regarding the long term future of the Corporation and the delivery of legal services to the poor, or our funding approach itself, and there is not now the data nor the understanding that can be used to make our case or develop a new funding approach.

T.4 And in the funding approach area, once we decide the basic direction that we want to take, we'll have to invest time and energy and expertise in creating the tool, in making something that will work, testing it and getting it in place.

In essence, the 870,000 dollars proposed here is a reserve, it is the implementation tool for your decision-making and that's the purpose for which it stands in the

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budget at this time.

MR. SACKS: Does that mean, do I understand that you're going to go beyond drafting plans and strategies and actually be trying out things in Syracuse, New York?

MR. SINGSEN: It could easily be we'll have to do that if we go to a funding formula which uses varied models of service delivery rather than the $7 per poor person for everybody.

We'll have to go into the field and analyze the actual use of the tools that we're developing and how they will work as funding tools before we can reliably put them into the formula.

To say this is what it is now runs the risk of being far from the reality.

MR. SACKS: But it's still study money?

MR. SINGSEN: It is in the sense that if you decide that this is the way we should fund in the future, you will then say to us as staff, do it.

We will have the responsibility of doing it so that it works, and study money envisions to me a lot of data-gathering and a lot of hypotheticals.

MR. SACKS: Not a buzz word?

MR. SINGSEN: I don't perceive the kind of work we're talking about to be that, the thing I think might be the closest to an actual need study, we may decide as a

budget at this time.

MR. SACCO: Does that mean, do I understand that you're going to go beyond drafting plans and strategies and actually be trying out things in Syracuse, New York?

MR. SIMONSEN: It could easily be we'll have to do that if we go to a funding formula which uses varied models of service delivery rather than the 37 per person for everybody.

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MR. SACCO: Not a bad word?

MR. SIMONSEN: I don't perceive the kind of work we're talking about to be that, the thing I think might be the closest to an actual need study, we may decide as a

policy matter that we need to do even that.

However, what we would be doing is implementing a set of decisions made by this Board, not conducting a set of studies to decide whether we're interested in the area which is the way I think some studies have been perceived in the past.

The two remaining areas of new money have already been spoken to by Dan. The first is the institutionalized discussed at some length in the Board book. What we're doing here is starting putting money into the delivery of service to a population that we have not funded, a population which the adjunct to the 1007 study is demonstrating very strongly that we do not serve well and that has very difficult access problems.

We are looking for an approach in this area which is not formula-based, I think it's important to keep that in mind.

We're attempting to approach this area of service on the basis of what it will actually take to provide a minimum service around the country eventually starting with this nine million dollars.

There are a great many questions to be answered here. We have some experience in the area but it is a population which is in perhaps the most desperate condition of any population and yet we serve it in a very limited fashion at

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the moment.

Finally, the proposal to put $2,650,000 into technological improvement. The book spends considerable time on the specifics of this proposal and the committee had a discussion which a member of you were present recording how technological improvement relates to programs.

Let me say this, what we're talking about here is making it possible for programs to be efficient, to be effective, to have high quality service. It's an area which is somehow difficult to come to, but the reality of service delivery, particularly in multi-office programs, is that word processing, data processing, the ability to communicate between offices, to do substantive work between offices on a current time basis, and certain types of computer-assisted legal research, management for systems themselves, management tools, all make it possible to release money in the local program for direct service delivery.

MS. SHUMP: But aren't quite a few of our field programs already doing things in this area on their own?

Also, how do you see this benefitting people, say like the native Americans that live on reservations that have no electricity, have no telephone lines and yet they have a need that is so great and so desperate that we really need to find ways to enable them to get current information

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and current research on some of the projects that they're working on?

MR. SINGSEN: I frankly don't know the answer to your question to the degree that we have offices that do not have electricity or telephone lines.

I don't know how unless we're dealing perhaps, and I don't know the technology exists, some kind of radio transmission may be an answer to that question, but I don't know.

MS. RODHAM: Do we have any offices without electricity?

MR. SINGSEN: I don't know.

MS. SHUMP: Not the offices.

MS. RODHAM: I'm talking about offices. There are a lot of people without electricity, but we're only talking about what we would do for the offices.

MS. SHUMP: Telephone lines and electric power is not the greatest in the world, many times they have no power and these are our offices.

MS. RODHAM: That's a small percentage of what we're talking about.

MR. SINGSEN: The essence of this is a technical area or it can be discussed as a technical area. You have all received the GAO report which places upon us, I think, a clear mandate to deal with this area effectively.

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MR. ROBINAU: Do we have any offices without electricity?

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MR. ROBINAU: That's a small percentage of what we're talking about.

MR. SIMPSON: The essence of this is a technical area or it can be discussed as a technical area. You have all received the GAO report which places upon us, I think, a clear mandate to deal with this area effectively.

We have a number of programs which have made small steps, a couple of programs have made medium-sized steps in the utilization of technology and the quality of their services.

What we're looking for is the capacity to help all of our programs move ahead. Remember, I discussed before that eight percent question and the priority question, what is presented here is our judgment about a way that two million dollars can be used more effectively for greater increases in productivity and quality than simply putting the money out across the board.

The GAO looked at it, the federal government has recently adopted a massive change in this area. We have studies here if you would like to discuss them dealing with FAA experience with training tools through computer, we have the OMB analytical materials that led to their decision, a number of programs where they're using this type of technology.

Suffice it to say for now, given the detail that's gone into in the presentation, it is our judgment that this is an extremely useful allocation of a relatively small amount of money, we'll get more mileage from this investment.

MR. SACKS: Isn't it also true that we can't really leave this to go by default to the field, if we leave a vacuum they will continue to develop their own systems

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MR. JACKS: Isn't it also true that we can't really leave this to go by default to the field, if we leave a vacuum they will continue to develop their own systems

which may be too costly, which may not permit intercommunication between offices, that we'll really wind up with a very bad system throughout the country?

MR. SINGSEN: I'd like to say that differently, I think it's possible to cast that concept wrong. Programs are investing and I think they are in fact improving their efficiency and productivity.

I don't think they're making bad decisions for their own operations, but two things this money and our efforts will address.

There is quite possibly, certainly this is true it is a lot of investigation that a program has to do to find all of the options available to it in any particular area of technology and make a judgment.

By addressing a national technical assistance entity it will be possible to limit the amount of time a program spends making that investigation and provide them a broader range of knowledge about their choices and what will work.

Second, the interactive matter. No matter how good the local program, there are potentials for programs working together with this equipment relating to clearing house, relating to each other using expertise which can't work unless the equipment that's being purchased and the way it is programmed can interact, and there we're hoping to get ahead, to catch this issue now rather than two or three

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years from now without an ability to really do much about it, so we get the most out of these investments.

Not that they're useless, we can make them--

MR. ORTIQUE: We said we weren't going to go into these exchanges, I hope we don't use up too much time.

MR. SINGSEN: That is the last item, that completes the specifics.

MR. ENGELBERG: We are at the end of the presentation, you will have an opportunity.

MS. RODHAM: We'll take a ten minute break.

(Off the record.)

MS. RODHAM: We want to reconvene and open the floor for the Board's questions about the '81 budget, there are several Board members with questions.

So, Bill and Howard, do you want to proceed?

MR. MCCALPIN: Howard expressed the hope that he had not by his unkindly questions precluded my raising anything, I understand that he's now yielded me the balance of his time wo we won't expect to hear from him.

I suppose that the place to pick up is where we left off at the end of the audit and appropriations committee meeting three or four weeks ago.

I think that that includes not only the two million six for technological improvement, but the eight hundred seventy thousand dollars for planning for the future, and

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(Off the record.)

MS. ROBINAM: We want to reconvene and open the floor for the Board's questions about the '91 budget, there are several Board members with questions.

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I think that that includes not only the two million six for technological improvement, but the eight hundred seventy thousand dollars for planning for the future, and

some items which don't appear here, growth and new activity, but which do appear in Attachment A, I think 4A-2, a $200,000 item, some of the items in the DSS study, 4-B and possibly in 4-C3.

The problem that many of us had was that, laying aside the two million six for technological improvement for a moment, was that we were finding little pockets and sometimes larger pockets here and there which talking in terms of planning, and the problem was we didn't seem to be doing anything much with all the planning that had gone on before.

Now, this morning, of course, Gerry changed the words a little and when he was describing the $870,000, he was talking in terms of implementation rather than planning, and I don't know whether that takes the curse off of it or not.

I guess it really depends on what we're talking about doing with the $870,000, but we spend a lot of money on 1007, next steps and various other studies, and it just didn't seem to make much sense to spend more money to pile study on top of study when we weren't really coming to grips with the results of the studies that had been completed in the past.

We've got certainly well over a million dollars, probably approaching a million and a half dollars, if you take all the bits and pieces and add them together for more

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MR. BRADLEY: I think I need to speak to that issue. As you always point out when we discuss the issues at the appropriations committee, we're really talking about money that will be expended in 1982 a couple of years away.

MR. MCCALPIN: Fiscal '81.

MR. BRADLEY: But in terms of when and if we get the appropriation, Bill. I'm sorry that I didn't have a chance to fully explain this to you, I tried to reach you but you were on holiday.

MR. MCCALPIN: Which one of my two days of annual leave did you try to reach me? The only that I've had this year.

MR. BRADLEY: Seriously, we took to heart, we took seriously the comments that you and other members of the audit and appropriations committee made. In fact, if you recall there were about seven Board members at that meeting and I'm committed and in my President's report I'm going to try to address that issue.

Those six studies that you made reference to in your comment just now, I do not envision this money being set aside as we go into 1981 and 2, to do another 1007 study,

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MR. GRADLEY: I think I need to speak to that issue. As you always point out when we discuss the issues of the appropriations committee, we're really talking about money that will be expended in 1982 a couple of years away.

MR. MCCLURE: Except '81.

MR. GRADLEY: But in terms of when and if we get the appropriation, Bill. I'm sorry that I didn't have a chance to fully explain this to you, I tried to reach you but you were on holiday.

MR. MCCLURE: Which one of my two days of annual leave did you try to reach me? The only time I've had this year.

MR. MAGNEY: Seriously, we took to heart, we took seriously the comments that you and other members of the audit and appropriations committee made. In fact, if you recall there were about seven Board members at that meeting and I'm convinced and in my President's report I'm going to try to address that issue.

Those six studies that you made reference to in your comment just now, I do not envision this money being set aside as we go into 1981 and 2, to do another IPOV study,

I'm trying to frame now, and we'll talk about that this afternoon, but it's important for you to understand in this context it's my responsibility, your staff's responsibility, to try to define some of those issues, some of those policy decisions as we sometimes refer to it as what are the policy decisions of this Board.

And Gerry, I thought, tried to focus and he really wasn't trying to shift from disguising it as planning money in the context of that last audit committee meeting.

But, for instance, the '80 census is going to be before us, you may decide at the next Board meeting, that's the March Board meeting in 1980, after we define for you what the issues are, what the options are in terms of funding decisions, program decisions and policy decisions, and I'm not talking about studies, I'm not talking about one more of the ten that we have already done that we haven't fully implemented, but I do think that it is a responsible recommendation for the staff to make to this Board.

We're talking about a $350,000,000 budget and the future of Legal Services in 1980 forces us to reserve some small sum of money for plans, but, for instance, if you tell us at the March Board meeting that you want us to do a legal needs survey--

MR. MCCALPIN: I don't think I'm going to tell you that.

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We're talking about a $320,000,000 budget and the future of Legal Services in 1980 forces us to reserve some small sum of money for plans, but, for instance, if you call us at the March Board meeting that you want us to do a Legal Needs survey --

MR. MCCALPIN: I don't think I'm going to tell you that.

MR. BRADLEY: If we framed the issues in such a way that you make the decision, yes, that's what we want you to do, it seems to me that you, the Board, we, the community, we must have some small flexibility built into this $350,000,000 budget request to give you the flexibility to implement some of those decisions that we're going to be dealing with in the next few months.

MR. ENGELBERG: I agree with Dan on that point. As you know, I was probably the most cynical person about the one time planning money, basically we cannot present a budget with a general reserve, and I view this as a kind of planning reserve, and I think it's basically, we really don't know at this point, it's very, very early to tell whether we're going to have to spend additional money in '81 for this purpose.

I think it's clear, the sentiments of the Board as expressed at the committee meeting was very clear. As you summed it up, we want to be careful not to continue to kind of duplicate studies and not really assimilate what we've got.

But on the other hand, in this larger budget, to present this and to have a budget of this magnitude without any ability to, again I wouldn't agree to a legal needs study right now, but we may change our minds and if we're going to do it, we better have the budget to do it.

MR. MANDLEY: If we framed the issues in such a way that you made the decision, yes, that's what we want you to do. It seems to me that you, the board, we, the community, we must have some small flexibility built into this $750,000,000 budget request to give you the flexibility to implement some of those decisions that we're going to be dealing with in the next few months.

MR. HENDERSON: I agree with Dan on that point. As you know, I was probably the most cynical person about the use time planning money, basically we cannot present a budget with a general reserve, and I view this as a kind of planning reserve, and I think it's basically we really don't know on this point. It's very, very early to tell whether we're going to have to spend additional money in '81 for this purpose.

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I agree with your concern about it, but I think that I would favor, I'm concerned about how it's presented, I would favor setting aside some money for this purpose which I see as kind of a reserve.

MR. MCCALPIN: Let me say that one thing that mollifies it somewhat seems to me is, that at the moment we're not adopting an operating budget, we're a year away from that.

If I thought that we were at this point adopting a budget with these items in, which expressly or impliedly authorized going ahead and spending these sums for that kind of money, I'd be much more concerned than I am now.

I still have some concern about two things. One, the fact that we've got these things poked away in different places without bringing it all together, and two, the sum of money involved, and I totally agree that you have to have some kind of reserve to permit you to effectuate the decisions that you make more than a year in advance.

I guess what I'm more concerned about is the decisions than I am about the money.

MR. BRADLEY: I can assure you, you have assured us, Bill, because I've watched you now in three preparations committees, you're not going to permit us to do that, and we are not going to do that unless this Board makes the decision.

In addition, however, the support activity, an additional 17 million dollars, which is not given out in grants and contracts to field programs is, nevertheless, directly involved in the delivery of services to clients, that's training money, for example.

The training money is not used to represent clients, it is used to improve the representation of clients by programs, so that the total of about 340 million out of 352 is going directly to the services to clients.

We have then the additional six million dollars for the headquarters overhead costs, four million dollars which includes the regional office evaluation and monitoring activity, and two million and a little more, which is going into the areas we have been discussing, the delivery research, which is again really focused on programs and enhancing their skills, and the implementation of policy decisions and the gathering of information.

MR. BRADLEY: If I may, because the staff, we have been talking about this, I have recently had a brief conversation about it, we are attempting, we do not in the display and have not in the past in the display of the budget, the document and justification, we have not displayed a line item that says "X" number of dollars for cause, "client service," other than in the context of which Barry attempted to describe it.

We are attempting, if we can, and I've got figures that range from a low of a million dollars up to 9.6 million dollars, that's outside of the normal provision of services that may involve direct client action, participation in local boards, the decisions and so forth.

I think it's fair to represent, and this may not be an adequate representation, but I think it's fair to represent and it's not a misrepresentation for the staff to represent to the entire community that woven throughout this entire budget, for instance, there's a million dollar item in our budget for technical assistance for local programs.

That money, in fact, has been used and continues to be used for say, client involvement in the process, but we don't tell the local program that they must use that money for that purpose, and the OPS is a good example, the state planning process, the technical assistance, but we have not, other than for those grants that most of us are familiar with, the direct grants that we make to the national clients council for the training of local client boards, persons, other than that we haven't yet tried to pull it all together, and say we can represent to those concerned that "X" number of dollars be specifically spent for this purpose, and characterized as client participation in that context, other than the broader context which Gerry

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tried to describe because we have had the request from the Hill, we're trying to respond to a Congressional inquiry to identify and trace through our grantees how much money goes into something called client participation or involvement.

MS. WORTHY: I think that would be something very important for information. I also had another question. I think I'd like to go back to it, that's the money that's going to the state support centers.

MS. ESQUER: Before you go to your next question, I'd like to support Joe's question and your response that not only should we identify and display the funding to client groups and other client activities, I was impressed by the suggested budget items submitted by PAC, where they do call it client advocacy activity, but one concern that I have over the things we've been doing and the different budget items that you mentioned is that I do not think it's a very good policy to have client groups competing with local programs for the same funding like in the local training grants.

I think that sometimes we create an almost adversary situation when you have a client counsel competing with a local program for a very limited amount of funds, and I know that the budget is very tight and all of that, but I wish we could consider at some future time the possibility

well, we're trying to respond to a congressional inquiry to identify and issue through our grantees how much money goes into something called client participation or involvement.

MS. MORRIS: I think that would be something very important for information. I also had another question. I think it'd like to go back to it, that's the money that's going to the state support centers.

MS. HOGUE: Before you go to your next question, I'd like to support Joe's question and your response that our only mandate we identify and display the funding to client groups and other client activities. I was impressed by the suggested budget items submitted by NAC, where they do call it client advocacy activity, but our concern that I have over the things we've been doing and the different budget items that you mentioned is that I do not think it's a very good policy to have client groups competing with local programs for the same funding like in the local planning grants.

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of even designating how much of that will be available for client counsels to apply for, and how much for programs to account for.

MS. WORTHY: I have to agree with you, Cecilia, I've seen clients in programs spend so much time fighting over a small amount of money, I think if the amount were designated you would know what was out there, spend so much time fighting and not enough time being active in implementing their program.

T.5 I'm going back to Ramona's question that she asked concerning the state support centers and the money going out there, and I know that state support centers, their boards or whatever are made up from not clients, but whomever they wish to put there, and if we put money there how are we going to see that representation to that board is effective?

In other words, with clients?

MR. BRADLEY: I think that, Josephine, we will specifically address, when you're talking about state support, you understand that we make grants, the grantees of ours, these national support centers, and there have been legitimate questions asked and I think we'll attempt to answer them this afternoon about the client participation policy basis of the national support centers.

In terms of the state support centers, Gerry, do you

of even designating how much of that will be available for client councils to apply for, and how much for programs to account for.

Mr. MORTON: I have to agree with you, Councilman. I've seen citizens in programs spend so much time fighting over a small amount of money, I think it the amount were designated you would know what was out there, spend so much time fighting and not enough time being active in implementing their program.

I'm going back to Ramona's question that she asked concerning the state support centers and the money going out there, and I know that state support centers, which boards or whatever are made up from not citizens, but whoever they wish to put there, and if we put money there how are we going to see that representation to that board is effective?

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Mr. MADDUX: I think that, Josephine, we will specifically address, when you're talking about state support, you understand that we make grants, the grantees of ours, those national support centers, and there have been legitimate questions asked and I think we'll attempt to answer them this afternoon about the client participation policy levels of the national support centers.

In terms of the state support centers, Gerry, do you

want to try?

We're dealing basically with 54 different state configurations. Some of them are just the project directors that get together with $10,000 and say how can we better coordinate all of this, and the question is what type of structured board participation do we have in that type of state planning process?

I think that we're going to find that it varies greatly from state to state.

And in the concept of a board composed of 60 percent lawyers and one third eligible clients making policy decisions, it's not a formalized, in terms of our grants to the state planning process as it is for the normal local grantees, and the national support programs.

I understand what your concern is and maybe Gerry can speak to that issue or Clint can.

I was just trying to think and I hesitated, we have in some states a state support center, I mean it is designated as such. It is a grantee and it is funded for that purpose to provide state support and we can name them. In some states it's been in operation for ten years, five years, and it serves as a state grantee serving clients, but also working with our programs.

That is the exception rather than the rule.

I think that it's fair, unless Clint corrects me, that

I think that's fair, unless Clint corrects me, that that is the exception rather than the rule.

But also working with our programs.

Years, and it serves as a state planning advising clients. Some states it's been in operation for too years, five partners to provide state support and we can name them. In order states a state support center, I mean it is designated as such. It is a resource and it is funded for that purpose and the national support programs.

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And in the concept of a board composed of 60 persons from state to state.

I think that we're going to find that it varies greatly state planning process?

Is the participation do we have is that type of concerned board participation of all of this, and the question is what type of consultants. Some of them are just the project directors that get together with $10,000 and say how can we better coordinate with each other?

Before dealing personally with 54 different state

we don't have that many formal structured state support grantees.

What we in fact have in many instances is, especially in many of the southern programs, that all the programs get together and try to tax themselves and we make technical assistance money available to a loose federation of programs getting together trying to decide how they can do, administer advocacy, state training, state planning on a statewide basis.

And in some states it's formal and other states it's an early stage of discussion and development, and we're trying to encourage that.

Clint literally will have to speak to the issue whether or not through the regional office, usually by giving a grant to one of our local programs as a pass-through to cover the administrative costs, whether or not we have insisted that that kind of discussion and planning involve 60 percent lawyers and one third clients.

I think it's fair for me to tell you that we haven't done that to a great extent.

MR. SINGSEN: There are two parts to this answer. Basically you have described the situation correctly. Whenever a grant has been made so far for state support, it has been to a separate program in which there is the standard requirement that the board include the one third

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clients.

There have been state support grants made, the back-out situation, where the grant has gone through one program where that program's board is required again to have the one third client participation.

In some of those circumstances in the past I think it's correct to say that the actual management of the state support money has been done by representatives of the programs around the state, each of whom has a board with one third client participation, but there has not been a direct board managing the money in which there is the one third requirement of participation.

In the state support planning process now going on, each of the states has been required as part of the planning process to address the issue of client participation in their planning and attempt to deal with state support.

In the future when we are making grants, the money proposed here, we'll be able to address the issue of client participation and insure that appropriate compliance with our Act is taking place.

Of course, clients are involved in many of the states now in the planning process. We probably could not represent to you accurately, but it does happen in every state.

MR. ORTIQUE: Just for informational purposes,

SEN. SCHLOSS: Just for informational purposes, [illegible] to you accurately, but it does happen in every one in the planning process. We probably could not [illegible] and ensure that appropriate compliance with our Act is taking place.

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There have been state support groups made, the boards [illegible] where the grant has gone through one program

is it correct that we still have a number of boards that are out of compliance with our regulations?

And since we're talking about budget, do we indicate to them that we are not satisfied with the progress you're making and, therefore, we are not going to show our pleasure at what you're doing by listening to any increases, something to that effect?

MR. TRUDELL: Why don't we hold off and bring that item back? At the last committee meeting we did discuss that, that was one of the agenda items.

MR. ORTIQUE: I'm sorry, I wasn't present there.

MS. RODHAM: Any other questions or comments from Board members?

MR. MCCALPIN: I was going to get into the 2.6 million. The technological improvement which was also an item as to which there was very substantial discussion at the audit and appropriations committee meeting three or four weeks ago.

I guess my concern is that I got so many comments and problems with this item that I'm worried that the very number of them will raise some question about the validity of each one.

It seems to me that there are a number of problems, let me touch on lightly and come to a couple of conclusions. Word processing. We are familiar with that and I don't

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MR. TRUDELL: Why don't we hold off and bring this item back? At the last committee meeting we did discuss that, that was one of the agenda items.

MR. ORTTUNG: I'm sorry, I wasn't present there.

MR. ROBINSON: Any other questions or comments from board members?

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is it correct that we will have a number of boards that are out of compliance with our regulations?

And since we're talking about budget, do we indicate to them that we are not satisfied with the progress you're making and, therefore, we are not going to show our pleasure

think within the individual programs that there can be a lot of question about the utility of MTST, and similar types of word processing arrangements.

However, in this and in other instances what I am worried about is the sneaking up of capital costs that are going to be involved as we move into it, particularly true of data processing.

An appropriate small computer can be programmed begins that sentence, and over at the back end of this we talk about a million three, which I guess is for hardware and a hundred programs which talks about a hundred and thirty thousand dollars, and a hundred and thirty thousand dollars doesn't buy you very much hardware in this day and age.

MR. SINGSEN: I think if you take it down there are a hundred and thirteen thousand for program--

MR. MCCALPIN: If you divide a million three by a hundred thousand, don't you get a hundred and thirty thousand dollars?

MR. SINGSEN: I think you get thirteen thousand dollars.

MR. MCCALPIN: Obviously you're not talking hardware, I don't think you can buy any hardware for a hundred thousand dollars a program. It might be a beginning hardware number it seems to me.

If you're talking in terms of what law offices spend

If you're talking in terms of, what, law officer speed
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MR. MCCARTHY: Obviously you're not talking
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thousand dollars a program. It might be a beginning hard-
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MR. SIMONSEN: I think you get fifteen thousand
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for hardware, I can tell you about a 50-man law office that began to spend a hundred thousand dollars and wound up with $250,000.

MR. SINGSEN: This is obviously an area with a lot of complexity and a lot of technical questions. For example, the question of cost of the kind of hardware we're talking about, I think we're talking about terminals with micro-processors accessible to the terminals, one micro-processor for a multi-office program, and terminals distributed in offices.

Let me say the problem that I'm perceiving, Andy Lewis (phonetic) is here and I don't know where the materials are, there's a lot of technical background to what we're proposing here.

There are answers to every one of the questions that you may raise in terms of specific applications in our programs, specific applications that we know something about in our programs that have some needs, and we could do a couple of different things, we could present perhaps a basic technical discussion of this area, the word processing, the computer-assisted legal research management systems, et cetera.

We could set aside some time another time to go into this in much more detail and explore it, and provide you obviously with the material, either voluminous or digested,

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which is behind this kind of statement.

We have plenty of program experience with some of these applications, data to some degree is an easy one of the distributed terminals, and summary research is something we're looking at in one of our QUIP grantees, and we're thinking about applying to HEW to try a couple more with non-Corporation funds.

But I'm not clear what the best way is to grope with what is, when you ask the questions that I think you want to ask, a relatively technical set of answers.

MR. ORTIQUE: Let me suggest one thing, Bill, and that is, number one, the experience of private practitioners is that as you bite off a piece of this the bite gets bigger and bigger, and you find out that you can't, you got a piece of small equipment that some operator has sold you that allegedly will serve your needs and then within six months you find out that you can't use that simple piece of equipment, because you need this other piece that costs twice as much.

Now, my point is that you have named a couple of governmental agencies and governmental agencies have deep pockets. But what are you doing to talk to law firms, private firms as to what their experiences have been, because if we're talking about a five, six million dollar staffed attorney operation, we're going to start spending money in

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hardware.

As a matter of fact, the competition on the private side is not spending or can't spend that kind of money, these clients are going to scream and I don't blame them because we're not going to be able to render service.

I went to one office and they had one of these Lanier (phonetic) machines, you make all the corrections in there and jump it up and down. They couldn't use that piece of equipment, it was sold to them but they had really no special use.

The old mimeograph machine would do what they needed to have done. All I'm thinking about is--these people can sell you anything.

MR. MCCALPIN: Gerry, let me address your question. I could pile lots on top of what he said in terms of not only the capital cost, but the operating costs. The thing that bothers me is we're putting a 2.6 million dollar toe into what might be a hundred fifty million dollar pool.

I agree with you that it would be, I think, not useful for us to get into a highly technical discussion about particular applications of particular systems at this point, or indeed what the competition does, because in many respects it's not all bad.

What this would do is put the legal services programs way ahead of the competition because not many law offices

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But it seems to me I'd rather focus on what I consider to be the broader financial policy implications of the thing, of where is the 2.6 million dollars going to take us, and I'm worried that it's going to take us many, many more dollars down the road as we get into this.

We're not really talking about 2.6 million dollars, we're talking about many times that in terms of the capital cost and the operating cost to the programs and the serious budgetary and financial implications that it has for the future.

I know about the GAO program, you and I talked about it last night. I personally don't think a lot of the GAO report, I think that they're comparing apples and oranges in some respects and I'm very much worried that we are going to create some expectations in the field by starting into this without the field understanding the terrible price tag that's attached.

MR. BRADLEY: I think it's very, very important for all of us to understand that you'd be amazed, absolutely be amazed at what's going on in the field right now in terms of the massive expenditures that programs are making, some wisely, some not wisely.

I have a request on my desk now for a program for

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$4000 in technical assistance.

They have made the decision to try to go forward duplicating what some of the other programs have done. And I'm as uninformed and as ignorant of this whole area as anyone in this room, but I have been to Baltimore, Maryland and I've seen what they're doing and I've been to many other programs.

We are now funding this activity today through our QUIP grantees. When those program directors, for which we have funded the QUIP technological improvement experiments, when they heard this was being discussed, they said please let us come and in real terms tell the Board that this is the most fantastic thing we have ever done in terms of productivity, whatever that means.

It's the small amount of money that they have put into something that we're referring to, the technological improvements.

I'm not sophisticated enough in the terms which Gerry is talking about, but I think it's a response and I daresay there are 20 or 30 project directors and many of those persons are already doing what we're talking about doing, and what this is, is a chance for us to make sure they don't make the foolish mistakes that the Judge is concerned about.

We just bought a fancy computer last year and we are

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We just bought a fancy computer last year and we are

now asking ourselves, did we get the right computer? Does it serve all of our needs?

And we had this debate in the staff meeting because the computer we bought, we are the managers of this entire legal services movement, the computer that we bought does not meet the needs of all of the divisions of the Corporation, it has limitations.

If we had spent another $10,000 maybe all of the grantee checks, all of the travel vouchers, everything could be put on this computer, but we didn't do that kind of planning or analysis that hopefully this one would give us the capability of doing.

MR. ENGELBERG: Again at the committee meeting in the context of one time money, I had problems with the scaled down version of the request because I didn't think the rationale was there.

On this request which is obviously, as you say, it's not at this time an operating budget, I think first of all the rationale is good. I think it's very important, and I say with all respect, it is dangerous for this Board to try to, based on anecdotal or our own experiences, to try to make this kind of detailed judgment.

This is obviously an area we have to make a really broad policy judgment about, do we want to invest in this kind of technological improvement?

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The evidence is clear from the little experience we have all had, and I assume most local programs would agree, you can't deny the importance of word processing and things like that.

I for one think it's impossible for this Board to sit down and really make the kind of detailed judgment about every aspect of this request. This is an area where we have got to rely on our staff and then make the judgment, do we want to invest the money.

I think we've got to invest the money in it. There's so much here, the potential is enormous.

One final point, I have a small law firm and I went through a decision buying a fairly sophisticated word processor and it was almost impossible to make the decision. If there would have been a service, a consortium of small law firms with our kind of practice, this is the kind of equipment you should get, it would have been helpful.

And as I understand that's one of the things that the Corporation is going to try to do, develop that kind of technical assistance, tell these managers what's good for them and what's not. I think the will is there.

MR. KANTOR: I guess I was one of the more skeptical at the committee meeting in Washington. I think two key words, I agree with you we have to be careful in this area because, as you say, sticking your toe in that

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MR. RAMOS: I guess I was one of the more skeptical at the committee meeting in Washington. I think too lazy words, I agree with you we have to be careful in this area because, as you say, sticking your toe in that

huge lake.

On the other hand, as I read the backup material that goes along with the proposed budget request, the two key words are "survey" and "explore," and to the extent that's what we're talking about, which is important, which Steve says has great implications for the future, which we are already in and I think of enormous importance, the staff may come back and tell us there are certain ways we can go and certain ways we can't go.

They may tell us we shouldn't be going at all, but I think it's well worth the investment since we are already there and since all of us are there in private practice to try and determine in surveying and exploring what the options are.

I think what Bill is saying and what Revius is saying, my goodness, let's not go beyond that, 2.6 million isn't going to get us there anyway, and number two, let's make sure we have a good rope around our waist.

MR. SACKS: Why don't we try what you tried at the last committee meeting? You had a display that apparently people don't know about it in advance, set aside a few hours at the next committee meeting, maybe we could be better educated.

MR. ENGELBERG: I just think it's a real mistake for this Board, you're talking about really getting into an

long time.

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MR. DAVIS: Why don't we try when you ruled at the last committee meeting? You had a display that apparently people don't know about it in advance, set aside a few hours at the next committee meeting, maybe we could do better educated.

DR. MACMILLAN: I just think it's a real mistake for this board, you're talking about really getting into an

area where no display is going to make any of us experts. I think to act as if somehow having a display is going to help us say 2.6 is the right figure, it's not going to happen.

This is an area where we've got to make a broad kind of policy judgment and depend on the staff not to screw it up, and if they do we have got to take the consequences.

MS. ESQUER: I think I agree, if we're talking about a survey that I really support the actions that the staff is recommending. When I look at the budget I do see at least a million some for actual equipment expenditures. If in fact there already is some equipment out in the field, it seems that the staff would be able to get into it from those programs and put that information together as a first thing.

The thing that kind of convinces me to really go a little bit slower than the staff recommendation in regard to actually helping programs purchase equipment, is that I look again at the recommendations and their recommendation is to trim the staff recommendation by 23 million dollars, and I think that these are people that are out with the projects in the local programs and I would like to see them a little bit closer with the staff.

If we're going to really start with that, I think that I would like to go a little bit slower and really go with

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caution with actual equipment purchases out of our budget.

If we can provide the technical assistance, getting people together and bringing in people to assist local programs, that might be more logical as a beginning.

MR. TRUDELL: I would agree with Cecilia. First of all it would be helpful if we had information in terms of which programs have invested money in equipment and if we find that it excludes a lot of smaller programs, then the bigger programs, because of the size of staff and budget, are going to be in the driver's seat and get the bulk of the monies spent in this area.

And I have some reservations about the small, isolated programs, how can they plug in, how can they benefit from it?

If it's a limited number of programs and primarily heavily populated, that's a consideration. I guess if the program chooses to spend the money the way it chooses to, I don't know, I just think we should slow down a little bit.

If the staff could provide us, through the regional director, who has really taken a step forward, if it is Evergreen, that kind of information would be helpful to us, if there are some smaller programs benefitting or there are not, and if there are a small percentage of the overall programs benefitting--

MR. BRADLEY: What we're hoping, and again I really want to make this point, we plan here again, maybe I shouldn't say that, but we're talking about a budget. If it's approved, it foresees giving us 153 million dollars, 12 months, 20 months before you, the board, makes an operating budget decision, what we're attempting to do is exactly what you have just requested.

We're trying to put together all of the information that we can possibly draw together. As a result of the GDIP demonstration grant we expect to make a report to the full board.

We hope to have an earlier report on what we have learned if anything from some of our investments in the GDIP grants, and a substantial part of that, of course, is exactly what we're now talking about.

I cannot imagine, if we were fortunate enough to get this full appropriation, what we have committed ourselves to do anything. And what we are in fact, the reason that we are not asking you to go back and revisit this issue in terms of the one time money, we were going to concentrate now on picking the information that you have just talked about, but we are also going to be able to report to the revisions committee and the audit committee, in fact what we have learned as a result of the GDIP investment.

And I really think that all of you at this table will

be presently shocked and surprised that some of our programs are making very, very effective use of the small amount of money in this highly complex technical area.

I share your concerns, Cecilia, and I say this almost tongue in cheek, if we get our final appropriation and next year when you as a member of the committee must decide how to develop an operating budget, and you start dealing with these conflicting requests, you are going to have before you at that time all of the knowledge and benefit of our investment in this area where you can decide whether to put any more into it, and you may conclude that it's not worth the commitment.

I understand, and PAG can speak to it because we have spent a lot of time with the funding criteria committee talking about this area.

Now, they can speak for themselves, but I think it's fair to represent in terms of the concept, benefit and productivity and efficiency, the concept, the amount of money because of conflicting and competing priorities as opposed to one percent across the board for salary.

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As opposed to this, those are decisions, tough, hard decisions that we have to make in terms of making the recommendation to this Board of what amount to less than one percent or .6 percent of the total budget request, which is a fairly negligible amount.

except I look at the dollar figure and I think of some of the smaller programs and I think of maybe some programs because of the size or nature of their work they're going to receive preferential treatment.

But like I say, I'm not for or against, but I would like to see more information because I think the grantees investing money in this area, probably it would be helpful to find out what they feel some of the obstacles or the problems they have had with it, so it's kind of a balanced report.

MS. SHUMP: I'd like to see the dollar figures that they have spend on their equipment maintenance and training.

MR. TRUDELL: I don't think we're asking for a comprehensive survey of every program that's using it, if you were to select a limited number of programs that are using it to give us a profile of those programs.

MS. ROBINS: Wasn't some of that information in Andy's first long report that apparently not very many people waded through?

There was a substantial amount of information like that as to why they needed that much money.

Bob Kunak, who could not be with us today, asked me specifically to voice his support for this particular part of the proposed budget. He thinks it's in many ways

MADAME CHAIRMAN: Are there any further comments from the Members of the Board about the proposed 1981 budget? Before we take any action, I thought it would be appropriate that any comments from the public, I know there is at least one person prepared to make some statements on the budget, so the Board doesn't have any questions for now?

I would invite any members of the public who wish to address the Board on the subject of the 1981 budget to raise your hand and be recognized. Please introduce yourself prior to your presentation and if you represent any groups, please state so so that our reporter is able to put them in the record. **Mr. Morrison.**

MR. MORRISON: My name is Bruce Morrison from the New Haven Legal Assistance Corporation and I am representing the Project Advisory Group and the Funding Criteria Committee of the Funding Advisory Group. Let me start by saying that on the whole and in general, PAG strongly supports the 1981 Budget Request as has been put together by the corporation staff and that we are particularly pleased with the amount of input that field people have had in the process of putting it together. We continue to be disappointed with the sum total that was requested, the $353 million dollars. I am not going to go into great length about that. I tried my best to get you to go higher at your

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I would invite any members of the public who wish to address the Board on the subject of the 1981 budget to raise your hand and be recognized. Please introduce yourself!

Please to your presentation and if you represent any group, please state so so that our reporter is able to put them in the record. **Mr. Morrison.**

MR. MORRISON: My name is Bruce Morrison from the New Haven Legal Assistance Corporation and I am representing the Project Advisory Group and the Housing Authority Committee of the Housing Advisory Group. Let me start by saying that on the whole and in general, I've actually supported the 1981 budget as has been put together by the corporation staff and that we are particularly pleased with the amount of input that Field people have had in the preparation of it, including it September. We continue to be disappointed with the amount of funds that were requested, the 3.5% million dollars. I am not going to do into great length about that. I tried my best to get you to do it later at your

one of the most important things the Corporation can do.

If we don't do it now, we will never have the capability of advising our grantees and advising other contract people that serve clients as to how they can best keep up with whatever is happening in the area, and specifically asked me to voice his support for it and say he thinks it's very important.

Are we going to be able to reach a resolution on the budget?

MR. ENGELBERG: I don't know whether there's any further discussion. I know there were people that want to speak in the audience.

MS. RODHAM: We're going to break for lunch now, so we will resume with the discussion of the '81 budget following lunch.

We'll be back here at 1:30.

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If we don't do it now, we will never have the capability of adopting our products and obtaining other contracts people that serve clients as to how they can best keep up with whatever is happening in the area, and specifically asked me to voice his support for it and may be thinks it's very important.

Are we going to be able to reach a resolution on the budget?

MR. CHRISTENSEN: I don't know whether there's any further discussion. I know there were people that want to speak in the audience.

MR. HOBLIN: We're going to break for lunch now, so we will resume with the discussion of the '93 budget following lunch.

We'll be back here at 1:30.

last meeting. I think it was a mistake. We will continue to advocate our $403 million dollar budget to the Congress as the inflation reports keep coming in and as the needs keep getting expressed. I think it becomes more and more that the $353 million is not enough and I would hope that the Board while having to make the kind of compromise in what it asks for keeps in mind that every penny of that $353 million dollars is needed. It is not a request that we can be comfortable with if we only get half of it even if it is going to be hard.

In talking about the 1981 Request, I also want to particularly commend the staff on the control of the directive expense items within the budget in past years. Field people have been here having to complain about the growth of the Washington budget at the expense of the field and that is not the case in this year's budget request and that should be appreciate both by us and by the Board.

I would like to get to the specific items which we think ought to be different and there are two items which we think should be in the budget that are not in the budget and in order to pay for them within the $353 million dollar limit, we have some suggestions about some reductions.

First, we have been advocating with the staff and in our last presentation to the Board and in our presentation to the Appropriations Audit Committee, a somewhat different

to the Appropriations Audit Committee, a numerical difference
one just reconciliation to the board and in our presentation
this, we have some suggestions about some reductions.
and in course to pay for them within the $383 million dollar
We think should be in the budget that are not in the budget
as the inflation zapper keep coming in one or the roads
keep getting expressed. I think it becomes more and more
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In addition about the 383 request, I also want to
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First, we have been working with the staff and in
one last presentation to the board and in our presentation
to the Appropriations Audit Committee, a numerical difference

approach, the inflation adjustment for field programs. The impact of the change that I am about to talk about is about $2.7 million dollars, take or leave a small amount of money, but that I think is close enough for what we are going to discuss. And the proposal that we have made and continue to make is that we propose a differential inflationary adjustment between the personnel costs of field programs and the non-personnel costs. We support the 8% limit on salary increases which becomes 9% because of the pick-up of the 1% from 1980. I think Gary explained that earlier. We support that not becuase 8% increases are enough to keep pace with inflation for our staff who are already not paid comparable salaries but because of the politicial reality that we as a public funded agency cannot ask for salary increases that are not comparable to the kinds of salary increases that are going to be given in the public sector generally, at least, to federal government employees. So, we accept that as a reality.

We do not accept that that reality must be extended to non-personnel costs. Our programs are faced with the inflation in those costs imposed from without. We do not have the liberty of paying less for rent than the going rate, paying less for oil, paying less for all of these things that are exploding in costs. We have used 13% which is an inflation rate that has been going on for at least part of

this year and it is a reasonable projection of the inflation rate we will face over 1980 as the factor to be applied to the non-personnel portion of the field budget in order to come out with an inflation increase.

Now, there have been some things said about why in doing this is a bad thing and I would like to address those briefly. The first is that in some way, this differential percentage would indicate an unwillingness to deal with inflationary costs by increased productivity. The kinds of offices that legal services programs in general have available to them. The kinds of expenses that we are talking about here for telephone and paper and things of that sort, postage, these are not the kinds of things on which dramatic savings can be realized. I don't think we should attempt to tell Congress that somehow we are going to be able to economize when programs are already very much strapped in this area and as a general matter, at very low overhead as compared to the amount that is spent on personnel. So, I don't think that is the answer. I think we have answers in productivity; in other areas, I think some of those other areas in talking about the impact of state support, national support, things of that kinds, that will get more bang for the buck if they are funded. Gary talked a little bit about how we -- that the 8% figure was kind of an average because we had turnover and turnover

kind of an average borrows as bad turnover and turnover
pulled a little bit about how we -- that the 85 figure was
we'll get more bang for the buck if they are funded. Many
smaller suppose, we learned anyway, things at that level. Most
are not close close -- began in building about the impact of
we have answers in productivity in other areas, I think
the -- Dr. I don't think that is the answer. I think
how possible we compared to the amount that is spent on
it. For I don't think that is the answer. I think
attempted in this area and as a general matter, at very
able to economize when programs are already very much
change in 1973 Congress that somehow we are going to be
permanent revenue cuts be sustained. I guess that we should
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it. For I don't think that is the answer. I think
we have answers in productivity in other areas. I think
there are three other ways in tackling about the impact of
unemployment, additional support, things of that kind. That
would be more bang for the buck if they are funded. Many
pulled a little bit about how we -- that the 85 figure was
kind of an average borrows as bad turnover and turnover

saves money. I would hope that we wouldn't pursue that kind of approach. What that says is that when an experienced attorney leaves my program I should go out and hire an inexperienced attorney to replace that experienced attorney in order to realize some costs saving. And this is a perrenial problem in legal services. The loss of experienced people and the replacing by inexperienced people which in and of itself promotes turnover and interferes with quality. So that while we are going to have turnover, only giving 8% salary increase and not paying comparable salaries, we are not to take the next step and say that a good reason to hold down the inflationary increase with respect to the non-personnel items.

The non-personnel items are uncontrollable for the programs and since they are uncontrollable we should recognize that they are going to have to be paid and if our policy is, which I think it has become, an attempt to maintain what we have built over the last 4 years, building toward minimum access, we ought to say part of maintaining it is paying the actual costs of inflation in the non-personnel areas.

Now, there is some suggestion that the implementation of this maybe somewhat difficult because not all programs have the same non-personnel percentage of their budget. I think that the figure that we have used, the 75%-25% is

I hope that the figure that we have used, the 75%–25% in favor the same non-personnel percentage of their budget, will have not just difficult because not only pressures of this nature, *but the implementation*, I think it's more conducive to the personnel areas.

It is makes the natural result of inflation in the non-personnel areas, we ought to say that of maintaining some value we have built over the last 4 years, building policy is, which I think it has become, to attempt to maintain those that are going to have to be paid, and if our resources and since they are uncontrollable, we should reconsider the inflationary increase with respect to the non-personnel items.

The non-personnel items are uncontrollable for the most part, and we are not in fact the most that may the [illegible] local revenue and not pyramid construction costs," we to that while we are doing is pass increases, only dividend or [illegible] promotion increase and inflation with quality," people and the nonlasting in unexperienced people which in government [illegible] in local services. The loss of experienced in order to maintain some costs saving. And this is a inexperienced citizenry to rely on that experienced citizenry leaves by passing I should do on, and like to [illegible] of approach. What that area is that when an experienced leaves going. I would hope that we wouldn't assume that kind

typical for the field programs. There may be certain classes of programs which are somewhat higher or somewhat lower with respect to percentage of the non-personnel items. I don't think that those things are so disparate that they cannot be dealt with in a funding distribution formula when the time comes or when we have got this money. I think that the 75-25 approximation is certainly sufficient to construct a request to Congress.

So for all of those reasons I would urge you to add to the costs of maintenance for field programs, $2.75 million dollars to cover this 9 and 13 percent approach to the inflationary increase.

Now, the second item that we would urge be added to the budget is an explicit one million dollars per client advocacy activities. There was discussion earlier where Jo Worthy asked about where that was in the budget and to what extent and one of the answers is that there is client advocacy and client involvement activities funded in a number of alliance throughout the budget but what there isn't is any kind of a focus effort by the Corporation to promote the things like: pro se advocacy training; things like alternative dispute settlement mechanisms in an involvement of our programs and clients and those kinds of things. There are some very important advocacy approaches that we tend to ignore because we are professionally oriented

that we tend to ignore because we are professionally oriented
to see. There are many important advocacy opportunities
involvement of our programs and clientele and those ends of
like alternative dispute settlement mechanisms in an
promote the opinion [illegible] to advocacy continued funding
[illegible] is only [illegible] of a dozen offered by the Corporation to
[illegible] budget but what there
is a number of small items throughout like budget but what there
client advocacy and client involvement activities funded in
to what extent and on the answers is that there is
to Congress under those which was in the budget non
advocacy activities. There was discussion of other
the budget in an exhibit one million dollars are offered
additional to cover this kind of proposal opposed to the
[illegible] increase.

Now the second item that we would urge be added to
to the ranks of volunteers for field programs, $1.2 million
to add to all of those reasons I would urge you to
[illegible] to Congress.

The Vs is concerned on the corporate sufficient to continue
[illegible] cases or when we have our this money. I think that
be dealt with in a funding distribution formula when the
[illegible] that there are no alternate that they cannot
resource to percentage of the non personnel items. I don't
of programs which are somewhat higher or somewhat lower with
[illegible] for the field programs. There may be certain classes

in the way in which we provide services. There are lots -- as many questions as there are answers in that area, but we should be starting and one of the ways to start is to earmark a sum of money that says that we know this is an important area and we are willing to spend something on it. PAG had proposed one percent of the budget be spent in this area. It is unrealistic, it seems, to be able to spend one percent of $353 million if the amount of money were somewhat higher and if the competition among some of these items were relieved, we would support that kinds of expenditure. At least, there ought to be a significant, meaningful amount of money earmarked and line item for these kinds of activities and that is the idea I proposed, the one million dollars in that area. Now, that means that there is 3.75 million dollars that has to be found unless the amount of the budget request exceeds the $353 million and the fact that it wouldn't offend us at all, I assume would be difficult to do at this point.

In order to reach that goal, we propose the following:

First, that the technological improvements line be reduced from 2.65 million dollars to $650,000. Let me just say a few words about that line.

It has been attacked both in the 1980 one-time money and the 1981 budget at great length and I would like to advocate a somewhat less aggressive and negative view of that

make a reasonable long-term defensive and investment view of that.

And the 1981 budget as enacted looks and I would like to advocate reducing [illegible] 65 million dollars to $650,000. Not so just today's [illegible] that has the technological improvements like we've got in the 1980 one time money [illegible] about that.

In order to move that cost, we propose the following:

First, that the technological improvements like we've got in the 1980 one time money

line item. What I think we have is a gap between the understanding that we all have on the Board in the field and the like; what is good, what is bad; what is possible; and what is not possible in this area.

I thought we ought to dismiss that. I think there is a tendency to dismiss it somewhat easily. That goes on among field people and among other people about: what is it here? And you say computers for lawyers and they tend to freak out, but I think that the plan to spend $2.65 million dollars in 1981 is not a good plan. I think it is moving too quickly; it runs the substantial risk of either leading to a substantial waste of money or creating something that people will oppose because there has not been enough time to demonstrate the strengths and weakenesses, ways to proceed and not to proceed, it can become a symbol of the wrong kinds of responses to our clients' problems, the technological response, I think, there is a place for those kinds of responses, but we have to build them more slowly and more carefully in order for them to have support from the Board and in the legal services community. For that reason, we don't recommend that it be cut out completely, but that it be reduced rather dramatically.

In the second place, we would suggest a reduction in the Technical Assistance budget. The Technical Assistance budget is proposed at $1.75 million dollars. This year the

budget is proposed at $21.7 million dollars. This year's
recommended Parliamentary budget. The constitutional Authorization
in the local services community. Now that version, we don't
fully -- order for them to have supposed item the found and
response, or we have to build them more slowly and more carefu
response. I think, there is a place for those kinds of non-
of responses to our efficient problems. The technological
and not to respond, it can become a symbol of the second hundre
to demonstrate the strength and weaknesses, ways to proceed
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to a substantial waste of money or covering something that
too quickly. It runs the substantial risk of either locating
dollars in 2011 is not a good plan. I think it is moving
through but, but I think that the plan to spend $3.55 million
there? And now may overturns for lawyers and they tend to
record their people and among other people about? What in it
is confidence to diminish it somewhat easily. That seem so
I thought we ought to discuss that. I think there is
what is good, what is bad, what is possible, and
what is not possible in this area.

amount of money being spent in that area is $750,000 and if that is spent, that will be substantially more than what has spent in past years. Although that amount has been budgeted in 1979, nowhere near that amount was actually spent. We think that some growth of funding in this area is important and supports an increase to a million dollars, but the increase of a million dollars from .75 to 1.75 million dollars seems not to be either necessary or prudent. There is a limit to what we ought to be doing in terms of being consultants for problems in field programs. We think more use can be made of expertise that exists in the field and we ought not to be promoting a sort of consultant arrangement of individual members of the staff of one field program getting paid to work with another, but that ought to be promoted on expenses only on a pro bono basis, that we can do plenty within a million dollars and we don't need this very dramatic increase which is more than a doubling of what is budgeted for this year and it is about five or six times what has been actually spent in 1979 for these items. We are in favor of targeted Technical Assistance that supports the activities of the Office of Field Services, but we think 1.75 million dollars is overdoing it.

Finally, our proposal with respect to state and national support and training activities was that the total of $10 million dollars be put in this area. The amount that

amount of money being *spent* in that area is $750,000 and if that is spent, that will be substantially more than what was spent in 1979, somewhere near that amount was actually spent. We think that some growth of funding in this area is important and support an increase to a *million dollars*, but the increase of a million dollars from .75 to 1.75 million dollars seems not to be either necessary or prudent. There is a limit to what we ought to be doing in terms of "doing consultants" for projects in fiscal management. We think some can be made of expanding that existing in the fiscal management capacity not to be promoting a sort of command economy but individual members of the staff of some fiscal people "getting paid" to work with *society*, but that ought to be monitored on expenses only on a pro bono basis. That we can do privately within a million dollars and we don't need this very expensive increase which is more than a doubling of what is budgeted "for this year and it is about five or six times what has been actually spent" in 1979 for these items. We are in favor of increased "technical Assistance that supports the activities of the Office of Fiscal Services, but we think 1.77 million dollars is overbudget it.

Finally, our concern with respect to items and additional support and budgeting activities was that the total of the 1.19 million dollars be met in this area. The amount that

has actually been put in that area exceeds 11 million dollars. We would recommend cutting a million dollars. We are not recommending specifically which of the items it should come from at this point, but that million dollars should be generated from that support and training pot in order to support the two things that I am suggesting: The 9, 13 inflationary increase approach, and the 1 million dollars for targeted client involvement in advocacy. Thank you.

MR. BRADLEY: If I could, not respond or rebut, let me make a couple of observations to Bruce's presentation.

We have had a chance to talk about this. I also wanted to commend PAT and FCC for putting together this budget, especially Bruce, the other committee members also, but especially Bruce. They came to Washington and practically lived with us and argued with us and fought with us and went through that kind of discussion which I think was very helpful for all parties in the LA convention and unfortunately was able to observe that and hear some of the discussion.

However, I do in much of what Bruce is suggesting, in much of my comment is basically judgment call. For instance, and I may be wrong, but my judgement is that it would be much easier for me, for this Corporation, to appear before Mr. Hollands' Committee and Mr. Slacks' Committee especially on the inflation increase. Every point that you have made, Bruce, I can assure you I am going to try

to make it more forcefully and more dramatically than you have made it today and I am going to state to those at the OMB in our meeting next Tuesday, that we realize that 8% even if we accepted your approach to it, the 8 versus 13 and so forth, that still doesn't keep up with inflation. We know that and they know that. I think that if I were to ask Mr. Hollands and if I were to ask Mr. Slack which of these arguments would more persuade them in terms of getting the 25 million, it is my judgment and I might be wrong, but it is my judgment that I can more effectively argue our case with the flat-out 8 or 9 percent across the board than I can with the kinds of explanations and justifications and rationalizations in answering and being defensive and saying "you are right, Mr. Hollands, some of our programs, that is, the 20%, 25%, I think this is just a clean,simple,easy approach. However, I do believe and it is my intention to do this especially on Tuesday, it is our responsibility to make OMB hear and hopefully the Members of Congress hear the effect that inflation is having on your program.

I think we can do that without getting into the sophisticated analysis of 8 versus 9 versus 13 personnel costs, non-personnel, you know, the fuel adjustment as opposed to utility, that is my judgment.

Number 2, I agree with you; I want everyone to know

Hughes :) I agree with you. I want everyone to have opposed to nudity, that is my judgment.

Even in our modern society, "normal" you know, the final adjustment on socially-learned analysis of 3 versus 9 versus 13 personal

I think we can do that without creating labo-bir in having on your premises.

The Mandate of Immigrants bore the effect that individual it is one responsibility to make OWN born and personality and it is my intention to do this especially on Tuesday, in fact a close, objective, say proceed. However I do believe the "Just a close, objective, say proceed." However I do believe heing deforming and saying "you are right, Mr. Bolingo, Jurisdictions and relationships in answering and the board then I can with the findings of confirmations and among our case with the findings of 8 or 9 percent accuracy but it is my judgment that I can move effectively [illegible] the 20 million, it is my judgment that I might be of more assurance would more persuade them in terms of be ask Mr. Bolingo and if I were to ask Mr. Black which I know that and very know that. I hold that if I were to and to Scott. Just still doesn't keep up with inflation. I and to Scott. Just still doesn't keep up with inflation. have it no insurance your deposit to it, the 8 versus one in our meeting next Tuesday, that we realize that 85 have made it today and I am going to place to those at the to make it more accurately and more dramatically than you

and we talked about this repeatedly in the senior staff meeting on the concept of earmarking and line iteming X number of dollars for client involvement, pro se advocacy, some of the things you enumerated, here again, it is my judgment, we are talking if we get $353 million and we are going to advocate the $353 million, if we get it. Here again, this budget request, this Board come back and put together the final operating budget and we are basically talking, if we get it, another 10 to 12 million dollars and something that we have been describing as national support is training technical assistance, is client training, paralegal training, all of that. If we get it, we got an addition to that, the current non-annualized grants and that is funds are available, approximately another 10 million dollars. We are talking about next year, if we get this appropriation, it would be 20 to 25 million dollars and I would be the first to advocate once we get that appropriation to come to this Committee and this Board and say: Let's now address those issues that we have been talking about and see if we can develop and plan and line item X number of dollars to do this. It is my judgment and Mary's, maybe if you want to hear her judgment, but it is my judgment that here again, if I go and see Mr. Hollands and Mr. Slack which I plan to do, I can better advocate and present this total budget in the context of which we

have been talking about this morning and I can in trying to say there is a new line item that says: pro se advocacy, client advocacy, client self-help, client involvement and I think what I would propose to do is not a compromise but I just thought about it as I was listening, it seems to me that the issues that Steve is addressing and the concerns Josephine has raised this morning, that your staff in putting together the fine narrative explanation of this budget, that we can specifically in the whole enumeration of what's the 10 or 15 million dollars that are funds, that we can make a strong statement that these client involvement, the priority setting which is now required of this Board and all the things that we concerned about, you are concerned about and I am concerned about, that we can do a very effective job of incorporating that in the budget that we have been discussing this morning, I think. This is purely a judgment call, but I really think that we are going to make vulnerable that issue that you are just articulating. If I go back before those two committees and say: here is a new emphasis, here is a new endeavor and this is the major part of this Board and we want to try to convince those persons that they should commit at the congressional level a specific sum of money for these issues. I think that if we put it all together and package it together, if we get the appropriation and we do this in a package, then

we can come back before this Committee and before this Board and specifically line item and address those concerns. Those are judgment calls and those happen to be my judgments.

MADAME CHAIRMAN: Any other response from the Board? Bernie?

MR. **VENEY:** My name if Bernard A. **Veney, National** Clients Counsel. I guess I just wanted to support very much what Bruce has said in major part. I have a couple of problems with this budget as presented. I guess I would be much stronger if Bill said you were talking about operating budget versus one that you are going to submit to OMB into the Congress. I don't view the $353 million any more than a wish. I must remind you that you set the $353 against the urging by the field and client community, for whatever reasons, you decided to do that, having made that particular decision, I think it is incumbent upon this Board to begin making some of the harder decisions.

Number one, your first priority must be the maintenance of the existing programs and to glibly slide over the fact like the inflation level is 12, 15, 18% but we are only to give 9% and in talking about maintaining what you just achieved in terms of minimal access to mean maybe some on the order of unconscioncable.

Secondly, to deal with the question of maintenance of

Secondly, to deal with the question of reimbursement of the budget of the organization.

Involved in terms of minimal access to room service on to have 23 are in talking about negotiating what you just like the inflation level in 15, 17, 18 but we are only in the process of talking procedure now to ultimately arrive over the last Mount to Jacob making sure on the border decisions.

Number one, your first priority must be the maintenance last year's budget decision, I think it is incumbent upon this for whatever reason, you needed to do that, having made $352 against the wedding by the field and citizen community, any more than a wish. I must remind you that you got 1% on OPT info the Compress. I don't view the 2393 million one million base of veterans one bird you are going to submit would be much stronger if all said you were calling about of reductions with this budget be presented. I guess I much plus brown but said in major part. I have a counte California Counsel I guess I just wanted to support very Mr. **VENUE**: My name if Bernard P. **Venoy, National**

Secretary?

MADAM CHAIRMAN: Any other response from the Board Members.

Those are judgments call *and this is* happen to be my judgments.

Second and specifically the room and address those concerns we can come back before this Committee and before this

programs when we are talking about maintaining programs that can only deal with 10 to 20% of established needs in their communities is again something that I wonder very greatly about. I think that this Board needs to begin to look at what is in this budget in terms of "new efforts." I am amazed at the fact that in the area of national support, you would talk about new areas of national support without major increases in the national support centers that you now have. There have been nothing like commensurate increases in National Support Centers to go along with the increases in the field. How are those programs supposed to be able to respond in any way but a horror story which is the question that Howard Sacks raised this morning: What are you not now able to do? You already answered that question or you are beginning to answer that question by the legal funding that you are providing for the National Support Centers. I think that we as Clients' counsel have to take some issue with the state support that the PAG supports. I am not sure what those State Support Centers are doing. Have you raised that question? Do you know what you are getting for the 4 million dollars that is being asked? I mean, some of those support centers are doing excellent work, the support centers, but do you know what the rest of that money would in fact go for? Isn't that one of the hard choices that you have to make?

The State Support Centers were set up despite this Board, despite the Corporation by virtue of the interest of the individual programs. You are now moving down the road to what is a defaulted policy position. You have never, as far as I know, considered the issue of whether there should be those State Support Centers. I read something like 4.725 million dollars going into that particular activity.

I guess the last problem I have with this budget as presented is that it reads to me as business as usual. I mean it reads very clearly as though the only people who can help resolve the problems and issues that impact poor people are attorneys. We might, as Bruce has suggested, spend some money and once and for all resolve the issues that are arising between perhaps this Board and Clients' Counsel and attorneys and clients and take a look in some scientific, well-documented fashion as to whether or not what clients say that they can do -- they can in fact do and that is deal with it effectively and in the long range, some of our own problems.

I must remind you that we have all conceded that the funding ratio -- the funding level is not going to increase dramatically over the next several years; if that is true, if inflation is going to continue, what we are talking about is cutting back in services as we get increased demands

The Senate supported deck as were not despite this
record, despite the corporation by virtue of the interest of
the individual corporation. You are now moving down the road
to what is a distributed policy position. You have never,
as far as I know, considered the issue of whether there
should be three Supreme Court Justices. A real something
like 4.2% million dollars going into that particular
activity.

I guess the last problem I have with this budget is
somewhere in there it needs to be as business as usual. I
mean it needs very clearly as though the only people who
can help resolve the problems and issues that impact poor
people are attorneys. We might, as those has empowered,
spend some money and some mud for all resolve the issues
that are existing between perhaps their record and clients'
records and attorneys and clients and take a look in some
reasonable well-documented fashion as to whether or not
what clients may that they can do -- they can in fact do
and that is done with it effectively and in the long range,
some of our own problems.

I must commend von Flor. We have all conceded that the
Governor's -- the funding level is not going to increase
dramatically over the next several years; it must be true,
I -- Inflation is going to continue, what we are talking about
in cutting back in services as we get increased demands

from programs for more money to be put into personnel meetings. If we are going to cut back in services, does that mean the client community has got to be left where it was in the 1960's, holding the bag or does it mean in some fashion or other, through looking at alternative-delivery mechanisms -- from looking at alternative resolution mechanisms, we have armed the client community with greater enough skills so that it does not have to rely on attorneys , on staff to provide the answers to solutions to some of the problems?

I think this Board, by setting the 353 has said several things; I would ask you to look very closely at what you are advertising, what message you are sending to the world, to the client community by the way in which this money now gets spent.

MADAME CHAIRMAN: Thank you, Bernie.

Any other comments?

Yes? Ramona?

I am sorry, sir, the Board first.

MS. SHUMP: In keeping with Bernie's remarks I cannot help but look at the amounts that we have proposed to spend to increase the pro bono effort. When I attended the Audit and Appropriations meeting in D.C. on the 12th of November, I had understood that at that time we were only talking in terms of the $50,000. Is that correct?

building on terms of the $30,000 in bank contracts

Amelia and Appropriations meeting in D.C. on the 12th of November, I had unfortunately lost at least one time we were only to denounce the pro bono effort. When I affronted the help, but took at two amounts that we have proposed to spend

MS. CHANG: To keeping with Dorothy's request I cannot say I am sorry, city, the Board First.

Yes. Some say

Any other comments?

[WOMAN] CHAIRMAN: Thank you, Dorothy.

Dorothy Dow Ogle Moore.

the world, to the client community by the way in which this

what you're accentuating, what message you are sending to

Dorothy Dow Ogle Moore. I would ask you to look very closely at

[Chair Ebie Berry, by asking the 733 has said

to some of the proposals

alternative, can itself to provide the answers to solutions

provide enough ability to that it does not have to rely on

mechanisms, we have armed the client community with

mechanisms. - Dorm looking at alternative resolution

Pauline or other, through looking at alternative delivery

was in the Irvin's building the bed or does it mean in some

level mean the client community has got to be left where it

to, if we are going to our bank in security, some

those properties for more money to be put into personnel

MR. BRADLEY: The November meeting, I think, Steve -- the Committee -- maybe you had left, Ramona, but the Committee --

MS. SHUMP: Anyway, there is only one thing; I am not opposed to the figure. I just want some type of assurance that that money that is going to be spent, that $200,000 is going to be accessible to minority groups, to small groups to provide services for the clients. That is all I want.

I don't want that money going to all the powerful Bar Associations, not that I am saying there is anything wrong with them, I just wanted to make sure that these small groups have a chance at that money first.

MS. WORTHY: I have to kind of back up what Ramona said. I wasn't at the Committee meeting and I am really sorry. I was sick at the time.

When I looked at that figure and that increase, it is not that I am saying that the pro bono programs are not working, because they are working very well in my area as far as clients. But when I see that figure earmarked for one group, I am saying I agree with you, but spread it around. We have a group, I think, of attorneys in the area that are doing a fantastic job out there. We have a women's lawyer group that is doing work out there. I am saying this because I have seen them. I have experienced it. I have

because I have been there. I have experienced it. I have [illegible] wrong block is doing work out there. I am awaiting this [illegible] are doing a [illegible] job out here." We have a woman's touch." We have a church, a third of attendance in the area [illegible] I am saying with you and [illegible], however, but the [illegible] is [illegible] -- that when I see that things accumulate for [illegible], because they are working well in my area as far as all areas. I am not [illegible] I am saying that the pro teams productions are not [illegible] I am saying with the Committee meeting and I am really sorry. I were sick at the time.

When I looked at that figure and that increase, it [illegible] I am ready to bring on board to help us with Ramona [illegible] a member of the Committee meeting and I am really sorry. I were sick at the time.

MR. WORTHY: I have

talked with clients who have gotten some services and I am saying, spread it around.

They have people out there doing good work; give them a chance to give more support to clients. That is one of my real concerns here, looking at this budget.

MADAME CHAIRMAN: Any other comments?

MR. ORTIQUE: I think that that should be noted and that I am particularly pleased that Ramona, because for some years, kind of lonely, you know, there is a trying to advocate that the National Bar Association and women's groups ought to be considered. I think we would do the American Bar a favor if we go ahead and do it because these are your members of the American Bar that we are doing these things with. You know, and they are kind of at first, they would be a little dismayed, but they can't very well say anything about it. As a matter of fact, they may take the credit for having decided: Look, see how liberal we are getting. So, in the long run, I think there is an excellent approach to it. I would also like to underscore and I understand your explanation of what we can do. In certain, you are in a better position -- it would appear that Congress would be in a better position to make a decision as to what your points of interests are to be when we get our collective heads together.

Again, I certainly feel that we ought to place very

Applause. I particularly love that we could be given very
specific and effective legislative suggestions.

Question to be what your points of intervention are to be
that Congress would be in a better position to make a
particular you are in a better position -- it would improve
and I appreciated your explanation of what we can do. In
accordance with the -- would also like to make sure
we are getting. So, in the long run, I think there is an
role for credit for having decided. Now, see how things
may strengthen about it. As a matter of fact, they may
have wanted to a little diminished, but they can't very well
throw with. You know, and they are free of at least,
and your members of the American for real we are doing, those
American but a favor if we go ahead and do it because things
complex ought to be considered. I think we could do the
subsequent that the Nations' But Association and women's
years ago, kind of lonely. You know, there is trying to
have I or particularly pleased that someone, because for
MR. CONNOLLY: I think that that should be noted and
applauded with millions who have gotten some services and I am
anyone appeared it around.

They have people out there doing good work; give them
a chance to give more support to clinics. That is one of
the most concerns here, footing at this budget.

MR. CALLAHAN: Any other comments?

high on our list of priorities, no matter what the figure comes out, a substantial amount of money that says that it would go to the field and to our constituency: Look, this thing has now turned around, we are willing to put a million dollars where our mouth is, be it in the client advocacy or whatever we want to call that because I think that will say much more than anything we can do in arguing this budget at this time.

I would just like to add one other thing and that is that I would hope that the client community does not feel that it has to stand still on this and wait for this Board to do certain things and I don't think that they will, but that they will continue as strong as possible and that's selfish feelings made known, so that when we come up our position that they will be in the forefront and we will in the Congress fall-back position as opposed to our Congress interpreting us as the leaders in this area. I would certainly hope that no one would feel stifled in their efforts to get these things done.

MR. KANTOR: I haven't counted noses on this Board. I think there is probably a consensus for the inclusion of a substantial amount of money in the operating budget for client advocacy, as Dan has noted, I agree with Dan that it might not be either tacticly wise or practically feasiable at this point to include it in the budget, but I

am not sure that is what is critical. I think just what has happened is critical. I believe it is the only way you really leave something in the community and that is leave client advocacy and I think it is time we put a line item in and I think the votes are here on the Board for it and we should go ahead and do it if that is the appropriate time. I think Dan and the staff are correct that in this budget, it goes forward in this form and where it is going that we are better off in the form that it is in right now.

MS. ESQUER: Except that one of the things that we talked about in the September Board meeting, we adopted the guiding principles for this budget and I think I just wanted to repeat this statement that I made at that time. One of the principles that we adopted had to do with increasing client involvement and I said that I would like to see it displayed in the budget format and I just don't see what it could hurt to have it displayed there as a separate item for client advocacy.

MADAME CHAIRMAN: I guess all that we can do is either make up our own mind as the Board decides to go ahead, but at least insofar as the staff, particularly the president has informed us that they do think it would hurt. It would hurt politically, at least, or Congressionally or tacticly even though it would be very satisfying and I

[illegible even though it would be very satisfying and I would but politically, at least, or constitutionally or just ordinarily the fact they do that. It would have to originate in the Senate just as the draft, particularly the president who's up for re-election and the Senate doesn't do that, it would be very hard to have it originate there as a separate item for client advocacy.

MADDOW CONCLUDED: I guess all that we can do is either have it dispersed in the budget forever and I just don't see it dispersed in the budget forever and I would like to see it happen in a way that is transparent and accountable and I would like to see it happen in a way that is transparent and accountable and I would like to see it happen in a way that is transparent and accountable

think very reassuring to a certain of the legal services constituencies and I guess that since I agree with Mickey that there is a consensus on the board for us to begin experimenting or modeling or supporting or however we want to talk about client advocacy efforts in a variety of ways. I think that I have had to bow to the judgment of the president that it would not be appropriate for us to do that in a way other than through the narrative explanation of the budget which describes in some detail the variety of sorts of activities that can or will be undertaken. You know, of course, we can disagree with that judgment and force it on the president and tell him to do what he can, but I know that there has been a certain amount of questioning already directed toward him and -- by Mary Burdett about some of these new-fangled ideas that they hear coming from the Legal Services Corporation and I think that although they seem very sensible to us, they are very new and have to be presented perhaps more in a delicate way than we would prefer. But that is again what Dan says is judgment call.

Any other Board member comments?

Dan, do you want to add anything?

MR. BRADLEY: I am certainly -- by my statement I feel my position and correct me if I am wrong, as a way to accomplish what we are concerned about, dealing with the

reconcile with what we are concerned about, dealing with the
local my position and concerns as if I am wrong, as a way to
[illegible] I am certainly -- by my statement I
don't mean to not want to add anything.

Any other board member comments

what they're in judgment with.

Yeah, but it's not a question of whether we would prefer. But that is again
a fiduciary duty that we have to be concerned primarily more in a
little more although they seem very sensible to us, it's
just coming from the legal decisions corporation and I
personally object some of those now-[illegible] ideas that they
question of already directed toward him and -- by many
ways, but I know that there has been a certain amount of
and force it on the president and tell him to do what he
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of the budget which describes in some detail the variety
of areas of activities that can or will be undertaken
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president that it would not be appropriate for us to do
to [illegible] allow necessary efforts in a variety of ways,
optimization or modified or supported or however we come
this there is a consensus on the board for us to begin
communication and I guess that since I agree with Mickey
doing very responsive to a certain of the board services

realities with which we have to present this budget, within this budget, explain this budget and hopefully sell 2 very very important Members of Congress of what we are trying to do. I think and I would like to have the opportunity to see if we can do it, I think if you will permit me I can work with FCC and prove, as we have been doing, certainly invite and welcome Bernie to be with us as well when we intend to do that. I think that the narrative explanation for that multi-million dollar item can be very craftily written, stated very, very clearly in terms of the concerns that each us have at this table and in this room today, but in a way that still makes it possible for me to deal with the realities of trying to present the budget and lobby the budget through Congress and through OMB. Again, that is my judgment. Maybe I am wrong, but my visit to the "Hill" certainly some of the comments that are not important for me to share right now -- is that if we incorporate the concepts and concerns that all of us have and I know there is a majority vote on this Board, this majority I hope on my staff and I would hope in this room that we need to express and put, as Revius would say, Put your money where your mouth is.

I think we can do that. I think we have the capability of this, incorporating in the narrative explanation and verbal testimony to the 2 committees working closely with

FCC, PAG, working closely with Bernie and his staff and making sure that we incorporate the essence of what we are talking about -- as my friend Mr. Kutak would say, The essence of what it is that we are all about.

And I think we can do that without quite frankly -- I can't say any more candidly, it is my judgment, if we line item in, put it on a sore thumb, it is going to very, very hard for me to deal with certain people in trying to sell them to say: We support that just as your Board supports that.

I think we can do that in the context of a 10 or 15 or 20 million dollar appropriation and practically, Mickie's point, when you come back again next spring or in the summer and divide up our appropriation, then is the time to put our money where our mouth is.

MR. KANTOR: Even-Steven.

MADAME CHAIRMAN: Any further comments? Is there any question?

MR. GRESIMAN: My name is Don Greisman. I am Executive Director of the Sacramento program which covered some of our county's new merger and expansion and is applied to expanding in a number of unserved counties in the State of California. Our program very briefly: Our program is not one that is isolated from a lot of things that you are discussing in this budget. One of our staff members provides

resource to turn budget. One of our most members provides
one that is isolated from a lot of things that you are dis-
Continued, our progress very briefly: Our program is not
expanding in a number of unserved counties in the State of
our county's new mortgage and expansion and is applied to
director of the Sacramento program which covered some of
Mr. GREENMAN: My name is Don Greenman. I am executive
of the Sacramento Valley Legal Services Program.

MR. RANDOM (CHAIRMAN): Any further comments? Is there any
opposition?

Mr. RANDOM: I move adoption.

to put our money where our mouth is.

Under the circumstances, then is the time
and divide up our appropriation, then is the time
point. When you have had certain work opening or in the
or 30 million dollar appropriation and ostentatiously, provide's

I think we can do that in the context of a 10 or 15
would like to say. We support that just as your Board
supports that.

very hard for me to deal with certain people in trying to
time from in, put it on a more timely, it is going to vary,
I can't say any more candidly, it is my judgment, if we
making sure that we incorporate the purpose of what we are
talking about -- as my friend Mr. Kutak would say, The essence
of what it is that we are all about.

And I think we can do that without quite frankly --

MCC, PAC, working closely with Dennis and his staff and

technical assistance to another program. In terms of priorities we have three staff members who provide training through corporation dollars and the Board member who provides training in terms of client training. Our president is actively involved in Clients' Counsel both at the state and regional level and also is secretary-treasurer of the PAG. So, we are programmed to try to get our technique also everywhere possible in terms of this preparation. And I have a couple of concerns in terms of the budget and some of the words you have been bandied around and I don't know whether I am calling the king undressed or not, but I sure as hell would like to know what you mean by "minimum access."

The last time I heard minimum access was 2-fold. One was two lawyers for every 10,000 people and minimum access was coverage in every single county in this country. The first one is a fiction if that is the one we are still referring to.

In our program, we have 1 lawyer for every 12,000 clients. That is with all the increase of money. That is still salaries that are not comparable to what is paid by the State; not comparable to what is paid by the county; not comparable to what is paid in the Bay Area. So, we have a hard time recruiting, especially minority and especially black attorneys to lay it out, but we got these problems because the budget doesn't continually address our needs

because the budget doesn't continually address our needs
in hard time recruiting, especially minority and especially
like States not comparable to what is paid by the country;
still industries that are not *comparable* to what is paid by
citizens. What is with all the increase of money. That is
in our pockets, we have 1 lawyer for every 12,000
fewer one is a fiction if that is the one we are still re-
ferring to.

was overcrowded in every single county in this country. The
was two lawyers for every 10,000 people was minimum access
The *last time* I heard minimum access was 2-fold. One
ve just would like to know what you mean by "minimum access."
whether I'm calling the line *unpressed* or not, but I have
of the words you have been handed around and I don't know
have a couple of concerns in terms of the budget and some
everywhere possible in terms of this presentation. And I
so, we are proposing to try to get our technique also
regional level and also in accountability of the PAO,
notively involved in client centered work at the state and
learning in terms of client training. Our president is
through cooperation notices and the Board member who previous
conditions we have three small counties who provide training
technical assistance to smaller counties. In terms of

and the amount of monies that PAG has suggested. You should have asked for it. For one field person is even too little. Then at the inflationary rate of 13% that PAG is talking about has got nothing of the fact of the 5-year lease ending in 1980 and facing a one hundred percent increase in rental, not 13%. These are factors also that seems to me have got to weigh heavily in terms of your consideration; where you are going to get the biggest bang for the buck as Bruce has put it.

I got these concerns because I don't think we are ever going to have this minimum access of these two attorneys for every 10,000 clients, and maybe you understand that, but I don't know. I only have met with you once before at the Coronado in San Diego and here. I have got problems in terms of that, and I hope, you know, that Bernie and Dan can help tell me what they mean by those words when we use them because they are not meaning what was promised to Congress a few years ago, that minimum access would be meant to have 2 lawyers for every 10,000 people.

It does seem to me that greater involvement of clients in terms of the access of legal services is clearly something that is necessary whether the wind is blowing toward the fact that we are going to work ourselves out of a job sooner than we thought. It is clear that the one area that has got to be increased is the involvement of clients in delivering

be to implement is the involvement of citizens in delivering
them we thought. It is clear that the one-on that has got
that kind of are going to work outcomes out of a job source
that is necessary whether the wind is blowing toward the
form of the masses of legal services in clearly accepting
to have 2 lives or for every 10,000 people.

It does seem to me that greater involvement of citizens
(because a few years ago, they *minimum* access *would* be point
them because they are *not* meeting what was promised to
can help tell us what they mean by those words when we use
terms of that, and I *mean*, you know, that in-and-out than
Corporation in San Diego and here. I have got conditions in
I don't know. I only have met with you once before on the
for every 10,000 clients, and maybe you mis-stated that, but
ever going to have this minimum access of three to attorneys
I end there because I don't think we are
now put it
ere doing to get the biggest bang for the buck as those
to weigh heavily in terms of your consideration where you
not 1?8. These are factors also that seem to me have got
in 1?80 and facing a one hundred percent increase in rental,
about has got nothing of the fact of the 4-year lease ending
When at the inflationary rate of 1?% that had is talking
have asked for it. For one field person is even too little.
and the amount of money that ??0 has appropriated. You should

legal services to poor people. Whether or not that can also include a number of dreams that a lot of us out here carry -- just for the last couple of days, the California programs through their administrators have been listening and learning about work process and computerization and we were left hungry for the equipment to start battle against the District Attorneys and the County Counsel that have also got that same kind of equipment. We don't have the expertise or we don't have the knowledge but from what we hear from a person who not just counsels the government agency but also the private law firms, it is something that is happening in large and small law firms and that availability of good word processing and good computers can assist.

We also have required of us, that we have priorities and out of those priorities you and the Corporation are requiring that we have work plans. And that at least to some degree those work plans be out in evidence with the clients and in evidence with our opponents.

The development of work plans also takes time and they are also draining in some sense from that service to clients. On the other hand, they are exposing and they should expose the kind of ability to Clients' Counsel, but again the technology could assist us in spending less time filling them out and measuring them by use of word processors and computers, but I further indicate to you that yes, Technical

computers, but I further implore to you that your "technical
fixes out and reorganizing them by use of word processors and
technology could enable us in coupling time fulfilling
the kind of quality to clients' counsel, but again the
On the *other* hand, they are exposing and they *should* expose
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in D type and small law firms and that availability or good
also the invisible law firms, it is something that is happening
a person who not just commute. The government agency but
or we can't have the knowledge-but from what we hear from
que that some kind of equipment. So can" have the essential
district Attorneys and the County Council that have also
money for the equipment to attract back to expand the
ing about work process and computerization and we were told
through their industrialization have been listening and focus-
just for the last couple of days, the California programs
include a number of areas that a lot of us out here carry -
ferred services to poor people. Whether or not that can also

Assistance should be increased and here I would have to break with Ruth.

I believe our program has benefited from Technical Assistance in the development of Clients' Counsel and in a number of other areas. I would hope there would be an increase in money for technical assistance in the delivery systems. We, as a program, you, as a corporation, are facing new modes and methods of reaching rural communities. And from what I hear the traditional outreach and satellite offices are no longer functioning in rural areas and new approaches have got to be developed and in that sense when some program has learned a new technique, that technical assistance has got to be shared with other programs. I would hope also that some of the things that the Corporation staff is doing in terms of planning, you would push back on the local programs. I would hope that the planning process that you go through or are about to go through if you are not going through it now, would come back to us so that we can do some planning for the future. We have to plan in terms of having fewer staff; fewer capabilities in addressing things. We are basically programs who exercise the word "no" far more frequently than the word "yes". It is difficult on staff; it is difficult on you, I am sure as you face the fact that only one out of seven people that need us this year are going to be served, that only 15% of

been in this room now going to be moved, that only 1/3 of you face the "out" first only one out of seven people that difficult on staff. It is difficult on you. I'm sure as many "no" [or more] accurately than the more "yes". It is [my] thing of moving power shift; power capabilities in addition our do some planning for the "future". We have to plan in that we do through it now, would come back by us so that we that you do through or are about to do through if you are the local programs. I would hope that the planning process staff is gone in terms of planning, you would plan back on would done also that some of the things that the corporation manufacture has got to be shared with other programs. I some program has learned a new technique, that technical applications have got to be developed and a first memo when offices are no longer functioning in rural areas and new And then what I have the traditional outreach and service- funding new modes and methods of providing rural communities. evaluate. We, as a program, must, as a corporation, re- increase in money for technical assistance in the delivery a number of ways' areas. I would hope there would be an assistance in the development of 'Tuesday' counsel and in

I believe our program has benefited from technical

Assistance should be increased and here I would have to break with Ron.

all the clients that need us this year are going to find a lawyer with Legal Services. How do we best utilize our resources in that this budget has got to address?

One final issue which is extremely selfish and very localized in California but I don't know whether you know it -- you shortchange us and you also require us to spend that shortchange. It is very interesting that here in California we are not funded for people who receive SSI. All the Supplemental Security Income people, the elderly and the handicapped in this state are not part of our funding base because those persons are above the 125% of the poverty level. If they are an exception, and out to be an exception to the process by which we serve them so that when Mary Burdett (phonetic) and her crew come to our program along with Evergreen and others this past year, studying for you, access of the elderly and the handicapped, I am sure Allen Houseman (phonetic) will have in the report that California is not funded for those hundreds of thousands of handicapped and elderly clients that we serve day in and day out and we would like that money.

Thank you.

MADAME CHAIRMAN: Steve?

MR. ENGELBERG: I would like to, in all the comments that have been made, move adoption of the 1981 budget as

Then have been wrong, move adoption of the 1993 budget an
MR. MEDSKER: I would like to, in all the comments
MADAM CHAIRMAN: Steve?
Thank you
money
that we have now in and say our and we would like that
in the report that California is not funded for those
hundreds of thousands of beneficiaries and elderly citizens
have, starting for your answer at the video and the
our response along with Everyone and others this next
like, where many Hundred (phonetic) and her crew come to
be in connection to the process by which we serve them so
the recently level. In they are an exception, and out to
living here because these persons are above the 100% of
and the beneficiaries in this state are not part of our
All the *Supplement* currently income people, the elderly
California we are not insured for people who receive SSI.
that shortchanges me and we also requires us to spend
it -- we shortchanges me and we also requires us to spend
located in California but I don't know whether you know
One third. some which is customarily nothing and some
response in their life budget two top to reforms?
Thank you for being with Insured Services. How do we best utilize our
all the clients that need us. I'm sure you're going to find a

proposed by the staff.

MADAME CHAIRMAN: Is there a second?

MR. KANTOR: I second it.

MADAME CHAIRMAN: It has moved and seconded that we accept the 1981 budget as proposed by the Staff subject to the kinds of narrative and other operating budgetary revisions that can be made at a later date, I assume, if it is the way the Board feels.

MR. MCCALPIN: I assume we are accepting this for the purpose of providing a base for the presentation to the Congress and the appropriation hearings, that we are not accepting it as an operating document?

MADAME CHAIRMAN: That is exactly right. Right. Any further comments?

(No response)

MADAME CHAIRMAN: All those in favor signify by saying "Aye".

MR. TRUDELL: Aye.

MS. ESQUER: Aye.

MR. KANTOR: Aye.

MR. ENGELBERG: Aye.

MR. BRADLEY: Aye.

MR. ORTIQUE: Aye.

MR. SACKS: Aye.

MS. SHUMP: Aye.

MR. MCCARTHY: Aye.

MS. ORTIZ: Aye.

MR. SACCO: Aye.

MR. GRIMM: Aye.

MR. BRADY: Aye.

MR. KANE: Aye.

MR. MCDONOUGH: Aye.

MR. DEMARCO: Aye.

MR. DEMARCO: All those in favor signify by saying "Aye".

(No response)

Any further comments?

MADAM CHAIRWOMAN: That is exactly right, Bruce.

Commissioner and the appropriation journals, that we are not providing it as an operating document?

MR. MCDONOUGH: I presume we are accepting this for the purpose of providing a base for the preencumbrance to the fund level and then adjusting operating budgetary revisions as they can be made at a later date, I presume, if it is the will of the Board to do so.

MR. KANE: I second it.

MADAM CHAIRWOMAN: It has moved and seconded that we accept the 1981 budget as proposed by the staff subject to the availability of monetary and other operating budgetary revisions

MR. MCCALPIN: Aye.

MS. WORTHY: Aye.

MADAME CHAIRMAN: All those opposed?

(No response).

MADAME CHAIRMAN: Mr. Engleberg, do you have any further matters to discuss?

MR. ENGELBERG: Yes, I would like to turn now to the last item on my agenda which is the allocation of one-time funds during fiscal year 1980 and I would ask you to turn -- I assume everyone has got the Board book -- I would like you to turn to page -- the table on page 30 which is 52(a) which outlines the numbers which were approved by the Committee at its meeting in November.

Let me just quickly -- again, there were many Board members -- I think Revius, Ramona and Josephine weren't there, but other than that, everyone else was there. A few of you were missing. Let me just quickly sum up the debate.

I think essentially there was basically that the Staff had made proposals that half the money and a bunch of options considered -- it was a very extensive debate on it. We ended up making some changes in the Staff recommendation. I think two principle issues were, without rehashing them, were eliminated, I think, $350,000 that the Staff recommended we spend for planning and also eliminated $250 -- I think

We agreed for planning and also obtained 2350 — I think
were otherwise. I think, 2350 we like the staff recommended
I think I've principle have a more, although reducing them
reduce to position some changes in the Staff recommendation,
reduce — it was a very concerning during on it. We
had made proposals that will the many and a bunch of options
depending.

Can of you were interesting. Let me just quickly sum up the
Lenore, just other than that, everyone else *there*. A
members — I think Povinz, Conor's and dosophine weren't
there — I don't know, I'm sorry, there were many busy
the comments at the meeting in November.

In 52(a) which conditions the members *which* were approved by
MR. MCCARTHY: Aye.

MR. MOSHOUA: Aye.

MS. DAILEY: Aye.

(No response.)

MADAME CHAIRWOMAN: Are there objections?

MR. THOMPSON: Yes, I would like to turn now to the
Lenore from my agenda with a the addition of one
item: I'd like to add 1500 and I would ask you to
please change during the — even 1500 and I would ask you to
would like you to turn to page — the table on page 30 which
is 52(a) which conditions the members *which* were approved by
the comments at the meeting in November.

Just to just quickly — again, there were many busy
members — I think Povinz, Conor's and dosophine weren't
Lenore, just other than that, everyone else *there*. A
few of you were missing. Let me just quickly sum up the
objective.

I think essentially there we certainly that the other
had made proposals that will the many and a bunch of options
reduce to position some changes in the Staff recommendation,
I think I've principle have a more, although reducing them
were otherwise. I think, 2350 we like the staff recommended
we agreed for planning and also obtained 2350 — I think

that was also recommended for the proposal -- I'm sorry, for the technilogical improvement, the reasons for eliminating planning money. I think simply a feeling on the Board's part -- Committee's part rather, that we want to kind of go at this in a more deliberative way, not really sure how we want to do the planning. The reason for, as far as I was concerned, for eliminating the technological improvement money was we were concerned about the rationale for the given -- given the original proposal to spend $850 and suddenly that got shifted down to $300 or 350. In any event, items on table 52(a) basically does represent what the Committee did vote on and approve as a recommendation to the full Board.

Now, Madame Chairman, I would like -- I have a motion which I would like to make and it might take a couple of minutes and I think I have discussed at least with most of the people on the Board before. It has to do with the pro bono effort as there was a fairly extensive debate on the whole pro bono question which was really raised by one disappointed program by a CLO in New York. I think the Committee made it clear that it was not going to overrule the decision by the staff becuase it was satisfied to the Board that it was satisfied that the policy -- Board's policies had been followed. However, I personally out of that debate started thinking about it, about the notion

than was done recommended for the proposed — the money.
for the recommended improvement, the measure for obtaining
[illegible] obtaining money. I think simply a feeling on the county's
part — Councilmember's next motion, that we want to find of
do so. Have in a more affordable way, really move now
we want to do the planning. Who reasons that we don't
have considered, for eliminating the recommended improvement
motor. Was we were concerned about the formula for the city
never the capital proposed to spend $300 and suddenly that
was millions more to $300 or 350. In one sense, I have on
regular basis[ly] personally does represent what the Committee
said vote on and approve as a recommendation to the full
Board.

Now, I assume Chairman, I would like — I have a motion
which I would like to make and it might take a couple of
minutes and I think I have discussed my issues with most of
you anyway on the moral issues. It has to do with the new
home ordinance and there was a fairly extensive debate on the
matter pro bono question which was mostly raised by one
disappointing response by a city in New York. I think the
Committee made it clear that it was not going to overrule
the rejection by the elected Boards if we substituted to the
Board that it was satisfied that the policy — Assembly
position. And here not followed. However, I personally one of
this dominion oriented philosophy about it, about the motion

of several things -- one that I considered to be of extreme importance of the Corporation supporting the pro bono activities and secondly, the notion of a matching fund basis which I am not sure we have ever really done in the past. And I have talked to Mr. Bradley and other members of the Corporation's staff and essentially what I would like to propose and I would put it in a form of a formal motion -- outline it briefly first.

What I would like to propose as part of our consideration, one-time money because it relates to that, that we allocate a total on a match basis of $500,000 for pro bono activities; of that $200,000 will be out of the F.Y. '79 unexpended funds that is contained in the table that was voted on by the Committee and an additional $300,000 will come out of the Investment Income which, of course, is not refunded.

Essentially, and I can go into more detailduring the discussion, but essentially what I would propose is that the money be awarded to grantees on a one-time experimental basis under a 50-50 cash match and I mean cash -- hard dollars, not, you know- space of equipment or anything else , with local non-governmental, non-corporation funds as the match. That the bulk of the money be used to seek new pro bono projects although some of it could go to existing funds, that Legal Services Program and State and

of several billion -- that I considered to be of sufficient importance of the corporation supporting the pro bono medical clinic and secondly, the motion of a matching fund bonus which I am not sure we have ever really come in the past. I had I have talked to Jay Hadley and other members of the corporation's staff and essentially what I would like to propose and I would put it in a form of a formal motion -- and this is strictly first.

What I would like to propose as part of our consideration -- consideration money because it relates to that, that we allocate a total on a match basis of $750,000 for pro bono activities of that $500,000 will be out of the "Y". The unappropriated funds that is contained in the table that was voted on by the Committee and an additional $300,000 will come out of the Incorporated income which, of course, is not refunded.

Essentially, and I can go into more detail during the discussion, but essentially what I would propose is that the money be awarded to charities on a one-time experimental basis under a 50-50 cash match and I mean cash -- hard dollars, not, you know, some of equipment or anything else, with [illegible] non-convertible funds are the limit. That the limit of the money is used to seek new pro bono projects although some of it could do is reflecting funds, that legal services Program and State and

local Bar Associations will be given a preference that the grants would be for a period not to exceed 12 months and that the -- basically at the end of that period, that the Staff would report back to the Board concerning the experiment itself and containing recommendations for additional corporation support for pro bono activities. I will be glad to speak to that.

MADAME CHAIRMAN: Basically, Steve, you've got two motions: You've got the Committee motions and the allocation of 1981?

MR. ENGLEBERG: I haven't made any motion yet. I was just trying to explain what I worked on, not --

MADAME CHAIRMAN: Okay, those are two different issues. One is the adoption of the 1980 one-time allocation as proposed by the Committee. The second is that in addition to the pro bono money that is put forth in the Committee recommendation, you personally would move that Investment Income supplement that $300,000?

MR. ENGLEBERG: That's right, and I suppose --

MADAME CHAIRMAN: Why don't we take it one at a time?

MR. BRADLEY: May I just explain one thing.

Steve, I am sorry if we displayed in a such a way that might confuse the Committee, the three items on page 52(a) that this Board, if the Committee in its August meeting and this Board at your September meeting previously approved and

local Bars Associations will be given a preference that the grand Wand be for a period not to exceed 12 months and that the --- Secretary at the end of that period, that the Club would report back to the Board concerning the experiment *must* itself and continuing recommendations for additional competition support for pro team activities. I will be glad to speak to them.

MADAME CHAIRMAN: Madeline, Steve, you've got two motions. You've got the committee motions and the allocation out 1983?

MR. DEFRANCO: I haven't *made* any motion yet. I was just trying to explain what I worked on, but --

MADAME CHAIRMAN: Okay, those are two different issues. One is the adoption of the 1980 one-time allocation as promoted by the Committee. The second is that in addition to the *pro bono money* that is put forth in the Committee recommendations, you personally would move that Investment Pacers supplement that $100,000?

MR. DEFRANCO: Yeah, right, and I suppose ---

MADAME CHAIRMAN: Why don't we take it one at a time?

MR. DEFRANCO: Now I just explain one thing.

Steve, I am sorry if we displayed in a rush a way that might compromise the Committee, the three is on page 82(a) that this board, if the Committee in its recent meeting and this Board at their September meeting previously approved and

that is -- and there are three of them, the one percent basic grants, the 2.4 million dollars to be approved in September. The second was the Legal Services Institute to include -- you approved -- I am not suggesting you can't revisit, I am just pointing that out. The third item that you approved at that time was the $300,000 and the Committee meeting in November, the other items that I did not make reference to, were the ones that the Committee debated on discussed, and decided upon. I hope that I didn't confuse it, but it is all in there together.

MADAME CHAIRMAN: I would suggest that we take what is displayed here to this sheet first and move on to your other motion later.

MR. ENGLEBERG: I will go ahead and just for the -- in order to move the discussion along, I will move again this was -- I wanted to emphasize for what it is worth, this issue, one-time money issue was very thoroughly debated by the Committee and there was a lot of thought given -- frankly, a lot of giving and taking and changes, obviously the Board can reject what the Committee did as opposed to the 1981 budget where we deliberately reached no decisions. This one was very thoroughly thrashed out. I am talking about the presentation you see on page 52(a), not my second motion about pro bono, that is somewhat of a new avenue.

In any event, I will move adoption of the allocation of

In any event, I will move adoption of the alteration of the presentation you see on page 58(a). Not my second motion about one hour, that is somewhat of a new avenue. While one was very thoroughly thrashed out, I am talking about the 1981 budget where we deliberately avoided no deficiency. The record was the record. Previous Auditors to be employed in Cockburn". The record was the record. Previous Auditors to be employed in Parole Granted", the $1.4 million dollars to be approved in revision. I am just pointing that one. The related item that you approved at that time was the $300,000 and the Committee meeting in November, the other items that I did not make reference to, were the ones that the Committee debated and discussed, and decided upon. I hope that I didn't confuse you, but it is all in there together.

MR. CHAIRMAN: I would suppose that we take what is displayed here to file also. First and move on to your other motion Lyon.

MR. SHORTHOUSE: I will be brief and pertain to the -- In order to move the discussion along, I will move again this was -- I wanted to emphasize for what it is worth, this issue, one item money issue was very thoroughly debated by the Committee and there was a lot of thought given -- frankly, -- for me giving and taking and changes, obviously the Board can reject what the Committee did on occasion to -- [illegible] -- and there are times of that, like one personal

the 1980 one-time funds among the lines of the table on page 52(a) of the Board book.

MS. ESQUER: I second it.

MADAME CHAIRMAN: The motion has been made and seconded. Is there any discussion?

Bruce and then Bernie.

MR. MORRISON: I take it that it what the floor rate now is, not what Steve is going to talk about?

MADAME CHAIRMAN: Only what is on 52(a).

MR. MORRISON: Okay. Very briefly. I think you ought to make across the board, one percent, whatever it takes to to that. I think it is bad marketing to give people 0.99 percent just for the -- what it looks like, field programs will appreciate another 1 percent a little bit more. It is only $16,000 so I recommend you do that. I think that you must --

MR. ENGLEBERG: Call it two percent.

MR. MORRISON: Make it -- we all can do our multiplication. In any case there is an item that was deleted from the original staff recommendation and in the Board book, there is -- staff does not recommend anything to the full Board, but it is a deletion that I think was a mistake and that I think it needs to be talked about and that was this deletion of any funds in terms of planning for the future. PAG took a very strong position that the vast

the $1500 cone-like trophy among the three of the people on page 37(a) of the Board book.

MS. ROBLEDO: I second it.

JAMES CHAIRMAN: The motion has been made and seconded to approve new directors.

Those in favor Signify by saying "Aye".

MS. MORRISON: I hate it when it's what the three zero vote for, not what Steve is voting to talk about?

CHAIRMAN (Continued): Only what is on 23(a).

MS. MORRISON: Okay. Very briefly. I think you ought to make sure the Board, one person, whenever it takes to be Chair. I think it is bad marketing to give people 0.00 percent just for the -- what it looks like. Field programs will appreciate another 1 percent a little bit more. It is only $30,000 so I recommend you do that. I think that you --

MR. MCGLOUGHLIN: Call it two percent.

MR. MCCARTHY: Make it -- we all can do our multiplication. In any case there is -- music does not accompany anything to the full Board, but it is a decision that I think we -- mistake and that I think it needs to be talked about and that was this: definition of any funds in terms of planning for the future. HAC took a very strong position that the vast majority of the $30,000 to 1 recommend you do that. I think that you will appreciate another 1 percent a little bit more. It percent just for the -- what it looks like. Field programs to Chair. I think it is bad marketing to give people 0.00 to make sure the Board, one person, whenever it takes to MS. MORRISON: Okay. Very briefly. I think you ought more for, not what Steve is voting to talk about?

CHAIRMAN (Continued): Only what is on 23(a).

MS. MORRISON: I hate it when it's what the three zero

Those for, not Signify by saying "Aye".

MR. ROBLEDO: I second it

JAMES CHAIRMAN: The motion has been made and seconded

to approve new directors.

MS. MORRISON: I hate it when it's what the three zero

MR. ROBLEDO: I second it

Page 37(a) of the Board book.

the $1500 cone-like trophy among the three of the people on

majority of the funds available on a one-time basis needed to go to field programs to try to address the problems of inflation, but one thing -- actually, two things other than that which had top priority; one was the funding of the Census Advocacy Effort which has been recommended. The other was the putting of a substantial sum of money, $350,000 was the amount that was budgeted, you could argue about the amount, but the concept is extremely important.

Dan talked about this -- about 1981 as a transitional year. People in the field do not want 1981 to be the first transitional year of 2 or 3 or 4 or 5 like the transitional years from 1970 to 1975 while we lanquished and we didn't grow and we didn't keep up with inflation and the like. We are already behind in planning for the future. We should have right now a funding philosophy for the 1980's which we don't have because we sat on our minimum access cans for the last three or four years and now we are at the end and now it is all over and the engine which drove those large increases is gone. Perhaps those of us in the field feel it more acutely because we are the ones who are turning down those six out of seven or seven out of eight clients who come to the offices for services. We can't escape the fact that we are not coming anywhere near meeting the legal needs of poor people even if we use the totally inadequate definition of "poor people" derived from the 1970 census.

majority of the funds available on a one time basis needed to go to fund current ~~expenses~~ in order to maintain the operations of the existing ~~and~~ [illegible] ~~new things~~. Two things other than ~~the~~ [illegible] had top priority: one was the funding of the existing Agvocacy Plan, which has been recommended, the other was the funding of a substantial sum of money, $350,000 was the amount that was budgeted, upon which the county, but the response is extremely important.

One half of about this - about half of a transmitted years. People in the field do not want 1981 to be the first consecutive year of [illegible] or 4 or 5 like the traditional years from 1970 to 1975 which we [illegible] and we didn't grow and we didn't keep up with inflation and the like. We are already behind in planning for the future. We should move right now a funding philosophy for the 1980's which we don't have because we add on our minimum request some for the last three or four years and now we are at the end and now it is all over and the engine which drove those large increases is gone. Perhaps three of us in the State Fund it more acutely because we are the ones who are trending down three six out of seven or seven out of eight clients who come to the office for services. We can't escape the fact that we are not covering anywhere near meeting the legal needs of poor people even if we use it totally inadequate definition of "poor people" derived from the 1970 census.

If you add the statutory language about being unable to afford legal counsel, the numbers explode beyond recognition. The point is that we have to get down to that business of planning for the future at once. We cannot wait until 1982.

Now, I know that there is going to be discussion about the Board involving itself in some kind of retreat in some types of planning. I know there is a feeling on the Board that we have had enough studies and we need to get down to making decisions. There needs to be the money available in 1980 to act on what you learn when you sit down together and talk about the future. Those of us who have done that involves people from the field and from the staff of the corporation ina conscientious way over the past six to nine months are convinced and we believe you all can be convinced also. We don't know all the answers and there are questions that will have to be studied. Right now we have tried to put together a field staff task force which I am sure will be called upon to prepare background materials and make presentations to you when you sit down and make these decisions. All of this takes money and I think the cutting of planning for the future out of the budget is a serious mistake and some allocation of money, whether it comes from this or comes from the Investment Income, ought to be made at this time as a statement that the Board under-

stands that we can't sit with minimum access for another year.

One further point that I would like to make on a personnel level, this is not anything that is considered by the FCC or PAG, but it seems imperative in the light of what you have done for 1981 and that is that you have voted to ask Congress at least for money to spend, 2.65 million dollars on technological improvements. You have voted to spend no money in 1980. You don't have anyone in the Corporation who was prepared to do the kind of background work which will mean if you put a substantial amount of money in 1981, the background would have been done in 1980. The work on technological improvements are right now being done by two people: Allan Houseman (phonetic) and his staff in a way that over-extends them and means that the job that is being done in that area is not adequate. If you really want to spend 2.65 million dollars in 1981, then you have to put together a small amount of money whether it is $30,000, whatever it is, to put on somebody in the Corporation who is going to spend this year preparing for 1981 and learning what we have now. Perhaps that can be found elsewhere but I think it is just a matter of good planning. You ought not to not spend it if you are going to spend it later.

MADAME CHAIRMAN: Thank you.

Dear Mr. Chairman:

One question point that I would like to make on a personal level. Even is not anything that is considered by the SEC or FAC but it seems important in the light of what you have done for Intel now that you have worked to get Intel for money to spend, 2.05 million dollars on technological improvement. You have worked to spend no money in 1980. You don't have anyone in the Corporation who was interested to do the kind of breakdown work which will mean if you put a substantial amount of money in 1981, the background would have been done in 1980. The work on technological improvements one might now point done by two months. Alain Bonnemaison (phonetic) and his staff in a way that overextended them and means that the job that is being done in that area is not adequate. If you really want to spend 2.05 *million* dollars in 1981, then you have to put together a small amount of money whether it is in $30,000, whatever it is, to put on somebody in the Corporation who is going to spend this year preparing for 1981 and investing what we have now. Perhaps that can be found elsewhere but I think it is just a matter of good planning. You ought not to not spend it if you are going to spend it later.

MARVIN CHAIRMAN: Thank you.

Bernie?

MR. **VENEY:** I don't even know if I need to approach the microphone. The national substantive coordination -- I am not quite sure what it is that you are funding in this particular area. I keep getting lost in this process and I keep getting lost because I hear things like there has been a whole state planning process in each state. How groovy that has been, how well that has gone. How many from the client community to program directors have been involved and we have had all of this go on in the states and suddenly we have got to reach for a national review body to decide what, in fact, priorities should be in this whole national support effort. I am just overwhelmed by the fact that suddenly the Corporation has gone to taking local control, local matters and making it a matter of priority. How would you seem confused --

MR. ENGLEBERG: I don't think that it what it is for.

MR. **VENEY:** It says coordination.

MR. BRADLEY: Bernie, correct me, maybe we -- maybe the semantics are wrong. I thought you were present at the Committee meeting when we went into some great detail. This is the issue. I think you were present in the meeting room at the Alberquerque -- maybe not, but Allan, I thought very effectively, very forcefully, simply and quickly stated -- I mean, I thought he did a very good -- enumerated very

I mean, I thought he did a very good -- summarized very
very effectively very tersely simply and quickly stated --
some of the information -- maybe not. But All'n, I thought
it was fine. I think you've covered in the meeting
communities meeting when we went into some great detail. This
has mentions are moot. I thought you were present at the
[illegible] meeting, weren't you, Mr. [illegible]?

MR. MARKS: It says exemption.

MR. SWOBODNIK: I don't think that it's that it's too,
just [illegible] and making it a matter of
[illegible] too much [illegible] and [illegible] to talking
about [illegible] and [illegible] to [illegible]
[illegible] to decide what, in fact, principles should be in this
[illegible] and we have not [illegible] to [illegible]
involved and we have had all of this do on in the various
[illegible] from the citizens community to [illegible] and [illegible]
[illegible] that just been, you will that but gone. How many
[illegible] I have [illegible] [illegible] [illegible] like there's
[illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

specifically on page 32 of the Board book, you know, and I know because we have talked about it. Thereis a specific one-time national support need -- for instance, veterans upcharge -- that discharge upgrades --

MR. **VENEY:** Dan, that is just the point, I am not sure that that is anybody's priority. That priority came out of the 1007H study, if and in fact the Corporation wants to deal with that, it might use the alternative of going back to the Congress to supplement the appropriation to deal with --

MR. BRADLEY: Bernie, I am not arguing with you on the merits, I am telling you that we have had -- I know the senior staff -- I know there was extensive debate and conversations and discussions on this with the FCC and, in fact, Bruce can correct me, they voted this, if I can characterize it as that, as one of their top priorities. You know, that Congress just appropriated 1.3 billion dollars to the Emergency Act and you know that CAS and the Department of Energy are in the process right now of trying to get out quickly 1.3 billion dollars before poor people freeze to death in New Hampshire. Those types clearly identified as one-time national vote supports needs that this $300,000 was addressed.

MR. **VENEY:** Would you tell us what our role was, not 1.3 billion? If you can tell me what that is --

MR. VENNEY: Would you tell us what our role was, not
just legally? If you can tell me what that is --

one-time technical work improvements needs that this $300,000
would accomplish. Where types clearly identified as
worth in New Hampshire. Without your people knowing to
of county use in the process right now of trying to get out
to the "workforce" out and you know that CAS and the Department
You know, that consensus just appropriated $ 1.3 billion dollars
cybersecurities it's not that, as one of their top priorities.
fact, nurses can contact me, busy voted this, if I can
conversations and discussions on this with the DOT and, in
mention about -- I know there was extensive debate and
me this, I am betting you that we have had -- I know the
deal with --

MR. BRADBURY: Morrie, I am not arguing with you on the
bused to the Governor to reapportion the appropriation to
to deal with that, it might use the alternative of going
of the $100/20 already, if and in fact the Governor's wants
that to any-odd's priority. What priority come out
MR. VENNEY: Dan, that is just the point, I can not make
improve -- that efficiency improvement -- for instance, veterans
committee mechanical support need -- for instance, veterans
have because we have listed about it. "Provide a specific
specifically on page 39 of the Board book, you know, and I

1.3 billion? If you can tell me what that is --

MADAME CHAIRMAN: That is what we are trying to find out. That is the point as I see the --

MR. **VENEY:** Having thought very well, the consumer loss center was in a major part responsible for the shape of that legislation. They were responsible for the fact that it came out in the way that it did and with the protections and safeguards for low income people. I have no question about the --

MR. BRADLEY: Look at some of this money.

MADAME CHAIRMAN: That is right. Let me interrupt. I saw Mr. Janofsky and he -- I know he has been trying to join us all day and I think it would be best for us to greet him to say a few words to us.

If you would like to come forward, Mr. Janofsky, we would be very happy to hear from you.

MR. JANOFSKY: I think I can make myself heard from here.

Thank you very much, Dan and members of the Board and friends of the Legal Services Corporation; I apologize for not being here this morning. It wasn't that I wasn't unmindful of the fact that I was supposed to be here, but I had a press conference and I guess the representatives of the ABA didn't have very much confidence in my ability to handle it so they took more time than I anticipated to prepared me for it. That is the reason why I am late.

MADAME CHAIRWOMAN: That is what we are trying to find out. Where is the point on I-205 --

MR. VERNEY: Having thought very well, the consumer loss counter was in a major part responsible for the shape of that installation. They were responsible for the fact that it runs out in the way that it did and with the protections and safeguards for low income people. I have no question about that --

MR. BRADLEY: Look at some of this money.

MADAME CHAIRWOMAN: Mark is right. Let us take that. I am Mr. Donnelly and he -- I know he has been trying to join us all day and I think it would be best for us to [illegible] if you would like to make your statement.

If you would like to come forward, Mr. Donnelly, we would be very happy to hear from you.

MR. DONNELLY: I think I can make myself heard from here.

Thank you very much. Ben and members of the board and friends of the Legal Services Corporation: I apologize for not being here this morning. It wasn't that I wasn't reminded of the fact that I was supposed to be here, but I had a prior conference and I guess the appointment was for 10:30 [illegible] have very much confidence in my ability to remember it so they took more time than I anticipated to present me for it. That is the reason why I am late.

All of you here know that the American Bar Association has been vitally interested in the work of this group since the time that Mr. Justice Powell was president of the American Bar Association and I am just here to reaffirm to all of you the strong and committed support of the ABA to your requests for funding and also to your requests to take off some of the inhibitions that have been -- and restrictions that have been placed on the activities that you can engage in. And I want you to know if there is any way at all that we and the American Bar Association can be helpful that we want you to be free to call upon us. I am sure that Bill here has and will in the future make those views known to you, but it is a pleasure to be here and to state the position of the American Bar Association directly and publicly. I will be glad to answer any questions if you have any.

MADAME CHAIRMAN: We appreciate very much your coming and taking time out of your schedule to be with us and many of us will stay for the next day or two to share in the activities in consortium because there is some very mutual concerns and interest. We welcome that.

MR. JANOFSKY: Thank you very much for the opportunity to be with you.

(Applause.)

MADAME CHAIRMAN: Now, back to the family.

MADAM CHAIRMAN: Mrs. Quick to the family.

(Applause.)

to be with you.

MR. HAMORSKY: Thank you very much for the opportunity and cooperation and interest. We welcome that.

In anticipation in connection because there is some very many of us will stay for the next day or two to share in and looking time out of your schedule to be with us and

MADAM CHAIRMAN: We appreciate very much your coming here today.

and publicly. I will be glad to answer any questions if there is the position of the American Bar Association directly **to** where there is a pleasure to be here and **those** more that [illegible] here and will be the Fannie Mae [illegible] where we and you be there to call upon me. I am hopeful that we and the American Bar Association can be of all that we can in our capacity to. And I want you to know it here in any way activities that have been placed on the activities that you to be off more or the [illegible] that have been -- and to your response to and also for Tuesday in your response to all of you the strong and committed support of the ABA to Association and I am just here to confirm to Mrs. Quick was [illegible] of the [illegible] more visibly interested in the work of this group since

ABA or you here know that the American Bar Association

Bernie?

MR. BRADLEY: Bernie, I wish you would be talking to my friend Allan.

MR. VEE: Allan and I had a discussion this morning and we agreed to disagree. I think the point is made. I think this Board ought to look at what, in fact, is meant by National Substantive Coordination and the need for coordination. The need for some definition at the national level of issues that will be pointed to you. Allan has been through an extensive review process and I will agree he has come up with any number of issues that **need to be** addressed if the available funds are available. I am not sure within the complexity of the funds that have been appropriated or being requested, that the funds are available.

And the next thing I suspect that everybody knows in terms of the dues, that we have decided to pay to the American Bar Association and I am both happy and sad that the President has left.

I would like to pick up on something that I heard in some remarks earlier in terms of what do we mean by "pro bono"? What strictures are we going to put on pro bono activities and why is it that we have gone from $50,000 which I thought was the original budget line to $200,000 and now this afternoon I find that we are at $500,000. All right?

MRS. ROONEY: Mr. Chairman, I wish your words would be printed in
the Congressional Record.

MR. WOOD: Although I had a discussion with Mrs. Rooney before we started to discuss this matter, I think the point is made. I would like [illegible] ought to look at what, in fact, is meant by the term "personal information" and the need for [illegible] consideration. There need to be some definition of the method [illegible] there will be pointed to you. Although the letter is through an electronic service process and I will agree to the best ~~need to be~~ made available if the [illegible] are not addressed with only ~~answer~~ of letters that ~~need to be~~ sent within the capability of the funds that have been appropriated or being considered, that the funds are available.

And the next thing I suggest that everybody known in terms of this chart, that we have decided to pay to the American Bar Association and I am both happy and sad that the Presidential race [illegible].

I would like to add on something that I heard in many communities and time in terms of what do we mean by "pro bono"? What distances are we going to put on pro bono activities and why is it that we have gone from $50,000 which is [illegible] was the original budget then to $200,000 and now [illegible] $500,000. All rights

We heard earlier -- you heard earlier from a number of the pro bono projects the need to build in certain elements into those pro bono projects. It is not simply starting a pro bono project, it is making sure that there is support and there is training and a number of other things which Ester Larden (phonetic) and others who are running pro bono projects under the Liberty system study told you, about all those kinds of things, in fact, are going to be built into this pro bono appropriation at whatever level.

The second question I would ask the Board to consider is the question of -- given the effort of the consortium over the next couple of days to look at whether or not pro bono activities should be mandatory upon the -- whether you want to make a decision about making a major contribution, but one of the ways that the pro bono group, the consortium has looked at for meeting the mandatory obligation made, that may well be that some firms will contribute money while other individuals contribute time. I want to expand on the point that Ramona and Josephine made earlier and I think when you talk about pro bono; who are you talking about? Are you talking about the sole practitioner, the minority attorney, the attorney currently working in low income areas? I suggest to you that they will not fall into your definition of pro bono. They will not be activated by your pro bono project despite the fact that

We heard earlier -- you heard earlier from a number of the pro bono projects, the need to build in certain elements into these pro bono projects. It is not merely starting a pro bono project, it is making sure that there is support and there is training and a number of other things which Esther Lardent (phonetic) and others who are running pro bono projects under the Liberty system study told you, about all these kinds of things, in fact, are going to be built into these pro bono appropriations at whatever level.

The second question I would ask the Board to consider is the question of -- given the -- of the consortium over the next couple of years to look at whether or not pro bono activities should be mandatory upon the -- whether you want to make a decision about making a major contribution, but one of the ways for the pro bono effort, the consortium has looked at is meeting the mandatory obligation ends, that may well be that some firms will contribute money while other individuals participate there. I want to expand on the point that Ramona and Dorothy made earlier and I think when you talk about pro bono who are you talking about? Are you talking about the sole practitioner, the minority attorney, the attorney currently working in low income areas? I suggest to you that they will not fall into your definition of pro bono. They will not be motivated by your pro bono project despite the fact that

they are the people who know best how to deal with -- how to help low income people. They are already working pro bono because pro bono means "reduced fee". It don't mean no charge, folks. We mean reduced charge. They are working at reduced fees and they are working in a higher risk area where their fees may not be paid. So, what we are saying, without any elements of control, no standards for supervision, no standards for quality control, no way to involve the minorities and the low income folks, the sole practitioners who may have just come out of legal services and now may be setting up practice in low income communities who can probably best serve low income people who are about to put $50,000 because we are only talking about the issues raised on page 33, $200,000 -- 52(a) -- I am sorry, we are talking about $200,000 and as soon as Steve gets to make his motion, a half million dollars into uncontrolled activities at a point in time when we are telling the programs to bite the bullet. We are telling clients we may ha-e to shut down access to some programs. It is not that much, but pro bono is certainly not the answer.

I want to take just one more minute.

The movement of this Corporation toward pro bono -- without some assurances that the Congress would hold us harmless, that they will not use the increases in a pro bono activity to lower the level of funding is something I

poor mobility to lower the level of hustling in neighborhood transfers. That they will not pay the bare-ass in a pro without some assurances that the Corporate would hold us to some standard. "Reduced fees". It doesn't mean no income, "reduced clients". They are working poor as well -- low income people. They already working poor clay -- the people who know how to deal with -- how to survive, "dollars". No mean reduced clients. They are working poor and they are working in a region that does not have much money. So what we are saying, "income limits have not be paid". So what we are saying, we should -- by all means of control, no standards for upgrading, no standards for quality control, no way to involve the community -- and the low income "dollar" the only permissions can only have that room and of legal services and how may be used that up provide in new income communities who can actually have people who should be put in jail, income low income people. assess to one only fulfill about the issues raised in June 3rd, 2000. and no room in Bravo gets to role his motion, since $2000,000 -- $2(a) -- I am sorry, we are talking a half million dollar line under-funded activities at a period to time when we are telling the taxpayers to hire the parent. To pay telling clients we may have to shut down access to more programs. It is not that much, but pro bono in essentially not the answer.

I want to close just one more minute.

The movement of this Corporation toward pro bono -- pro bono activity is lower the level of lawyering I

think you need to look at very seriously. That has not been addressed. There are no assurances from the Congress that that will take place. We addressed it in our testimony to the house oversight committee. I do not know that Corporation has addressed that to proceed along a level of funding pro bono activity so that you can show a sharp up-curve in the graph without knowing that the Congress will not then turn around and say, "Hey, folks, you are getting x number of dollars in pro bono activity, therefore we will reduce the funding by that amount," is, I think, something you need to look at very closely.

MADAME CHAIRMAN: Any further comments or questions?

Ready to vote on the motion to adopt the allocation of the 1980 one-time funds.

MS. HAMILTON: Just a minute. I want to ask one question.

I want to know what input will the clients have in this pro bono plan? It seems to give out -- what will they -- I know the answer is none, I want you to tell me. Now, I want to know; will we have control over the -- or what? I just can't see -- I am tired of seeing you give money and nobody have control over it and we have been saying; don't mess up the deal, let it go to Congress, maybe the clients look and will say, are we getting what we should or do we need to talk to Congress to get what we should?

do we need to talk to Congress to see what we should or
don't want up the goal. Let it do to compromise, maybe the
only nobody have control over it and we have been saying:
I have case -- I'm tired of seeing you guys every
way. To know, will we have control over the -- or start
I have the answer is never. I want you to tell me, now I
this pro bono plan? It seems to give out -- what will they
I want to know what Congress will the citizens have in
control to?

DR. HAMILTON: Just a minute. I want to ask one
of the 1980 one-time funds.

Ready to vote on the motion to adopt the allocation
MADAM CHAIRMAN: Any further comments or questions
you need to look at very closely.
reduce the funding by 1/3 of course," is, I think, consulting
a number of doctors in the Bronx recently, therefore we will
not then turn around and say, "Hey, hello, you are getting
curve in Cox Crypt without knowing that the Congress will
funding pro bono activity so that you can show a phase up-
(corporation has adjusted that to provide along a level of
to the house overstaffed committee." I do not know that
will make plans. It's addressed it in our testimony
addressed. There are no assurances from the Congress that
those you need to look at very seriously. That has not been

I just need some input on what is going to happen.

MADAME CHAIRMAN: Well, I think it is appropriate for you to address that since the Committee's discussion that lead to this recommendation and envisioned that the President would be making those decisions.

MR. BRADLEY: There is no -- Mary, some of the questions that I think you are raising specifically is the issue that Steve is going to talk about next, but the previous issue about client involvement, you know and I know and we all know for better or worse a lot of pro bono activity is going on right now. Most of the pro bono activity, whether it is a structured program and we have about 75 or 80 of our programs that have something called a structured pro bono program or if it is an unstructured program and there are some pro bono programs that are not involved with us, they are outside of Legal Services, but it is clear that the pro bono activity that goes on in conjunction with and in connection with our local programs, I mean, we would like to think and Mary, you and I -- we know, but we would like to think that that pro bono activity is, in fact, influenced greatly by the local board which hopefully we would like to think involves the client community. It is also true, I mean, the Corporation is not unmindful of the fact that some of those persons in the room today, it concerns us as a matter of top priority of the Corporation that some of

pro bono programs that we have been funding under DSS do not, in fact, have client representation and we have now raised that point with them. We have had a major meeting at the highest levels of the Corporation involving our lawyers trying to address that issue because it seems to me, and I will be first to say so, if we are going to develop those pro bono programs and provide services to the client community, then if it makes sense, and I believe that it does, to have clients involved in our regular programs then it also makes sense, if not more so, than to have them involved in our pro bono programs. I would hope, depending on which this Board decides to do and what they instruct me to do, if I am given the staff responsibility of making decisions of this Board I will make sure that that is included and I will include what I can in good conscience and good faith to make sure that the clients participate in the allocation and management of those funds.

MARY: Then, you have just answered my question without even thinking about it. You are fixing to put out more money for pro bono, you don't know what is going on with the money that we already have. My problem is: How can you put more money out there without making sure the money you've got out there is producing?

MR. BRADLEY: Mary, I hope I didn't say that, maybe that was what I inferred. I do think that we do know what

that was what I informed. I do think that we do know what

MR. HOWARD: Mary, I hope I didn't say that, maybe

out there in predecessor

money out there without putting into the money you've got

that we already have. My problem is: How can you put more

pro bono, you don't know what is going on with the money

even thinking about it. You are fixing to put out more money

MARY: Then, you have just answered my question without

the authorization and management of those funds.

-- used this to make sure that the client's participate in

related and I will instruct that I can in good conscience

conclusion of this board I will make sure that is in-

my do, if I am given the staff responsibility of working

on which this board decides to do and what they just not

-ed in one pro bono program. I would hope, depending

it also makes sense, if not more so, than to have them in-

doors, to have clients involved in our regular programs than

those pro bono programs and provide services to the client

community, then if it makes sense, and I believe that it

for. And I will be first to say so, if we are going to develop

lawyers trying to address that issue because it seems to

me the highest levels of the corporation involving our

-ruited that going with them. We have had a major meeting

not. In fact, have client representation and we have now

is going on in pro bono programs now. It is true that the Delivery Systems study is a study and the results of that from the 4 factors that were being studied, we don't know that in terms that it is not on this table, but we do know it in terms of the staff. We do know that we have just gone through an exhaustive staff review process of those Delivery Systems studies and many of the pro bono programs were considered to be very effective, very efficient, very good delivery mechanisms for providing high quality legal services. And the client satisfaction aspect of those programs was unusually high for better or worse, so I can't say that that is the position of this Corporation, but that is some of the preliminary information that we had to find out before we made the decisions several weeks ago.

MADAME CHAIRMAN: Yes, Bill?

MR. MCCALPIN: Let me make a few remarks which will apply both to the items of the $200,000 which is in the motion which is before us and which I won't repeat. When we may get to a subsequent motion and in a sense, I suppose, I ought to respond to some of the things which have been said.

First of all, the consortium in the next few days will not be addressing the question or certainly in any decision-making sense, whether each lawyer should have a pro bono obligation as part of his professional practice.

MR. MCGUIGAN: I will now call a new witness which will apply both to the items of the $200,000 which is in the motion which is before me and which I would suggest, however, I ought to respond to some of the things which have been said.

First of all, the composition in the most new duplicating machine, whether each lawyer should have a duplicating machine as part of his professional practice, is a matter of his own business now. It is true that the motion on the two programs was [illegible] but we do know that in terms of the salary and the results of that [illegible] from the [illegible] that were bought, we don't know if it [illegible] but we do know that [illegible] review process of those duplicating machines could be very effective, very [illegible] and many of the pro bono programs [illegible] for providing high quality legal [illegible]. And the clinic participation aspect of those programs was apparently high for better or worse. So I can't say that that must be the position of this corporation, but that is some of the preliminary information that we have to find out before we made the decisions several weeks ago

In terms of decision-making, that question is being addressed by the Committee chaired by our Board member by Mr. Kutak in terms of rewriting the rules or for the conduct for the regulation of the profession and he indicated to me a week ago today when I met with him that it was unlikely that there would be included in the first publicized draft of those rules which will be available in about February or March, it is unlikely that there would be any mandatory pro bono provision.

Secondly, it is my clear and firm understanding of this $200,000 item and the $300,000 item that not one dollar, not one dime will be used to pay any lawyer for the provision of any legal services to any client. That these funds will be used for the purpose of creating a program under which the services will be rendered absolutely without any compensation whatsoever. We are not talking about Judicare; we are not talking about a discounted, modified Judicare; we are not talking about a service rendered absolutely for nothing and as Bernie said earlier in connection with the proposed line item for Lay Advocacy, let me echo it from another point of view.

It seems to me if there is to be any quantum advancement in the number of clients to be served by the Legal Service programs in the broad sense, in the foreseeable future, it will be in either one or hopefully both of

two ways: One, it is the lay or pro se advocacy that Bernie has described and the other is by involving lawyers in providing more uncompensated service. Nobody can guarantee you that this $200,000 or the additional matching money which would run to a million dollar program uncompensated service, simply to get those programs created and operating, I don't think anybody can guarantee you, at this point, either that that program or the lay advocacy program will do what we hope it will do, but it seems to me that these represents our only two choices for a significant advancement in the future. If we don't do it, it simply means that we are foreclosing in one case or the other, the opportunity for a substantial increase for the total number of clients served in the resolution of their legal problems. I think as it has been said that without a line item in the budget, there is a substantial committment on the part of the Board and the Corporation to proceed with $10 million if that is what becomes available to us in these funds in the 1981 fiscal year. Along the lines of lay advocacy: I don't mean to infer all that money will be used, but some of that money will be used. This is the other side of that coin. The second string to the bone. The attempt to go the other way to radically increase the number of clients that can be served and it is only that contention, it seems to me that it is appropriate or possible to go forward at this

I was sure, okay, it be like pay or play on somebody that
is provably zero *unemployed* scrivener. Nobody can guarantee
you that their $200,000 or the eight hand modeling money
is providing zero *unemployed* scrivener. Nobody can guarantee
anybody can guarantee you at this point,
sorry, simply to cut those programs created and excluding,
video would run to a million dollar program unemployed
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what become available to me in those funds in the 1931
and the Corporation to proceed with $10 million if that is
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so it has been said that without a line item in the *budget*,
waive in the consolidation of their legal problems. I think
for a substantial increase for the total number of clients
we are forecasting in one case or the other, the opportunity
in the future. If we don't do it, it simply means that
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do much we hope it will do, but it seems to me that there
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tee you that the second and the other is by involving lawyers
two ways. One, it be like pay or play on somebody that

time in the interest of the objective of all of us which is to serve -- to find ways to serve the maximum of clients.

MADAME CHAIRMAN: Any further comments from the Board?

MS. WORTHY: I would just like to say and in looking at the figures here and the money that Steve was talking about that is going into the program, as I said before, fine, the program in my area works. But I don't see anything here that tells me that we are going to see by putting this money out that we can say or talk about or attract it later on, some of the things that you talked about, Bill, are going to happen. It is not in writing, not anything here that I can come back here and say: Putting all that money out did not answer any of the problems that we have. I don't see anything to support us given this money. I heard Bill talk about it, but I want to be able to come back later on and look at it as a Board member and as a client and say that the money that I seconded here and approved of putting into a program like that did the services that I put the money in for -- it is not in writing, it is not in the place and I know we have been in positions before that we have allocated money and that we have come back and sometimes we were confused because it was not in writing. Why or what did we put that money there for? We can't sit down and sometimes we can sit down and remember and come up, so, I thought we allocated for such and such. I want

time in the interest of the objectives of all of us which is to serve -- to find ways to serve the maximum of clients.

MADAME CHAIRMAN: Any further comments from the Board?

MR. MURPHY: I would just like to say and in looking at the figures here and the money that Steve was talking about it is going into the program, as I said before, like programs in my area work. But I don't see anything there that tells us that we are going to see by putting this money into that we can stay or that about or start to get out of the problems that we have. I don't see in the things that you talked about, Bill, where going to improve. It is not in writing, not supplying jobs that I can come back here and say: Putting all that money out did and resolve any of the problems that we have. I don't see anything to point to given this money. I know it's said about it, but I want to be able to come back and say that the money that I secured here and to a client in the place one I know we have been in positions before that we have allocated money and that we have come back and say: It is not in writing, it is not in writing, or else we are continued because it was not in writing, and I know we are going to see if there are jobs and numbers and some thing that tells us that money there long. We can't put money into programs in my area work. But I don't see anything about it going into the program, as I said before, like the figures here and the money that Steve was talking

MADAME CHAIRMAN: Any further comments from the Board?

MR. MURPHY: I would just like to say and in looking at the objectives of all of us which is to serve -- to find ways to serve the maximum of clients.

to be able to come back and say: This is why I approved that amount of money going out.

MADAME CHAIRMAN: Josephine, as to the $200,000, it was discussed at the Committee and it was written about in the terms given the Committee in very brief explanation along with some of the other projects that appear on page 32 that basically given the experience that the Corporation has had with pro bono projects in a number of varieties including those that had just recently been evaluated by DSS analysts and it did seem worthwhile that we proceed with that and the discussion at the Committee meeting was very clear that the President would be held responsible for how those funds are expended, what kinds of projects they went to and to be imaginative about it, get it to where it could do the most good and the like. I think at least it is my recollection at the Committee meeting, is that we did discuss it at some length based on the information that wasprovided to us, and of course, there are a number of different models that can be funded and followed, but it is not a new project. I mean, pro bono has been around for decades.

MS. WORTHY: I am aware of that, it is not a project.

MADAME CHAIRMAN: Certainly more experienced in evaluating it whether it is good or not, whether it is serving clients, whether lawyers are doing a good job or

assuring citizens whether lawyers are doing a good job or evaluating it whether it is good or not, whether it is

MARTHA GRAHAM: Community more experienced in

MS. WORTHY: I do aware of that, it is not a project

our discussion.

It not a new project. I mean, pro bono has been around did discuss it at some length based on the information that it by resolution of the *Committee* decision - is that we it could do the most good and the like. I think at least they want to ask to be investigative about it, not in to where how these funds are expended, what kinds -- projects was also that the discussion of *the Committee* resolution had been adopted by 1990 minutes and it did state worthwhile that we proceed pro bono matters in a number of sections [sic] that had just recently been evaluated by *the Committee* since that time. I think the President would be help responsible to [sic] the Executive Committee and it was actually [sic] to be able to come back and say: This is why -- approval of money ended out.

MARTHA GRAHAM: Corporations as to the 250,000, it

not and some other things we talked about. I think there was quite a bit of discussion at the Committee.

MS. WORTHY: I am aware that it is not a new project. I am aware of that.

What I am talking about is similar to what Bill said, is they are saying they are using this money for --

MR. SACKS: I wonder if she got the sheet from Mr. Engleberg dated December 4.

MR. KANTOR: It seems to me we are getting two issues mixed up and confused. One issue is the use of the one-time money which includes within it the $200,000.

The second issue, of course, is Steve has an additional motion which is not yet on the floor, add to that money under a certain formula. I would suggest if you would so -- even better than that remove $200,000 from the discussion.

MADAME CHAIRMAN: No, no. Let's vote on what is on the page. The motion is to vote on what is on page 52(a). The question has been called for. All those in favor of voting on the allocation of the 1980 one-time funds as it appears on 52(a) signify by saying aye.

MR. SACKS: We are voting on --

MADAME CHAIRMAN: We are just voting on the motion to accept what we do with the one-time funds as set forth on page 52(a).

MR. SACKS: We are voting on the Committee report?

MR. MACRAE: We are voting on the Committee proposal on page 52(a).

MR. MACRAE: We are voting on --

MADAM CHAIRMAN: We are just voting on the motion to accept what we do with the one-third fourth on page 52(a).

MR. MACRAE: We are voting on --

MADAM CHAIRMAN: Mr. Macrae, we are voting on Section 32(a) identify by saying are voting on the allocation of the 1980 one time funds as it was proposed. All those in favor of the motion, to vote up or down. Page 52(a).

MADAM CHAIRMAN: Mr. Macrae, what's wrong with that?

MR. MACRAE: I'm sorry, I wonder if you could give me -- I'm sorry, are they using that money for --

MR. MACRAE: I wonder if you could give me a -- I'm confused about Paragraph 4.

MR. KNOWLES: It seems to me we are dealing two issues here and confused. One issue is the tax or the one-time money which includes within it the $200,000.

The second issue, of course, is there are an additional section which is not yet on the floor, and to that money is available formula. I would suggest if you would no even believe than that remove $200,000 from the discussion and then we can deal with that as an additional item.

MADAM CHAIRMAN: Mr. Macrae, what's wrong with that?

MR. MACRAE: I'm sorry, I wonder if you could give me a -- I'm confused about Paragraph 4.

MR. KNOWLES: It seems to me we are dealing two issues here in that they are saying that money for --

MR. MACRAE: I am confused about in relation to what Bill said, I'm -- I am unaware of that.

MR. KNOWLES: I am aware that it is not a new project, was during a bit of discussion at the committee.

pool and some other things we talked about. I think there

MADAME CHAIRMAN: That is right. Voting to accept or reject the Committee report.

All those in favor that we accept the Committee report, please signify by saying aye.

MR. TRUDELL: Aye.

MS. ESQUER: Aye.

MR. KANTOR: Aye

MR. ENGELBERG: Aye.

MR. BRADLEY: Aye.

MR. ORTIQUE: Aye.

MR. SACKS: Aye.

MS. SHUMP: Nay.

MR. MCCALPIN: Aye.

MS. WORTHY: Nay.

MADAME CHAIRMAN: All those in favor of the Committee report please signify by raising your right hand. Trudell, Esquer, Kantor, Engelberg, Bradley, Ortique, Sacks, McCalpin.

All those who oppose please signify by raising your right hand. Worthy and Shump.

All right, we now go on to wherever we go.

MR. ENGELBERG: Let me make the motion and let me talk about the motion.

I would like to formally move that the $500,000 be made available during fiscal year 1980 for the support of the pro bono activity. $200,000 of this money will be --

MAYOR: CHANCELLOR. Open for nights. Voting to accept

CC. refject the Committee report.

All. Close in favor. Hear we accept the committee report.

MAYOR: Motion carries. Voting to accept the committee report by saying aye.

ALL: Aye.

MAYOR: Opposed, nay.

NO RESPONSE

will come from the unexpended fiscal year 1979 money which we have just -- the additional $300,000 will come from the Investment Income for a total of $500,000. This $500,000 will be awarded to grantees on a one-time experimental basis under a 50-50 cash match and by cash is meant U.S. currency with local non-governmental, non-corporation funds. That the type of pro bono activity funded will be on a no-fee basis, that the bulk of the money again, this is within the discretion of the staff, but that the bulk of the money be used to seive new pro bono projects, that is, projects which do not exist, that Legal Service programs and state and local Bar Associations of any type or other types of bar groups would be given preference, just preference that the grants would be for a period not to exceed 12 months, that the President would report back to the Board at the end of this period based under an evaluation of these programs and make a recommendation to the Board for additional Corporation support for pro bono activities and that finally, that final part of the motion would be within the discretion of the President, appropriate client involvement in the administration of this program both in terms of the award of the money itself and in terms of appropriate client involvement as I do -- I want to give the President discretion and the -- for the grantees themselves be included, I am sorry I didn't --

with cuts from the unexpended fiscal year 1979 money which we have just -- it's combined $300,000 with cuts from the unexpended amount for a total of $500,000. While $500,000 will be available to continue on a one-time experimental basis under a 50-50 cash match and by work to mount U.S. community with local nonprofessional, non-corporation funds, that also type of pro bono activity funding will be on a no fee basis. Even the bulk of the money activity, that is within the discretion of the staff, is that the bulk of the money be used to revive pro bono participation, and in particular where do not exist, are legal services programs and clients and local Bar Associations of one type or other types of bar groups would be given precedence. Last year's budget that the grant would be for a period not to exceed 12 months that the President would request back be the award at the end of this pro bono based budget an evaluation of those programs and make a recommendation to the Board for additional appropriation support for pro bono activities and that finally that final part of the motion would be calling for dissolution of the Foundation, expressing client travel in the administration of this program both in terms of also award of the money itself and in terms of appropriate client involvement as I do -- I want to give the President different and the -- for the question therefore be included, I don't -

MR. SACKS: I second the motion.

MADAME CHAIRMAN: Now, is there any discussions?

MS. ESQUER: I just have a technical question, point of information.

If your motion fails, does that mean you kick out the first two?

MADAME CHAIRMAN: No.

MS. ESQUER: It doesn't mean that at all?

MR. ENGELBERG: No.

MS. ESQUER: Does it require that the first 200 be awarded on a matching basis?

MR. ENGELBERG: No, if it fails, I suppose someone could move to have the 200 awarded on a matching basis. As it stands now, the 200 would just --

MADAME CHAIRMAN: However the President chooses.

MR. ENGELBERG: But this motion requires all 200 plus the additional 300 of the Investment Income. At some point, I would like to respond to some of the arguments made by other Board members.

MADAME CHAIRMAN: Mr. Trudell?

MR. TRUDELL: Let me ask a question: What is the status of the Investment Income right now? How much is available?

MR. BRADLEY: A little over $700,000 and if this --

MR. TRUDELL: It is earmarked for nothing?

MR. PUGHLEY: It is estimated for mortgage --

MR. RICARDO: A little over $200,000 and it pays --

roughly?

electric of the Tennessee Income might move. How much is

MR. PUGHLEY: Let me ask a question: What is the

MADAME CHAIRMAN: Sir, Trouble?

other Board members.

I would like to respond to some of the arguments made by

two additional 300 of the Environment Income. At some point,

MADAME CHAIRMAN: Because the Straight-Out opposes.

As it stands now, the 300 would just --

could move to have the 300 rescinded on a motion to vote.

MR. DONOVAN: Yes, if it fails, I suppose somebody

suggests on a motion to Re-Jim.

MR. PUGHLEY: Does it require that the Client Pay to

MR. DONOVAN: No.

MR. PUGHLEY: It doesn't mean that at all?

MADAME CHAIRMAN: No.

Like First Two?

If your motion fails, does that mean you like our

of Information.

MR. PUGHLEY: I just have a Prepared Question, point

MADAME CHAIRMAN: Does, Is there any discussion?

MR. DONOVAN: I second the motion.

MR. BRADLEY: It is earmarked for nothing.

MR. ENGELBERG: Dick, also my understanding is that if we are able to get the kind of approval which the President thinks we will get from the Appropriations Committee, that can hopefully be increased by shorter-term investment of the Corporation funds.

I really would like some quiet.

MADAME CHAIRMAN: Could we have it quiet in the back, please.

Yes, Ramona?

MS. SHUMP: Steve, answer two questions for me, if you can: How realistic is it to start up again, experimentation with pro bono efforts when have we just not completed the Delivery Systems study that had in effect pro bono, Judicare prepaid, what have you, type of programs that are now being added as line items with continued funding from the Corporation?

Now, are you telling me that this money that we are going to put out there is only one-time money and that next year at this time you are not or someone else isn't going to be sitting there saying: We have got to set aside not $500,000 but $750,000 to continue these and have more?

And if there are $750,000 that are, you know, unallocated and we put in $500,000 for this pro bono effort, are we going to put the other $200,000 out for our field pro-

two ending for just the others $290,000 out for one could pro-

t c one we put it $300,000 for this pro bono effort. The

And it comes use $270,030 that are. You know, multiyear

$1,000 but $270,000 to something three and *two more*?

by getting there saying. We have got to get ready pot

Yeah at this time you are not or someone else isn't going to

going to one our those is only one-time money and that next

Now, are you telling me that this money that we are

the corporation?

now going added on like these with combined funding from

Undecore [sic] *what* I've won, type of percentage that are

the beginning Systems else that beginning pro bono,

[audio is unclear when have we just not completed

You can [sic] how [unclear] it if to those by apply, [speculation

Mr. [unclear] Brown, answer pro bonding for me, if

Yes, Kenneth?

Dave, [unclear]

[unclear] Could we have if that's the

I [unclear] would like some quote.

Investment o [sic] Corporation Fund.

Commissioner, that can hopefully be [unclear] by shareholder-

[unclear] Finder's we will get from the Appropriation

If we are able to get [sic] kind of approved which the

Mr. [unclear] Right, okay [sic] unbelievable is that

[unclear] is considered for nothing.

grams or how do we justify the imbalance of money?

MR. ENGELBERG: Well, Ramona, let me address myself first to the first question.

First of all, I think politically you are right that while legally speaking, this is one-time money. None of us should be, if the Corporation decides for whatever reason to discontinue serving these grantees I'm sure we are all going to be under a lot of pressure. My response to that is: So what? I think we were under pressure this year. We did not overrule the staff on a series of tough decisions. As long as you are in the business of funding organizations, you are always going to have disappointed grantees particularly when you are handing out one-time money.

Secondly, it has been suggested by some of the staff, we limit this with my motion and I rejected this that the motion be limited solely as pilot one-time basis to sort of expire at the end of that period. I rejected that because I, for one, would like to see and I think what is the experimental aspect of it, although there is evidence of similar matching programs and other federal programs, I would like to see what the response is from around the country.

I would like to see, for example, in areas where there has been no pro bono involvement at all, whether we induce

Mr. Bloomberg: Well, Jamie, let me reverse myself. How do we simplify the insurance of money?

Figure 1: The first question.

Mr. Dimon: Well, I think politically you are right that we're legally unmarking this one-time money. Some of it should be, if the Corporation decided for whatever reason to discontinue accruing fines during Ja and we give it to the Corporation, he responsible to pay more to be under a lot of pressure. He responsible for the above immediately when we're building out operations. As long as you are to the business of lending money. We did not overcome the merit on a section of tough decisions, you are always going to have diversified [illegible] Yeah. So what? I think we were under pressure this year. We did not overcome the merit on a section of tough decisions

that by putting up 50 or 60 thousand dollars in cash, we would match it, whether we can get vibrant effective pro bono programs with effective client involvement and I would like to see what happens and I think -- I don't want to prejudge the question whether we would try to continue to fund some of those programs or not. Legally speaking, none of them have any right or entitlement to be refunded. There will be some policy problems from this, first of the staff and that they will have to address next year, but I think it is not a reason to reject the concept because it may create problems. You are absolutely right, it is going to create additional problems, but I think we have got to look at it on the merits and decide whether it is worthwhile.

I would like to respond to some of the comments that Bernie has made at an appropriate time.

MS. WORTHY: I was just saying --

MADAME CHAIRMAN: Yes, Bernie?

MR. **VENEY:** I would like to ask one question of Steve and I would like Steve to check with the project directors who are in this room. I heard that preference would be given to local programs, but I also heard a requirement for 50-50 match using non-governmental funds. What monies do we think that programs have that would allow them to, in fact, to match the monies they would be getting from

for "work" to match the meanings they would be getting from
do we think that persons have that would allow them to,
for it to match meaning-of-words-in-mental-use". What members
given to moral programs, but I also learned a temperament
who are in this room. I heard that persons would be
and I would like Steve to check with the project directors
ME. WARNER: I would like to ask one question of those

MADAME CHAIRWOMAN: Yes, Secretary?

MS. WOODBY: I was just musing -

Perhaps now would be an appropriate time.

I would like to respond to some of the comments that
worthwhile.

he took at it on the merits and decide whether it is
going to create additional problems, but I think we have got
it may create more problems. You are absolutely right, it is
but I think it is not a reason to reject the concept because
the school and that they will have to address next year,
are to will be some policy procedures from this, that at
of those were any rights or entitlement to be returned.
find ways of those programs or not. Is this something, some
reconfigure the question whether we would say to continue to
like to see what happens and I think -- I don't want to
insure procedures with effective safeguards and I would
would need it. Whether we are not without effective pro
cient by spending up 30 or 50 thousand dollars in court, we

this $500,000. My sense is that our programs are funded by restricted monies that come from either the Corporation, other federal sources or from sources such as United Way where the restriction is it cannot be used as a match.

MR. ENGELBERG: First of all, the recommendation -- I am not trying to dodge it. Dan will have to elaborate -- I would ask Dan to elaborate me formulate the plan. Dan's recommendation, which I accepted, that the priority be given to those local and service programs. I understand that the money that the local programs would get would have to come from the Bar or from other sources, but they would have to raise non-corporation, non-federal, non-governmental money if they want to participate. That would be the requirement and I think the rationale for that, I guess, it would give them an incentive to put the bite on local bar associations. I have seen a lot of these will be jointly run programs as some of the existing programs.

Bernie, I don't care who the grantees are. I don't want this motion to try to lock Bradley's hands to who the grantees are. What I want is to get an infusion of money into an effort, as Bill says, to increase the number of lawyers representing poor people.

We all know there aren't enough lawyers.

MR. VEE: Then, Steve, may I say: Why not make a simple motion that would make available to field programs that wish

motion that would make available to third programs that with

MR. VEEP: Okay, okay, okay. I say: Why not make a simple

We all have other things to do.

Thanks to Senator Tim Scott, to increase the number of

jobs in offices, as $417, says, to increase the number of money

that's been spent. What I want is to get an increase of money

back into my district. Because I have been a lot of those with

local businesspeople. I don't see like Carpenters and -- I don't

be jointly run programs as some of the existing programs.

Secondly, I don't come into the Senate and -- I have been a lot of those with

local businesspeople. I have been a lot of those with

chance, I would give them an incentive to put the bite on

the government money if they want to participate. That would

have to come from the tier or from other sources, but they

would have to raise non-corporation, non-business, non-

about the money that the local programs would get would

divide to those local and service people. I misunderstand

reconsideration, which I recommend, that we ought

I would ask him to elaborate me formulate the plan. Don't

am not trying to dodge it. Tom will have to elaborate -

Mr. THOMPSON: Glad to do it, the recommendation -- I

choose the restriction as it cannot be used as a tasks,

other federal sources or those sources such as Indian Way

by the federal monies that come under the competition,

Pell's 5000,000. My memo to the local programs are funded

to pursue pro bono involvement with the local bar and make that money available to the local programs. We might then be able to assure that these kinds of things that the Delivery System,pro bono people have already been told that this is necessary, that there would be quality control, there would be support, there would be those other things that would go to make sure that the representation to poor people would be appropriate and adequate.

MR. ENGELBERG: I am going to depend on Bradley and Staff to make a decision.

In other words, I don't want to sit in this motion to strictly limit it solely to local programs.

MADAME CHAIRMAN: In response to what Bernie said, would you entertain the possible revision that only the $300,000 that you are talking about from Investment Income would be the match money and the $200,000 that we have already voted on, committed could be used without match depending on the President's discretion, the local programs or other groups or whatever; is that possible?

MR. ENGELBERG: I don't understand what that is designed to accomplish.

MADAME CHAIRMAN: What it is designed to accomplish is partly the point that Bernie is raising. There may be very valid situations where we want to promote pro bono, you know, we are not talking about every local bar having

Now I see, we are not talking about every low-level law design-
ers would introduce where we would be promote pro bono
i.e. purely the point that begins to matter. There may be
MAYOR GRATTAN: What is introduced to accomplish
[unreadable] no accomplish?

MR. MORRISSEY: I don't understand what that is
or other people or whatever, is that possible?
depending on the Council's discretion, the local procedure
already waived out, committee would be used without motion
would be the match money per the $2500,000 that we have
$250,000 that were talking about from Investment Income
would you contemplate the possible revision that only the
to eliminate Item 11 wholly to local programs.

IRONICALLY SPEAKING: To respond to what Bonnie said,
to eliminate Item 11 wholly to local programs.

In other words, I don't want to *kill* the Metro version
Item 11 to make a condition.

MR. MORRISSEY: I'm going to depend on Bradley and
people would be inappropriate and adequate.

that would do to make sure that the *representation* to poor
Metro would be supported. There would be those other things
that this is necessary, that there would be equality control,
Attorney Grattan, how people have already been told
to make to ensure that there kinds of *things* that the
that money available to the local programs. We might then
to pursue are home investment with the local bar and make

the money that New York, Dallas has. We got a lot of small, little, dinky bar associations like in Arkansas that couldn't raise 15 cents to walk across the street because there are only three lawyers in the county. I think there are some places that could possibly be promoted or encouraged to do pro bono work at a much more limited basis with a much smaller grant that would not have to be matched and at least to provide us with the flexibility, you know, to have the kind of creative energy that would hopefully result in a lot more pro bono work in very different kinds of situations. That is just a suggestion. It is your motion that we are talking about.

Any other Board people? I am only going to recognize people that haven't been recognized before. We are hours behind our schedule.

MS. ESQUER: I might as well go ahead and let you know why I don't think I can support Steve's motion. I am not really against pro bono activities. I think that they are good and they really are beneficial and that is, I agree with Bill that it does help u s serve more people. Where I come from, we have understated how much support and how much involvement there already is with pro bono and I think that Steve is trying to, you know, improve, help improve our participation to private bars and I am for that. That may -- the hesitation that Ramona expressed that

MR. CONNOR: I might as well do ahead and let you bring one witness. I don't think I can augment Steve's motion. I know only I would think I can augment Steve's motion. I can not verify anything pro bono activities. I think that there are good and they really are benefitted and that is, I guess with DIT that there is more people -- as more people -- I guess from, we have unemployment and I guess -- I'm sorry, help improve our participation to private bars and I am for that. What was -- the position that Thomas expressed that I'm providing us with flexibility, you know, to have the kind of economic opportunity that would hopefully result in a lot more pro bono work in a way different kinds of conditions and also in just a reduction. It is your motion that we pass to provide us with the flexibility, you know, to have the condition that would not have to be motivating and at least do pro bono work at a much more limited basis with a much please that could possibly be promoted or encouraged to only those lawyers in the county. I think there are some limits to want to work because the others become there to the liability, dimly but associated have there in Delaware that couldn't pro bono that how York, matter four. We don't a lot of until

has to -- the hesitancy that we are raising in those projects that although you do fund them one-time funds, you are coming pretty close to making a longer reigning committee than the one-year and I think we are under a budget where at least 1% of our funds are annualized and there is very little flexibility to try and implement, resolve whatever comes out DSS and other things that we are awaiting and we go in with half a million dollars for new pro bono activities and I think that it will hinder being able to move quicker in response to anything that the Board might want to do with the DSS and some of those studies. It may be that after the final report comes in that I could very easily support Steve's motion, but at this particular time, I just think that we need sensibility and even though Steve insists talking about one-time funds, I don't think we are. I think we are talking about a longer committment and I would rather wait until we have more information on DSS and other things so that we can really properly meet, you know, our interests, and really work better with the private bars.

So,for that reason, I don't think I could Steve's motion.

MR. ENGELBERG: Can I respond to that?

You know, Cecilia, I think we have come to a point where we are almost -- a lot of people could disagree with

where we are almost -- a lot of people could disagree with
that now. I think we have come to a point
[illegible] Don't correspond to that?

No, for that reason, I don't think I could Steve's
work better with the privacy issue
really [illegible] about, you know, our interests, and mostly
more information on SNS and other things so *that* we can
longer *come* tolerant and I would rather with really we *have*
I don't think we are talking about a
[illegible] through Steve *Insulate* talking about one-time *pads*,
particular time, I just *think* that we need sensibility and
that I could work *with* support Steve's not 'em, but it this
medium. It may be kind *occur* like Elgal report *comes* in
[illegible] *should* want to do with like God and some of those
[illegible] are able to *have* quicker in response to *multiply* that
two long negotiations and I think that it will *hinder*
our *complying* and we up to with last a *multiply* options for
everyday mediums comes out SNS and other things that we
[illegible] where it long if one finds are *more* fixed and
somewhere in very little flexibility to try and implement
complicate than like one-year and I think we are under a
[illegible] are coming pretty close to making a longer replying
protocols that although you to find them one-time trader, you
[illegible] to see the possibility that we are waiting to those

the motion and merits. There have been some good arguments raised on the merits. I am not saying yours is not on the merits. I think the problem that -- the notion that we have to study this thing, to me, it seems so simple. If you want a well run program as opposed to a badly run program. If we can help get more lawyers who are not assisting in the legal services program involved in a quality way, appropriate client involvement, the representation of poor clients, I think, Bill, only two approaches. There is this and there is the broad client advocacy. I think that there are two different ways to achieve the same thing. I think to say that we have to wait for further studies, we have to look at DSS, I think is nonsense.

MS. ESQUER: Wait a minute. The thing is that DSS is looking at other things besides pro bono. I brought this up in another discussion that we had. Pro bono is not really going to benefit the rural areas, the sparsely populated areas. I think pro bono particularly benefits the urban areas. I don't know how many private attorneys there are, you know, exactly, in that statement that I made. I don't know how many attorneys there are on the reservations, I don't know how effective a pro bono project will be there and I think DSS is looking at other things besides just a strict pro bono thing and if there are some types of participation with the private bar that can be

effective in the rural areas, the sparsely populated areas, that, I don't think we should be precluded from including that type of participation and that is one of the reasons that I would prefer to wait for DSS.

MR. ENGELBERG: It is inconceivable to me that you now or a year now would oppose the allocation of some money to support pro bono activities. I do not think this excludes other types of activities. It is a fairly simply motion and I think rural areas -- maybe we need more information certainly with the existing type pro bono programs. It is, you know, not a very complicated process. You need a little money, and again, I am interested in the concept of a match. I am not just interested in the concept -- remember, we are talking about if that motion passes, we are talking about infusion of a million dollars more to help, to get a lot of lawyers involved in representing poor people, if these people don't know what they are doing I am not going to hand the money out. If they know what they are doing, it is going to work right and I assume that while they may not know anything else, they know how to give out money. Otherwise we might as well pack our bags and go home.

The only thing that the Corporation does, it gives out money.

MS. ESQUER: -- going to work against the smaller bars.

passed.

MR. MCGUIRE: — going to work against the small one.

"The only thing that the Corporation does," it gives out money.

Otherwise we might as well just put our hands up and say we don't know anything else, they know how to write our memos. They are going to work right and I assume that they are going," if the're going to work right and I assume that I can not working to hand the money out. If they *know what* poor people," if those people don't know what they are doing more to help, to get a lot of lawyers involved in represented people," we are talking about reduction of a million dollars concept — "somewhere," we are talking about if that motion to the counsel to a motion. I am not just interested in the process. You need a public money, and again, I am interested more information certainly with the original type pro bono program. If you just a very committed motion and I that' rural areas — maybe we need either a option other types of activities. It is a fairly money to support pro bono activities. I do not think one of a case how would object the allocation of some *Unidentified.* It is inconceivable to me that you think I could provide to work for us.

That's one of personalities and that is one of the reasons why to the rural areas, the absolutely necessary — and I think we should be prejudiced from including

MADAME CHAIRMAN: I raised that point, but I have to say that, you know, the need is so great in so many cities, that you know, I have firsthand knowledge about and have read about that. I really can't see penalizing poor people in New York or San Francisco or Los Angeles who do have existing organized bar associations that might be willing to participate because, you know, the 1500 poor people in some small county in Arkansas or the Indian reservations wouldn't have the benefit of that particular kind of approach. And I agree with you that we need to maintain flexibility. I think it may be mixing apples and oranges to some extent because we are not sure of what kind of pro bono effort, if at all, work in some of these more difficult locations. And we are just going to have to go with different approaches.

MR. TRUDELL: I agree with you that there are a lot of different areas that probably have never really been helped although I think what Cecelia has said is very accurate in terms of we provide the money. The easiest part of running a program is establishing a program and the hardest part is keeping it going. That means they are going to be back. After the Committee meeting we had people come from New York to make a pitch and the same thing will happen with the efforts in the pro bono areas and some areas especially if there is a match requirement.

MADAME CHAIRMAN: I noticed that point, but I have to say that, you know, who need is no great in so many cities, and about that. I really don't use practicing peer to have available organized bar associations that might be willing to participate because you know, like 1500 poor people in some small county in Arkansas or the Indian reservations wouldn't have the benefit of that particular kind of opinion. And I agree with you that we need to maintain flexibility. I think it may be making appeals and committees to some extent because we are not sure of what kind of pro bono effort, if at all, work in some of these more difficult locations. And we are just going to have to do with different approaches.

MR. TAUBMAN: I agree with you that there are a lot of differences around that probably have never really been noticed although I think what Georgia has said is very accurate in terms of we provide the money. The ongoing basis of running a program is extraordinarily a problem and that hungers just is keeping it going. That means they are going to be busy. After the committee meeting we had recently come from New York to make a pitch and like some trying will. Anyone with the efforts in the pro bono areas and some question especially if there is a match requirement.

The other thing that I am troubled with and I will have to agree with Cecilia again is the motion here. We are isolating on a particular motion that would, you know, take $300,000 out of a possible $700,000, allocate it, I guess, the other $400,000 is up for grabs and it will be a dogfight. Turn the clock back in terms of the way we handle the Legal Service Institute, carve out the money, we give it to them, what is left and we will have to create a special process for the other people to compete for the $350,000. Whereas the Legal Services ought to walk away with $250,000.

MADAME CHAIRMAN: Howard, did you have your hand up?

(No response.)

MADAME CHAIRMAN: Gerry?

MR. SINGSEN: I have just a small technical point. In light of some of our earlier discussions, the Board and -- the Committee before it, talked very seriously about reaching basic policy decisions. We have talked today about client involvement and private bar participation and I think Mr. McCalpin has raised a very fundamental question which is: whether our planning should base itself at all on a prospect of any significant Congressional increase within the next few years or whether it needs to look at other sources -- other resources coming into the field, entries

The other line I'm troubled with and I will have to agree with Goodrich again is the motion here. We are indicating on a particular motion that would, you know, value $300,000 out of a possible $700,000. Although it, I guess, the other $400,000 is up for grabs and it will be a conflict. When the clock hook in terms of the way we handle the legal Service Inability, carve out the money, we give it to them, what is left and we will have to compile a special process for those other people to compete for the $300,000. Whereas the legal Services could to walk away with $700,000.

MADAM CHAIRMAN: Howard, did you have your hand up?

(No response.)

Hope

MR. SIMCOX: I have just a small technical point. I think of some of our earlier discussions, the board and reading Item C before it, I have very seriously absent [illegible] modify Goodrich. We have lobbied today about ultimate Irvington and relative to annihilation and which, in fact, the Hospitan has raised a very fundamental question on a procedure of our eligibility document increase with-- in the most fair ways or whether it needs to look at other -- others responses coming into the field, caution

to service the poor. I think those are precisely the questions that you are going to be chewing on in the next couple of months and I am not sure it makes sense to isolate one issue as Dick has suggested before you look at the group of issues. There are very limited funds we now have and limited flexibilities that we now have. The question I am raising is a technical one: Is whether stating the commitment to private bar participation and pro bono and the feeling is very productive -- is necessarily followed by the direct allocation of funds today as opposed to when you look and make decisions on the range of issue.

MR. ORTIQUE: I am confused. I thought that the Staff had thrashed this out and we knew what all the answers were and now --

MS. WORTHY: No.

MR. BRADLEY: I think Gary was speaking to the point and that was included in the memorandum that you have just raised and Steve and I have discussed at length with Staff and other Board members so that they would know what all of the issues are in terms of making any informed decisions.

MADAME CHAIRMAN: Any further Board discussion?

MR. ENGELBERG: Can I response to what Dick said? I think, you know, your point, the Legal Service Institute funding thing was, I think, obviously, was the most difficult thing we have to consider. I really do feel that this is

to overdue the poor. I think those are precisely the
questions that you are going to be observing on in the next
couple of months and I am not sure it makes sense to ignore
one issue or look that suggested before you look at the group
of issues. There are very limited funds we now have and
limited responsibilities that we have. The question I
am unlikely to a locum-ed case. The whether sending the
committee to privacy bar participation and was born and
the meeting is very productive -- is necessarily followed
by the direct allocation of funds today as opposed to when
you look and made decisions on the scope of issue.

MR. GOLDSTONE: I am confused. I thought that the
board had literally this out and we knew what all the
answers were and now ---

MS. GORELICK: Sir.

MR. BRADLEY: I think Gary was speaking to the point
and then was included in the memorandum that you have just
raised and Steve and I have discussed at length with Brett
and other Board members so that they would know what all of
the issues are in terms of making any information. Decisions.

MANAGE CHAIRMAN: Any further Board discussions?

MR. [illegible]: Can I response to what Dick earlier
said, you know, your point. The legal fiduciary that this
finding only was, I think, obviously, was the most difficult
thing to have to consider. I really do feel that this is

quite different for one basic reason. You know, this is a process. We are not trying to create a process to meet the motion which the motion was set in the process. You will agree it really was wide open. Nobody is going to be favored. We are not saying we have got 4 grantees out there that are ready to go. I do think there is a basic difference between that and again, what I am trying to get across and I, you know, in fairness to Dan I think, Dan, I did talk to Dan about this. This is not a proposal initiated by the Staff. If this is wrong for the Board to initiate proposals, then I am sorry. I initiated this proposal and I do so based on work at the last Committee meeting. I don't think it is a very substantial risk. I think the worse that is going to happen is that we may get some programs started and may find out that maybe it is not the effective way to go.

It is inconceivable to be how the money in any real sense is going to be wasted. The President has assured me that there is virtually no additional administrative overhead in giving out the money and if, frankly, if there were I would have had serious reservations about proceedings. Again, I am trying to look and see if we can attract another half million dollars into what I think is a very important effort. If we can't attract it, then the money is not going to be spent. Clearly, the motion requires cash match.

quite different for one basic reason. You know, this is a process. We are not trying to decide a process to meet this motion which the motion was set in the process. You will agree it really was very open. Nobody is going to be favored. We are not saying we have got a provision out there that are ready to go. I do think there is a basic difference between that and saying, what I am trying to get across and I, you know, in fairness to Dan I think. Dan, I did not try to put about this. This is not a proposal initiated by the Staff. If this is wrong for the Board to initiate proposals, then I am sorry. I initiated this proposal and I do so based on work at the Law Committee meeting. I don't think it is a very substantial risk. I think the worse that is going to happen is that we may get some people started and we find out that maybe it is not the effective way to do.

It is impossible to be how the money in may real estate is going to be worked. The President just measured in that there is virtually no additional administrative expending in giving out the money and it, really, it seems I would have had serious reservations about proceeding again. I am trying to look and see if we can structure position again. I think it is very important that we can't afford it, then the motion requires even notice.

It's money looking to see if it can attract other money. It may or may not work.

MR. TRUDELL: I think that in coming to the Board meeting and in looking at the agenda, I had no expectation that there would be any kind of debate or discussion about the agenda item that is not on the agenda really. If you are dipping into the Investment Income, that I did not expect to discuss. I didn't know how much money there was and I was prepared to deal with what was in the agenda book. I think we have dealt with it and now I think we have gone beyond it and I think that it is only fair and I think that as a Staff member I would like to point out in terms of Gerry, there are a variety of things that we should be discussing and I am all for Pro Bono Assistance. If you get some free time from a lawyer, then that is great.

MADAME CHAIRMAN: Go ahead.

MR. ORTIQUE: One of the things that impresses me most about this motion is a statement made by the Government and that is there are two ways really to go with reference to some of these things. Why can't we attempt to do both of these with at least some of this investment money? Why can't we immediately initiate some program with reference to client advocacy? I don't know what figures we have got to work with, but a reasonable amount of money and at the same time do the experimentation; that is what it is all

it's money looking to see if it can attract other money.
It may or may not work.

MR. THOMPSON: I think that in coming to the board meeting and in looking at the agenda, I had no expectation that there would be any kind of debate or discussion about the agenda item that is not on the agenda monthly. If you are objecting into the investment Income, that I did not expect to discuss. I didn't know how much money there was and I was prepared to deal with what was in the agenda book. I think we have dealt with it and now I think we have done because it and I think that it is only fair and I think that as a Sheriff member I would like to point out in terms of -- now, there are a variety of things that -- should be discussed and I am all for two boom Sanitarbee. If you get more time time down a degree, then that is great.

MAYOR CHAIRMAN: Go ahead.

MR. CLEVELAND: One of the things that impresses me most about this motion is a statement made by the Government and that is there are two ways really to do with reference to some or three things. Why aren't we attempt to the book of these with of these values of these some of this investment money? Why can't we immediately institute some program with reference to client advocacy? I don't *know what* figures we have got to work with, but a reasonable amount of money and at the same time do the expenditures that to what it is all

about, experimentation with this pro bono thing. Both of them havemerit. We are geared to at least -- I got that we were going to talk specifically about big dollars for the client advocacy program in 1981. Why can't we take some investment money and also look at some experimentation in that area also. Seems to me that you can do both of them at the same time, that we would be finding out what can be done -- what will be done and I just think that we ought to give those an opportunity to come up with this money. That is a saleable point that Steve's motion makes and I would like to --

MADAME CHAIRMAN: I am going to ask those of you who want to carry on another conversation to step outside.

I'm sorry. Judge, please go ahead.

MR. ORTIQUE: I would like to amend your motion to include the expenditure of funds or the allocation of some of that investment income to experimentation. Again, I am willing to put it in the hands of Dan and let him determine what we can spend at this point appropriately, of course, now, in that area and we do both things at the same time.

MADAME CHAIRMAN: Mickie, do you have anything to say?

MR. ENGELBERG: I don't know if I really understand what you are saying. Are you suggesting that you are adding

what you are saying. Are you suggesting that you are adding

MR. EDWARDS: I don't know if I really understand

some?

MAJOR GAMMON: Pardon. Do you have anything to

share?

Now, in that area and we do both things at the

same time, I'm scared of this point especially, o

of that increase income to experimentation. Again, I

hesitate the expenditure of funds on the elimination of some

of those things to put it in the hands of Don and let him decide

what we -- expend at this point especially, o

counter, now, in that area and we do both things at the

same time.

MAJOR GAMMON: Pardon. Do you have anything to

share?

MR. EDWARDS: I don't know if I really understand

what you are saying. Are you suggesting that you are adding

additional income?

MR. ORTIQUE: Additional money from the Investment Income. You are not taking out the entire income.

MR. ENGELBERG: Seems to me, yes, you are not talking about the $300,000.

MR. ORTIQUE: No, put the $300,000 that you are saying because apparently you thought that through in terms of wanting to do a million dollars worth and I think that is impact. I will be wanting to do something with real inpact money with reference to client advocacy, but I want to set at the same time, put the money in there, give an opportunity at least, it may not satisfy what Dick is talking about, at least, given an opportunity for those groups in their rural areas to get a bite at the Investment Income money.

MS. SHUMP: Are you willing to go equal or if -- the President finds that that is appropriate then I would say that. I don't want to say a figure because I hadn't thought through it. I just feel that the comments that were made by Dick were appropriate and Cecilia also made some comments about the rural areas where you may not be able to do anything at all with the $300,000, but you could possibly do some things with the additional income monies. That is why I want to amend his motion and I don't know what your amount would be, I am willing to leave that up to

additional income?

MR. OSBORNE: Additional money from the investment income. You can do or finding out the origin income.

MR. MCGLOTHLIN: Income to me, you, You are not having about the 300,000.

MR. OSBORNE: So, put the $300,000 that you are giving because apparently you thought that through in terms of wanting to do a million dollars worth and I think that is important. I will be wanting to do something with most impact money with reference to client movement, but I want to put at the same time, put the money in there, give an opportunity at least, given an opportunity for those trading about, at least, given an opportunity for those dynamic in their rural areas to get a hit at the investment income money.

MR. GLOTHLIN: You will be to go equal or if -- the presidents finds that that is appropriate then I would say that. I don't want to say a figure because I hadn't thought through it. I just feel that the economic that were made by this were appropriate and credit, also made some comments about the rural areas where you may not be able to do anything at all with the $300,000 that you could possibly do more things with the additional income monies. That is why I want to spread his motion and I don't know what your thought would be, I am willing to leave that up to

you and the Staff and decide if it can be equal. I certainly think that Dan knows that that is our sentiment.

MADAME CHAIRMAN: Is that a formal amendment?

MR. ORTIQUE: It is a formal amendment.

MR. ENGELBERG: Let me speak.

MR. SACKS: Let me second that.

MR. ORTIQUE. Thank you.

MADAME CHAIRMAN: Are you going to talk to us or are you going to --

MR. ENGELBERG: My concern is that I don't want to raise a major process argument. I thought and I talked to Dan that this was fairly simply. I must say that I strongly disagree with the motion that we can't do one thing without doing everything. If we are only going to make decisions to serve this area. I don't think we will be able to make any decisions given what I have heard so far, renew the battle, that is why I just feel that I am going to go back and proceed. I will withdraw the motion. I think that it clearly needs further work in the Committee which is too bad. I don't think the motion -- the motion is fairly simply. Frankly, unless I thought in pretty clear consciousness, I don't want to -- I don't sense although we -- I think there is a lot of confusion, maybe that is my fault. I don't think -- I think it is clear, the sentiment of this Board and the sentiment is very

the usual hours of this board and the restrictions in very

that in my flight. I don't think -- I tried it is clear, there is a lot of confusion, maybe unintended on -- I think there is a lot of confusion, maybe clear, unnecessary. I don't want to -- I don't argue a fairly simply. Recently, before I thought in pretty which is too bad. I don't think the motion -- the motion I think that it clearly needs further work in the Committee going to go back and present. I will withdraw the motion. Sure, remove the barrier, that is why I just feel that I am able to make any decisions given what I have heard so more decisions to make this area. I don't think we will think without doing overbuilding. If we are only going to

MS. [illegible]: My comment is that I don't want to raise a [illegible] process argument. I thought and I talked to the that this was fairly simply. I must say that I accurately disagree with the motion that we can't do one thing without doing overbuilding. If we are only going to

you going to --

MADAM CHAIRMAN: Are you going to vote in on yes

MR. [illegible]: Thank you.

MR. [illegible]: Not me second this.

MR. [illegible]: -- to speak.

MS. [illegible]: It is a formal amendment.

MADAM CHAIRMAN: Is there a formal amendment?

Is there [illegible] that is our amendment,

You and the Clerk and decide if it can be agreed. I certain-

strongly in favor of pro bono activities, creates a feeling of -- I think Dick's point is valid, that is serious. How you spend the money of the Investment Income. It is possibly best to refer the whole thing back to the Appropriations and Audits Committees as the Provisions Committee illustrate, presses the concept as another idea which may be good, if not better in terms of other expenditures.

My own feeling right now, it is probably, you know, not the point of today to provide -- to proceed. I am going to withdraw or can it on the table.

MADAME CHAIRMAN: Why don't we just -- I think it is obvious a provocative and interesting idea and it goes along the line of a commitment that has already been expressed Why don't we go ahead and have you withdraw your motion so that it can be given further -- we are both on the Committee Staff. When I heard Gary, he wasn't ready as a staff person -- supposed to jump up and down about it, maybe that is something we need to take into consideration because we are going to ask the President to present us with a series of alternatives for action by March that are going to be much broader and bigger and hopefully more decisive than the last hour's has been. So, I think if we do refer it back to the Committee, then a lot of these concerns that have been expressed today could be manipulated and would be of benefit to the staff assistance.

strongly in favor of pro bono activities, creation a feeling of -- I think Nick's point is valid, first to mention. How you expand the range of the Investment Lawyer. It is possible that to widen the whole issue back to the appropriations and Audits Committees on the Privileges Committee Illumination, because the concept as narrow idea which may be open. It would involve to begin of either expenditures.

My own feeling right now, it is probably, you know that the point of today to provide -- to proceed. I'm getting to either we can in on the light.

MADAM CHAIRMAN: Why don't we just -- I think it's about the time of a consultant that has already been accepted. Why don't we go ahead and have you with/give your position so that it can be given further -- we can look on the Committee chair. When I heard that, I wasn't ready as a matter -- interested to jump up and down about it, saying that in something we need to talk into consideration because we are going to ask the President to present us with a motion of alternatives for action by which that one going to be much broader and hopefully more decisive than the last hour's ten hours. So I think if we go rather to the committee. Then a lot of those concerns could be eliminated to the right questions.

All right. The next item on the agenda is a report from the Committee on Provision of Legal Services.

MR. BRADLEY: If you don't mind because I made a mistake in the opening comments -- since we are still dealing with the budget, please permit me to state that I want to apologize for my colleague, Charles Ritter (phonetic); would you stand again? I introduced you to Charles this morning when I explained the work and the effort that has gone in for the preparation of the Audit Report. I did not give due credit to the person who made this report a very good report and that is Charles Ritter and his staff.

Charles has been with the Corporation almost since day one and in my negligence and oversight this morning, I did not mention that he and his staff literally worked around the clock -- him and Price Waterhouse (phonetic) and Price Waterhouse told me and I am proud to repeat this: As long as you got Charles Ritter in accounting for -- controlling your funds, we assure you that the Corporation funds are in good shape.

Charles, I apologize for not saying that this morning.

MR. RITTER: Thank you.

MADAME CHAIRMAN: I am not sure that you should brag on him like that because someone could walk in the door and try to hire him away. They frequently do.

MR. ORTIQUE: Give him a raise and you won't have to worry about it.

MR. BRADLEY: If you don't mind Mission I would

a mistake in the opening comments -- since we are still

dealing with the budget, please permit me to state that I

want to apologize for my colleague, Charles Ritter (phonetic);

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long as your dog Charles Ritter is accounting for -- controlling

your funds, we *assure you that the Corporation funds are in*

good shape.

Question, I apologize for not saying that this

morning.

MR. RITTER: Thank you.

MADAM CHAIRMAN: I am not sure that you should

MADAME CHAIRMAN: More than six percent?

Okay. Mr. Trudell, are you ready for your report?

MR. TRUDELL: Yes. It will be a very short report. The Provision of Legal Services Committee met on the 12th. Our meeting preceded the Appropriations and Audit meeting and we discussed a number of items and there are only two items. We came up with one recommendation and another motion at which was unanimously adopted by the Committee. The first recommendation was that a hundred thousand dollars be made available for the reestablishment of the intern funds and that has already been discussed and approved in terms of one-time monies.

The second item that the Committee did take on and is mentioned in the past motion -- unanimously was the motion that the Native American and Alien Services Organization had proposed to us and that resolution is in the agenda book here. And for the benefit of the Reporter, if you have a copy of it, then -- basically the Organization requested that the uniqueness of the Natives Americans be reaffirmed in terms of the Corporation, reaffirming its policy and practices. And I think that all of the Board Members have read that particular resolution and if so, at this point in time, I would like to move that the Board adopt the resolution.

MADAME CHAIRMAN: Is there a second?

MR. McCALPIN: I second it.

MR. MCCARTHY: I second it.

MADAM CHAIRMAN: Is there a second?

I think that all of the board members have read that resolution and if so, at this point in time, I would like to move that the board adopt the resolution.

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MR. TRUDEAU: Yes. It will be a very short report. The provision of local services committee met on the 15th. Our meeting proceeded the appropriations and audit reviewed and we discussed a number of items and there are only three items. We came up with one recommendation and another which was unanimously adopted by the Committee.

The first recommendation was that a hundred thousand dollars be made available for the reestablishment of the Iacobucci Lands and that has already been discussed and approved in terms of some time monies.

The second item that the Committee did take on and is mentioned in the past motion -- unanimously was the motion that the Native American and Alien Services Organization had proposed to us and that resolution is in the agenda book but, and for the benefit of the reporter, if you have a copy of it, I think that all of the board members have read that resolution and if so, at this point in time, I would like to move that the board adopt the resolution.

MADAM CHAIRMAN: Is there a second?

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MR. MCCARTHY: I second it.

MADAM CHAIRMAN: Is there a second?

Okay. Mr. Trudeau, are you ready for your report?

MR. TRUDEAU: Yes. It will be a very short report. The provision of local services committee met on the 15th. Our meeting proceeded the appropriations and audit reviewed and we discussed a number of items and there are only three items. We came up with one recommendation and another which was unanimously adopted by the Committee.

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MR. MCCARTHY: I second it.

MADAM CHAIRMAN: Is there a second?

MADAME CHAIRMAN: The resolution that appears on page 54, is there any discussion?

MR. TRUDELL: Yes.

MADAME CHAIRMAN: All those in favor signify by saying "aye."

MR. TRUDELL: Aye.

MS. ESQUER: Aye.

MR. KANTOR: Aye.

MR. ENGELBERG: Aye.

MR. BRADLEY: Aye.

MR. ORTIQUE: Aye.

MR. SACKS: Aye.

MS. SHUMP: Aye.

MR. McCALPIN: Aye.

MS. WORTHY: Aye.

MADAME CHAIRMAN: All those against?

(No response.)

MADAME CHAIRMAN: Any further on the report?

MR. TRUDELL: Hillary, as pointed out, we only really took up two items that we acted on in the field -- in the field, there are a number of items including the concern about client participation or I guess the Board composition in terms of regulations that have been discussed at that Committee meeting and during the course of today's Board meeting, I made a list of items that I guess I will

[72]

MADAME CHAIRMAN: The second motion that applies
on page 24. Is there any discussion?

MR. TRUDEAU: Yes.

MADAME CHAIRMAN: All those in favor signify
by saying "aye."

MS. TRUDEAU: Aye.

MR. KERGER: Aye.

MR. KANTOR: Aye.

MR. ENGELBERG: Aye.

MR. PRADHAN: Aye.

MR. ORTEGA: Aye.

MR. JACKS: Aye.

MS. BRUMP: Aye.

MR. McCARTIN: Aye.

MS. WORTHY: Aye.

MADAME CHAIRMAN: All those opposed?

(No response.)

MADAME CHAIRMAN: Any further on the report?

MR. TRUDEAU: Hillary, as pointed out, we only really took up two items that we acted on in the field -- in the field, there are a number of items including the concern about client participation or lack -- the board composition in terms of regulations that have been discussed at that Committee meeting and during the course of today's board meeting, I made a list of items that I guess I will

discuss with the other Committee members so that we can formulate our agenda fairly early and set the date in place where the meeting will be held.

MADAME CHAIRMAN: Fine.

The next item on the agenda concerns --

MR. TRUDELL: I would like to make one final comment.

MADAME CHAIRMAN: Go ahead.

MR. TRUDELL: At the Committee meeting I think the Committee was very appreciative of the job that Clint did because there were quite a few things on the agenda -- more than we had anticipated. The material was well prepared and he had all the answers that we wanted.

MADAME CHAIRMAN: Clint deserves a vote of thanks and appreciation for a lot of things. I will tell you that.

Our next item concerns a short report on -- excuse me -- National Support Centers. While waiting for Alan, I was looking for some -- I get all this stuff in the mail talking about resolutions and I got a resolution the other day from a county in Michigan which shall remain nameless, they were telling me that the Board of Commissioners continues to support its own legal aid programs now constitued to resist any expansion by the National Legal Services Corporation and they will continue to oppose that. It is nice to know that

discuss with the other Councilmembers so that we can

formulate our agenda for next month and see the date in place

where the meeting will be held.

MADAME CHAIRMAN: Fine.

The next item on the agenda concerns --

MR. TROMBLE: I would like to make one final

comment.

MADAME CHAIRMAN: Go ahead.

MR. TROMBLE: At the committee meeting I think

the committee was very appreciative of the job that Clint did

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MADAME CHAIRMAN: Clint deserves a vote of

thanks and appreciation for a lot of things. I will tell

you that.

Our next item concerns a short report on -- excuse me --

a county in Michigan which small towns have, they were

looking for some -- I got all this stuff in the mail talking

about annexations and I got a resolution the other day from

the Council Pepper Gardens. While waiting for Stan, I was

thanking me that the Board of Commissioners continues to

support its own legal and programs now confronted to recall

any expansion by the Municipal Legal Services Corporation and

they will continue to oppose that. It is nice to know that

we are not just universally loved.

Alan, we are going to ask for a very short report which is unfortunately very long, hard tedious work, but if you could provide some overview. As you noticed this morning, there was a number of questions about National Support Centers. Any guidance you can give us, we would appreciate.

MR. HOUSEMAN: I am the Director of the Research Institute.

I have been asked to come here today to -- as well as the Support Center directors as well as Si Rosenthal who was the consultant hired to undertake the evaluations of the existing Support Centers this year and I would, if possible, like them to be able to present to you some of their concerns and thoughts.

The only context which I want to make to their presentation in addition to what is in your book is just to briefly mention the current policy of the Corporation against which you should understand the presentation that we made. The current policy with regard to National Support is -- there are four primary functions of the National Support Centers which are all fully funded National Support Centers.

Two, that they must emphasize two things: national policy representation and support and assistance to local programs.

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Also, we are looking to ask for a very short report which is unfortunately very long. Hard fashions work, but it *could provide* some overview. As you noticed this morning, there was a number of questions about bottoms *support* centers. Any guidance you can give *us*, we would appreciate.

MR. ROSENBERG: I'm the Director of the Research Institute.

I have been asked to come here today in -- as well as the Brookings Center directors as well as 24 nonprofit who was the counterthink hired to undertake the evaluations of the existing Brookings Centers this year and I would, if possible, like them to be able to present to you some or their conclusion and thoughts.

The only context which I want to note to their presentation *in addition* to what is in your book is just to briefly *mention the current policy* of the corporation regarding you should understood the *presumption that we made* the current policy with regard to National Support is -- there are four primary functions of the National Support centers which are fully funded National Support centers. Two, that they must emphasize two things: national policy representation and support and assistance to local

Three, that they must engage in an extensive priority setting process and development of work plans which in that process must involve field programs, staff and clients not only those that are on their boards and there are clients and field program staff on every Support Center board, -- every Support Center board has to meet the requirements of the Legal Services Corporation. They must not only involve those clients in the field program staff but others beyond them in the development of their priorities and in their work plans.

The fourth aspect of our current policy is that we are attempting to address if we have sufficient funds -- it is a criticality, unmet National Support aids and we do that not necessarily by funding new centers. There are several different type of mechanisms by which to do that including the funding of legal programs which we did last year and the funding of existing organizations which we also did last year to address the critical unmet needs.

That is the scope and the scale of the policy as we are currently operating.

One other thing, Mickie, Judge, Bill, I think -- no, this maybe better than -- in any case, the National Support Centers have been historically a subject of great Congressional debate and concern through efforts of Dan and others who are on this Board now. Dan and Mickie, Bill and Revius

priority setting process and development of work plans which in that process must involve field programs, staff and clients not only those that are on their boards and those are clients and field program staff on every Support Center board -- every Support Center board has to meet the requirements of the Legal Services corporation. They must not only involve those clients in the field program staff for others beyond them in the development of their priorities and in their work plans.

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That is the scope and the scale of the policy as we are currently operating.

One other thing: Barbie, Judge, Bill, I think -- no, this maybe better than -- in any case, the National Support centers have been historically a subject of great Congressional debate and concern through efforts of Dan and others who are on this Board now: Dan, Judge, Bill and Barbie

were preserved through the Phillip's Era through efforts of the Corporation in the early days in interpreting the Green Amendment. They were preserved and we now have at least in '68, developed a support study that looked carefully not only at State support but National support to evolve into the policies we now have. That is the background.

The presentation will be made principally by three people in addition to Andy Lewis who is on my staff and who is principally responsible for the National Support. The other three are: Si Rosenthal, whom many of you have worked with and have known, who headed the Evaluation team. Si has been a local Legal Services Project director. He is also actively involved NLADA. He was former Chairperson PAG and has in the past also worked at OAO and Office of Legal Services.

Sylvia Ivy, who is currently Director of the National Health Law project came to the Health Law project in 1976. Previous to that, she was an attorney with the NAACP, Legal Defense Fund. Previous to that, she worked on a book "Our Brothers Keeper" about Indians. She was on the Defense Fund from 1968 to 1976. She was a 1968 graduate of Howard Law School.

The other director who will be making presentations is Paul Nathanson. He has been Director of the Senior Citizens Law Center since 1972. Previous to that, he was an attorney

The other director who will be making presentations is Janet Mathewson. He has been Director of the Senior Citizens Law Center since 1972. Previous to that, he was an attorney from 1968 to 1970. She was a 1968 graduate of Howard Law School.

Sylvia Ivy, who is currently Director of the National Health Law project came to the Health Law project in 1970. Previous to that, she was an attorney with the NAACP, Legal Defense Fund. Previous to that, she worked on a book "Our Brothers Keepers" about Indiana. She was on the Defense Fund '68, developed a support study that looked positively not only at black support but National support to evolve into the policies we now have. That is the background.

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with Olmeldy and Meyers (phonetic) which is a large law firm in Los Angeles.

As most of you know, those are the people who will be making the presentation.

MADAME CHAIRMAN: While we are changing places, let's take a break so the Reporter can stretch and shake her fingers. Five minutes max.

(Five-minute recess taken.)

MADAME CHAIRMAN: We are going to proceed with the report on National Support that Alan introduced before the break and -- which of you are going to speak first?

MR. LEWIS: Si is.

MR. ROSENTHAL: When Alan was briefly describing my background, I was reminded of an incident last night. I am on the board of a local college. The college is under an accreditation review and evaluation. During the discussion with the distinguished gentleman who is one of the evaluators, a student came up and demurely asked, "What are your qualifications to be a certified student?"

The gentleman took that rather well and I should emphasize that I never felt that I was qualified substantially to evaluate the 12 centers in the various subject matters. We therefore obtained at least three substantive experts to join the team at each center and I should emphasize in most instances, this is the first substantive evaluation is the

with timely and heavy (phonetic) which in a large law

firm in Los Angeles.

As most of you know, those are the people who will be

making the presentation.

MR/MME CHAIRMAN: While we are changing places,

let's take a break so the Reporter can stretch and shake

her fingers. Five minutes max.

(Five-minute recess taken.)

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establishment of the Legal Services Corporation. They have been monitored in terms of regulation and compliance and audited, but the substantive review has not taken place here. I came to this particular task with what I would say is an admitted philosophic bias that is in favor of the type of activities the Center is suppose to perform. However, I had not been very much involved with Legal Services during the most recent years and I think I can say that I was quite neutral and perhaps appropriately ignorant of the number of Centers -- what they have been doing in recent years. I was very, very favorably impressed and my impressions were in part the result of my own observations. In greater part, the result of observations, listening, substantive consultants who joined our various team.

The Centers have traditionally been mandated to provide what we might call routine service and back up to the field. They showed great sensitivity to that mandate. They have developed in most instances, sophisticated packages of material so that the more routinized request or common request can be responded to not only verbally but by mailing out relevant sample pleadings and briefs and other packages of the materials and some aspects of the technology also in this. That is in the process at a lot of the Centers.

The impact work that we have been doing has been for clients and in the context of litigation, it has been also

establishment of the legal Services Corporation. They have been monitored in terms of regulation and compliance and audited, but the substantive review has not taken place here. I come to *this* particular task with what I would say is an unstated philosophic bias that is in favor of the type of activities the Center is supposed to perform. However, I had not been very much involved with legal services during the most recent years and I think I can say that I was quite neutral and perhaps appropriately ignorant of the number of Centers --- what they have been doing in recent years. I was very, very favorably impressed and my impressions were in part the result of my own observations. In greater part, the result of observations, listening, subjective consultants who joined our various teams.

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co-counseling with local programs only in the rarest of instances have the National Support Centers been counseled in matters that did not involve local counsel with the Legal Services project.

The Washington Advocacy Program which Andy may speak to in a few minutes, has been an important and traumatic new step forward for the Support Centers although a few of them have been doing that for at least the last year, year and a half. There has been substantial attention given to that critical role and I believe that the impact obtained is of great benefit to our clients throughout the country.

The communications work that Centers are doing are somewhat inhibited until the last year and a half by the prohibition of outside training, but since that prohibition has been listed by the Congress, the Centers have been actively involved in training and substantive specialties and again we received very favorable impacts.

One of the things that we didn't get to in a less-than-purely-scientific way was to obtain a long list of service recipients and randomly select from those lists at the Centers, the names of individuals who were phone on FTS, WATTS line and asked to comment about the services received. I was surprised to comment about the services received. I was surprised at the very strong positive feedback I received from those individuals who had actually

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utilized the Centers. If you would call it a survey, it was limited to people who have made use of the services, generally staff attorneys and occasionally paralegals.

I think because of the time limitation, you should cut my comments although I would be very glad to respond to questions and you -- maybe, Andy, you want to briefly discuss some of the Washington Advocacy and then the panel members might want to cite some of the specific activities that they have in their Centers, the ones they have attended to and they are familiar from other Centers. So, you have rather than just abstract concepts, you have concrete examples.

MADAME CHAIRMAN: You said you were impressed overall by the operations of the Centers of this particular type?

MR. ROSENTHAL: I think it is a real pleasure within a positive frame, to put it mildly, I was enormously impressed. The quality of the work in general, it was very, very high. The commitment of the staff of these Centers was very, very strong. I believe it is an invaluable quality service that is being performed and I guess alluding to a few of the discussions that we had earlier today and at other Board meetings, I would have to reiterate what was said and what you have is a quality component in a place where it is needed and they are performing a very valuable service.

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What you have is a quality component in a place where it is
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It needs support. It needs financial support as well as the other kinds of support that occur in our political dynamics. The priority of preserving quality in legal services in Support Centers is very high just as it is in the field.

MADAME CHAIRMAN: Thank you.

Andy?

MR. LEWIS: We also performed evaluations on the Washington offices and also a number of Support Centers where we were doing legislative and administrative representation. There were a few new Centers which were underway and we felt it was unfair to walk in literally a few weeks after they opened their door and do an evaluation. We will be providing technical assistance of this sort to the Washington arena to a number of those Centers using principally the staff of the existing Support Center, Washington offices.

I think one thing that is important to recognize here, they are doing not only legislative work here on the Hill, but there is growing concern with enforcement of the victories that we do in the litigation arena. They are working very closely and to have the administrative agencies to try and insure that clients' rights are enforced after we win the initial victory, I think that is something we should encourage and it is very important, not something we

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emphasized sufficiently in the past.

MADAME CHAIRMAN: How many Support Centers do they have in Washington?

MR. LEWIS: I believe there are five who have --

MR. NATHANSON: Health, Welfare, Housing, Consumer and Migrant. Migrants is based in Washington.

MR. ROSENTHAL: As is, the access --

MR. LEWIS: Unemployment also at the Washington office.

MR. SACKS: About the Washington offices, I seem to remember somewhere in the regulations, maybe it is in the statute that there is some restriction on representation that it really has to flow from a client. And this, of course, is very -- a very sensitive area and your gentlemen's investigation of the Support Centers particularly the Washinton offices, did you look in this phase and if so, what did you find?

MR. LEWIS: We didn't in fact, look directly at the issue and found that with no exceptions, they were in fact, representing elegible clients. That was not their ideas on what you had been supportive of for our clients in certain National Support Centers, but they were really operating -- representing specific client groups or individuals.

MR. ROSENTHAL: Also in the field offices of

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MR. MATTHEWSON: Health, welfare, housing.

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MR. ROSENTHAL: Also in the field offices of

Centers, that, for example, Housing located in Berkeley, can the branch office exactly come up with the same findings and close coordination between the field offices and the Washington branch?

MR. ORTIQUE: There is so much work out there to be done, until they can spend all their time doing the things that they can legitimately do without looking for some additional work to do -- I served on the Board of the National Senior Citizens Law Center until such time as they sued the Corporation.

MR. SACKS: Couldn't mediate it.

MR. ORTIQUE: I believe, but I do know that when the Great Panthers and Retired Teachers groups and the Association of Retired Persons came out with their legislative agenda, that that was more than what we have resources to do it with. It was very encouraging to see how that thing operated. What is the name of that? Who is the head of the Great Panthers?

MR. NATHANSON: Maggie Coon (phonetic). The exciting thing about that kind of work is that we can get involved in the legislative process but do it from behind the scenes so that those organizations themselves are setting up priorities.

MADAME CHAIRMAN: Who next do we hear from?

MS. IVY: Let me just tell you briefly a little

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MR. JACKS: Couldn't mediate it.

MR. OPPENHEIM: I believe, but I do know that
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MADAME CHAIRMAN: Who next do we have lined
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MADAME CHAIRMAN: Who next do we have lined
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about the National Health Law Program. We are a structure of eight attorneys: six in Santa Monica, California; two in Washinton D.C. We have a newsletter editor and a health professional and two additional professional staff members. We engage a number of functions including litigation, training. We trained 260 field attorneys last year and held three national training conferences in Health Law.

We have a newsletter that goes to 3,000 readers every month. We do legislative and administrative advocacy both from our Washington base and from our California main office and let me just explain for a minute how that works.

In terms of the need, we perceive for the National Health Law Program to be accountable at all times in both our litigation and training activities and our lobbying activities. We operate in a reverse triangle where the field programs made known to us their desire with respect to legislation. That is translated to the main office to the litigating attorneys who in turn inform the Washington branch so it is screened upward.

MR. BRADLEY: I am sorry.

MADAME CHAIRMAN: Alan, would you open that door now so that we can get some ventilation? Thank you.

MS. IVY: In terms of our substantive activities, our main priority is determined on a basis of the -- national priority determination is by field programs which

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MR. HADLEY: I am sorry.

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about the national health *program.* We are a structure

include Medicaid Entitlement and Hillburton Entitlement on behalf of the clients. We have established extensive networks of field and clients and paralegals who are working in these areas and these are the networks we call upon for priority settings both on a national basis and within those particular substantive areas as we map up choices between litigation and lobbying activities for the particular year.

We have networks in addition that deal with issues including national health insurance, health planning, race discrimination and health availability which there is a great amount which has never been addressed institutionally by any public interest or legal service group on a systematic basis and we are attempting to do that. We are dealing with rural health issues, sterilization and abortion, closure of public facilities. You may have heard about the situation in New York City involving the closure of large numbers of public hospitals. That is happening all across the country. Our lawyers are involved in efforts to stop those closures and retain those services.

I might spend just a moment to describe one of our major substantive areas because it combines all the facets of our work as well as anything else we are doing.

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in the Hillburton Statute which had remained obscure and uninforced which required hospitals which were built with federal funds to give a certain amount of free service to people unable to pay and to provide a service to the community in which the hospitals were built. Over half the hospitals in the country were built with these Hillburton funds. In fact, litigation was then undertaken to flush out the meaning of the statute requiring those assurances from the hospitals and collection actions by hospitals were opposed by local attorneys on the basis that the hospitals are not fulfilled -- these assurances. So both were from a point of bringing affirmative litigation that had impact and from helping individual clients who had built their business that they couldn't pay this one isolated statutory requirement and it had an enormous impact.

The regulations that were adopted by the HEW as a result of the litigation that we brought were inadequate. A seven-year effort to improve those -- included culminating last year with a network of legal services that had developed expertise in dealing with Hillburton, lobbying HEW. We had I think 300 consumers come in to Washington. Our office was able to coordinate that. They came to Washington. They testified before HEW and they let people know that women were still having babies, more packing losses because they couldn't get in the door. They let people know that blacks

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were still being refused on the basis of race. They let people know that there were no services available if Spanish or other languages desperately needed the communication and the first time, I believe they saw the impact of the non-enforcement of this obscure statutory regulatory requirement was. We now have regulations on the Hill that require all Hill hospitals -- again that is over half of the hospitals in the country -- not to refuse emergency service to patients regardless of their ability to pay. This has never existed in a federal regulation before. We now have a regulation that prohibits discrimination on the basis of race. We now have a regulation that requires written notice to all people going to hospitals that are potentially eligible for Hillburton service and we have an addition to those regulations, a national network of legal services and attorneys who are pursuing enforcement of these regulations, not only that we have litigated the issue in Federal Court just in September of this year, a Federal District Court in Tennessee issued a finding -- one of the strongest findings against a hospital. I think if the whole ten-year effort in Health Law where we found that the hospital was in violation of their Hillburton obligation and indicated that they were in civil contempt and that we would fine the board -- that board of that hospital $2000 a day if they continued to violate the rights of low-income people in the City of

violate the rights of low-income people in the city of that board of that hospital $2000 a day if they continued to were in civil contempt and that we would fine the board -- tion of their Hillburton obligation and indicated that they in Beatty law where we found that the hospital was in viola- opened a hospital. I think it the whole ten-year effort Tennessee issued a finding -- one of the strongest finding September of this year, a federal district court in that we have litigated the issue in federal court just in who are pursuing enforcement of these regulations, and only tions, a national network of legal services and attorneys billburton service and we have an addition to those regula- people going to hospitals that are potentially eligible for now have a regulation that requires written notice to all race prohibits discrimination on the basis of race. We in a federal regulation before. We now have a regulation respondiction of their ability to pay. This has never existed in the country -- not to volume emergency service to patients all still hospitals -- again that is over half of the hospital ment was. We now have regulations on the bill that require non-enforcement of this obscure statutory requirement the first time, I believe they say the impact of the or other languages desperately needed the communication and people know that there were no services available if Spanish were still being returned on the basis of race. They later

Nashville to get that into their hospital. We are very pleased of that and I think that will have a tremendous impact on hospitals across the country which have essentially ignored their obligation under the statute.

I will stop there to give Paul a chance to go on but this is a very good example of what we tried to do in all of the various areas that we are trying both educate the clients and work with the attorneys in fighting for these health entitlements in litigation and administrative and legislative advocacy.

MADAME CHAIRMAN: Thank you very much.

MR. NATHANSON: Very briefly, I would like to underscore what Bernie has said and what others here have said in terms of existing quality programs receiving your attention because to a certain extent, the National Support Centers are dying on the vine.(sic). We have had a tremendous history of successes: the ones you have heard about are the Consumer Law Center and Energy funds being put into the legislation this year. We can go on and on but when you have a program, for example, I can talk only about ours that has ten attorneys who have in excess of ten years average of experience out of law school who are earning less than field programs in the surrounding Los Angeles, Southern California area. I think you will have a potential for problems in terms of having those Centers with the kinds of

problems in terms of having those Centers with the kinds of California areas. I think you will have a potential for other field programs in the surrounding Los Angeles Southern area of experience out of law school who are earning less than ten attorneys who have in excess of ten years you have a program, for example, I can talk only about ours the legislature on this year. We can do on and on but when are the Consumer Law Center and they finally being put into done history of successes: the ones you have heard about children are dying on the valve--sick. We have had a tremendous action because to a certain extent the National Support said in terms of existing quality programs receiving your understands what Bernie has said and what others here have MR. MATHIASON: Very briefly, I would like to and work with the attorneys in fighting for those basic civil remedies in litigation and administrative and legislative advocacy.

MADAME CHAIRMAN: Thank you very much.

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Several years ago we recognized that field legal services attorneys were not particularly aware of the legal problems of older people and in that regard, we proceeded to go around the country and tried to sensitize them to do training sessions, etc. After about a year of that, we discovered that they were now sensitized and they were interested in legal services to the elderly but that funds were and this is now we are talking about, '73, '74, extremely limited. So, one of the activities that we engaged in as a Support Center beyond the traditional litigation role was to try to work with legislative bodies, particularly in this case, the Congress to expand funding for legal services programs in the field out of sources other than -- you will be please to hear that the Legal Services Corporation so that now we have on the books in the Older Americans Act, the substantial legal services for the elderly programmed. The vast majority of the program, 300 to 400 programs, in the programming who are receiving our Legal Services Corporation

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funded also, but they are now able to augment money and focus on that particular client group. A lot of the work was done by people in our Center. Dan was there, I think in 1973 when we went to talk to Arthur Fledge (phonetic) who is Commissioner on Aging, now still the Chairman of the Civil Rights Commission to try to do that. That has borne fruits.

We also as an example of the kind of field work, tried to do, put out this weekly newsletter which I hope you will get from our Washington office. The intent is really to inform an ad hoc coalition of field people receiving the newsletter. It goes every week to 6,000 groups and individuals, all of the legal services community, all of the aging networks in the area, to the State Offices on Aging, all of the CAP agencies; we have CSA to send to, CAP agencies, most of the Hill, the elderly. What happens in effect and it happens every week is that an ad hoc coalition forms, you put an item in here and you tell people about either their rights or potential problems on legislation, etc., people from the CSA network, Aging network, Legal Services network, join together around that issue of their particular interest and you have a field task force working with you on that problem. That is what we do primarily out of our Washington office. Through that kind of a mechanism, that is really what I would like to see other than what you have. It is

funded also, but they are now able to augment money and focus on that particular client group. A lot of the work was done by people in our Center. Dan was there, I think in 1972 when we went to talk to Arthur Fleagle (phonetic) who is Commissioner on Aging, now still the Chairman of the Civil Rights Commission to try to do that. That has borne results.

We also as an example of the kind of field work, tried to do, put out this weekly newsletter which I hope you will get from our Washington office. The intent is really to inform an ad hoc coalition of field people receiving the newsletter. It goes every week to 6,000 groups and individuals, all of the legal services community, all of the aging networks in the area, to the State Offices on Aging, all of the OAP agencies we have USA to send to, OAP agencies, part of the hill, the elderly. What happens in effect and it happens every week is that an ad hoc coalition forms, you put an item in here and you tell people about either their rights or potential problems on legislation, etc., people from the USA network, Aging network, Legal Services network, join together around that issue of their particular interest and you have a field task force working with you on that problem. That is what we do primarily out of our Washington office. Through that kind of mechanism, that is really what I would like to see other than what you have. It is

high time you started looking at the National Support Centers as a major resource when you are talking about expansion all over the country. How can we continue to provide that kind of grass roots support which we are providing without any expansion in our funds?

MADAME CHAIRMAN: You feel like that issue has been adequately addressed within the staff or for the 1980 and '81 budget?

MR. NATHANSON: No.

MADAME CHAIRMAN: Can you say a little more?

MR. NATHANSON: All right. I think that again there may well be in the past several years, there has been a feeling that the National Support Centers were sort of to be pushed under the rug, that they have a certain number of enemies. Our efforts were the kinds of things that were politically too sensitive and that therefore we were sort of in the closet in terms of the kinds of, you know, efforts and the presentations that we ought to be able to make to the Board and I think that staff has been reluctant to perceive the problems on the Hill or perceive the problems with the Board to really fully address the kind of support. I mean, our salaries are a disgrace for the kinds of experience that we have.

MR. ROSENTHAL: I would like to add to that, that the ability of the National Support Centers to assist in

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MR. MATTHEWSON: No.

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MR. ROSENTHAL: I would like to add to that, that the ability of the National Support Centers to operate in

the expansion areas is of extreme importance. A lot of the feedback that I received on these phone services from lawyers in -- essentially in the South and in parts of the Mid-west is, well, it was very positive as to services they had received. What would 800 phone numbers do in terms of demands on Support Centers if the programmed lawyers could make those phone calls?

One of my recommendations is in an overview report is that the one-time money, that can't all be annualized at one -- one-time money be directed -- giving the Support Centers extra resources to involve themselves in expansion areas more deeply than they have in the past. This has Technical Assistance which crucially is important in these areas.

MR. ENGELBERG: Can I just quickly respond to what Paul said?

MADAME CHAIRMAN: Yes.

MR. ENGELBERG: You know, I can't speak for the whole Board. I think my sense is that the vast majority of this Board very strongly supports the work you are doing. We are obviously very pleased by the size of the report. I personally feel that I have always felt that way. I think we are all aware of the potential problems of an effective management. I think that nobody seems to have gone craze in the past five years. They know how to represent -- they are

the past five years. They know how to represent -- they are management. I think that nobody seems to have gone crazy in we are all aware of the potential problems of an effective personally feel that I have always felt that way. I think we are obviously very pleased by the size of the report. I of this Board very strongly supports the work you are doing. the whole Board. I think my sense is that the vast majority

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MAJAMP CHAIRMAN: Yes.

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Mr. BUGELBERG: Can I just quickly respond to

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eligible, free-lance -- lobbying is very dangerous, it is a very sensitive issue, but I don't think that has been a problem, at least to my knowledge. I for one happen to be strongly in support of the expanded Washington effort. I know the state governors are obviously very important. A lot goes on in the State Legislature. We all know the mass importance of the several people indicated on the panel in the Congress Executive Branch. I would like to say that we can prudently, very rapidly expand. I know there was a concept several years ago, kind of a multipurpose Washington office, which I think a lot of, the people in the office.

I don't care procedurally however it is done. I strongly favor its support and I would like to see over the next year or so, beef up the Washington aspect. What you are doing obviously has to make its own decision.

In any event, I don't think there is any reluctance on this Board to continue to support as best we can and obviously increase the support for the work you are doing and I think the potential political problems are really gone to the hat of what this problem is all about. Not just Support Centers but Legal Services creating political controversy and do your job and follow along the regulations and we depend on our friends and supporters to protect us.

MR. ORTIQUE: I just wanted to suggest, Dan, that in our next meeting I think we ought to have some

clear in our next meeting I think we ought to issue some

MR. OBRIEN: I just wanted to suggest, Jan, and we depend on our friends and supporters to protect us. countervary and do your job and follow along the regulations. Support comes but rapid services overflow political done to the bet of what this problem is all about. Not just and I think the potential political problems are really obviously increase the support for the work you are doing on this board to continue to support as best we can and

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next year or so, beef up the Washington support. What you actually favor its support and I would like to see over the office, which I think a lot of the people in the office concept received years ago, kind of a multipurpose position can prudently, very rapidly expand. I know there was a the Downtown Executive Branch. I would like to say that we *importance* of the several people indicated on the panel in not open on in the State Department. We all know the most know the State Governors are obviously very important. I absolutely in support of the expanded Washington efforts. I problem, at least to my knowledge. I for one happen to not a very sensitive issue, but I don't think that been a elliptic, three-lane -- lobbying is very dangerous, it is

comments from our staff on the option: Do we strengthen our Support Centers or reduce our activity in research and development activities in Washington or do we try to do both of them on par or vice versa? Just seems to me that one of the things that this Board has expressed concern about, I know the Board prior to this expressed great concern about was the increase in our Washington establishment, whether these things could be gotten better some place else and I am sure that we are mindful of that. And again, those option situations, the Board I think would like to become more involved in having options brought to them so they can make a choice not to request.

MADAME CHAIRMAN: That is one of the things that the President's Report will cover.

MR. SACKS: I was very impressed that with everything I have heard and probably by a Member of this organization, I was particularly impressed by what you had to say about the work under Hillburton. I am wondering if that couldn't be written up, if that is not too much trouble. It is just the kind of thing that could be doubting. Tom says, whether Legal Services really make a -- here is a dramatic example of particularly an attractive area. Nobody is against health. Could you do that?

MS. IVY: (Affirmative headshake.)

MADAME CHAIRMAN: Are there any further comments?

of the schedule that we have." I do think there is a great
deal of uncertainty about how effective pursuing pursuing
that you feel like you have been ruined this afternoon because

MAYOR CHAIRMAN: That is right. Well, I know
these aspects of an agreement we are involved in.

I just wanted to say that it always -- it is unique,
it an adequate way and do so above and beyond, protect
recognition of that but to be able to move forward and find
ou. The challenge, I think, for all of us is not a
problem that face poor people in the country.
impact, litigation, in changing some of the structural
any small percentage of what we have accomplished in terms of
saying. Without the labor, we would not have accomplished
believe this without the labor, the former even without
problem. And I would suggest that and I think that we all
kind of evaluation and the back up courses tied to a training
absolutely unique, nowhere else in the world do you have the
corporation, two of those involvements of choice which is
different impairs[sic] perceives both in DEO and now under the
model or a indicate model. A couple of things that have
work deeds and phones, whatever they need, staff attorney
programs that provide legal services in a way that lawyers
would like to believe. There are many countries who have
as many things that pro legal Services unique so all of us

MR. DOYLOCK: Just one comment. There are not

of interest in National Support Centers, I know that, at least I have been in vote. We voted to have considerable -- to have a general introduction to National Support Centers in San Diego so we have had an opportunity to look at the Support Centers and what we are hoping now from the study that Si and Alan and Andy and the others have done is some very positive and concrete recommendation as to how everybody loves Support Centers. We can translate that feeling to some Support Centers and if you can present us with that, that is what we really need.

What we need is a recommendation as to what we can do for now. I hope that will be forthcoming.

MR. KANTOR: How about matching funds?

MADAME CHAIRMAN: AMA for matching funds, right?

MR. BRADLEY: Can we -- two points by several Board members individually at other meetings had asked questions and the other is about the Support Centers. All of you know, I am sure that the Regional Office is, we have an opportunity to evaluate our local programs, but it is not all fun that we have the opportunity to assess a national program. And we have had a comprehensive six-month long assessment of each of the individual programs. We have prepared an individual monitoring report that overviews which Si has prepared and gave us an opportunity since most of these persons are from California on just a visit with us

of three persons are from California on just a visit with an
active BI has prepared and given us an opportunity either next
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answered of each of the individual programs. We have
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MR. KANTOR: How about matching funds?
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of interest in national Supports Centers. I know that at

briefly to report on a major and significant activity.

Also, I would like to point out in December, a good friend of mine, Paul -- and incidently, Paul is leaving us after many long years of leadership.

MADAME CHAIRMAN: Where are you going?

MR. BRADLEY: He is going to retire this year because of the restrictions in the act on the completion of minimum access. You all know in the Committee this staff money was -- we could, in the cost of service, increase to the left-over about $43,000 in annualized money. I think the staff was unanimous of that -- there was no real debate that that should go into National Support.

In addition, we have put some of the one- time money and I would hope that the money that we are going to have for the completion of minimum access, the 20 plus million that the staff is capable of being creative in how we use that money to make sure that the support which is an important part to complete minimum access that it is done together. And I am working closely with the staff now and we are working through the Support Centers to try to make sure that we do that. It is not enough. It is one-time money, but it is better than nothing.

MS. ESQUER: I would like to commend the staff on this information directory. I think that it is really an excellent information item, but I am particularly impressed

partly to respond on a major and significant activity.

Also, I would like to point out in December, a good friend of mine, Carl -- and incidentally, Paul is leaving on other very long areas of responsibility.

MR. CHAIRMAN: Where are you going?

MR. DUBBERLY: He is going to publish this -- one of minimum access. You all know in the Committee this -- of the Committee on the Committee, because actual money was -- a capital, in the case of security, because to the Committee approved $913,000 in committed money.

In addition, we have put some of the one-time money -- think the staff was mentioned on that -- there was no real -- and I would hope that the money that we are going to have for the completion of minimum access, the Ng plan as I am on an unscheduled item just for a moment, but I think it is important to note that the support which is an important -- their money is very much -- to how we use it. It is complex of being created -- and I am working closely with the staff now and we are working through the Support Centers to try to make sure that we do that. It is not enough. It is one-time money, but it is better than nothing.

MR. PERKINS: I would like to commend the staff on this information director. I think that it is really an excellent information item. Just I am particularly impressed

with the reports with the Support Centers after the Support Center and how they have been able to work and include clients in their work plans. And then the thoroughness of the, you know, the briefings and I think it is really a helpful document and it is really well-put together.

MADAME CHAIRMAN: I second that. Thank you all for coming today. Good luck.

MR. KANTOR: Are we opening --

MADAME CHAIRMAN: I would like Josephine Worthy to handle the next item on the agenda. Authorization of Board Committees. I noticed in the By-laws in -- it brought to my attention by the staff of the Corporation that we do need to formally authorize our Board Committees by resolution once every two years or until we change our minds about them. And so, there is a resolution prepared.

Josephine?

MS. WORTHY: Madame Chairman and President: we discussed this and I am sorry that I was not at the meeting and I was sick. We did not have a meeting of provisions because we didn't feel that we needed it. We did discuss this and I would like to say that I would like to have the Board, about this resolution that is put before us today on the two-year thing --

MADAME CHAIRMAN: Is there a second?

MR. SACKS: I second it.

MR. SHERMAN: Aye.

MS. SNOW: Aye.

MR. MCCARTIN: Aye.

MR. WORKMAN: Aye.

MADAME CHAIRMAN: All those opposed?

(No response.)

MADAME CHAIRMAN: The next item is the President's Report and Dan provided us with a status report. Those of you who were at the audit and Appropriations Committee, we have to decide what this committee is called. We have just authorized an Appropriation and Audit so I guess that is A & A Committee, discussed the issue of a President's Report and Dan has prepared a written report and will now add to it orally.

MR. BRADLEY: I am taking my key from my good friend, Mr. Bowerman, I will try to be as brief as possible. We did an interesting -- two things -- first is a bottlekeeping matter.

Mary has been in touch with some of you. We now are in an important period of the preparation of our final budget presentation that OMB, for their comment and final approval will be delivered to the Hill.

Mary has arranged a Senior Staff. We will be meeting with top officials with OMB next week that will be comparable

to an explanation of this process today and it is good that it is coming on Tuesday. It gives most of us an opportunity to say that these were issues that we debated and that were discussed by the Board. I won't talk right now about how each of you individuals and the Board may be able to help us in the next month or month and a half, it is very, very important that all of us be aware that the President doesn't include our budget in his message to Congress, but it has become -- he does have the right to comment on our budget and in the past, many persons on the Hill have looked to the President's comments as their guide for what our funding level should be.

So, that is the first immediate issue that Mary and our entire staff are working on and we will be in touch with all of you in this room -- all of you in the audience and the rest of the legal services community.

Finally, our budget report in January and we will go forward immediately doing the best job we can explaining our budget, presenting our budget, defending our budget, justifying our budget, especially there at the Senate and to the House. I know all of you are anxious and are willing to help us and believe me we genuinely need you. This is a very tight year.

OMB has made it clear to us that this is a tight year for all programs, not just our program, except for the

But not problems, not just our *programs*, except for the
ones that make it clear to us that this is a right year
to help us and better-run we *genuinely need you*. This is
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Lowell should be.

President's comments on floor vote. For what our funding
and in the big pool, many personnel of the bill have looked to the
persons — he does have the right to comment on our budget
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important that all of us be aware that the president doesn't
in the most modest or month and a half, it is very, very
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diminished by the Senate. I won't tell right now about how
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to an explanation of that process today and it is good that

Department of Defense, but for all programs, it is equally clear and I want to -- I have said this to the Audit and Appropriations Committee, it is equally clear that it is going to be a very difficult year and Captain Hill and I have been trying to -- and my good friend, Mr. Sholeren (phonetic our traditional strong, long-time supporters on the Legal Services on the Hill have been saying: Gee, Dan, this is the year that this is going to be tough for all of us but we are still going to do the best we can in presenting our case to them and we will be calling on you to help us.

Number two, and I will close on this point -- we did have an interesting discussion that five or six of you were involved in at the last Board meeting. The Committee meetings have turned out to be in small Board meetings, but which led to my preparing for you a brief status report on some of the things that some of you expressed concern about that you have been asking me about but the greater issue, it seems to me, I don't know now how more eloquently to state it than to say that now we have completed minimum access and all that that means and you know as well as I do what that means, the question is: Do we stop or do we go forward and the obvious answer is of course, we go forward. A lot of issues -- there are a lot of debates, a lot of legitimate differences of opinions, a lot of conflicting ideas on this Board on our staff and in the field and client

Department of Defense, but for all purposes, it is equally
clear and I want to --- I have said this to the Audit and
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going to be a very difficult year and Captain Hill and I
have been trying to --- and my good friend, Mr. Bolerson (phonetic)
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A lot of issues -- there are a lot of reasons, a lot of
legitimate differences of opinions, a lot of conflicting
ideas on this board on our staff and in the field and client

community and society at large. I don't view those issues as insurmountable. I don't necessarily view those decisions and those tasks as that difficult.

So, some of my staff, they like the Constitutional kinds of issues. I am prepared. I am not prepared today to tell you how we are going to proceed in addressing these issues, making decisions, leading us into the 1980s and the present, who will be involved in structuring the process although I can tell you what if wouldn't be in terms of the next steps.

I can tell you right now when we are going to make these decisions or where we will go to convene ourselves to do these things.

I have had a chance to talk to the Board Chairman and the Committee Chairman and what I propose to do and my staff and we will finalize before early February, a suggested plan from your staff and from me to you dealing with the Board, dealing with the Committee structures and dealing with any other individual or any other group organization in trying to help us focus in on what some of those basic issues are, similar issues and tough decisions because in it incumbent upon me as your President to make sure that we provide you with the staff work, the information, the analytical work, the options we have talked about, the recommendations and frame them in such a way that you and

may very well be that all of this would load up to the
debate, fight, argue or resolve and make decision. It
leaves framed and some structure for which you to meet,
your schedules and our schedules and when we have these
ordained Bond meeting, it very well may be depending on
between now and the end of March which is a regular
in fact, have a meeting -- the interim meeting sometime
the contract which we have been discussing it, we might,
that and it will probably result in one or two things and
of your individuality on the phone, writing and I will have
And I will have that plan to you, according to most
in the 1980s and beyond.
the back and address those issues and start moving immediately
enough interest, enough commitment that we can just go about
starting at this table, enough experience in this room,
I firmly believe that we have enough intelligence
I hope we will make the right decisions.
very well turn out that we may make some wrong decisions, but
I want us to go forward and make some decisions. It may
My determination and commitment is for better or worse,
doing to meet. How are we doing to do it?
that we come back here and I will grapple. When are we
at this time, this year and Peoria and the others suggested
I will promise you that to make sure that we do not
all of us can make decisions and I mean those decisions,

March Board meeting which that is next on the agenda item.

We have previously agreed to meet for two days at the end of March. March is traditionally, I think, a slack time in terms of the decisions that this Board needs to decide because the budget is already put to rest on sort of a limbo, waiting for Congressional action and I think that those two days will probably be a good opportunity since we have already got that time blocked out for all of us to come together and may be dealing with some of the issues and make some decisions and move forward from there.

My intention, that is what I plan to do, devoting most of my time -- as most of you know that I spend most of the three, four months in the field. I cannot tell you how important it was for me to visit the field programs, to hear what the client community had to say, to hear the comments and criticisms, the words of --

MS. WORTHY: -- of encouragement.

MR. BRADLEY: And I have spend a lot of time unfortunately in Greyhound bus stations and trains and airports. Now, it seems to me, incumbent, that if you have gone through that and done it also, that we know get about the business of managing this Corporation and moving us forward into the next several years. And I am prepared to do that. I know you are also.

MADAME CHAIRMAN: Thank you. Thanks, Dan.

MADAME CHAIRMAN: Thank you. Thomas, Dan.

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done through that and done it also, that we have got about

airports. Now, it seems to me, Incumbent that if you have

underscored *in* Greybound *the* vacation-and *trains* and

MR. MORLEY: And I have *spend* a lot of time

MR. WOODLEY: — of entertainment.

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board meeting which that is next on the agenda item.

Dan's comments certainly arise out of, I think, the agenda, whether it is expressed by each of us individually at the Committee meetings or expressed to him at some other point, that, you know, a lot of the questions that have been raised and continue to be raised kept post poning until the day of this meeting that minimum access occurred, can no longer, nor do we want them to be postponed. I think obviously that the Board has an activist posture, for better or worse, participate in, if not, make a lot of the policies that the Corporation will proceed under for the next couple of years and we have asked and Dan has agreed in that the status report is the first step to present to us very clearly and straight forwardly, those issues that need to be decided upon, funding formulas for the future and the like, to give us a chance to have a crack at them whether they are too complex or too difficult for us to deal with in that frame or not.

We don't know because we feel that we have a lot of time to think about them, a lot of information has been presented, they are often, with these issues as previously pointed out, various options.

We have to try to decide them. That is what we intend to do and that process, Dan has agreed to expedite, to provide us the benefit of the information, wisdom, which resides within the staff and within the Legal Services

can't consume ourselves with it, I think, the agenda, whether it is expressed by each of us individually, at the committee meetings or explained to him at some other point, that, you know, a lot of the questions that we've raised and continue to be raised keep just coming up, and what do we want them to be packaged. I think certainly that the board has an activist posture, for better or worse, particularly in, if not, make a lot of the policies that the corporation with proceed under for the next couple of years and we have asked and Dan has agreed to that the agenda report to the first study to present to us with clearly and simplify [illegible], those issues that need to be resolved upon, [illegible] for the future and the like, to give us a chance to have a meal at them whether they are come or not.

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We don't know because we feel that we have a lot of the complex or too difficult for us to deal with in this [illegible] to give us a chance to have a meal at them whether they are [illegible] for the future, and the like, [illegible] clearly and simplify [illegible], those issues that need to be [illegible] upon, [illegible] for the future study to present to us with [illegible] of years and we have asked and Dan has agreed to that the [illegible] that the corporation with proceed under for the next couple [illegible] or worse, particularly in, if not, make a lot of the policies [illegible] corporation that the board has an activist posture, for better [illegible] can we [illegible], we do want them to be packaged. I think [illegible] until the day of these meetings that minimum issues occurred, [illegible] raised and continue to be raised keep just coming [illegible] point, that, you know, a lot of the questions that we've [illegible] at the committee meetings or explained to him at some other agenda, whether it is expressed by each of us individually, [illegible] can't consume ourselves with it, I think, the [illegible]

community so that we all are aiming for some decisions to some of these issues, at least, by or at the March Board meeting.

And as Dan pointed out, I am not sure that we are going to be making the right decisions, second-guess minimum access, all they want is a simplistic, forward -- where we are for better or worse, by and large, I think that it was a decision that was absolutely correct. Begin what had to be done in order to move the entire legal services field off dead center and it may be because of the change of times and pressures in time to move any further in that formula and we have to decide how best else we can present to the Congress and also to the communities that we are serving. And that is what we are going to be deciding, the minimum access formula was not decided by a group of 900 year processes. It was finally, basically made as a political decision that rested on the shoulders of those people who made it and they were willing to shoulder it and go on with it.

I think that is what is going to have to happen here. I think it is time that we begin. Let us be willing to sort of belly-up and say: We are going to do this, live with it, whatever we have got.

Dan is going to be doing this for the next couple of months. It will be of benefit to the Board as well as every-

SAN FRANCISCO
CONSULTING ENGINEERS
ASSOCIATION BUILDING
MARIN COUNTY

body else who is interested in the issues and I hope that he receives it so that we are at least given the benefit of everyone's information, input.

MR. KANTOR: I think we did not acknowledge though that we would like to: Gary, Judy, Dan and our Committee on the Appropriation and Audit Committee that A & A and for the fine work they did on the Budget with tough, gruelling hours that they put in. It is not easy. It is the toughest process that anyone here ever has to go through.

I think it was done very well.

MR. SACKS: I just wanted to say Dan's excellent report which is truly helpful and that is on page 7, Dan, you referred to the development of standards and I just wanted to say a word about one of the things that concerns me. We don't seem to have much of a reward of excellence in the world and something that would penalize inefficiency.

I have spoke to you in the field and you and I think it is a very good answer. It is very hard to know who is efficient and who is inefficient.

So, I would therefore just express as a personal viewpoint, the hope that -- and the clients and the other people involved in really making a maximum effort in the next six months to develop standards so that we can begin to put our scarce resources into the program, really making

to put our source resources into the program, really making
next six months to develop relationships so that we can begin
people involved in really making a positive effort in the
viewpoint. The hope that -- and the attempt and the other
effortless and who -- ineffective.

So, I would therefore just express as a personal
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report which is fairly helpful and that is on page 7, the,

MR. SHORR: I just wanted to say don't exclude
I think it was done very well.
throughout.

It is the tradition practice that anyone here even has to do
couple, I would hope that they put us. It is not easy.
A A A and for the fire work they did on the bodged with
committee on the Appropriation and Audit Commerce that
thought that we would like to -- Gary, Judy, Jan and
MR. RABKIN: I think we did not mentioned
of evaluation's information, input.
be received it doesn't matter if Israel gives the benefit
body also who is interested in the issues and I hope that

use of it.

MADAME CHAIRMAN: I think that is very good.

MR. McCALPIN: Dan, I am not sure that I understood exactly what you were describing, yourself, what the staff is doing between now and the first of February; whether it was taking these various on page eight of your memorandum under conclusions and flush them out.

MR. BRADLEY: Bill?

MR. McCALPIN: Whether you were thinking about doing -- whether you were going to be thinking of other items that ought to be included on that page. Clearly, those were just "for instances," it could have gone on for page after page after page.

I guess the point that I really wanted to make was that I think it would probably be a mistake to think that we could solve all the problems of the world with legal services in one sitting and I would hope that you would not serve this whole smorgasbord up to one point.

I recognize that some of the items are inter-related and you may have trouble drawing some lines.

On the other hand, I believe that we will do better work and reach better conclusions and make better progress if we could approach separate problems separately and not try to solve all of these problems together with all of the others that you and we could think of by sitting down for

before us is: Where we meet at the next meeting?

MADAME CHAIRMAN: The only objection we have and Saturday --

MR. ENGELBERG: I thought we eliminated Friday previously approved.

MR. BRADLEY: Those are the dates that have been these all set or do we have to approve them?

MR. ENGELBERG: Are these dates set? Are closing.

Tennessee did it before. They knew what they were committed state.

meeting, at the end of March 28, 29... We cannot meet in on Oban Washington and that is the issue, for the next hearing trying to decide whether we wish to meet somewhere other than Memphis. That was your idea and we are provided us all to Memphis. That was your idea and we are the previous occasion. The issue is that Mr. Engelberg has filming of future meeting dates which we have before us at

(No response.)

MADAME CHAIRMAN: The next item is for

MADAME CHAIRMAN: Any other comments?

of common sense. Bill. A lot of common sense.

MR. MCCARLEY: We are trying to reply on a lot

MR. McCARLEY: Don't make it more complicated than it has to.

MADAME CHAIRMAN: Really.

MR. McCALPIN: I think that depends on what is most convenient for you.

MADAME CHAIRMAN: Memphis would be easier than Washington then.

MR. ENGELBERG: I move that we meet in Memphis.

MR. BRADLEY: We have two members from the State of Tennessee.

MADAME CHAIRMAN: If that is all right. I don't want to inconvenience other people.

MR. ORTIQUE: I think that is great.

MR. SACKS: Different part of the country. Local people are able to come and see us and have the community talk with us or to us.

MADAME CHAIRMAN: We have decided we are going to meet in Memphis.

Now, is there any other business to come before the Board?

I know that at least one member of the public has said that he wished to talk.

Would you please come to the microphone and give us your name? You can sit down if you want to.

MR. ROSS: Thank you, Madame Chairman.

My name is Tom Ross. I am the Chairman of the Board of Trustees of the Legalaid Center in Portland, Oregon. Our board is made up like any other board; it is made up of

one board is made up like any other board; it is made up of
of Trustees of the Imperial Center in Portland, Oregon.

My name is Tom Foon. I am the Chairman of the board
Mr. FOON: Well, yes, certainly Chairman.
your name? You can sit down if you want to.
would you please come to the microphone and give me
said *that he wishes* to talk.

I know that at least one member of the public has
heard?

Now, is there any other Committee to come before the
to meet in *Memphis*.

MADAME CHAIRMAN: We have decided we are going
train with us or to us.

people are able to come and see us and have the community
MR. ORTIQUE: I think that is great.
MR. WOOD: Medical part of the country. Does
wish to inconvenience other people.

MADAME CHAIRMAN: If that is all right. I don't
state of *Tennessee*.

MR. HENDERSON: We have two members from the
MR. EDWARDS: I move that we meet in Memphis,
Memphis.

MADAME CHAIRMAN: Memphis would be quieter than
most convenient for you.

MR. MCCALLUM: I think that depends on what is

attorneys and clients and I believe many boards also have community representatives. I am not an attorney. I am a member of the community who sits on our board.

Like many other boards, we often hear about what the Legal Services Corporation does: whether it be the Board or the staff, but that is generally something off in the distance that we really don't participate in. Often times boards don't understand that that is not something that is peculiar to Legal Services.

I think you will find that that is true in most community action type areas. Whether this one community service, Administration on Aging or any of those types, the boards generally are far removed from the paid organizations that give them those restrictive funds, ear-marked funds and even their great discretionary funds issue. It is a concern to our board and it has been, the communications between this Board and the local program boards. After discussing that at some length the Board decided that it wanted to send a representative to view your meetings and hopefully participate and address you on that issue and to ask questions on behalf of the board, ask you to begin to pay some attention to that whole issue of your establishing more formalized instant communications between yourselves as the Board and the boards of the local corporations that you fund monies to, whoever the relationship between your

You first notice to, unaware the relationship between your as the board and the boards of the local corporations that more formalized instant communications between yourself pay more attention to that whole issue of your relationship ask questions on behalf of the board, it *now* to begin to hopefully participate and address you on that issue and to wanted to have a more assertive to view your meetings and discussing that as some length the board decided that it between this board and the local producer board. After connect to our board and it **has** been. The communications and never their great discretionary funds issue. It is a that give them those restrictive funds, so-called funds invested securities are far removed from the paid organizations various, administration on right or any of those types, the community action types areas. Whether this one common by I *think* you will find that the is time to accept responsible to local decisions.

Looks don't understand that that is not something that is clearance that, to really don't participate in. Often times or the state, but that is generally community or by the legal interest corporation does; whether it be the board member of the community who rate on our board.

Like many other boards, we often hear about what the community representatives. I am not an attorney. I am a chemistry and chemist and I believe my boards -- to have

staff and you do with yourselves. We would like to see you opening communications to reinforce the role of local boards. We talked about many issues today that I think illustrates areas where you ought to give this consideration.

In the most recent one, as you were talking about the March meeting where you are going to talk about a lot of hard issues in a period of low - income areas, I think those are the kinds of situations where you need to be thinking of not only input from your staff and giving them input to the kinds of alternative preparations that you want to make, give some thought as to how you want to hear yourself from a representative sampling of the community boards that you fund.

And think about how you want to involve them in a partnership with you in discussing issues, not that they have an equal role with you in making decisions, but that they have valuable information that you might want to hear without having it sieved through many sieves before it ever gets to you.

Your budget discussion this morning, I think raised many issues where you ought to think about involving local boards. Mr. Bradley opened his presentation talking about how that was a transitional budget. I thinkmany Board members who are actively engaged day in and day out with the Corporation would like to know the transition, to know the

study and how do with communities. We would like to see you
observing conversations to reinforce the role of local
participants across where you ought to give this consideration,
based. We talked about many issues today that I think
are the kinds of situations where you need to be thinking or
need examples in a context of how -- choose areas. I think those
listed questions where you are going to talk about -- lot of

In the most recent one, as you were talking about the
conversation would like to know the community, to how the
how that was a recommendation budget. I think my final
point, we, maybe observe the presentation talking about
many issues where you ought to think about involving local
some insight discussion into public. I think related
some depth to you.

without having it skewed through many stages before it
have valuable information that you might want to have
an equal role with you in making decisions, but that they
participate with you in discussing issues, not once they have
And think about how you want to involve them in a
study.

information asking of the community people that you
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not only input. Some some ways giving them input to the

issues, some of the involvement in determining or having instituted into a transitional period and having input, three to five years down the road. Your future is planning activities. That gets two and a half pages in your budget. That is the kind of area where I think you need to involve local boards so that they understand the issues that you face; the issues that impact them; the issues that they have some expertise and feelings on and that you ought to think about involving it in both your long-range planning systematically as well as your angle planning process.

The client-participation discussions, this is an issue that some of us on our board, one of the things that we are hopeful of is whenever you discuss this issue and talk about how we involve clients, that we do it in ways that reinforce clients' participation at a local level, that reinforce clients becoming involved in participating in local boards as well as your own or National Support Center Programs or some other outside entity.

I think there are a number of other issues in your budget, the discussion of sharing technical information, research that is going on, I think, yourself, ought to be looking at these areas. The product of those activities and think of how you can distill that information whether it relates to policies, needs consideration, distribute it to local boards so that they have more information to base

issues, some of our investment in policy-making or having
invested time & financial period and having dept, this
to "take pause down the road." Your intuno is planning
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I think there are a number of other issues in your
budget. The discussion of sharing technical information,
research that is going on, I think, yourself, ought to be
looking at three areas. The product of those activities
and kind of how you can distill that information whether
it relates to policies, needs consideration, distribute it
to Local boards so that they have some information to base

their decisions at the local level.

The pro bono discussion today, I think is the kind of thing that I, myself, as a board member and our board would like to have more information so that we understand the kind of things you are planning for so that we can have input.

The way you approached that discussion earlier today, I don't think would be of benefit to the local bunch. The money that would be used possibly for one year and maybe during that year, we can get involved in the continuation policies and have it for two or three years, that is not an orderly way to us to be involved in planning programs at the local level if a match is an issue.

There are a variety of ways to approach dumping the money out for one year. Maybe you need to look at those kinds of things as long- term plans where you have increasing amounts of match required so that at the end of that period of time, you are not just involved in the continuation of politics hoping to preserve a few of the programs, but all of those programs may continue because over a period of years, bar associations or whoever, have taken a greater share of the commitment at the end of that. They continue to have that. Give them time to work and the local legalaid support continued.

Again, in the general planning decisions, often times

this Board. I was notified of that fact by a person who works in the Corporation and at a higher level because unfortunately, we were not able to get on the agenda. So what I think is -- first of all, what you should do, if yo are going to have meetings in the communities, you should let people know about a month beforehand that you are goin to have a meeting. You should also let the public know as to exactly what issues you would like us to come and talk to you about.

I am tired and you are tired and I feel guilty about sitting up here and taking up your time. Maybe the public should be number two on the agenda like our Board of Supervisors do in Santa Clara County where you would have time to sit down and listen to the public and not be like this: I can't wait to get out of here and that is the way it is.

I hope at your next meeting five years from now when you come back to San Francisco, I may have an opportunity talk to you. Thank you.

MADAME CHAIRMAN: Thank you.

Is there any other business to come before the Board

(No response.)

MADAME CHAIRMAN: Is there a motion to adjour

All those in favor signify by saying "aye."

MR. TRUDELL: Aye.

MR. ANDERTON: Yes.

VAL: Please try to refer directly to Valerie's [illegible].

MADAME CHAIRMAN: I'm trying a motion to adjourn.

(no response)

I'm trying only other business to come before the board.

MADAME CHAIRMAN: Thank you.

[illegible] to [illegible].

[illegible] I don't want to [illegible] and first is the way [illegible] to [illegible] and listen to the public and not be like [illegible] go in party circles County where you would have [illegible] should be number two on the agenda like any [illegible] of [illegible] and [illegible] to your time. Maybe the public [illegible] and you are cited and I feel quality comes [illegible] to your meeting.

[illegible] to say is what [illegible] would like me to come and talk to have a meeting. You should also let the public know [illegible] about a month beforehand that you are doing [illegible] are hoping meetings in the community. You should [illegible] what I think is "fixed cost" what [illegible] cost, if you [illegible] quarterly, we were not able to put on the agenda. So [illegible] the correspondence and at a future board [illegible] this board. I was notified of that [illegible] by a person who

MS. ESQUER: Aye.

MR. KANTOR: Aye.

MR. ENGELBERG: Aye.

MR. BRADLEY: Aye.

MR. ORTIQUE: Aye.

MR. SACKS: Aye.

MS. SHUMP: Aye.

MR. McCALPIN: Aye.

MS. WORTHY: Aye.

MADAME CHAIRMAN: Meeting is adjourned.

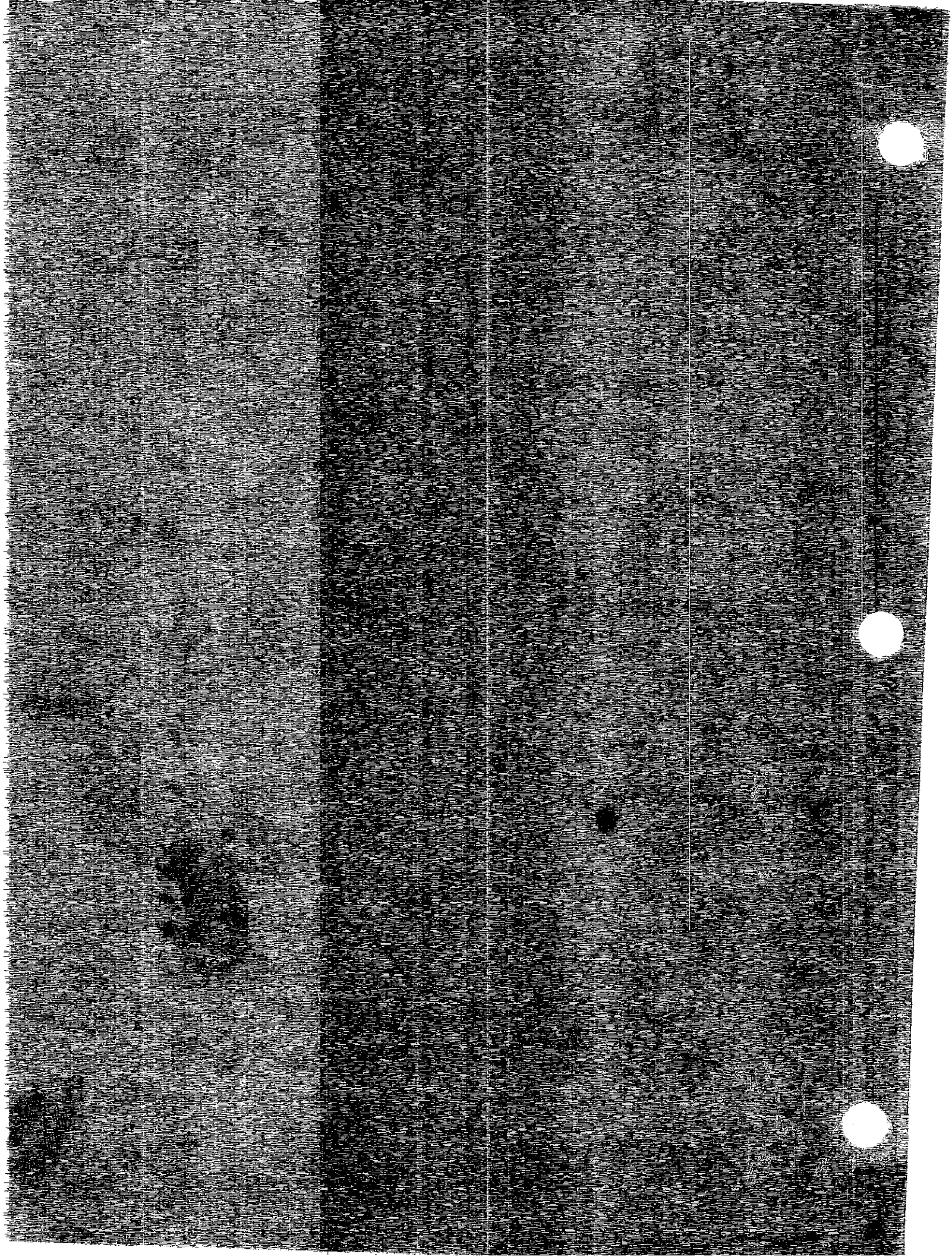
MR. ORTIQUE: I second it.

(Whereupon, the meeting was adjourned at 6:15 P.M.)

CERTIFICATE

This is to certify that the attached proceedi
came on for hearing pursuant to notice on **December 6, 1**
and that said proceedings were had as herein appears, a
that this is the original transcript thereof.

Neal R. Gross

NEAL R. GROSS

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