

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE GOVERNANCE AND
PERFORMANCE REVIEW COMMITTEE

OPEN SESSION

Friday, January 24, 2014

4:06 p.m.

Hilton Garden Inn Downtown Austin
500 North Interstate 35
Austin, Texas 78701

COMMITTEE MEMBERS PRESENT:

Martha L. Minow, Chairperson
Sharon L. Browne
Charles N.W. Keckler
Julie A. Reiskin
John G. Levi, ex officio

OTHER BOARD MEMBERS PRESENT:

Robert J. Grey Jr.
Victor B. Maddox
Laurie Mikva
Father Pius Pietrzyk, O.P. (by telephone)
Gloria Valencia-Weber

STAFF AND PUBLIC PRESENT:

James J. Sandman, President
Lynn Jennings, Vice President for Grants Management
Wendy Rhein, Chief Development Officer
Rebecca Fertig, Special Assistant to the President
Ronald S. Flagg, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
David L. Richardson, Comptroller and Treasurer,
Office of Financial and Administrative Services
Carol A. Bergman, Director, Office of Government
Relations and Public Affairs
Carl Rauscher, Director of Media Relations, Office of
Government Relations and Public Affairs
Jeffrey E. Schanz, Inspector General
Ronald "Dutch" Merryman, Assistant Inspector General
for Audit, Office of the Inspector General
Thomas Coogan, Assistant Inspector General for
Investigations, Office of the Inspector General
David Maddox, Assistant Inspector General for
Management and Evaluation, Office of the
Inspector General
Lora M. Rath, Deputy Director, Office of Compliance
and Enforcement
Janet LaBella, Director, Office of Program
Performance
Glenn Rawdon, Program Counsel, Office of Program
Performance
Herbert S. Garten, Non-Director Member, Institutional
Advancement Committee
Pamela Brown, Texas RioGrande Legal Aid
David Hall, Texas RioGrande Legal Aid
Don Saunders, National Legal Aid and Defenders
Association (NLADA)
David Bonbright, Keystone Accountability

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

2 (4 :06 p.m.)

3 CHAIRMAN MINOW: Let me call to order the
4 Governance and Performance Review Committee, if I
5 can.6 And let me invite someone to make a motion
7 to approve the agenda.

8 M O T I O N

9 MR. KECKLER: So moved.

10 MS. BROWNE: Second.

11 CHAIRMAN MINOW: I think that was a second
12 as well. Excellent. All in favor? Yes?

13 (A chorus of ayes.)

14 CHAIRMAN MINOW: Approval of the minutes of
15 the Committee. Recommendation? Anyone have any
16 changes?

17 (No response.)

18 CHAIRMAN MINOW: Anyone want to move to
19 recommend?

20 M O T I O N

21 MR. LEVI: So moved.

22 CHAIRMAN MINOW: Second?

1 MR. KECKLER: Second.

2 CHAIRMAN MINOW: All in favor?

3 (A chorus of ayes.)

4 CHAIRMAN MINOW: Great. Well, we turn first
5 to the report of the Public Welfare Foundation grant
6 and our research agenda. And for that, I turn to our
7 President.

8 PRESIDENT SANDMAN: Thank you, Martha. Our
9 presentation this afternoon is going to be made by
10 one of our consultants, David Bonbright with Keystone
11 Accountability, who is setting up his PowerPoint
12 presentation. And as soon as he's ready to go, he
13 will lead the Committee through a presentation on the
14 work done to date and what he sees upcoming.

15 CHAIRMAN MINOW: Welcome, David. Are you
16 ready?

17 MR. BONBRIGHT: Thank you. It's ready.

18 Well, thank you, everyone. So my name, as
19 Jim said, is David Bonbright, and I've been working
20 too long now in the hallways of social change to say
21 how long I've been doing that.

22 But for the first part of that career, I

1 worked in the human rights legal services arena, but
2 mostly as a funder and as a promoter of the
3 development of effective legal services for
4 disadvantaged people, mostly in the context of the
5 developing world.

6 But for the last ten years, I've been
7 focusing on the measurement problem. And I'm
8 particularly pleased to be with all of you here
9 because this is the first chance I've really had to
10 bring my focus of ten years in measurement to the
11 question of legal services and social justice.

12 So it's been a real pleasure for me to have
13 a chance to do this work in partnership with our
14 partner organization, this I-scale, which we've been
15 working on, which specializes in methodologies for
16 scaling impact.

17 So I'm going to quickly try to put up a bit
18 of a scaffolding for you all to hang your questions.

19 We're particularly interested in your perspectives
20 on the work, and so I just want to gallop through.
21 There's a fair amount of content; I apologize for it.

22 We'll push through these slides pretty quickly, but

1 we can go back to them if you have questions about
2 any of them in particular and the pieces to them.

3 So we've got about 45 minutes, I understand,
4 for this session. I'll try to quickly get through
5 the content in about 15 minutes so that we can spend
6 most of our time on the issues that you care about.

7 CHAIRMAN MINOW: I'm not sure -- I think we
8 have half an hour. We have a lot of other things on
9 the agenda.

10 MR. BONBRIGHT: Half an hour? Okay. I'll
11 move super-quickly, and I then apologize for the rate
12 at which this is going to gallop.

13 MR. LEVI: It'll be fine.

14 MR. BONBRIGHT: Yes. So we have two main
15 goals with the project. The first is to enhance
16 LSC's ability to AES the quality and efficiency and
17 effectiveness of its grantees and programs. And the
18 second is to provide the grantees, recognizing
19 there's going to be a need for some
20 capacity-strengthening, providing them with the tools
21 to be able to deliver that.

22 Both of these really speak to evidence,

1 generating better evidence for performance
2 enhancement, for review, and for decision-making at
3 different levels, from the grantees through to the
4 LSC and indeed to Congress.

5 In this case, it's evidence about results.
6 And we talk a lot about outcomes, and what we mean by
7 outcomes, in case anyone isn't with the lingo. And I
8 apologize; I'm going to try to avoid as much lingo as
9 I can.

10 But in the measurement world in the social
11 space, when we talk about outcomes, we mean actual
12 changes for people or policy or something that is an
13 actual difference. So when you close a case, we call
14 that an output. That's an activity. That's
15 something that happened.

16 But it doesn't tell you what happened. It
17 don't tell you what the change was. When we're
18 talking about the change, we talk about outcomes. So
19 I'm going to use that word a lot.

20 And what this story is really about is the
21 move from measuring outputs, which your grantees have
22 been doing and most organizations in the social

1 space, too, to starting to try to track outcomes,
2 which actually is tough. And so that's where the rub
3 is.

4 So what we've done so far, and we've been
5 working on this for about eleven months now, is four
6 main pieces:

7 First, a very careful review of the
8 landscape -- what are practitioners doing?

9 And not only practitioners, but also other
10 funders in this space, and specialists who are
11 working on the measurement question.

12 And we've done that by a review of the
13 literature. We've also done in-depth interviews with
14 over 30 individuals who've been outstanding on these
15 issues in any of those three groups, practitioners,
16 funders, or specialist providers.

17 We've surveyed all of the LSC grantees with
18 a longish questionnaire about their data practices
19 with respect to outcomes, and outputs, for that
20 matter. And the whole process has been led by an
21 advisory group that Jim put together of very
22 well-respected practitioners.

1 We've also taken every opportunity we can
2 where the field gathered to meet with people and talk
3 to them about what they're doing. So at the MIE
4 meeting and the NLADA meetings this year, we
5 organized sessions and presented our thinking and
6 asked questions and heard from people. So the
7 process has been highly consultative.

8 My main take-away from all of this at the
9 top level, let alone getting into the detail, is that
10 this is very timely, that there is considerable
11 interest in the work.

12 There's a high level of engagement, and
13 people were very positive to the frequent stated
14 perspective of LSC on this, that it does not intend
15 to duplicate, to add to burdens to people, but really
16 is looking for ways to enhance and leverage existing
17 good practice and so on. And I think that spirit is
18 alive around the effort to date.

19 Some of this highly consultative approach is
20 really meant to preempt those kinds of criticisms
21 that may emerge if seem seems to land on folks from
22 on high at some point. I don't think that can happen

1 at this point. I think we've laid the basis so that
2 whatever does emerge in the way of new reporting
3 requirements will be something that people are well
4 prepared for and expecting.

5 Some of the emerging findings and insights:

6 This slide is meant to show that this is a complex
7 issue, actually coming to terms with outcomes. And
8 you're always working at multiple levels.

9 What are the changes for the client? What
10 are the issues that the organization needs to track
11 to make better decisions, in this case the legal
12 services provider? And at the field level, what are
13 the issues?

14 And there's two things. There's multiple
15 levels of measurement, for what? To answer the "for
16 what" question. And then there's the "by who"
17 question. Oftentimes there's information you might
18 need as a practitioner on the ground that you're just
19 not in a position to collect yourself. Or you might
20 be up at the national level and there's data that you
21 need that you can't collect yourself.

22 So the point of putting these cogs and

1 mashing them together like this is to say that we've
2 got a system now that's not really coherent and
3 joined up around outcome practices. And the emerging
4 opportunity is to try to get better coordination
5 across these levels -- not easy, but possible, and
6 especially if you put your sights to it.

7 We have some interesting good news that's
8 been emerging in the course of the work, and this is
9 a slide that represents a finding from the survey.
10 And it basically says three things:

11 First, that there's a significant expression
12 or drive in the field to improve. That's the first
13 column. Forty-nine percent of the grantees said they
14 were satisfied with their current data collection
15 practices.

16 This is a glass half full/glass half empty
17 one. You might argue that 51 percent are complacent.

18 But in any case, especially when you pair it with
19 the other two, which is that 84 percent are
20 recognizing that better data practices would enhance
21 their work, that's a great outcome.

22 People are ready to or appreciating the

1 opportunity to improve through better use of data.
2 But they are also, in equal numbers, almost, saying
3 there's serious challenges. There are constraints to
4 doing so. So that's the top line view from the field
5 on this.

6 This slide, we asked people what kind of
7 outcome data they were currently collecting. And
8 we've been getting a fairly long list of very
9 specific kinds of outcome indicators that people are
10 looking for.

11 But when you push at it very hard, it
12 actually converges down to a pretty small number of
13 themes or topics around which people are collecting
14 outcome data. And I think this is good news for the
15 project because it means that we'll be able to
16 get -- a very large proportion of the grantees will
17 already be interested in a smallish number of themes.

18 And so we're not going to be in a situation where
19 we're getting a very long list.

20 We can come back to these categories in the
21 question-and-answer if all want to start to push
22 underneath some of these headings later.

1 MS. REISKIN: Can we get a copy of this?

2 MR. BONBRIGHT: Sure. Oh, yes.

3 This is a slide that shows the level
4 percentage of data collection going on for certain
5 kinds of outcome data for extended services. And the
6 green shows the percentage of people that are
7 currently collecting, which is a very interesting
8 trend that goes very high for outcomes that are
9 directly related to individual clients, and then
10 drops very quickly to a very low level for outcomes
11 four months or further out. And that's a major
12 challenge that I wanted to point out to you.

13 Just because an outcome is there and a
14 client realizes a benefit at the immediate point of
15 winning a case, it doesn't mean that it makes a
16 difference for them four or six months out.

17 And that's relevant because if you're
18 spending a lot of your resources taking cases that
19 have a very short-term benefit to the client, you
20 have to ask the question, is this the best use of my
21 resources? So this is an area that's very live for
22 people strategically. We heard that again and again

1 from practitioners.

2 This slide goes deeper into the last slide
3 and shows the value that people found from different
4 kinds of outcome data that they were collecting. So
5 these are only people who are collecting this data,
6 and we asked them how useful it was.

7 And I think the interesting thing about this
8 slide is, again, when we push underneath this, the
9 principal value that people are finding from this
10 data is for fundraising purposes. They're finding
11 that it helps them make the case to foundations and
12 others where they're raising funding.

13 It's less relevant to them in terms of
14 driving their own improvement and their own
15 performance. And that has to do with the nature of
16 the data and the context that they're working in.
17 They're not saying they don't want to use data to
18 improve their performance, but that's where the
19 utility is currently.

20 CHAIRMAN MINOW: David, some people are the
21 phone. You might want to say that this was about the
22 value of the four months out.

1 MR. BONBRIGHT: Right. Yes. Exactly.

2 Well, one of the lines is about the value four months
3 out, but this is the different categories of outcome
4 data that people are collecting -- monetary value to
5 the clients; direct non-monetary benefits, for
6 example, staying in school or something like that,
7 staying in an apartment, and so on.

8 MR. SCHANZ: David, can I also ask, what was
9 universe of the sample?

10 MR. BONBRIGHT: For the survey, the sample
11 was the LSC grantees. And we had an extraordinary
12 response rate to the survey. It was virtually 100
13 percent, which is unheard of.

14 PRESIDENT SANDMAN: We had something like
15 122 out of 134 programs respond.

16 MR. BONBRIGHT: I've been making great hay
17 on this ever since because now I go around and tell
18 people that I have clients that get 100 percent
19 response rate on our surveys. I owe you guys.

20 So then we came to and we asked them about
21 the factors that limited their collection and use of
22 data, or doing a better job with it. And you'll not

1 be surprised by this. These are the percentage of
2 people that said that it was either a very
3 significant or significant constraint.

4 And the big ones are things like cost,
5 administrative burden, and then a little lower down
6 but still significant staff buy-in, staff expertise,
7 tools, and so on.

8 Interestingly, the usefulness of the data
9 was not a big deal for them. So this corroborates
10 what I was saying at the beginning of the
11 presentation -- there's a lot of consistency
12 throughout what we're learning from people.

13 And incidentally, this part of my
14 presentation tends to over-emphasize the survey as
15 part of what we're doing. But we had really deep,
16 long, 90-minute discussions with 30 practitioners
17 where we really were able to get qualitatively
18 underneath this. And there's a lot of wisdom and
19 practice going on out there that we can draw on going
20 forward, and we will draw on, that nuances these
21 headline findings.

22 Yes?

1 MS. REISKIN: You talk about usefulness, and
2 that's from the perspective of the grantee. Right?

3 MR. BONBRIGHT: Correct.

4 MS. REISKIN: Because that might be a
5 different perspective from different sources.

6 MR. BONBRIGHT: Correct. Absolutely. This
7 is specifically the survey. Exactly right. So if we
8 had a focus group session at LSC among staff, there
9 would be a different take on this because they have a
10 different set of things they're doing with the data.

11 We also asked about their relationship with
12 the Legal Services Corporation and reporting
13 requirements and their concerns. And I call this the
14 free-floating anxiety slide. There's a lot of
15 anxiety out there about what LSC may require, and
16 it's understandable, which we're working hard to
17 address it.

18 And I think setting the stage
19 for -- especially being very collaborative in the way
20 we're talking to other funders and so on, that this
21 is not going to -- we're trying to address the
22 anxiety. But it's there.

1 This kind of pairs with another slide, which
2 is asking them how well they see LSC doing around the
3 data that they're currently sharing. And again, it's
4 a similar kind of response -- they're not seeing a
5 lot of value coming back from LSC in terms of the
6 data they're currently sharing.

7 We shared this slide and this slide at the
8 NLADA meeting with this big heading, "LSC Needs to
9 Improve," and Jim spoke to it very forthrightly. And
10 you could feel the appreciation in the room for this
11 kind of two-way openness about, we need to improve.
12 We're going to be asking you to do more, but we don't
13 want to increase your burdens, but we also need to
14 improve. And this is very much the spirit of this
15 exercise.

16 The other thing I wanted to say about this
17 slide is to point out that 15 percent of respondents
18 agreed or strongly agreed -- in other words, 85
19 percent don't agree -- that LSC provides useful
20 feedback on the data that's given to LSC. And I just
21 wanted to say that this is very consistent with the
22 broader field of philanthropy in the U.S.

1 About 20,000 U.S. nonprofits have given
2 feedback about foundation performance through the
3 Grantee Perception Report that the Center for
4 Effective Philanthropy runs, and it's very similar.
5 The number one issue for grantees universally in the
6 U.S. is that they just don't know what the funders
7 are doing with the information they're giving them.

8 And it's just a big, flashing neon sign.
9 Funders need to make an extra effort to go back to
10 people and reflect on what they're hearing and really
11 appreciate the effort that the grantees have gone to
12 to put the information together in the first place.
13 So it's an important sign to you, but I just wanted
14 to say you're not alone here.

15 Yes?

16 PROFESSOR VALENCIA-WEBER: So the grantees
17 don't see useful feedback. Did you get any
18 indications of what would be useful to me, the
19 grantee? What would I want as feedback?

20 MR. BONBRIGHT: Not yet, would be the
21 answer. And I think in a way, this is a challenge
22 now for LSC to take forward in terms of its dialogue

1 with the grantees. I think that's a question that
2 staff should be asking now as they go forward. But
3 we've been focused more on the data collection
4 practices and what kind of outcome reporting
5 requirements we should put together.

6 PRESIDENT SANDMAN: I can give you an
7 anecdotal example in response to your question,
8 Gloria. One of the things we ask for is, what case
9 management system are you using? But we don't share
10 that information.

11 So if a grantee is interested in getting a
12 new case management system, they might be able to get
13 access to top line data about what percentages of
14 programs are using the different options out there.
15 But if they want to call somebody up and ask about
16 their real life experience with it, we are not giving
17 them information that allows them to do that.

18 And we've been asked, could you just let us
19 know who's using what? That strikes me as a
20 reasonable request.

21 MS. REISKIN: In terms of the whole feedback
22 loop, in your experience does it matter if whoever's

1 collecting the information and giving feedback is a
2 regulator or not? Because most foundations aren't
3 regulators.

4 And so when we first came onto this
5 Board -- and we haven't heard it lately, which is
6 good, and I think Jim gets a lot of credit for that
7 and the Board leadership -- we heard that there was a
8 fear of "gotcha," that if we start being really
9 honest and open and talking about our challenges,
10 then the next thing we know we're going to have some
11 regulatory action against us.

12 That's what we heard from the grantees. So
13 I'm wondering, we're both collecting data and we're a
14 regulator, and --

15 CHAIRMAN MINOW: David, why don't you answer
16 that. But then why don't we let David finish his
17 presentation.

18 MS. REISKIN: Yes. Sorry.

19 MR. BONBRIGHT: I'm actually almost done.
20 The shot answer is that in my experience, the
21 difference between being a funder and being a
22 regulator isn't that much in relation to the natural

1 reticence that grantees have.

2 It's a power relationship. You need the
3 money. They're your regulator. So there's always
4 going to be that inhibiting context. And you just
5 have to chip away at it and create a setting where
6 people feel that it's okay to actually show warts and
7 all as long as you're showing improvement. But it's
8 not an easy thing to do. It's part of the challenge.

9 So Jim asked me to conclude by reflecting on
10 where this project is and where the legal services
11 world is in relation to the wider social sector out
12 there on these issues.

13 And I would say that I feel like we're at
14 maybe the second third of the first quarter in a game
15 that is involving a global shift in practice toward
16 outcome measures and better performance management in
17 the social fields broadly. So we're early on in the
18 game.

19 And Legal Services is kind of a late entry,
20 but it's catching up fast. That's what it feels like
21 to me. And I think having a large national funder
22 like LSC is an advantage because it's a keystone

1 species that can underpin the whole ecosystem, and
2 the field can move more quickly than others where
3 there isn't a beacon actor at the center. So that's
4 just an optimistic hypothesis.

5 These six bullet points are my summary of
6 what's going on out there. So I've talked a lot
7 about the big shift from outputs to outcomes, and all
8 that implies in terms of internal organizational
9 management systems to be able to do that.

10 The Obama Administration has introduced this
11 idea early on in its first term of tiered evidence,
12 which is now gaining ground. So they're developing a
13 topology of value in evidence for social programs,
14 and they're starting to embed that in the way funding
15 works.

16 So the new, more innovative funding
17 mechanisms like the Social Innovation Fund and a
18 couple of funds at the Department of Education and in
19 health are now tied specifically to the level of
20 evidence that you're able to provide about your work.

21 You don't even need, in the first instance,
22 to have great outcomes and results. But the fact

1 that you have better evidence is what triggers the
2 greater funding. So that's a big trend out there,
3 and likely to continue.

4 Another trend is to wrench the field of
5 evaluation, which historically is an after-the-fact,
6 little bit of a "gotcha," and then these very
7 thoughtful and careful evaluations get done, but then
8 they sit on shelves and practitioners aren't using
9 them, to move toward more light touch, real-time
10 approaches that are actually utilized. And that's a
11 big and important trend, and we're very in line with
12 that in this work.

13 Another is to start to look beyond
14 individual organizations into seeing how
15 organizations can actually have a joined-up approach
16 to the way they're working so that they can achieve
17 greater than the sum of the parts' outcomes for the
18 people they're serving or trying to help.

19 Lastly, there's a recognition -- or
20 penultimately, there's a recognition that we've
21 undervalued feedback directly from the people on the
22 ground. And a methodology that my organization

1 actually developed called Constituent Voice has
2 really been a growing force in this field.

3 The White House convened a first-ever
4 meeting on our topic in December this year, and the
5 omnibus spending bill actually included a provision
6 that we helped write that calls for humanitarian aid
7 that the United States gives to collect feedback
8 directly from the beneficiaries of American aid and
9 report on it to Congress. So there's a trend here in
10 that regard.

11 Then lastly, and I think this may be the big
12 story, all organizations are now beginning to see the
13 opportunity to look at big data and to correlate or
14 to triangulate the data that they currently are
15 collecting with data that's out there that is in
16 digital forms that can be contrasted.

17 And I suspect that there's going to be such
18 big wins for organizations in terms of strategic
19 insights from doing that that it's going to drive
20 organizations to build their capacity to be stronger
21 and more robust about the way they use data. And we
22 can maybe talk about what some of those opportunities

1 might be in the legal services space.

2 So just to finish up, going forward, we're
3 producing a synthesis report right now of the work
4 we've done, which will be published and shared with
5 the field. And we'll get feedback on that.

6 And then we'll focus very hard over the next
7 ten months or the twelve months remaining in the
8 project to actually come up with and test out some
9 improvements to the reporting system and design,
10 test, and roll out some tools for grantees. Thank
11 you.

12 CHAIRMAN MINOW: Thank you so much. That
13 was expeditious.

14 Just one small question I have on your very
15 last line. What kind of tools might be developed for
16 grantees?

17 MR. BONBRIGHT: We're still in the workshop
18 on this. But once thinking about guidelines,
19 checklists, templates, creating places where people
20 can share and exchange their experience -- Jim gave
21 the example of case management systems.

22 But you can create a place where -- and

1 there are some existing -- for example, there's a
2 place where evaluations have been collected that's
3 hosted by MIE. So we won't try to create new places,
4 but we'll try to build on those places where people
5 can share and collect good practice and so on.

6 CHAIRMAN MINOW: Very good. Charles?

7 MR. KECKLER: Yes. Just in relation to a
8 couple of the last points in the previous slide. I
9 don't know if you've been talking about this in your
10 workshop, but in terms of developing big data, in
11 terms of having realtime evaluation, and also
12 reducing the administrative burden on grantees, that
13 converges on this idea that there's going to be
14 automatic data collection systems there that are
15 reporting outcomes and events and feeding that back
16 into LSC.

17 They're going to know what those are.
18 They're going to know what data is being transmitted.

19 But it's going to be done automatically, in a flow,
20 rather than in quarterly or annual reports. I don't
21 know how the work group is thinking about those
22 things.

1 MR. BONBRIGHT: Well, just very quickly,
2 it's very much on our minds. And I think the key to
3 really deriving value from the kind of automatic data
4 flows that are increasingly harvestable is having
5 some clear analytical gestures that you consistently
6 go through algorithms, or whatever you want to call
7 them, that start to triangulate. And we'll be
8 actively exploring those in the toolkit development
9 process.

10 CHAIRMAN MINOW: Other comments? Questions?
11 Julie?

12 MS. REISKIN: To evaluate collective impact,
13 how important is it that grantees agree on what it is
14 that we want to impact? Because these programs are
15 so all over the board. Can you just speak to that a
16 little bit?

17 MR. BONBRIGHT: Sure. There's a whole
18 practice now that's emerging around collective impact
19 and in other settings, human services and elsewhere.

20 And coming together to agree on outcome indicators
21 is an early and important part of the process.

22 We have a couple of things in our favor.

1 One, LSC can actually require a certain core set of
2 outcome indicators that people would report to. So
3 you'd start to get that as a starting point.

4 But then, without being commanding, you can
5 also converge the field around things that seem to be
6 more useful, particularly if you show, by doing
7 research and analysis around the data that people are
8 providing, what's most valuable. And then people
9 will come in.

10 So I think there's a bit of carrot and stick
11 to the process. But it absolutely has to converge.

12 CHAIRMAN MINOW: Jim, I wonder if you have
13 thoughts about how the Board can be helpful and next
14 steps.

15 PRESIDENT SANDMAN: It would be useful for
16 us to get feedback on the synthesis report when it's
17 issued shortly, and any specific suggestions that the
18 Board has about what they'd like to see as the
19 outcome of this outcomes study would be helpful.
20 What does success look like?

21 CHAIRMAN MINOW: Great. So David, one of
22 the most important things that you said is the point

1 that there are different levels of this discussion.
2 So what is useful for LSC? What is useful for
3 grantees? As Julie points out, what's useful for
4 other users, including the board members, including
5 the clients.

6 And I guess I would be helped, whether this
7 is in the interim report or not, with some guidance
8 on that score. What is the next phase of the project
9 with regard to LSC's own data gathering and analysis?

10 Obviously, that's tied to what it's asking
11 the grantees to do, but it's different in terms of
12 what the grantees may be doing beyond what they're
13 doing for us. And are there any other audiences that
14 we ought to be thinking about?

15 Anybody else have similar questions or
16 concerns you hope will fold into our next
17 communication? Gloria?

18 PROFESSOR VALENCIA-WEBER: I don't know
19 where this fits into, your research now or
20 possibilities you can point to the Board and to LSC
21 about. And one of the difficult areas in persuading
22 not just Congress but the public about the value of

1 legal services does have direct impact on
2 individuals, families, and the community.

3 But setting the value for that
4 impact -- that is, if you can keep a family from
5 being ejected from the home, whether it's a
6 foreclosure or a landlord/ tenant issue, what are the
7 consequences that we don't then have that family, as
8 is often the case if they got ejected, go into
9 homelessness, which creates another spiral of other
10 issues, each of which have an economic value even if
11 it's negative.

12 That is, kids stop going to school. You
13 have an increase in domestic violence, possibly
14 resulting in what was an employed member of that
15 family no longer being employed. And those are
16 costs.

17 And I'd love to shift the conversation, in a
18 way, because paying for LSC services, like many
19 people see education in this country, also is a cost
20 rather than an investment that will render
21 improvements for the individual clients but also for
22 the larger society, increased value for the larger

1 society.

2 And I don't know where that goes. But I
3 think we need that to make a persuasive case, not
4 only out there in the public but when we go before
5 Congress.

6 MR. BONBRIGHT: May I respond on that point?

7 CHAIRMAN MINOW: Please.

8 MR. BONBRIGHT: That's actually something I
9 meant to mention. You triggered something important,
10 which is -- and it goes to this levels point as
11 well -- which is the field of social return on
12 investment, which is where economists come in and do
13 the kind of analysis that you were just starting to
14 do, and do it very rigorously, is an extremely
15 expensive exercise.

16 There have been a couple of SROI studies in
17 the legal services field that we brought in through
18 the landscape review, including one that I'm thinking
19 of in particular that I read for Arizona.

20 Now, an individual provider can't afford to
21 do these studies. But if one judiciously did a
22 handful of studies to cover different kinds of

1 problems in different parts of the country, you could
2 create standard formulas.

3 And then you could create templates that any
4 organization could use to very easily make the
5 economic case for what they're doing. And that's the
6 kind of thing that we're inching toward through the
7 toolkit development process, I think.

8 CHAIRMAN MINOW: Great. So David, thank
9 you. That was really very, very helpful and we're
10 very encouraged. And this sounds like something
11 that's going to really turn the field as well as
12 improve this organization. And thank you, Jim, for
13 your leadership of this.

14 And Jim, I don't know if you have any other
15 thoughts about our research agenda because that's the
16 way we framed it.

17 PRESIDENT SANDMAN: I don't at this point.

18 CHAIRMAN MINOW: Great. Excellent. Thank
19 you, David, and Keystone. I notice how you slipped
20 that term in just very subtly. Very, very good.

21 So now we will turn to the discussion of the
22 President's evaluation for 2013. And Jim, thanks so

1 much for giving us the materials -- I hope everybody
2 got them in advance of the meeting -- that both refer
3 to the original job description and to the strategic
4 plan, and a very clear and incredibly impressive
5 statement about how far we've come.

6 Notice that the item after this one is a
7 discussion of the renewal of the President's
8 contract. When we initially hired Jim, when we
9 initially advertised the job, we said that there
10 would be a time period, and that time period is
11 coming to an end.

12 So we'll separate these as two parts of the
13 discussion. But you might keep the second one in
14 mind.

15 Are there comments or questions for Jim at
16 this moment, or a statement? Jim, would you like to
17 make any statement?

18 PRESIDENT SANDMAN: I tried to put what I
19 had to say in the materials I submitted to the Board.
20 I'll stand on my brief.

21 MR. MADDOX: Martha?

22 CHAIRMAN MINOW: Yes, Victor?

1 MR. MADDOX: I just want to say there was
2 one comment in particular in Jim's summary, or his
3 self-evaluation, I guess, which I thought was an
4 amazing document that I particularly appreciated.

5 And it's where he said that he believes that
6 he has strong support from people on the Hill and in
7 the various agencies that he is a good steward of the
8 Legal Services Corporation's money.

9 I think that's so incredibly important.
10 Given where we were three or four years ago and given
11 what we've seen in other government agencies in the
12 intervening time, I just think it's
13 remarkably -- it's wonderful to see, and I think it's
14 as important as it can possibly be.

15 And I don't have any concern that we're ever
16 going to see one of these exposés of somebody sitting
17 in a hotel room in Las Vegas or someplace, or any of
18 those sorts of things. And I just think it's an
19 amazingly important development for the Corporation.

20 So thank you, Jim.

21 CHAIRMAN MINOW: Thank you, Victor. I
22 agree.

1 Yes, Sharon?

2 MS. BROWNE: Well, I think Victor really
3 highlights and expresses that I also believe has been
4 a real benefit to the Corporation in finding Jim and
5 Jim's willingness to come on board at a time when the
6 Corporation really needed some overhaul and some
7 attention to a lot of detail. And I think Jim has
8 done a terrific job.

9 So I had no problems. I thought his
10 evaluation was detailed, and I liked the way he
11 incorporated the strategic plan and what steps are
12 being done to move the strategic plan forward. I
13 thought all of that was excellent. And we're lucky
14 to have him.

15 CHAIRMAN MINOW: Hear, hear. And actually,
16 in the spirit of something that David said, I very
17 much commend you, Jim, for saying candidly a couple
18 of the goals that you weren't able to meet, some of
19 them because the sequestration has made it difficult,
20 some of it because there's just such uncertainty in
21 the face of all of that. So making decisions about
22 certain kinds of hiring, for example, can't happen at

1 this moment.

2 And I also just want to say from my point of
3 view the fact that Jim has been able to be the public
4 spokesperson and out on the road simultaneously with
5 really producing pretty serious changes in the
6 operation of the organization, being the great
7 ambassador and also being the great manager, it's a
8 stellar result and we are very, very lucky.

9 Yes, John?

10 MR. LEVI: Well, I just want to say, Jim, I
11 thought we had an outstanding Search Committee. But
12 you're making us look even better than that.

13 (Laughter.)

14 CHAIRMAN MINOW: Well, I think that there's
15 an affirmation of appreciation, and that makes it
16 easy to go to the next item.

17 FATHER PIUS: Could I have a comment real
18 quick, Martha?

19 CHAIRMAN MINOW: Oh, yes, please, Father
20 Pius.

21 FATHER PIUS: Sorry. I just wanted to say
22 one thing. In my conversations just in our hiring of

1 Jim and the question I think I asked him, I don't
2 know first, but right up there, was the ultimate goal
3 of the Corporation was to assist the poor with legal
4 services.

5 And I think the ultimate question that Jim
6 needs to be asked is, are the poor better off in
7 terms of access to legal services after the time he
8 has spend as President? And I think the answer,
9 obviously, is yes, and I think Jim would probably
10 give the same answer.

11 And I think that's one of the best
12 indicators of the job that he's doing, and I don't
13 think there's a person who would disagree that the
14 poor are better off with Jim serving as President
15 over these last several years.

16 CHAIRMAN MINOW: Well said. And I also take
17 particular pleasure in the fact that Jim said in the
18 interviews that he did not relish talking with
19 Congress; and how actually you don't mind it and you
20 kind of like it, and it's different when you're
21 excited about the thing you're talking about. And as
22 Victor said, you've really made a great impression on

1 them.

2 So as to the next item, then, I'd like to
3 have a motion to extend the contract.

4 M O T I O N

5 MS. REISKIN: So moved.

6 CHAIRMAN MINOW: And a second?

7 MS. BROWNE: Second.

8 CHAIRMAN MINOW: And everyone in favor?

9 (A chorus of ayes.)

10 CHAIRMAN MINOW: May I leave this in the
11 hands of the Chair?

12 MR. LEVI: Yes.

13 CHAIRMAN MINOW: Thank you.

14 MR. LEVI: It's already done.

15 (Laughter.)

16 MR. LEVI: It isn't, but there should be no
17 worry.

18 CHAIRMAN MINOW: Great. Well, now we are
19 turning to the next item, 6, which is a discussion of
20 the Inspector General's evaluation. And you have at
21 your place a hard copy that was shared.

22 MR. LEVI: Actually, technically, the

1 renewal of the contract goes from the Committee to
2 the Board.

3 CHAIRMAN MINOW: That is correct.

4 MR. LEVI: So it'll go into the hands of the
5 Board.

6 CHAIRMAN MINOW: That is correct. So the
7 renewal of the contract -- we stand corrected -- will
8 go to the Board. But I leave it at the moment in the
9 hands of the Chair to work out the details.

10 Now, as everyone knows, the Inspector
11 General is independent and we incredibly value that
12 independence. And we are very grateful to Jeff for
13 being willing to participate in this governance
14 oversight and this process of discussing the elements
15 of performance for the past year.

16 So Jeff, do you want to say something?

17 MR. SCHANZ: Yes, I do. I appreciate the
18 Board's support during the last year. I think it's
19 manifested itself very well in our relationships with
20 Congress, not only from the IG to Congress but for
21 LSC to Congress. So I think it's a win/win situation
22 so far, with accolades you've just provided to the

1 President.

2 CHAIRMAN MINOW: Very good. And I just
3 personally want to say that the work of your office
4 is impressive and thorough, and the collaborative
5 spirit that we have seen -- we discussed it yesterday
6 in the context of compliance. We've seen that in the
7 issue of internal controls and audits. That's
8 something that I think we're all very pleased to see,
9 and I think the whole organization is better for it.

10 The fraud awareness educational efforts, I
11 think, are related to why we can be confident, along
12 with Victor, we're not going to see a lot of some of
13 the problems that had been true in the past.

14 Anyone have any questions? Yes, Charles?

15 MR. KECKLER: I just have a brief comment,
16 which is that I notice that Jeff modestly put the
17 OIG's CIGIE award for your regulatory vulnerability
18 assessment in parentheses there on page 2. But
19 congratulations on that.

20 MR. SCHANZ: Thank you.

21 CHAIRMAN MINOW: Hear, hear. Is there a way
22 in which the timing, Jeff, in which we have this kind

1 of conversation makes sense for you, or would you
2 rather have the timing of this conversation mid-year?

3 Just in terms of relating it to your annual review
4 and your own report of your office.

5 MR. SCHANZ: I think this is appropriate,
6 unless there's an overwhelming need to make a change.

7 During the period, we've issued the two semiannual
8 reports to the Hill. We use that data as our
9 baseline data in putting together the performance
10 review.

11 CHAIRMAN MINOW: Great. All right.

12 MR. LEVI: I again want to say how much our
13 Board appreciates the spirit and work of the
14 Inspector General, and the cooperation that -- when I
15 asked for a fraud awareness briefing for the Board,
16 you were more than happy to provide it.

17 And so when I say that we've got, in
18 September, a bunch of people coming down to
19 Washington and I'll want to talk with you and your
20 colleagues about what we can do while they're in town
21 to introduce them to your office and have some kind
22 of a program that relates to the Office of the

1 Inspector General, I hope you'll help us think about
2 that. And I just want to thank you for your work
3 last year.

4 MR. SCHANZ: Well, thank you for your
5 support. I do have an open door policy in my office,
6 so that extends to the Board also. I can do better.

7 So if you have any ideas, I'm always welcome to
8 accept them.

9 CHAIRMAN MINOW: I had only one question,
10 which is actually the appendix notes that the
11 questioned costs this year compared to the year
12 before are considerably less. And I wondered if this
13 represents anything, or is this just the normal up
14 and down of how things happen?

15 MR. SCHANZ: I think it's a little bit of
16 both. Not every grantee is corrupt. Not every
17 grantee is perfect. It depends on our risk
18 assessments. We determine which the highest risk
19 grantees are, and then we try to determine A, B, C.
20 We want to do a large grantee, a medium-sized
21 grantee, a small grantee. And there's no magic
22 formula for determining that that I'm aware of.

1 CHAIRMAN MINOW: Great. My only other
2 comment is just to say how lucky we are to have as
3 Inspector General someone who's not only excellent
4 personally but also builds an organization that is
5 exemplary. And it's great to see the way in which
6 this office is looked to by others, and the way in
7 which you ensure the professional development of the
8 people on your team.

9 MR. SCHANZ: Thank you. That was part of my
10 job when I got there, so thank you.

11 CHAIRMAN MINOW: That's great. Well, let
12 the record show that the Board is very pleased to see
13 the continuing excellence of the Inspector General,
14 and look forward to continuing our good work together
15 this year.

16 MR. SCHANZ: Thank you.

17 CHAIRMAN MINOW: Thank you.

18 We now turn, in the spirit of evaluations,
19 to the subject of the Board's own evaluations of
20 ourselves. And I welcome Carol Bergman, who has
21 helped us dramatically in the process of
22 self-evaluation and has something to give to people

1 as well.

2 So there are two levels here. There's the
3 Board self-evaluation as members of this Board, and
4 then there's the evaluation of the Committees. And I
5 think that we've seen in each of the Committee
6 meetings thus far a discussion about a summary of the
7 survey results, and all the chairs have been able to
8 review those.

9 And we should just have this moment to think
10 about the Board's own self-evaluation and any other
11 comments people have about the Committees. Carol,
12 would you like to say anything?

13 MS. BERGMAN: Sure. I guess it's good news/
14 bad news. The good news is we got 100 percent
15 participation from all of the members of the Board
16 and the ex officio members of the different Board
17 Committees in the evaluation process this year. And
18 we did succeed in going and putting it all online.
19 The bad news is that not everybody was able to access
20 it. So we will certainly do our best to try and get
21 there.

22 We tried to do it in a way that when people

1 did it online, it actually automatically entered it
2 into a spreadsheet so we could then have all of the
3 raw data. But obviously, it worked for most people
4 but not for everybody, so we will work on that part.

5 Martha, as you're seeing, what we did is put
6 a public summary together of everything. So every
7 Committee had a copy of the public summary in your
8 Committee section to review. The raw data was sent
9 to every Committee chair; the public summary does not
10 include attribution.

11 What's being sent around is the actual
12 evaluation of the Board that everybody did. This is
13 the public summary document of your responses. That
14 was inadvertently not included in the Board book; our
15 apologies.

16 So probably what's most useful, if you want
17 to take the time, Madam Chair, would be to focus on
18 the priorities for attention that I think is the most
19 salient that give you a sense of where people have
20 identified their priorities.

21 Then there is a section of the
22 self-evaluations. That's in the confidential section

1 of the Board book for the closed session discussion.

2 CHAIRMAN MINOW: Thank you very much. And
3 this document is helpful. It underscores that I
4 think there's continuing commitment on the part of
5 the Board to implement the work of the Board over the
6 past prior 18 months or so.

7 So that includes the Pro Bono Task Force,
8 and also the Fiscal Oversight Task Force, and also
9 the strategic plan. So there's continuing interest
10 in seeing the next phases of each of those
11 activities.

12 Does anyone else have reflections they'd
13 like to share? This is a healthy process of
14 self-evaluation. It wouldn't be bad, as we become
15 more informed through working with David Bonbright,
16 to think about our own data collection about
17 ourselves.

18 MR. LEVI: But Carol, I for one appreciate
19 the fact that these were -- and I think it's
20 important in terms of getting -- my experience in
21 not-for-profit boards is that board members take a
22 look at these, and they'll do them thoughtfully if

1 they are within a reasonable scope of time.

2 It's the boards that present you with things
3 that ask the board member to write a treatise that
4 board members actually resent, and then they don't
5 really give you thoughtful information.

6 So the tension -- I did see somewhere, I
7 don't know where it was -- somebody objected to only
8 being able to answer yes or no in some places. And
9 so what I would say there is if anybody wants to
10 maybe give --

11 CHAIRMAN MINOW: There's room for comments.

12 Yes.

13 MR. LEVI: There's room for comment. But we
14 do have to walk the line -- some of you are on more
15 than one Committee -- and we respectful of your time.

16 We do want thoughtful input. We don't want to
17 over-burden people. It's the same thing as our
18 reporter here on data collection.

19 CHAIRMAN MINOW: And mindful of the earlier
20 panel discussion we had about our grantee boards, I
21 wonder if we can have a two-way sharing of this kind
22 of instrument with those boards so that we could

1 share what we use and see if they have something that
2 they find useful to ask their boards. Maybe, Gloria
3 and Father Pius, you might want to share that with
4 grantees or find a way, working with OCE to do that.

5 Well, that's being done. The only other
6 part of the evaluation is to look at the Governance
7 and Performance Review Committee's evaluation, which
8 in the hard copy is at page 251. And I like the fact
9 that members like the fact that the meeting is brisk,
10 which doesn't mean that we should shortchange a
11 discussion of this. But unless there's anyone
12 interest in discussing it, we can move on.

13 (No response.)

14 CHAIRMAN MINOW: All right. Thank you.
15 Well, Carol, you're already here, which is perfect,
16 because we would like now to turn to item 8, report
17 on the progress in implementing the GAO
18 recommendations.

19 MS. BERGMAN: Well, thank you. We have good
20 news. We're moving forward. That's the mantra here.
21 So since the last Board meeting, we provided a copy
22 of the two memos that we had sent to GAO that was

1 followup documentation on recommendations 5, 9, 10,
2 and 11.

3 So on recommendations 5 and 11 -- so 5 is
4 improving grantee risk assessment criteria and 11 is
5 the strategic human capital plan -- we sent memos and
6 the supporting documentation that you all saw on
7 that. We had a conference call with GAO on the 14th
8 of January.

9 At that point, they indicated that they
10 believed that LSC has taken sufficient corrective
11 action on both these recommendations to support
12 closing them. They anticipate being able to close
13 them on their website by February 13th.

14 The only possible challenge is that they, of
15 course, are going through internal staffing
16 challenges, so it requires additional internal
17 review. They do not expect that that will change
18 their initial assessment, but that's where that is on
19 those two.

20 Recommendations 9 and 10: Nine is LSC
21 performance measures; 10 is the periodic assessment
22 of performance measures. Similarly, the memo went

1 out on those. We had a conference call about them.

2 GAO has determined that LSC has taken
3 substantial actions on both of these. However, key
4 is implementation of the procedures that have been
5 developed.

6 Essentially, what that means is they want us
7 to go through the first quarterly assessment of the
8 performance measures to close out those
9 recommendations. They want to see the result of LSC
10 Management actually implementing the performance
11 measure process.

12 So LSC will plan to complete those
13 assessments in March or April of this year. At that
14 point, GAO fully anticipates being able to close
15 those out.

16 So hopefully, at least two of those will be
17 able to close out before the next Board meeting. I
18 would imagine that ideally, we'd be able to get a
19 closeout of those before the April Board meeting, but
20 certainly I would hope by July we'll be done with all
21 four of those.

22 The one remaining recommendation is 12.

1 This involves the evaluation of LSC employee
2 performance. We have finalized an employee
3 performance management system to replace the process
4 that had been described in LSC's employee handbook.

5 What we said at the October board meeting is
6 that Management will submit the proposed process to
7 the Governance Committee at this meeting. And I will
8 now turn it over to him, who will handle that
9 conversation.

10 CHAIRMAN MINOW: Before we do that, let me
11 just say thank you so much for moving along all the
12 other ones. This is a much more satisfactory time
13 frame for closing out than we've seen in the past.
14 So I really commend you on that.

15 Jim?

16 PRESIDENT SANDMAN: Thank you, Martha. The
17 performance management policy that we would like to
18 introduce at LSC is described in some detail at pages
19 273 through 300 of the Board book.

20 As I explained in my cover memo, it's a
21 comprehensive policy that has a number of different
22 parts. . But I think the best thing about it is that

1 it relates individual performance to department
2 performance to LSC's performance in meeting our
3 strategic goals. Everything is connected up in a way
4 it never has been before.

5 And I think that the process, if it runs the
6 way I hope and expect it will, will keep the
7 attention of everyone in the organization focused on
8 our strategic goals so that our strategic plan will
9 never be something that just sits on a shelf and
10 isn't internalized by the people who have to
11 implement it.

12 MR. LEVI: Can I ask a question here? Are
13 we required, because of GAO, to formally adopt this?

14 It says "Consider and act" on our agenda.

15 CHAIRMAN MINOW: We are.

16 MR. LEVI: And is that because of GAO?

17 CHAIRMAN MINOW: No.

18 PRESIDENT SANDMAN: No. I can answer that.

19 That is not required by GAO. As we sit here today,
20 our personnel handbook still requires that the Board
21 approve significant changes in the handbook; although
22 the Ops & Regs Committee voted earlier today to

1 recommend to the Board that we change that, the Board
2 hasn't yet voted on it.

3 So here today at 5 after 5:00 Central time
4 on January whatever today is --

5 MS. BERGMAN: The 24th.

6 PRESIDENT SANDMAN: -- the 24th, the Board
7 needs to authorize a change in our personnel handbook
8 to make this happen.

9 CHAIRMAN MINOW: Charles?

10 MR. KECKLER: Yes. So one point. It's
11 something to think about. Of course, this Committee
12 will only, if we consider and act, would recommend.

13 CHAIRMAN MINOW: Yes.

14 MR. KECKLER: Would act to recommend it.
15 Now, at the Board meeting, Ops & Regs reports right
16 before Governance & Performance Review.

17 (Laughter.)

18 MR. KECKLER: So the point being, it's
19 actually up to us collectively whether we want the
20 Board specifically to endorse this. Ops & Regs would
21 report right before Governance & Performance, and
22 therefore moot the Board approval under the agenda,

1 Board agenda, as it sits. So I just leave that out
2 there for discussion.

3 CHAIRMAN MINOW: Well, thank you, Charles.
4 I actually have a suggestion about this, which is
5 that this Committee actually pass on this, given that
6 we have not, as a Board, changed what the rules are,
7 and we make our recommendation to the Board.

8 Should it come to pass -- imagine
9 that -- that by the time this reaches the actual
10 Board meeting that it's no longer needed, that it
11 doesn't matter, we will have crossed the T and dotted
12 the I. So does that seem suitable to people? Julie?

13 MS. REISKIN: I was just going to move --

14 CHAIRMAN MINOW: Great. Move it.

15 M O T I O N

16 MS. REISKIN: I move that we accept this.
17 It's really good.

18 CHAIRMAN MINOW: Second? Oh, no, Charles?

19 MR. KECKLER: Well, no. That's fine. I'm
20 not objecting to it. It's just that it might be
21 still useful if you do this in the sense that if we
22 approve of this, for us to put a resolution in

1 support, that ultimately it would be a resolution in
2 support of the change although not a change into
3 the --

4 CHAIRMAN MINOW: OH, very nice. That's
5 elegant. That is really elegant. So actually,
6 Julie, would you accept a friendly amendment?

7 MS. REISKIN: Yes. Absolutely.

8 CHAIRMAN MINOW: There are two motions. One
9 is to recommend this change, and the second is to
10 have a resolution endorsing the change.

11 MS. REISKIN: Yes. And I like that better
12 because that way, if there's tweaks in it, there's no
13 question that it would come back to the Board that
14 we're approving this as a conceptual -- we like
15 the --

16 CHAIRMAN MINOW: The concept. Right.

17 MS. REISKIN: -- the concept, the process.

18 CHAIRMAN MINOW: Great. So is there a
19 second? Yes?

20 MS. BROWNE: I'll second.

21 CHAIRMAN MINOW: All in favor?

22 (A chorus of ayes.)

1 CHAIRMAN MINOW: Jim?

2 PRESIDENT SANDMAN: Could I just add
3 something?

4 CHAIRMAN MINOW: Please.

5 PRESIDENT SANDMAN: I would like to
6 acknowledge the tremendous work that our Director of
7 Human Resources, Traci Higgins, did to pull this al
8 together. This is her work, not mine, that you're
9 seeing.

10 CHAIRMAN MINOW: This is a dramatic
11 improvement.

12 Gloria?

13 PROFESSOR VALENCIA-WEBER: Just an
14 informational question. Did the collective
15 bargaining unit have a say or recommendations or any
16 role in this?

17 PRESIDENT SANDMAN: This was reviewed with
18 the union.

19 CHAIRMAN MINOW: You know, I was thinking
20 the same thing. And I wondered whether somewhere in
21 the document, it wouldn't be bad to have some
22 reference to the process that led to its production.

1 I think that that would be a useful --

2 MR. LEVI: That was in Jim's memo.

3 CHAIRMAN MINOW: It was in your memo but not
4 in the document itself. So as this becomes part of
5 the employee manual, it seemed to me worth -- I leave
6 it to you to think about it. But that's part of the
7 history.

8 PRESIDENT SANDMAN: Yes. We can do that.

9 CHAIRMAN MINOW: Very good.

10 MR. LEVI: Like a footnote.

11 CHAIRMAN MINOW: Like a footnote, exactly.
12 Not more than that.

13 Very good. So thank you, Carol. I think
14 that that completes item 8.

15 And we turn now to item 9, which involves a
16 whistleblower policy. And welcome, Ron Flagg.

17 MR. FLAGG: Thank you. As I've reported
18 before, Management is going through an ongoing
19 process of reviewing our internal policies for,
20 really, two reasons -- one, to make sure our policies
21 are right, are reflective of the best practices in
22 legal services and funders and not-for-profits; and

1 second, for the purpose of reviewing the multiple
2 sources of guidance we have for employees in a
3 variety of different contexts, and trying to
4 consolidate them so that if somebody has a question
5 about what they should be doing, there's a reasonable
6 chance they can find it.

7 I previously reported, and the Board
8 approved, our new conflict of interest policy. The
9 next policy up is the whistleblower policy. As you
10 can see in the Board book, this topic is covered at
11 pages, of the hard copy Board book, 302 to 309.

12 The current employee handbook, as well as
13 the code of conduct, have various passages relating
14 to whistleblower policies, including encouraging
15 people to report misconduct or potential misconduct,
16 and a policy of nonretaliation. It was Management's
17 belief that, one, we should consolidate those sources
18 of guidance, and two, that those sources were not as
19 robust as they should be.

20 So we have undertaken to revise the policy,
21 as reflected in the Board book, making it clear that
22 we are encouraging -- it is our policy to encourage

1 directors, officers, and employees to report unlawful
2 and unethical activity without fear of retaliation,
3 and specifically, to report any such instances to the
4 IG's office.

5 The whistleblower policy reflected in the
6 Board book is, really, the joint work product of
7 Management working with the IG, and I want to
8 publicly thank the IG for their contribution to this.

9 So with that, Management would ask and
10 recommend that this Committee recommend to the Board
11 adoption of the resolution at page 308 of the Board
12 book adopting this whistleblower policy.

13 CHAIRMAN MINOW: John, you raised your hand?

14 MR. LEVI: No.

15 CHAIRMAN MINOW: No. I have a question only
16 because I've dealt with whistleblower policies in
17 another context. Item 6, Confidentiality: "The
18 identity will be disclosed only as reasonably
19 necessary for purposes of this policy or when legally
20 required. However, confidentiality is not
21 guaranteed."

22 The question may arise where the disclosure

1 is not required legally or reasonably necessary for
2 the policy. Nonetheless, the person who makes the
3 complaint or indicates the information is very
4 anxious about confidentiality.

5 And so the statement, "confidentiality is
6 not guaranteed," may be intended here because of the
7 first part of the sentence. But if it's anything
8 else, I wonder why there's not a stronger statement
9 about it -- a sincere effort, reasonable effort, will
10 be undertaken to preserve confidentiality.

11 MR. FLAGG: I think we could --

12 FATHER PIUS: Does somebody have a
13 microphone off?

14 MR. FLAGG: Excuse me?

15 CHAIRMAN MINOW: You're hard to hear, I
16 think.

17 FATHER PIUS: Yes.

18 MR. FLAGG: Is this better?

19 FATHER PIUS: Yes. Thank you.

20 MR. FLAGG: We could add a sentence between
21 the first and second sentences of that paragraph
22 saying that the substance would be -- we will attempt

1 to maintain confidentiality.

2 I think it's important to have the
3 confidentiality is not guaranteed so that nobody can
4 say, gee, I was under the impression that I had an
5 ironclad guarantee that -- we'll add a sentence
6 making the point that our intention is to --

7 CHAIRMAN MINOW: To preserve it.

8 MR. FLAGG: -- to preserve confidentiality
9 where possible.

10 CHAIRMAN MINOW: Thank you.

11 Anyone else have any comments or questions?

12 Yes, Sharon?

13 MS. BROWNE: I just had a question. There
14 was no whistleblower policy in the past? I find that
15 very difficult to believe.

16 CHAIRMAN MINOW: No. There was multiple --

17 MR. FLAGG: Oh, yes. No, no. The problem
18 was just the opposite.

19 CHAIRMAN MINOW: Too many.

20 MR. FLAGG: There were a number of different
21 places where the whistleblower policy appeared. The
22 substance of it directionally was the same as this,

1 that is, encouraging people to speak up if they
2 became aware of misconduct and promising
3 nonretaliation.

4 But the procedures were not spelled out as
5 specifically as this. The clear way, which at least
6 I believe the clear means by which this
7 responsibility is assigned to the IG's office and the
8 steps the IG will take and the reporting, and the
9 interplay between the IG's office and Management in
10 these instances was not spelled out as clearly as it
11 is here.

12 So there was both too much -- that is, it
13 was in too many locations -- and not enough -- that
14 is, it did not go into sufficient detail. We believe
15 this cures both those problems.

16 MS. BROWNE: And as just a followup to that,
17 you mentioned that it was in too many locations. And
18 I noticed in your memo that you're talking about
19 consolidating everything into one location. But it
20 hasn't happened yet. Do you have a time frame?

21 MR. FLAGG: Well, yes. Assuming the Board
22 approves this whistleblower policy, we're going to

1 immediately consolidate the code of conduct. We're
2 going to include the new conflict of interest policy
3 and the new whistleblower policy into the code of
4 conduct, and then we're going to move the code of
5 conduct into -- make it part of the employee manual.

6 And that's something we should be able to accomplish
7 prior to the next Board meeting, certainly.

8 CHAIRMAN MINOW: So that's actually my
9 question, too. We're going to have a vote on the
10 resolution very soon. But the last paragraph makes
11 clear that this policy, if adopted, will supersede
12 any prior policies.

13 But then is it part of the handbook, or is
14 it part of the code of ethics, or is the code of
15 ethics part of the handbook? How does that work?

16 MR. FLAGG: Our intent ultimately is to have
17 two sources of guidance for employees. One is
18 something akin to the what we now call employee
19 handbook, which would include the code of conduct.

20 CHAIRMAN MINOW: I see.

21 MR. FLAGG: I don't want to be bound to what
22 the name of this --

1 CHAIRMAN MINOW: Oh, sure.

2 MR. FLAGG: -- all-encompassing employee
3 guidance will be. But --

4 CHAIRMAN MINOW: There'll be one place to
5 go.

6 MR. FLAGG: There'll be one place to go, and
7 it will include what is now in the code of conduct,
8 including the whistleblower policy and the new
9 conflict of interest policy.

10 In addition to that, the other source of
11 guidance for employees internally will be an
12 administrative manual that covers things like
13 contracting and procurement, for example. So it's
14 not things like this, conduct or conflicts of
15 interest.

16 It's more administrative, such as what you
17 need to do if you want to enter into a contract for
18 over \$50,000, that sort of thing. And so when
19 employees or the public, for that matter, want to
20 know what our guidance is, they will see two
21 documents on our website, and they'll know that's
22 where they are.

1 If you look on our internal website now --

2 CHAIRMAN MINOW: It's all over the place.

3 MR. FLAGG: -- there are about 15 different
4 policies listed. Our intent, in short order, is to
5 reduce that to two.

6 CHAIRMAN MINOW: No. That makes total
7 sense. But is the whistleblower policy only going to
8 be in the former and not in the latter as well? Is
9 that what you're saying?

10 MR. FLAGG: The whistleblower policy will
11 only be part of what is now the employee handbook.
12 It'll only be in this --

13 CHAIRMAN MINOW: One place.

14 MR. FLAGG: -- internal employee handbook.

15 CHAIRMAN MINOW: Sharon?

16 MS. BROWNE: Well, then, if you look at the
17 resolution, you're talking about in a single
18 location. So the single location's going to be the
19 employee handbook. But everything hasn't been
20 consolidated yet into the employee handbook.

21 So is the resolution on the fourth paragraph
22 really accurate, to say it's in a single location, or

1 will be placed in a single location some time in the
2 future?

3 MR. FLAGG: I'm not sure where you're
4 referring to.

5 CHAIRMAN MINOW: The fourth paragraph.

6 MS. BROWNE: The fourth paragraph. It says
7 it's codified in a single location. And certainly a
8 single location is a terrific concept, but it hasn't
9 occurred yet.

10 CHAIRMAN MINOW: You just need to add
11 another "will be."

12 MR. FLAGG: Well, it hasn't occurred because
13 you haven't approved this new policy.

14 MS. BROWNE: So once we approve the
15 policy --

16 MR. FLAGG: We will eliminate the other
17 sources of guidance on whistleblowing, and there'll
18 be one, and it'll be in the employee handbook.

19 MR. KECKLER: Sharon, I think what's going
20 to happen is there's a bunch of scattered policies
21 now that are variously incorporated into various
22 documents and also free-floating.

1 As I understand it, what will occur now is
2 if we were to pass the resolution, there'll be single
3 whistleblower policy. The whistleblower policy will
4 go into the code of conduct, and the code of conduct
5 will go into the employee handbook.

6 MR. FLAGG: Correct.

7 CHAIRMAN MINOW: That's helpful.

8 MR. LEVI: So there is one, then, tag issue,
9 which is, the Board of Directors are not a part of
10 the employee handbook, but they are subject to --

11 CHAIRMAN MINOW: The whistleblower policy.

12 MR. LEVI: -- the whistleblower policy. So
13 somehow, it also needs to find itself somewhere in
14 relation to the Board.

15 MR. FLAGG: I believe it's in the bylaws
16 already, but --

17 MR. LEVI: It'll move over there, too?

18 MR. FLAGG: Well, we can only consolidate up
19 to a point. And you're right. Insofar as it applies
20 to the directors, we'll have to make sure that there
21 is --

22 MR. LEVI: Okay. That's all I --

1 CHAIRMAN MINOW: And frankly, it applies to
2 non-director Committee members as well. And so if it
3 needs to be amended, I think the resolution should
4 either implicitly or explicitly include, "and as to
5 anyone who is not an employee but is covered by the
6 whistleblower policy. This policy is adopted and
7 will be appropriately preserved and communicated."

8 So we're comfortable with that? Can I have
9 a motion to -- as amended, to adopt this resolution
10 as amended, and a second?

11 M O T I O N

12 MS. REISKIN: So moved.

13 MR. LEVI: Second.

14 CHAIRMAN MINOW: All in favor?

15 (A chorus of ayes.)

16 CHAIRMAN MINOW: Thank you. It's exciting
17 to imagine that there's going to be consolidated
18 documents.

19 We have one more item.

20 MR. FLAGG: Yes. This is covered at pages
21 311 to 316 of the Board book. This is a proposed
22 amendment to the bylaws regarding the ability of

1 non-director members of the Board Committees to count
2 toward a quorum. I know this is endlessly
3 fascinating; I'll try to go through it quickly.

4 As you know, we have for some time had
5 non-directors appointed to serve on Board Committees.

6 Article V, Section 5.02(a) of the bylaws states, and
7 this is printed out on page 311, "Except as other
8 provided in these bylaws or in the resolution
9 establishing the Committee, the voting members of the
10 Committee shall count toward a quorum."

11 And the non-Board members who are on our
12 Committees are voting members. So absent anything
13 else, the non-Board members of our Committees would
14 count toward a quorum.

15 A year ago, on January 26, you approved a
16 resolution giving the Chair of the Board authority to
17 appoint non-Board members to Committees, delegating
18 that authority. And that resolution, which was not a
19 resolution creating a charter or a Committee, said,
20 "No non-director shall count towards a quorum."

21 Now, I believe that the Board had inherent
22 authority to do that. But somebody could question

1 that action and say, no, that action was not
2 consistent with the bylaw that I read earlier.

3 To eliminate any question about this topic,
4 it is Management's recommendation that you amend the
5 bylaws in one of two ways. And the two options are
6 set forth on the second page of our memo.

7 And essentially, the two alternatives that
8 we've identified to eliminate any question about this
9 would be to simply -- option 1 would be to tweak the
10 language of the bylaw to refer to a resolution, as
11 opposed to a resolution establishing the Committee,
12 so that any resolution could be used to change
13 whether or not a non-Board member serving on a
14 Committee would count toward a quorum. That would be
15 one way.

16 If you did that, that means a subsequent
17 Board or you could change that rule by resolution.
18 Or, alternatively, you could just amend the bylaw to
19 make the default what was established in the
20 resolution last year.

21 As a practical matter, there's not a big
22 difference because amendment the bylaws is very

1 simple in this organization. So I don't have a
2 strong -- Management doesn't have a recommendation
3 either way other than we recommend that you take one
4 of these two actions.

5 CHAIRMAN MINOW: May I suggest that either
6 one of them should be amended to make clear that the
7 last use of the word "quorum" in the inserted
8 language is modified by "Committee," so it's a
9 Committee quorum, not a quorum of the Board, so there
10 can be no ambiguity about that?

11 I understand this is appearing in the
12 portion that deals with resolution concerning the
13 creation of a Committee. Nonetheless, in the body of
14 it it doesn't refer to committee, and it should refer
15 to committee so that there's no ambiguity about
16 whether non-director members affect the quorum of the
17 Board.

18 As to the choice between the two, I don't
19 have a strong view myself. I'd like to hear maybe
20 Robert Grey, who works closely with non-director
21 members. If there were insufficient numbers of
22 directors at a Committee meeting, would you be happy

1 if the non-directors could count towards the quorum,
2 or worried about that?

3 MR. GREY: I honestly don't really thought
4 about it. I think it is okay because any action by
5 the Committee would have to be agreed to by the
6 Board. So it wouldn't supersede what would be
7 appointed positions required for final --

8 MR. LEVI: What's being proposed?

9 MR. FLAGG: Again, under either versions of
10 this, last year's resolution would still be in
11 effect. So unless you change last year's
12 resolution --

13 MR. LEVI: That's not on the floor.

14 MR. FLAGG: Correct. This will only --

15 CHAIRMAN MINOW: Finish the sentence.

16 MR. FLAGG: Yes. Under either option, the
17 current practice which has been in place since last
18 year, which is that non-Board members will not count
19 toward a Committee quorum, will remain in place. The
20 only effect this will have is how that could be
21 changed in the future, whether it would require a
22 bylaw change or could be changed by resolution.

1 MR. LEVI: Yes. And all he was -- the whole
2 mode of -- okay. Yes.

3 CHAIRMAN MINOW: And you don't have a
4 recommendation, and no one here has a view. So
5 Charles. Please, Charles, give us a view.

6 MR. KECKLER: Obviously, functionally if the
7 Board decides X, then it will be that either way. I
8 think that in terms of just describing our structure,
9 that's what the bylaws are for.

10 If this is the structure of our governance,
11 it seems like it should be reflected in the bylaws
12 until such time as the Board decides a different way
13 to run the governance is the case. And so I think
14 there is some conceptual preference for a bylaw
15 change.

16 MR. LEVI: And that's persuasive.

17 MR. FLAGG: So just to be clear, that would
18 be option 2, and I'll read that. "A majority of the
19 voting members of a Committee, or one-half such
20 members if their number is even, shall constitute a
21 quorum, except that no non-director member shall
22 count towards a Committee quorum."

1 And that would make it consistent with the
2 resolution of last year and, as Charles described,
3 would be the structure in place until it was changed.

4 CHAIRMAN MINOW: Sharon?

5 MS. BROWNE: Going back to your memo, you
6 mentioned that there are two Committee
7 charters -- the Audit and Delivery of Legal Services
8 Committees are different than the other Committees
9 dealing with non-members of the Committees.

10 Now, will all the Committee charters have to
11 be amended as a result of our action here?

12 MR. FLAGG: No.

13 CHAIRMAN MINOW: And why is that?

14 MR. LEVI: Oh, gosh. Don't go to -- if we
15 have to change -- what's happening here?

16 MR. FLAGG: No. There would not be a
17 requirement of changing any of the charters. The two
18 charters that explicitly address the issue are
19 consistent with last year's resolution and would be
20 consistent with the option 2 that I just read. The
21 other charters are silent, and as a result, they
22 would be covered by this option.

1 MR. LEVI: Yes. Good question. But any
2 change to the Audit Committee charter takes a year.
3 That was just a joke.

4 (Laughter.)

5 MR. MADDOX: But we just did that. We don't
6 have to do that.

7 MR. LEVI: I know that.

8 CHAIRMAN MINOW: I think we have on the
9 table option 2. And I think it's implicitly been
10 moved. Has it been moved?

11 M O T I O N

12 MR. KECKLER: I'm to move it. But did you,
13 Martha, want to insert the word "Committee"?

14 CHAIRMAN MINOW: I do. And Ron read it
15 aloud with the word "Committee" inserted, but thank
16 you for underscoring that. I do want the word
17 "Committee" inserted before "quorum."

18 Is there a second?

19 MS. REISKIN: Second.

20 CHAIRMAN MINOW: All in favor?

21 (A chorus of ayes.)

22 CHAIRMAN MINOW: Excellent. Thank you, Ron.

1 What's next on your agenda for tidying up our rules?

2 MR. FLAGG: I'll keep you in suspense.

3 (Laughter.)

4 CHAIRMAN MINOW: You know, it can be like
5 the museums that allow people to vote on what you
6 want to be in the next exhibit. We could vote on
7 what we would like the next one to be.

8 I think that we are now open to hear if
9 there's any public comment, or any new business. I
10 forget which is the order, one or the other.

11 MR. LEVI: Public comment.

12 CHAIRMAN MINOW: Public comment -- no, new
13 business. Other business is the next thing.

14 (No response.)

15 CHAIRMAN MINOW: And seeing none, any public
16 comment?

17 (No response.)

18 CHAIRMAN MINOW: I don't know why. This has
19 been riveting.

20 All right. Then I will consider and act on
21 a motion to adjourn.

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M O T I O N

MR. KECKLER: Move it.

CHAIRMAN MINOW: Second?

MS. BROWNE: Second.

CHAIRMAN MINOW: All done. Thank you, all.

Thank you very, very much.

(Whereupon, at 5:31 p.m., the Committee was
adjourned.)

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