

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

TELEPHONIC MEETING OF THE
FINANCE COMMITTEE

OPEN SESSION

Wednesday, July 16, 2014

3:09 p.m.

Legal Services Corporation
3333 K Street, N.W.
Washington, D.C. 20007

COMMITTEE MEMBERS PRESENT:

Robert J. Grey Jr., Chairperson
Sharon L. Browne
Laurie Mikva
Martha L. Minow
Robert E. Henley Jr. (Non-Director member)
Allan J. Tanenbaum (Non-Director member)
John G. Levi, ex officio

BOARD MEMBERS PRESENT:

Harry J.F. Korrell III
Gloria Valencia-Weber

STAFF AND PUBLIC PRESENT IN THE CORPORATION'S OFFICES:

James J. Sandman, President
 Lynn Jennings, Vice President for Grants Management
 Patrick Malloy, Grants Management/Legislative Fellow,
 Executive Office
 Ronald S. Flagg, Vice President for Legal Affairs,
 General Counsel, and Corporate Secretary
 Katherine Ward, Executive Assistant, Office of Legal
 Affairs
 Richard L. Sloane, Special Assistant to the President
 Rebecca Fertig-Cohen, Special Assistant to the
 President
 Julia Kramer, Program Counsel, Office of Compliance
 and Enforcement/Executive Office
 David L. Richardson, Comptroller and Treasurer,
 Office of Financial and Administrative Services
 Carol A. Bergman, Director, Office of Government
 Relations and Public Affairs
 Treefa Aziz, Government Affairs Representative,
 Office of Government Relations and Public Affairs
 Jeffrey E. Schanz, Inspector General
 Laurie Tarantowicz, Assistant Inspector General and
 Legal Counsel, Office of the Inspector General
 David Maddox, Assistant Inspector General for
 Management and Evaluation, Office of the
 Inspector General
 Magali Khalkho, Director of Management Operations,
 Office of the Inspector General
 Jacquelyn Richards, Intern, Executive Office
 Nupur Khullar, Intern, Office of Government Relations
 and Public Affairs
 Joe Langerman, Intern, Office of Government Relations
 and Public Affairs

Don Saunders, National Legal Aid and Defenders
 Association (NLADA)
 Robin C. Murphy, NLADA
 Terry Brooks, American Bar Association Standing
 Committee on Legal Aid and Indigent Defendants
 (SCLAID)
 Ann Carmichael, American Bar Association SCLAID
 Beverly Groudine, American Bar Association SCLAID

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

2 (3:09 p.m.)

3 CHAIRMAN : The meeting of the Finance
4 Committee will open with a motion to approve the
5 agenda.

6 M O T I O N

7 MS. BROWNE: This is Sharon. I'll move.

8 DEAN MINOW: Martha. Second.

9 CHAIRMAN GREY: It's been moved and seconded.

10 All in favor say aye.

11 (A chorus of ayes.)

12 CHAIRMAN GREY: Opposed, no.

13 (No response.)

14 CHAIRMAN GREY: The next item on the agenda is
15 the approval of the minutes of the Committee's
16 telephonic open session meeting on June 9, 2014, having
17 been previously distributed.

18 Is there a motion for their approval?

19 M O T I O N

20 DEAN MINOW: So moved. This is Martha.

21 MS. BROWNE: Second.

22 CHAIRMAN GREY: All in favor say aye.

1 (A chorus of ayes.)

2 CHAIRMAN GREY: Opposed, no.

3 (No response.)

4 CHAIRMAN GREY: The next item on the agenda is
5 a discussion with the Inspector General regarding the
6 OIG's fiscal year 2016 budget request. And I invite
7 the Inspector General, Jeffrey Schanz, to open the
8 discussion.

9 MR. SCHANZ: Thank you, Mr. Chairman. This is
10 Jeff Schanz, the Inspector General.

11 Based on our prior submission and the
12 direction we received from the Committee, we went back
13 and did a little scrubbing of our budget request, and
14 it is provided in pages 12 through 16 of the overall
15 LSC budget request to the Hill.

16 I would like to direct your attention to those
17 pages. We tried to address each of the Committee
18 members' concerns and provide additional information so
19 that you could see where our expenses are going to be
20 if we can receive the 5.1 request in 2016.

21 With that, I'll entertain any questions, and
22 turn my presentation over to Dave Maddox, who did most

1 of the preparation for the submission.

2 MR. MADDOX: Okay. Not hearing any questions,
3 to provide a little background, as Jeff said, we did an
4 expanded request. For FY 2016, with consideration of
5 the statutorily independent IG mission and
6 responsibilities; the needed flexibility to respond to
7 stockholders' future requests; and the need to maintain
8 stability in OIG planning, operations, and workforce,
9 the OIG requests that the Board adopt a \$5.1 million
10 request for FY 2016.

11 For perspective, the OIG request is
12 approximately 1 percent of LSC's total request. This
13 is the first major request increase in seven years from
14 the OIG. That would take us back to FY 2009. It's in
15 line with the 21 percent in the MGO request over the
16 2009 appropriation, over that seven-year time period,
17 as can be seen graphically on the bottom of page 12.

18 Looking at page 13, the Committee asked that
19 we produce some type of budget history, and we tried to
20 do that graphically. So you can look at our chart on
21 page 13, which lays out the appropriations, the budget,
22 and the expenditures of the OIG since 2009, during

1 which time, from 2011 on, you can see the operational
2 planning of the OIG that spent down significant
3 carryover while not asking for annual increases.

4 Currently the 2014 operational expenditure
5 rate is \$4.8 million for the OIG. Going forward, there
6 is significant uncertainty as to funding. Currently,
7 within the FY 2015 appropriations process, the Senate
8 number for the OIG is \$4.0 million and the House is
9 4.35, a difference of \$350,000, which creates
10 significant uncertainties in OIG projections and
11 workforce planning.

12 In terms of the increase, the OIG request of
13 \$5.1 million is an increase of \$750,000 from the FY
14 2014 enacted level of \$4.5 million. The \$750,000
15 increase breaks down over requirements for base
16 operations, which is approximately \$400,000 of that
17 \$750,000 increase, plus the continued support and
18 development of programs, which is the additional
19 \$350,000. This generally can be seen on pages 14, 15,
20 and into page 16.

21 In terms of base operations, that additional
22 increment of the increase, that \$400,000, that's spread

1 across personnel costs, the LSC financial statement
2 audit, IT support, staff travel, and other.

3 In terms of continued support and development
4 of OIG programs, the \$350,000, that includes the audit
5 quality control review program, a higher volume of
6 grantee internal control audits, and also program
7 development or expansion of the IT security review
8 program into the grantees.

9 Page 16, we lay out what would be done if our
10 funding level was below the request level of \$5.1
11 million.

12 With that said, we'd be happy to answer any
13 questions the Committee might have.

14 CHAIRMAN GREY: Questions for the Inspector
15 General's Office?

16 MR. TANENBAUM: This is Allan. I'm still
17 having problems fully comprehending this request. If
18 you go to the initial basis for it in paragraph 12,
19 which talks about it's critical in order to meet the
20 expenditures of prior years, and in those prior years
21 you were spending down reserves, and now the reserves,
22 you don't have them any more so you need to request

1 this money in order to maintain your present level of
2 activity, and then the additional things that you want
3 to do, and then the issue of what may happen if you get
4 less.

5 I'm not sure that that's the right way to look
6 at this request. The question in my mind that I'm
7 grappling with is what is the appropriate level of
8 services and costs for an OIG office in a generally
9 comparable environment? What is that baseline cost?

10 I know we are unique, and every agency is
11 unique. We may be more unique than others because only
12 a small percentage of the money we get from Congress is
13 used for our internal operations. The vast, vast
14 majority is for field services -- to grantees, I mean.

15 So I appreciate we may not be able to find an
16 exact comparison. But surely there is something that
17 the Finance Committee could understand what would be a
18 baseline? And then how does your request compare to
19 that baseline of services that an OIG is supposed to
20 perform?

21 That's the piece that I was trying to get at
22 at the last meeting. And unfortunately, I just don't

1 see it here because this is more on what you all have
2 been doing versus what should be appropriately done and
3 the appropriate cost of that.

4 MR. SCHANZ: Allan, this is Jeff. I'll
5 address that.

6 There's a saying within the IG community that
7 if you've met one IG, you've met one IG. And the same
8 goes for our functions. In LSC, we have 134 grantees
9 scattered around the country. Some I guess have core
10 functions in regional offices, and they would have a
11 lesser travel budget because they don't always go out
12 to the field. And the IG authority is oftentimes
13 delegated to places like Denver and Dallas and Chicago
14 and Atlanta.

15 In our case, we try to get boots on the ground
16 in some of the grantees. And in the past, that's
17 included American Samoa, which is quite a trip. But we
18 try to make sure that our resources are spread
19 throughout the country.

20 Unfortunately, from your perspective, that
21 comes with associated travel and personnel costs
22 because you can't audit from headquarters. I've seen

1 that tried before, and it just doesn't work. You
2 actually have to be where the money is being spent to
3 be able to get a flavor for whether it's appropriate or
4 not, to look at the records that are maintained by the
5 grantees in some fairly remote places.

6 We didn't factor in inflation, which just
7 about every budget that I did in DOJ, there was always
8 a 10 percent inflation factor for the cost of travel
9 going up, for the cost of personnel to get the best and
10 the brightest. And we've been hiring, and we're
11 getting the best and the brightest. So associated with
12 that are increased personnel costs.

13 MR. TANENBAUM: I appreciate that we're
14 unique, but surely there's some baseline. And if you
15 say there's no baseline and we're so unique, I hear
16 your answer.

17 The part about inflation and the wish list
18 part, that's the other piece that gives me some degree
19 of concern in the context of the mission of the
20 organization. This organization is so woefully
21 underfunded for the intended purpose of the entity that
22 they don't even reach the point of getting an inflation

1 adjustment when it barely is serving the purpose that
2 it was established for because of the difference
3 between what we feel is a minimum amount we need and
4 what we actually get.

5 So I wish Congress would provide that kind of
6 inflationary adjustment for the base services, which we
7 just don't get. So I understand, and I still struggle
8 with it as a Committee member.

9 MR. MADDOX: Allan, this is Dave Maddox. I've
10 been doing the budget for the OIG for 21 years, and in
11 that time we've had questions like this in the past.
12 Haven't looked at this in probably about ten years, but
13 when we did look at this on average across a comparable
14 set of IG offices, about 1 percent of the appropriation
15 was pretty much a baseline across the board with, like
16 Jeff said, vast variations.

17 The OIG functions in many cases are mandated
18 by law, so a lot of those are standard within the
19 discretion for discretionary programs. Don't have any
20 recent data on that, but I can generally say I think
21 we've all laid in that baseline area that you're
22 looking for.

1 MR. TANENBAUM: Well, something more current
2 than ten years ago would certainly be helpful for me.

3 CHAIRMAN GREY: Dave and Jeff, I know that you
4 as members of the Association of Inspectors General
5 speak with each other and share information and
6 recognize the best of the best. And we applaud you for
7 your continued recognition of your work.

8 Do you consider other groups within the IG's
9 office as peer institutions? In other words, you don't
10 see DOD as a peer institution, but are there others
11 within the community that you consider to be peer
12 institutions?

13 MR. SCHANZ: Well, as a somewhat tenured IG
14 now -- I'm into my sixth year -- for what used to be
15 known as the "small" IGs, meaning I'm not
16 Presidentially-appointed, I'm board-appointed, so there
17 are colleagues that are similar to me as far as
18 authority and function and organization.

19 CHAIRMAN GREY: That's what I meant.

20 MR. SCHANZ: Right. Well, we just had our
21 exit conference earlier today on a peer review of our
22 audit function, and the people who did our peer review

1 have 133 auditors. We have ten. So it's going to be
2 very difficult to do a cross-agency reference
3 comparison.

4 CHAIRMAN GREY: I don't think the idea is to
5 get an apples-to-apples comparison, Jeff, as much as it
6 is to get more of an understanding of -- you've helped
7 me a great deal already. You've said that we've got
8 small IGs; I assume that there's a mid-sized and a
9 large or whatever it is.

10 But it would be interesting to know the way
11 you see each other and those that are in the same
12 category, who might they be. And if I were looking at
13 a comparison, for example, of what portion of the
14 budget the IG is of small organizations, it might be
15 interesting to see where we fall.

16 I agree with you that I would be very hesitant
17 to try to make a conclusion based on that. But I think
18 it's helpful to understand, from a macro view, where we
19 fall in the group of agencies that share the same
20 function.

21 So if you don't mind, just help us with that a
22 little bit. I think the idea is not take a deep dive

1 into, do they travel? Do we travel? Do they now have
2 136 offices that we do? I think the idea is just to
3 have an understanding of people our size, our peers,
4 your peers, in this categorization that you've
5 described. That would be helpful to us.

6 MR. SCHANZ: Well, I think, as Dave said, we,
7 the OIG, is approximately 1 percent of the total
8 budget. I'm not sure too many other IGs can operate
9 with monies less than that.

10 The organization I most recently -- and
11 candidly, there's about six former Department of
12 Justice IG employees who are now IGs of their own --
13 but one I communicate the most with would be the
14 Corporation for Public Broadcasting, who did our last
15 peer review. They have a lot of grants. That's PBS on
16 television. And they have quite a few grants.

17 But I will mention that I have a listing of
18 the IGs for peer review purposes, and the peer review
19 only looks at the audit staff. I don't have that in
20 front of me, but we are now considered a mid-range
21 Inspector General, which is why we were reviewed by an
22 organization of 133 auditors, who have more time to

1 devote to analyses or budget analyses such as you're
2 requesting.

3 I'm fairly lean as an organization, and
4 therefore I need to employ contractors to do what's
5 known as the FISMA work. And I want to maintain that
6 flexibility so that I can do what the "big boys" do
7 that are required and mandated by federal law to do
8 certain audits.

9 Now, I know that as a private nonprofit, I'm
10 not bound by that. But that is the trend in the IG
11 community. And I'm talking about you really can't
12 compare an apple to an orange in this situation. I
13 could make some exploratory calls to my colleagues in
14 nonprofits, and the Corporation for Public Broadcasting
15 is the one that comes immediately to mind. But even
16 they have a larger office than we do.

17 Then there are the ones that -- and this is
18 just as a somewhat comic aside -- there are one-person
19 IG shops. One example is the Denali Commission in
20 Alaska. It has an IG shop of one, the Inspector
21 General. Now, they've offered that to me, and some
22 days it seems very appealing.

1 (Laughter.)

2 MR. SCHANZ: But today isn't one of those
3 days.

4 CHAIRMAN GREY: Thanks for that levity. Why
5 don't we do this. It sounds to me like a question we
6 can explore further; we don't need to do it on the
7 phone today, but we can look at it further.

8 So with that, are there any other questions?

9 MR. HENLEY: Robert, can I add one thing?

10 CHAIRMAN GREY: Yes, Bob.

11 MR. HENLEY: Okay. Just one thing that
12 occurred to me as I was looking at the comparison of
13 data, going back to 9 through 16, is that in the
14 private sector over the last -- particularly since 2008
15 and 2, there has been a real trend of finding ways to
16 do more with less, basically really focusing hard on
17 productivity and that sort of thing.

18 That's something that you don't speak to in
19 here. And I think your head count has been fairly
20 consistent for a number of years.

21 MR. SCHANZ: Yes.

22 MR. HENLEY: But I would just ask Jeff, you

1 and David, to give the Committee some assurance that
2 you both have been and are focused on productivity, and
3 are satisfied that we're really getting the most
4 productivity out of the resources that the Office of
5 Inspector General has.

6 MR. SCHANZ: Well, I can give you a personal
7 assurance as well as a professional assurance that
8 we're getting the biggest bang for the buck with the
9 staff I currently have on board.

10 We're transitioning people in. Removed some
11 very low performers and brought in some better
12 auditors, quite candidly. We're traveling more. We're
13 generating more and quicker reports, and I believe more
14 thorough reports; I do send those around to the entire
15 Board.

16 I don't get any feedback on those, but I would
17 like to see if we're hitting the targets that the Board
18 would expect to make sure that the fiscal integrity of
19 the LSC dollar is being protected. And that's my
20 ultimate goal.

21 On the Hill, LSC is much more respected than
22 it used to be. Jim Sandman is probably 95 percent of

1 that, and I would offer that I'm probably 5 percent of
2 that. We issue fair and objective reports. Management
3 acts on the reports that we issue.

4 I think across the board we share the same
5 goal, which is to make sure that Congress has no
6 problems putting good money after good money to the
7 LSC, of which the OIG is an integral cog, to make sure
8 that that money is being spent as appropriate.

9 MR. LEVI: Well, the only editorial comment
10 I'd make is I think maybe 105 percent of that might be
11 -- and that maybe the Board gets 5 percent with you in
12 terms of Congress. I'll leave 95 percent with Jim, but
13 I hope our Board gets at least 5 percent of the credit.

14 (Laughter.)

15 MR. SCHANZ: Point taken.

16 MR. LEVI: Okay. Look, we appreciate your
17 work, Jeff, and appreciate this, too.

18 MR. SCHANZ: Thank you.

19 CHAIRMAN GREY: All right. Any other
20 questions for the Inspector General?

21 (No response.)

22 CHAIRMAN GREY: Jeff and David, thank you very

1 much for taking the time to do it. You've always been
2 responsive to us, and we look forward to continuing to
3 work with you. And the responsiveness that you've had
4 today we look for in the future. So thank you very
5 much.

6 MR. SCHANZ: Thank you, Robert. If I could
7 conclude, though, I'd like to add that I feel like I'm
8 being a little bit penalized for being a fiscal
9 conservative because we used our carryover to spend
10 down for some of our internal improvements and used it
11 to train our staff, used it for some of the contracts
12 -- like I mentioned the IT security contract.

13 As you can see, our appropriation has been
14 pretty much flatlined since I've been here. I got here
15 in 2008. So I don't spend money willy-nilly. I spend
16 it when we have a need, and what I've presented to you
17 today is a need to bring us up to 2016.

18 CHAIRMAN GREY: Consider is a compliment that
19 you feel penalized because we try to do that to
20 everybody. So it's a compliment.

21 MR. SCHANZ: Thank you, sir. May I have
22 another?

1 (Laughter.)

2 CHAIRMAN GREY: Without any problem. But
3 thank you very much. Thank you.

4 Let's go to item 4, and Mr. President, if you
5 would lead us through that discussion.

6 PRESIDENT SANDMAN: I don't, Robert, have much
7 to add to my presentation at the prior meeting. If
8 there are any questions that members of the Committee
9 or of the Board have, I'd be happy to answer them.

10 CHAIRMAN GREY: Are there any questions of the
11 President?

12 PROFESSOR VALENCIA-WEBER: This is Gloria. I
13 have a question.

14 PRESIDENT SANDMAN: Go ahead, Gloria.

15 PROFESSOR VALENCIA-WEBER: First, I appreciate
16 the thoroughness of the report that you presented and
17 the appendix and the illustrations of the impact of how
18 we got to where we are now.

19 I'm working on an extension of our New Mexico
20 Pro Bono Project since fall, with collaborators. And I
21 was just wondering, Jim, if the information in your
22 report is useful for those kinds of meetings and

1 advocacy events.

2 Should I check with you beforehand on lifting
3 text from this report? I know this is a report to the
4 Board.

5 PRESIDENT SANDMAN: You're welcome to use all
6 or any part of this. This is a public document, and
7 the sources of our information are all indicated here.
8 I'm completely comfortable with your using it for
9 those purposes or any other.

10 PROFESSOR VALENCIA-WEBER: Thank you.

11 PRESIDENT SANDMAN: I did want to add one
12 piece of information. We did go back and look at how
13 the MGO budget compares to other similar organizations
14 to go through an inquiry like the one that you just
15 went through regarding the IG's budget.

16 The information that we have shows that for
17 management and administrative expenses, the numbers are
18 generally above what we spend on -- they're all above
19 what we spend on MGO and what we're asking for in our
20 fiscal 2016 request.

21 Our fiscal 2016 request would have 4 percent
22 of the overall budget going to management and grants

1 oversight. At the National Science Foundation, which
2 is a grant-making organization, the number is 4.25
3 percent. At the Corporation for Public Broadcasting,
4 it's 5 percent.

5 At the Office of Justice Programs, part of the
6 Department of Justice -- that's a grant-making program
7 -- it's 7.6 percent. At the Corporation for National
8 and Community Service, it's 8 percent. At the State
9 Justice Institute, it's 23 percent.

10 MR. HENLEY: What's the last one, Jim?

11 PRESIDENT SANDMAN: The State Justice
12 Institute. That's also a grant-making organization.

13 MR. HENLEY: It's 23 percent?

14 PRESIDENT SANDMAN: Yes.

15 MR. HENLEY: Wow.

16 PRESIDENT SANDMAN: And all of these numbers
17 and our numbers are much lower than you would see in
18 the private foundation world for grant-making
19 organizations.

20 CHAIRMAN GREY: Thank you, Jim. That's very
21 helpful.

22 Any other questions for the President?

1 (No response.)

2 CHAIRMAN GREY: Item 5 is to consider and act
3 on the FY 2016 budget request resolution. Is there in
4 fact a resolution that is before us, Mr. President? I
5 don't have one in my notes.

6 MR. RICHARDSON: This was them discussing that
7 multiple recommendations. We've not presented one to
8 the Committee yet.

9 PRESIDENT SANDMAN: Yes. We have not
10 presented one to the Committee. We have on prepared
11 for the Board for the meeting coming up if the Board
12 thinks it's appropriate at that point.

13 CHAIRMAN GREY: I got you. So this is not to
14 really act on the resolution itself.

15 MR. LEVI: Well, but the Committee needs to
16 have something that it's recommending to the Board.

17 CHAIRMAN GREY: Don't we meet before the
18 Board, though, John?

19 MR. LEVI: Yes.

20 PRESIDENT SANDMAN: Yes.

21 MR. LEVI: You're going to need to have a
22 resolution you act on in your Finance meeting in Des

1 Moines before it comes to the Board.

2 CHAIRMAN GREY: I'd like to see it before I
3 act on it. That's all I'm saying.

4 MR. LEVI: Yes. That, I think, is our
5 process. Correct me if I'm wrong.

6 CHAIRMAN GREY: Yes. I think you're right.
7 But this is just to consider -- it says "and act," but
8 I think we act in Des Moines. Right?

9 PRESIDENT SANDMAN: I think if you were
10 prepared to, you could act now and the resolution would
11 be an oral motion to approve the recommendation
12 reflected in the most recent memorandum to the
13 Committee, the memorandum that's dated July 10th. The
14 numbers there are laid out on page 2.

15 Those would be the numbers that you're
16 recommending to the Board. So it would be for the
17 total of \$486.9 million, broken out by component, as
18 shown on page 2 of the memo.

19 CHAIRMAN GREY: So we'd be acting on it and
20 requesting you to develop a resolution in accordance
21 with that?

22 PRESIDENT SANDMAN: Yes.

1 CHAIRMAN GREY: Okay. The motion -- or not
2 the motion, but we are considering action on the
3 recommendation of Management to prepare a resolution
4 for the Committee to forward to the Board. Is there
5 further discussion by the Committee?

6 MS. MIKVA: This is Laurie. I know we have
7 taken comments from various groups prior to
8 consideration. I'm just not sure, have they responded
9 to Management's request? Will they have a chance to
10 before we act, I guess would be my question. When
11 would that time be appropriate, if ever?

12 CHAIRMAN GREY: We've had two sessions where
13 the public has had the opportunity to comment on the
14 suggested recommendations of Management. And actually,
15 it does make sense to reverse 5 and 6, it seems to me.

16 If there's further public comment before we act, I'm
17 happy to receive it.

18 We have a number of interested parties who
19 have commented before and whose comments have been
20 well-received, by the way. And we greatly appreciate
21 the insight that they provide.

22 But let me just proceed in the order in which

1 it is published; otherwise, we've got to republish it.

2 So why don't we act -- does that answer your question,
3 Laurie?

4 MS. MIKVA: Yes.

5 CHAIRMAN GREY: Okay. Could we act on the --
6 I'm sorry? Was there a comment?

7 (No response.)

8 CHAIRMAN GREY: Could we act on the
9 recommendation of Management for the budget request for
10 2016? Is there a motion?

11 DEAN MINOW: Did you get a motion?

12 CHAIRMAN GREY: Not yet.

13 M O T I O N

14 DEAN MINOW: I move.

15 CHAIRMAN GREY: Is there a second?

16 (No response.)

17 MS. MIKVA: I'm sorry. I'm just still not
18 sure what -- the motion is request a resolution at the
19 meeting? I'm just unclear.

20 CHAIRMAN GREY: Management has made a
21 recommendation for the 2016 budget. We've had several
22 public meetings about it and opened it up for public

1 comment. This is the last of those meetings, and we
2 have not found any reason to change the recommendation.

3 So now is our opportunity to recommend that Management
4 prepare the resolution to present to the Board
5 supporting the \$486,000 (sic).

6 It's been moved. Is there a second?

7 MS. MIKVA: Second.

8 CHAIRMAN GREY: I mean -- I'm sorry --
9 million. Is there a second?

10 MS. MIKVA: Second.

11 CHAIRMAN GREY: All in favor say aye.

12 (A chorus of ayes.)

13 CHAIRMAN GREY: Opposed, no.

14 (No response.)

15 CHAIRMAN GREY: Thank you.

16 The floor is open for public comment for
17 anyone who would like to share their thoughts about the
18 proposed budget for 2016.

19 MS. BROWNE: Robert, this is Sharon. I have
20 just a question along the same line as Laurie. If we
21 get the resolution, is there an opportunity for the
22 Finance Committee to review the resolution before it's

1 recommended to the Board and make any suggestions as
2 far as language?

3 CHAIRMAN GREY: I think what we would -- I'm
4 sorry?

5 MR. FLAGG: Robert, this is Ron Flagg. There
6 is an agenda item for Des Moines on the 2016 budget
7 request. We will circulate today a draft resolution
8 that you will be able to review and talk about and
9 discuss and ultimately act on at the Des Moines
10 meeting.

11 CHAIRMAN GREY: The answer is yes, Sharon.

12 MS. BROWNE: Thank you.

13 CHAIRMAN GREY: Additional comment? In
14 particular, public comment?

15 (No response.)

16 CHAIRMAN GREY: Is there any other business to
17 come before the committee?

18 MS. MURPHY: Hello?

19 CHAIRMAN GREY: I'm sorry. Go ahead.

20 MS. MURPHY: This is Robin Murphy from NLADA.

21 CHAIRMAN GREY: Hello, Robin.

22 MS. MURPHY: Hi. I was trying to unmute my

1 phone and seemed to have some problem.

2 CHAIRMAN GREY: I'm sorry.

3 MS. MURPHY: We would really appreciate to
4 have the opportunity to address the Committee about the
5 budget in Des Moines.

6 CHAIRMAN GREY: There's always a public
7 comment period when we're doing these things, so we
8 look forward to seeing you there.

9 MS. MURPHY: Okay. And is the OIG request of
10 the \$5.1 million, is that included in the 2016 budget?

11 CHAIRMAN GREY: It is.

12 MS. MURPHY: Okay. So the one initial comment
13 I would have, and then I would like an opportunity to
14 look at the documents, would be that the Committee
15 really consider the request based on the overall budget
16 of the organization and the needs of the organization
17 as a whole because it looks like it's a 6 percent
18 increase in funding.

19 I'm not sure if the increases to the grantees
20 and to the rest of the Management would include the
21 same increase, and I think that should be taken into
22 account.

1 CHAIRMAN GREY: Thank you.

2 MS. MURPHY: Thank you. Thank you for the
3 opportunity to comment.

4 CHAIRMAN GREY: Thank you, Robin.

5 Additional thoughts and comments?

6 (No response.)

7 CHAIRMAN GREY: With that, let me again thank
8 everyone for their participation in this meeting. The
9 staff has done, I think, a very good job of providing
10 us with a schedule for input, analysis, and discussion
11 of this very important topic. I would look forward to
12 the continuation of that topic in Des Moines, Iowa.

13 Mr. Chairman, any final words?

14 MR. LEVI: No, I don't. I thank the
15 Committee, and appreciate the thoroughness of the
16 process.

17 CHAIRMAN GREY: With that, I'll entertain a
18 motion to adjourn.

19 M O T I O N

20 DEAN MINOW: So moved.

21 CHAIRMAN GREY: Second?

22 MS. BROWNE: Second.

1 CHAIRMAN GREY: All in favor say aye.

2 (A chorus of ayes.)

3 CHAIRMAN GREY: The meeting is adjourned. I
4 look forward to seeing all of you soon.

5 (Whereupon, at 3:46 p.m., the Committee was
6 adjourned.)

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