

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
BOARD OF DIRECTORS

OPEN SESSION

Tuesday, July 23, 2013

9:44 a.m.

Warwick Hotel
Millennium Ballroom
1776 Grant Street
Denver, Colorado 80203

BOARD MEMBERS PRESENT:

John G. Levi, Chairman
Martha L. Minow, Vice Chair (by telephone)
Sharon L. Browne
Robert J. Grey, Jr.
Charles N.W. Keckler
Harry J.F. Korrell, III
Victor B. Maddox
Laurie Mikva
Father Pius Pietrzyk, O.P.
Julie A. Reiskin
Gloria Valencia-Weber
James J. Sandman, ex officio

STAFF AND PUBLIC PRESENT:

Lynn Jennings, Vice President for Grants Management
 Wendy Rhein, Chief Development Officer
 Richard L. Sloane, Special Assistant to the President
 Rebecca Fertig, Special Assistant to the President
 Ronald S. Flagg, Vice President for Legal Affairs,
 General Counsel, and Corporate Secretary
 Mark Freedman, Senior Assistant General Counsel,
 Office of Legal Affairs
 David L. Richardson, Comptroller and Treasurer,
 Office of Financial and Administrative Services
 Carol A. Bergman, Director, Office of Government
 Relations and Public Affairs
 Carl Rauscher, Director of Media Relations, 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
 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

Chuck Greenfield, National Legal Aid and Defender
 Association (NLADA)
 Don Saunders, NLADA
 Lisa Wood, American Bar Association SCLAIID Chair
 Bev Groudine, ABA Commission on IOLTA/SCLAIID

C O N T E N T S

OPEN SESSION	PAGE
1. Pledge of Allegiance	5
2. Approval of agenda	5
3. Approval of minutes of the Board's meeting of April 16, 2013	5
4. Approval of minutes of the Board's telephonic meeting of May 21, 2013	5
5. Chairman's Report	6
6. Members' Reports	11
7. President's Report	12
8. Inspector General's Report	34
9. Report on implementation of recommendations of the Pro Bono Task Force	39
10. Consider and act on the report of the Promotion and Provision for the Delivery of Legal Services Committee	53
11. Consider and act on the report of the Finance Committee	54
12. Consider and act on the report of the Audit Committee	56
13. Consider and act on the report of the Operations and Regulations Committee	60
14. Consider and act on the report of the Governance and Performance Review Committee	62

C O N T E N T S

OPEN SESSION	PAGE
15. Consider and act on the report of the Institutional Advancement Committee	64
16. Public comment	71
17. Consider and act on other business	71
18. Consider and act on whether to authorize an executive session of the Board to address items listed below, under Closed Session	71

CLOSED SESSION

19. Approval of minutes of the Board's closed session meeting of April 16, 2013
20. Approval of minutes of the Board's closed session telephonic meeting of May 21, 2013
21. Briefing by Management
22. Briefing by the Inspector General
23. Consider and act on General Counsel's report on potential and pending litigation
24. Consider and act on list of perspective funders
25. Presentation by, and discussion with, General Counsel on privileged legal advice
26. Consider and act on motion to adjourn meeting

Motions: 5, 5, 55, 55, 56, 63, 64,
 65, 65, 66, 71

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

2 (9:44 a.m.)

3 CHAIRMAN LEVI: I'm calling the Board meeting
4 to order of the Legal Services Corporation, duly
5 noticed in the Federal Register.

6 And Julie, will you please lead us in the
7 Pledge of Allegiance.

8 (Pledge of Allegiance.)

9 CHAIRMAN LEVI: Thank you very much.
10 Can I have a motion to approve the agenda?

11 M O T I O N

12 FATHER PIUS: So moved.

13 CHAIRMAN LEVI: Second?

14 MR. MADDOX: Second.

15 CHAIRMAN LEVI: All in favor?

16 (A chorus of ayes.)

17 CHAIRMAN LEVI: And motions to approve the two
18 sets of minutes?

19 M O T I O N

20 MS. REISKIN: So move.

21 MS. BROWNE: Second.

22 CHAIRMAN LEVI: All in favor?

1 (A chorus of ayes.)

2 CHAIRMAN LEVI: Now my report. First of all,
3 I want to thank the Colorado Legal Services and the
4 Chief Justice of Colorado particularly for their
5 terrific hospitality in hosting us here in Denver, and
6 really, yesterday's panels, to the chief justices, the
7 judges, the justices that came in from around the
8 region, the executive directors that joined us. I
9 thought those were two really terrific, compelling
10 panels.

11 Then I'm proud of our own Board member, Gloria
12 Valencia-Weber, and how she led that tribal court issue
13 panel. Complicated. And so we had really a profound
14 day.

15 I see Bernie and now I see Becky in here. The
16 two of them work so hard on these Board meetings, and
17 sometimes I forget. And I don't want to forget this
18 time, so I made it almost the first item, that we just
19 simply are so grateful to you.

20 You guys work so hard to make these things
21 move so quickly, so seamlessly, effortlessly for us,
22 but I know not for you. And we are very grateful. And

1 I want to just take a moment to have you stand and
2 recognized.

3 (Applause)

4 CHAIRMAN LEVI: Then I also want to say that
5 we've been recipients of the annual report and the fact
6 book. Maybe you're going to say something about it.
7 But Carol, you and your colleagues have done a really
8 terrific job once again on these pieces, and a matter
9 of great price. I know it took a lot of work, I'm
10 sure.

11 And having recently had to work so closely
12 with you and Carl and Lynn on various meetings in
13 Washington and also preparing these meetings, I just
14 want to say how fortunate we are and grateful we are to
15 you that you all are willing to roll up your sleeves
16 and do the extra things, and take my phone calls on
17 your cell phones at hours that you weren't
18 anticipating. And I do appreciate it.

19 Gloria, you wanted to say something?

20 PROFESSOR VALENCIA-WEBER: Yes. I think we
21 need to acknowledge, especially in terms of the tribal
22 courts panel, the great work done by our staff

1 attorney, Atitaya Rok. She just put in a lot of hours
2 to get this information and organize it and make sure
3 we had everyone, including the panel, involved in all
4 the planning.

5 I also would like to request a letter of
6 appreciation signed by Jim and John to the American
7 Indian Law Center in Albuquerque. It's an independent
8 nonprofit Indian law research organization.

9 And they have mailed out, with a letter from
10 Jim, to all the tribal courts in the United States that
11 they have in their database, and they were so
12 persistent that if any of the emails bounced, they then
13 faxed to the tribe and the courts our Federal Register
14 with the letter that Jim had signed. And they have
15 done great work to help us get comments for our Federal
16 Register notice.

17 CHAIRMAN LEVI: Thank you, Gloria.

18 I wanted to say that also I will be again
19 speaking to the ABA House of Delegates. Jim will be
20 speaking to the National Conference of Bar Presidents
21 at the ABA convention. Also, when the ABA meets in San
22 Francisco, which it does every three years, we've made

1 a point of having a meeting with the California
2 directors. There are a number of them.

3 So if any of you find yourself -- that is, of
4 our Board -- Sharon and Robert are going to join us
5 this year. If any of the rest of you are out there,
6 please let us know and we'll have you join as well.

7 As you'll hear when we give the Institutional
8 Advancement report, I particularly, and many of the
9 members of the Board, and Wendy Rhein, Jim, are working
10 hard on thinking about our upcoming 40th year and how
11 to best use it for many purposes. Your input is
12 valued. Some have whispered things to me. You don't
13 need to whisper. Don't be bashful. Give us your
14 ideas.

15 It's been a very busy year, and it's also been
16 a hard year. It's been a hard year for people in the
17 field, yet another year in which, because of funding
18 downturns across the country, our grantees that have
19 the lowest pay in the profession have had to lay off
20 their staff members, lawyers, in numbers I don't think
21 that any of them anticipated a few years ago.

22 And it's very hard on them. Very tough on

1 them. I think we all understand how hard they're
2 working every day and want to acknowledge that we know
3 -- at least I do know -- that this is a tough thing to
4 do. I'm an employment lawyer. When our clients embark
5 on layoffs, it's very, very tough for them. And I'm
6 sure that for our grantees, it must be the same thing.

7 Well, I also want to say that when Laurie
8 Mikva and I first came on the Board, we took a tour of
9 the Legal Assistance Foundation. We took a tour not
10 only of their downtown headquarters, but we also were
11 welcomed out into Evanston, Illinois where they had a
12 satellite office.

13 And in that satellite office there was such
14 hard work -- joy, really, though -- in what they were
15 doing, and many people that happened that day were pro
16 bono, elderly lawyers donating their time. They were
17 all there because of the magnetism, the personal
18 magnetism and energy, of a wonderful head of that
19 office by the name of Bill Kolen.

20 Bill died the other day at much too young an
21 age, and I want to say he dedicated his life to this
22 work. And so I thought, in tribute to all of the

1 people who are doing this work, I would quote from him
2 for just a second.

3 "There are no words to capture the feeling
4 that I have about having spent my life working at
5 something I've always been passionate about. For that,
6 I'm a lucky man. My wish is that as you go through
7 your days at work, you will be thankful for the chance
8 to make a difference in the world and make others'
9 lives better because of something that you did."

10 Well, certainly that's what Bill did. And
11 that's what so many of our grantees' lawyers are doing
12 every day. And I want them to know that this Board
13 Chair, at least, is very appreciative of their work.
14 So that's my report.

15 Members' reports? Gloria gave one. Father
16 Pius?

17 FATHER PIUS: Just not much to report. In
18 case those of you who didn't know, the President
19 announced his decision to renominate me for another
20 term. So we'll wait for that to be forwarded to the
21 Senate and wait for their vote. I think he forwarded
22 Martha's name at the same time, so I think she and I

1 are together being nominated.

2 CHAIRMAN LEVI: It seems to be happening in a
3 seriatim way. I'm not sure how. But in any event, it
4 is in process.

5 DEAN MINOW: I'm delighted to be paired with
6 you.

7 FATHER PIUS: As am I, Martha.

8 MR. MADDOX: I think mine is stuck at the IRS.

9 (Laughter.)

10 CHAIRMAN LEVI: Any other members' reports?
11 Any other humor?

12 (No response.)

13 CHAIRMAN LEVI: Okay. Mr. President?

14 PRESIDENT SANDMAN: Thank you. I have had
15 seven items that I wanted to report on, but I'm going
16 to report on only six. The first I had planned on was
17 an update on the Public Welfare Foundation grant, but
18 because all of the Board members were here for the
19 presentation I made to the Governance Committee shortly
20 ago, I won't repeat now what I said then and will
21 simply refer on the record to the minutes of the
22 Governance Committee this morning.

1 I'll report on our efforts to implement the
2 Fiscal Oversight Task Force recommendations; tell you
3 about improvements we continue to make in our grant
4 application process; describe grantee training goals
5 we're pursuing; point out a few things about our new
6 fact book and annual report, which John referred to a
7 moment ago; advise you about developments regarding the
8 so-called communications hub that the Public Welfare
9 Foundation and the Kresge Foundation are funding; and
10 report on issues involving migrant census information
11 and how we distribute migrant grants. This is not an
12 action item; it's simply a reporting item for further
13 action at a later date.

14 Bear with me while I just quickly flip through
15 the Public Welfare Foundation slide and move on to the
16 implementation of the Fiscal Oversight Task Force
17 recommendations.

18 As we've reported previously, Lynn Jennings
19 has completed individual meetings with all employees of
20 the Office of Compliance and Enforcement, the Office of
21 Information Management, and the Office of Program
22 Performance. She is in the process of reviewing all of

1 our oversight processes, doing business process
2 analysis to identify areas of duplication and overlap,
3 how we can be more efficient.

4 The particular things that she's focusing on
5 are how OPP and OCE conduct their site visits; how OCE
6 administers our complaint process; how we conduct
7 fiscal reviews; how we conduct our subgrant processes.

8 She's looking at all of our TIG processes; how OPP and
9 OCE staff write up reports after their visits to
10 programs; and how the various committees within and
11 between OCE and OPP do their work.

12 She and Becky Fertig have also been
13 benchmarking other grantmaking organizations to see how
14 they program oversight, how they do fiscal oversight,
15 to see what we can learn from them. And they have met
16 or have had telephone conversations with seven other
17 grantmaking entities, some government, some non-
18 government, quasi-government, some private sector.
19 They are the Office of Justice programs in the
20 Department of Justice; the Employment and Training
21 Administration in the U.S. Department of Labor; the
22 U.S. Department of Education; the Corporation for

1 National and Community Service; and three private
2 foundations, the Hewlett Foundation, the MacArthur
3 Foundation, and the Gates Foundation.

4 As Lynn reported earlier, we hope to begin our
5 reorganization of functions this fall. Some of the
6 elements of that reorganization may require collective
7 bargaining. I want to add to something I said in
8 response to a question you asked earlier, Charles: Our
9 development of a human capital management plan is
10 related to our reorganization of these functions. So
11 that's something else that needs to occur before we can
12 complete that plan.

13 In the meantime, we continue to do a number of
14 other things related to the implementation of the
15 Fiscal Oversight Task Force recommendations.

16 We have completely automated our 2014 grant
17 application process using our LSC grants database.
18 This allows us to create a comprehensive and auditable
19 record of all decisions made during the grant approval
20 process.

21 We have further improved and expanded our
22 fiscal questionnaire to get information about fiscal

1 management and capability among grantees applying for
2 grants, applicants for grants. And we have taken
3 several steps to ensure objectivity in the review of
4 grant applications.

5 Traditionally, the Office of Program
6 Performance liaison for a particular program has served
7 as the principal reviewer of that program's application
8 for a grant. And we think it would be good to have
9 some additional eyes look at grant applications, not
10 simply have the person who works regularly with the
11 program discharging that function.

12 So we've arranged to have additional in-house
13 reviews, other people on OPP staff reviewing each
14 other's work, and we are using outside reviewers on a
15 temporary basis to assess 15 to 20 percent of the grant
16 applications in competition, and will be doing that on
17 an ongoing basis going forward. So we've always got
18 outsiders overseeing the process.

19 We've made these changes in response to
20 recommendations that were made by an outside
21 consultant, the L&L Consulting firm that made some
22 terrific recommendations for how we can improve our

1 grantmaking process, and made their recommendations
2 based on benchmarking and the work of other similar
3 organizations.

4 In addition, we are pursuing grantee training.

5 Lynn spoke about some of this in her report to the
6 Audit Committee on Sunday. Our benchmarking work shows
7 that we need to provide more technical and compliance
8 assistance to grantees beyond what we do in the course
9 of program visits.

10 So we're working at delivering training via a
11 variety of methods, using technology to a significant
12 degree, including webinars, online training modules,
13 and using the web to propagate information about best
14 practices.

15 I think all of you have seen or received
16 copies of our new fact book and our annual report.
17 They're on the table in the back if you haven't seen
18 them. We've adopted new formats this year, and one of
19 our goals is to focus on audiences beyond the internal
20 LSC audience and our grantee audience.

21 We want to have materials that can tell the
22 LSC story to our funders, to other people who are

1 interested in our work, and not have them written in an
2 inside lingo that isn't comprehensible to people who
3 aren't familiar with our day-to-day operations.

4 We've improved the graphics. We have more and
5 better pictures. We have more and better charts.
6 We've increased the size of fonts. We now have
7 narratives in the fact book to explain what the
8 information contained in there is; previously, the fact
9 book was just numbers and charts, with no explanation
10 of what they related to.

11 We've created foldout charts, which allow us
12 to have the information in a more legible format, where
13 you can see everything on a single extended page.
14 We've begun to include historical comparisons in the
15 fact book. Traditionally, we've shown no more than two
16 years of information at a time. This will be an
17 ongoing effort where we'll try to use the fact book to
18 demonstrate trends.

19 Here's just a small example of one. This is a
20 page from the fact book that shows PAI information and
21 pro bono information from 2004 through 2012, and allows
22 you to see how the number of cases closed has changed

1 over time and how the percentage of total cases closed
2 has changed over time. It's just a fuller picture of
3 trends, information of a type that we think is helpful
4 to convey both internally and externally.

5 We have, as we did last year, an online annual
6 report. It has links to reports that are cited in it -
7 - for example, the Fiscal Oversight Task Force report -
8 - and also has links to videos.

9 We are making much better use of video
10 technology to make available to a wider audience
11 presentations that are made at Board meetings through
12 panel discussions like the ones that we had yesterday.

13 Both panels yesterday morning were videotaped.
14 They'll be on our website, and we use a variety of
15 means to try to get those distributed to as many
16 audiences as possible.

17 We also have the annual report available on
18 flash drive, and that's how we will distribute it to a
19 number of people on the Hill. And our annual report
20 includes a number of client stories. We think that
21 it's important to put in human terms the value of the
22 work that we do and not just have it be cold numbers.

1 I've reported previously that the Public
2 Welfare Foundation and the Kresge Foundation are
3 funding a project to improve communication about legal
4 aid. As we've discussed on a number of occasions, one
5 of the biggest challenges we face is the invisibility
6 of our issue.

7 Huge numbers of people, including within the
8 legal profession, are not aware of the extent of the
9 need out there. They're not aware of the burdens that
10 legal aid providers operate under. And the Public
11 Welfare Foundation and Kresge have recognized this,
12 have recognized the limitations on resources within the
13 legal services world itself to try to do something
14 about that.

15 So they have come up with a multi-year
16 project, three years at a minimum, just to get started,
17 and have agreed to fund for three years what they call
18 a communications hub, an enterprise that will collect
19 information from people in the legal services world and
20 then provide advice and specifics on how to communicate
21 best about that information to a variety of audiences.

22 They have already paid for outside consultants

1 to conduct focus groups and telephone interviews to get
2 a measure of the current understanding of legal aid in
3 the United States, and to also get information about
4 how the legal aid message might be more effectively
5 communicated.

6 The results of their focus groups and
7 telephone interviews are that the messages that
8 resonate best are those around fairness and the
9 fundamental American value of equal justice under law.
10 People believe those things. They care about them.
11 It strikes home with them.

12 This will be a useful resource for us, I hope
13 and believe. This will be as directly related to our
14 second strategic goal, to being a leading advocate for
15 legal services in the United States. We don't have the
16 resources, LSC doesn't have the resources itself, to do
17 the kind of resource the Public Welfare and Kresge are
18 funding. We don't have the internal expertise to
19 figure out how best to communicate about these things.

20 As a result of the funding from both of these
21 foundations, Martha Bergmark has agreed to serve as
22 director of the hub enterprise. Martha, as many of you

1 know, is a former executive vice president and
2 president of LSC, and she is the founding director of
3 the Mississippi Center for Justice, which she will be
4 leaving later this year to take on this communications
5 role.

6 And finally, I want to report on an issue
7 around migrant grants. LSC has provided grants to
8 serve migrant workers since its beginning in the 1970s.

9 Migrant grants are based on the size of the migrant
10 population. Migrant grants are dedicated from basic
11 field grants; the size of the migrant population is
12 dedicated from the total poverty population in a
13 service area, and therefore has the effect of reducing
14 basic field grants.

15 The migrant population are --

16 MS. REISKIN: Jim, a clarification.

17 PRESIDENT SANDMAN: Yes?

18 MS. REISKIN: Dedicated on a global scale or
19 per state?

20 PRESIDENT SANDMAN: Per state. Mark Freedman
21 is nodding. I got that right. Correct, Mark. Thank
22 you. There is no U.S. census estimate of the number of

1 migrant workers. The information that we use is
2 currently based on population estimates that were
3 derived in the early 1990s, and my understanding is
4 that Congress blessed the use of those estimates. But
5 we have been using those estimates continuously since
6 the early 1990s.

7 NLADA recently commissioned and produced a new
8 population estimate for agricultural workers. Several
9 well-regarded experts in the field participated in the
10 conduct of that study. This is an issue that, in
11 following up on the census adjustments that we've made
12 recently, I believe LSC needs to address.

13 I don't think that we should continue to rely
14 on population estimates that are now so dated,
15 particularly after we've just been through a rigorous
16 process of updating the distribution of our basic field
17 grants.

18 So Management will be making recommendations
19 about this. We will recommend some kind of public
20 proceeding around this; I think whatever we do should
21 be done in an open way with participation from the
22 public. I believe that the proper committee to handle

1 this is the Operations and Regulations Committee, and
2 I've spoken briefly to Charles about this.

3 The information that we provide will include a
4 legal analysis of our authority for making migrant
5 grants, an explanation of the history, how we got to
6 where we are, in addition to recommendations about how
7 we handle this issue going forward.

8 Yes?

9 FATHER PIUS: Obviously, with the U.S. census
10 for the poverty population, there was specific
11 statutory language in terms of where that data came
12 from. Is there a similar statutory requirement in
13 where the data comes from and how we divide up the
14 data?

15 PRESIDENT SANDMAN: No, there is not.

16 FATHER PIUS: So we would have a bit more
17 flexibility here than statutory language --

18 PRESIDENT SANDMAN: Yes. Yes, that's correct.

19 PROFESSOR VALENCIA-WEBER: When this was put
20 in the LSC mandate in the 1970s as well as for a period
21 probably till about 2000, there were other government
22 agencies tracking the migrant population. Having

1 family that worked in that area, that was for purposes
2 of education and health care, and they would track, in
3 fact, families and children especially.

4 Now, my understanding is that that
5 information-gathering has, if not totally ceased, gone
6 into abeyance of some kind. But I think we need to
7 look at where and how long those data systems were
8 maintained and to what extent it can inform us.

9 PRESIDENT SANDMAN: Yes. My understanding is
10 that the Labor Department continues to maintain
11 information like that. And Lynn, who has experience in
12 working in the Labor Department is nodding, that the
13 Labor Department continues to have information about
14 that.

15 MR. KECKLER: So Jim, I imagine that the next
16 step here is that the Management will produce a
17 memorandum on this?

18 PRESIDENT SANDMAN: Yes.

19 MR. KECKLER: And I think that, assuming also
20 that one of the -- and thinking back to our census
21 adjustments, one of the most interesting things is what
22 will be the potential change in dollars, in the

1 allocations, based on the reallocations of the
2 population.

3 The other thing that I think would be
4 interesting, if the data is available, is to look to
5 our grantees in terms of their caseloads. There's a
6 certain amount of money we give them, but are certain
7 grantees having to do lots of cases or having an
8 increased caseload?

9 We wouldn't necessarily use that, but that
10 would give a kind of a rule of reason that, indeed,
11 there has been a shift in the migrant population and in
12 some areas there's an increased caseload or greater.
13 Those are the things I think would be interesting in
14 that memo.

15 FATHER PIUS: And just one clarification.
16 Obviously, given what you've talked about, a change in
17 these migrant estimates is going to require a change in
18 the basic field grant because we're going to be
19 subtracting poverty population numbers from that. Is
20 that right?

21 PRESIDENT SANDMAN: Yes. Now, my --

22 FATHER PIUS: They're not huge numbers --

1 PRESIDENT SANDMAN: That's correct.

2 FATHER PIUS: -- but it will involve some
3 change.

4 PRESIDENT SANDMAN: Yes.

5 MS. BROWNE: Can I ask a question? Oh, I'm
6 sorry. Julie?

7 CHAIRMAN LEVI: Julie, then Sharon.

8 MS. REISKIN: This is such an important grant
9 program. I know Colorado has done some fantastic
10 migrant work, and particularly they've done some really
11 good work helping sheepherders who have been horribly
12 abused, like kept in these metal -- almost like a cage.
13 And they've just done incredible, incredible work. So
14 I just had to brag on Colorado for a minute.

15 CHAIRMAN LEVI: Sharon?

16 MS. BROWNE: Just some clarification. If it's
17 possible, on the migrant grants, does a grantee who has
18 a migrant population have to apply for a migrant grant,
19 or can it just use the basic field grant to service
20 migrant workers?

21 PRESIDENT SANDMAN: Mark Freedman will answer
22 the question. It's an excellent question, and the

1 answer is complicated.

2 MR. FREEDMAN: This is Mark Freedman from the
3 Office of Legal Affairs. The short answer to the
4 question is no, they don't have to apply for a specific
5 migrant grant. General basic field grant funds are
6 available to serve any population within a service
7 area. Migrants are one specific subpopulation.

8 In states where there is a migrant grant,
9 where we have identified a population, often the
10 regular grantee, one of the regular grantees or, if
11 it's a statewide grantee, the statewide grantee, is
12 also receiving the migrant grant.

13 In some cases we have another entity receiving
14 the migrant grant, or it's one many grantees in the
15 state, or in a few cases, it's a grantee in another
16 state that's serving multiple migrant service areas.

17 We do not prohibit our grantees from using
18 basic field funds for migrants even if there is a
19 migrant grant for the state, though we recognize the
20 fact that needs are assessed by individual grantees.
21 And while the migrant grants are limited to services to
22 migrants and their dependents, the basic field grants

1 continue to be general purpose grants.

2 PRESIDENT SANDMAN: In addition, we have had
3 at least one situation in the past couple of years
4 where, I think on the request of a grant recipient, the
5 migrant grant was so small in a service area that we
6 just folded it into the basic field funding at the
7 suggestion of the grantee.

8 MS. BROWNE: So a followup question. What
9 would be the advantage to a grantee to apply for a
10 migrant grant versus just using a general field grant?

11 I know that they would probably have to isolate money
12 from the migrant field grant just for migrant services,
13 whereas if they just had the basic field grant, then
14 they could use it for any purpose.

15 MR. FREEDMAN: The decision is really a
16 grantmaking decision. In the states where we have
17 migrant service areas, we have historically determined
18 that that's a state where we want to make sure that
19 there's an identified program for the migrant
20 populations, recognizing that their legal needs can
21 often be distinct from the general population's.

22 As Jim has mentioned, in some states we

1 eliminated a migrant service area because the grantee
2 made very much the argument that I think you've alluded
3 to, that they will be able to do a better job of
4 serving everyone if they don't have a specific migrant
5 grant, and arguably they'll do a better job serving
6 migrants or the needs of migrants when they're able to
7 do that as part of their overall grant.

8 But the fundamental decision is ours as a
9 grantmaking entity as to whether we think there's a
10 need that we want to make sure we're accounting for in
11 the grantmaking process.

12 MS. BROWNE: So I have one more followup
13 question on that. So LSC actually made the
14 determination that a migrant grant application is
15 necessary for a specific area or from a specific
16 grantee rather than the grantee making the applicant
17 for a migrant grant?

18 MR. FREEDMAN: Let me clarify. We set the
19 service areas of what grants we are making available
20 and what funds we're making available. Then the
21 grantees are applying for those.

22 So I think perhaps I can illustrate it by

1 saying if we have a state where we have a basic field
2 grant and a migrant grant, theoretically if nobody
3 applied for the migrant grant, we would have to
4 determine how we wanted to distribute those funds, if
5 we wanted to fold them in.

6 That doesn't happen; someone applies for the
7 migrant grant. Historically, the migrant grant program
8 was developed in the '70s as LSC was created. We
9 inherited a number of legal aid programs, including
10 migrant grant programs, some of which were not funded
11 through the legal services program.

12 In the '80s and early '90s, Congress
13 specifically designated amounts for all of our
14 different grant categories. So there was an amount for
15 basic field general. There was an amount for Native
16 Americans. An amount for migrants. An amount for law
17 school clinics.

18 And while that was all simplified at the end
19 of the 1990s, there was an understanding and a
20 recognition that there was still a need for special
21 population grants, and so we continued providing the
22 migrant grants.

1 And over the years, we have adjusted that for
2 the needs of individual states and whether that
3 structure is doing the best job of serving the needs or
4 whether, as Jim has alluded to, in some states it's
5 better to simply have a single grant for the whole
6 state.

7 MS. BROWNE: Could we get some more
8 information for the Finance Committee on how you're
9 breaking down some of these grants? Because I wasn't
10 aware that we had special grants for migrant and other
11 types of special groups.

12 CHAIRMAN LEVI: Well, that's actually
13 statutory.

14 MS. BROWNE: But the amounts.

15 CHAIRMAN LEVI: No, not the amounts.

16 PRESIDENT SANDMAN: Yes. We have information
17 --

18 CHAIRMAN LEVI: I see. I see what you're --

19 PRESIDENT SANDMAN: -- about how the grants
20 are broken down by state that we --

21 MR. FREEDMAN: This is Mark Freedman. And if
22 I can add, the other special population grant is the

1 Native American grants. So we have two different
2 categories, really, and there's different approaches
3 for how they're funded based on statutory provisions.

4 PRESIDENT SANDMAN: The answer is yes, we can
5 get you that information.

6 CHAIRMAN LEVI: And if it exists and easy, I
7 suppose, it can be sent out as an email after the
8 meeting, too.

9 PRESIDENT SANDMAN: Yes.

10 CHAIRMAN LEVI: Gloria, and then we're moving
11 on.

12 PROFESSOR VALENCIA-WEBER: Okay. To respond
13 to Sharon's question about why would a grantee apply
14 for a migrant grant, in the current discussion of the
15 comprehensive immigration revision is what's to happen
16 with temporary H agricultural workers.

17 You have some streams that have been in place
18 for some time, and that may change. And particularly,
19 we have in the Northeast for some time the practice of
20 bringing in some Caribbean populations for apples and
21 other certain kinds of crops.

22 But if that gets changed, and there's already

1 been questions and some changes in actual practice
2 before this bill is passed, you're going to have those
3 workers replaced by already-in-the-U.S. workers. So we
4 could very well have grantees in those new areas who
5 have not had migrant grants before now having them.

6 So this is the shifts that could occur. Some
7 have already begun. And then you would have a grantee
8 saying, wait a minute. We need some new, different
9 money.

10 CHAIRMAN LEVI: Okay. Jim, I think you're
11 still in the middle of your report.

12 PRESIDENT SANDMAN: That concludes my report.
13 (Laughter.)

14 CHAIRMAN LEVI: Oh, okay. On that note,
15 Inspector General. Mr. Inspector General is in the
16 back there and coming up. And I know he's going to
17 open his report by congratulating the Chicago
18 Blackhawks.

19 MR. SCHANZ: Well, it seems to me,
20 Mr. Chairman, that I don't have to now. So I'll get
21 right to business.

22 This is the open session of the Inspector

1 General report. We will have a closed session also to
2 get into more details on some of the other things that
3 we've accomplished.

4 But I do want to compliment the Board and
5 thank the Board for their transmittal memo on SAR, the
6 Semiannual Report. I thought it was very balanced, and
7 it gives our congressional stakeholders a view of what
8 we do and Management's response to what we do.

9 I thought this particular Semiannual Report
10 was one of the better ones that we've produced
11 together. So I appreciate that. It was sent out
12 timely and quickly, and on May 22nd, before the May
13 31st dead date.

14 Okay. I do want to talk a little bit also
15 about dealing directly with the executive directors.
16 On our most recent press release from the Department of
17 Justice on the West Virginia fraud, we were able to
18 send that out to all executive directors. And I still
19 have a problem with ignoring things like that at their
20 own risk, but it still occurs.

21 I know Victor Maddox and I at one point tried
22 to estimate how you can capture deterrence. For me,

1 I'm not a crook -- not to quote Nixon -- so I just
2 really don't understand that. So we did that, and I
3 had an opportunity to talk to a newly-minted ED from
4 Idaho during one of our reception and meetings. And I
5 was encouraged because he was really concerned with,
6 okay, what can I do?

7 Not having five hours to explain that to him,
8 I directed him to our website. The OIG website posts
9 everything, including the most recent DOJ press
10 release. And he said he was gratified. I don't -- I
11 won't be snide, but he said he's been reading a few of
12 the audit reports on there and the press releases about
13 the frauds that we expose.

14 So if we get that sort of buy-in from the EDs,
15 that will go a long way, I believe, towards improving
16 field presence and making sure that they know what
17 they're up against.

18 We cannot give fraud vulnerability assessments
19 to every ED, but I was encouraged by him coming out and
20 saying, okay, now. I'm new. I need to know what to
21 do. So hopefully that's a trend that will continue.

22 I do want to mention, and I may have mentioned

1 this one before: We do have a new congressional
2 requirement from Representative Issa. And
3 interestingly enough, the Senate has a companion
4 request, which is unimplemented recommendations,
5 outside of the SAR process but in the middle of the
6 six-month process.

7 It's a recurring request that every IG provide
8 what recommendations are still out there and not being
9 closed as quickly as Congress would prefer to see. So
10 that information is being provided biannually to
11 Congress, Issa on the House side.

12 Since I mentioned the website, I do direct
13 your attention to it. Some of the reports we submit
14 are too large for internet capacity, so we do send out
15 a notice that we've issued something and would direct
16 your attention to the website.

17 Now, because I'm so happy with the Board doing
18 everything properly, I do want to extend an offer for
19 any audit ideas that you may have. We're in the midst
20 of audit planning. It's a continual process.

21 As you know, our audit plan is dynamic,
22 particularly because Congress sometimes wants us to do

1 something. Sandy would be a perfect example of that,
2 where we worked with LSC Management in overseeing the
3 Sandy funds that are being expanded.

4 We have a small portion of that, but it can be
5 a big portion government-wide, and the IG community has
6 learned from Katrina in how to work together with the
7 funding agencies. And that IG I happen to know from
8 Denver, Rick Skinner, was very widely praised for the
9 work he did in making sure that Katrina funds were
10 properly spent.

11 On a lesser scale, they're trying to do the
12 same thing. Congress has emphatically stated that the
13 IGs will work with management in the oversight of these
14 funds.

15 I guess that's all I have. I'm available for
16 any questions. And if you do have any ideas for my
17 future workload, that's not a point in time; that's a
18 continuum. Thank you.

19 CHAIRMAN LEVI: Thank you, Jeff.

20 Sharon?

21 MS. BROWNE: Were you going to mention your
22 decision from the D.C. Circuit?

1 MR. SCHANZ: Yes, we are, in closed session.

2 Thank you.

3 CHAIRMAN LEVI: Other questions? Comments?

4 (No response.)

5 CHAIRMAN LEVI: Thank you, Jeff.

6 MR. SCHANZ: Thank you.

7 CHAIRMAN LEVI: I think now we have a report
8 on the Pro Bono Implementation Task Force. Who's is
9 it? Lynn and Robert?

10 MS. JENNINGS: Robert. I'm just here as
11 backup.

12 CHAIRMAN LEVI: Okay. Robert and Vic?
13 Robert. Okay. You got the floor, Robert.

14 MR. GREY: I'm going to speak up first next
15 time. Backup.

16 CHAIRMAN LEVI: Well, there's a page in the
17 Board book. Go to 283.

18 MR. GREY: Thank you, John. I'll be your
19 backup. No, I'm just kidding.

20 So we continue to have the great support of
21 DLA Piper, with Lisa and Annie working closely with
22 each of the subcommittees of the task force. And I

1 want to mention that again because that support for the
2 work of the subcommittees of the task force has been
3 absolutely critical to the development of the
4 recommendations from the task force report.

5 John, we had a conversation with you some time
6 ago about taking a long look at how we go about the
7 process of developing the recommendations, and we've
8 broken that out into two parts.

9 One is an examination by the committees of
10 what we'd like to be able to do and report on for the
11 40th anniversary. I think part of achieving milestones
12 is to be able to indicate and to encourage the audience
13 and the individuals that are part of this program to be
14 in a position to talk about the accomplishments to
15 date, but use as a target our 40th anniversary.

16 On a more long-term basis, recognize that all
17 of this is not going to get done by the 40th
18 anniversary. So we continue to look at a more long-
19 term approach to the work that we're doing.

20 Now, having said that, the clock is ticking.
21 And so in that sense, Lynn and I and Vic have
22 considered this idea, that there will be an all-chair

1 meeting before every board meeting to summarize what
2 has happened between board meetings, and that between
3 board meetings there will be calls specifically with
4 committee chairs of the subcommittees.

5 So after this meeting, Lynn, Vic, and I, with
6 Lisa and Annie, are going to meet to talk about the
7 division of responsibility for each of the committees
8 monitoring both objectives. What are we going to get
9 done for the 40th anniversary, and what are the
10 continuing long-term goals of each committee's
11 activity?

12 Some of that is still being massaged. Some of
13 it is -- well, let me back up. Toolkit. On track.
14 Doing lots of work, lots of ideas. And every time we
15 have one of these meetings, I just handed Lynn a list:
16 Okay, this goes in the toolkit.

17 But seriously, we learn something every time
18 we have meetings with the field about best practices.
19 And this is a very good thing. It's a very dynamic
20 thing. And so that's a process that I think we'll be
21 very proud of because I think even at the 40th
22 anniversary, it's going to be a pretty substantial

1 report on where we are with the toolkit.

2 But we'll measure that and be sure that that
3 has a point at which we can talk about it as having
4 accomplished certain benchmarks in anticipation of the
5 40th anniversary because we want the field to have the
6 benefit of the work that has been done so far.

7 So we've also got a subcommittee working on
8 the fellowship concept, and that is very much tied to
9 Institutional Advancement. And while we think about
10 and work with that as a concept, that's driven a lot by
11 to what extent we are able to fund such a venture. So
12 I think it's sort of the cart before the horse, and so
13 we're going to work closely with Institutional
14 Advancement on that concept.

15 Cultural change is a pretty nebulous idea with
16 pro bono, and I think that if a committee has had some
17 difficulty wrapping its arms around this idea of what
18 to do, it's been that committee -- not through any
19 fault of the members of the committee, but just in
20 terms of the magnitude of the request, that is, to
21 change the culture.

22 But what I think we want to do is to come up

1 with several ideas, one of which I hope will add to
2 what is a sustainable approach, something that just
3 doesn't happen once. And we hope then that we've
4 changed the culture, but that has an ongoing effect.

5 The idea of developing the fellowships is a
6 long-term sustainable thing that I think changes the
7 culture. But there may be other ideas, and without
8 getting too far down the road, I mentioned something to
9 Jim at the meeting, at the luncheon yesterday that
10 could be a long-term sustainable idea. And I'll just
11 throw it out as a concept, not as -- I haven't gotten
12 past just the word.

13 What triggered it was NITA, this National
14 Institute of Trial Advocacy. And we have various
15 specialty organizations that cultivate a practice
16 within the profession. And the practice of providing
17 care to indigent clients is in fact a practice. It's a
18 huge area that's specialized in our nation's legal
19 system.

20 Why shouldn't we have a college of lawyers
21 that practice in that area that are recognized for that
22 specialty and that we can attract and promote by using

1 a similar model, like the American College of Trial
2 Lawyers, and like using NITA as a way of training?

3 So not to suggest that we've got all the
4 answers to that. But the notion that this is in fact
5 an important area within the profession that ought to
6 be addressed, and ought to be addressed on a
7 sustainable basis, could be -- the idea could be
8 incubated through us within that committee. So that's
9 a thought.

10 Then finally, the subcommittee on rules
11 changes is at work and is considering matters that we
12 hope will go forward in various states with regard to
13 advancing and opening up the opportunity for more pro
14 bono participation by private attorneys. And private
15 attorney involvement is a critical part of that work.

16 But that's a state-by-state analysis. And I
17 think as we work through that, what I think we want to
18 do is take the low-hanging fruit that we can find as a
19 way of building success stories and continue that
20 effort with local state bars and legal services
21 providers.

22 And Lynn is my backup, so if I left out

1 anything --

2 CHAIRMAN LEVI: Lynn? Anything?

3 MS. JENNINGS: No. That was really good.

4 Thanks.

5 (Laughter.)

6 CHAIRMAN LEVI: Second backup? Anything else?

7 MR. MADDOX: I met with Judge Moyer last week
8 and we talked about the work he's doing on the group
9 and where it's going. I was encouraged that things are
10 moving along in that respect.

11 In particular, we talked about the idea of
12 encouraging and finding ways to permit greater use of
13 paralegals and paraprofessionals, I think picking up on
14 the idea that our justice from West Virginia, whose
15 name I've forgotten, in North Carolina mentioned --
16 that's embarrassing; I shouldn't forget, but --

17 CHAIRMAN LEVI: Menis Ketchum.

18 MR. MADDOX: That's right. That's right.
19 Ohio University graduate, by the way. I think that's a
20 very important point. In states with big rural
21 populations and lots of area, you're just not going to
22 have lawyers and you are going to have

1 paraprofessionals.

2 So Judge Moyer and I discussed that, and I
3 think that's something he's going to be interested in
4 pursuing.

5 CHAIRMAN LEVI: And last week the ABA Standing
6 Committee on Pro Bono was meeting in Chicago. They
7 asked me to come over for a few minutes. And two
8 things about that -- I learned that Larry McDevitt is
9 stepping down and Mary Ryan, who has been on our task
10 force, is the new chair of that committee.

11 And secondly, they appreciated meeting with us
12 in New Orleans and will be coming to Austin to meet
13 again with us there. So they do wish to continue
14 working with us and helping us. And I think that in
15 terms of the kinds of things you're talking about,
16 particularly in the culture change arena, the ABA could
17 be very helpful.

18 DEAN MINOW: Can I say something? This is
19 Martha Minow.

20 CHAIRMAN LEVI: Yes. Go right ahead.

21 DEAN MINOW: I just want to commend everyone's
22 work on this so far. I continue to hear gratitude for

1 the leadership that LSC is playing on the task force.
2 And I also want to do a shout-out for the DLA Piper
3 team, which continues to be outstanding.

4 CHAIRMAN LEVI: That is true. As I learned
5 when I was young, you can't say thank you enough. And
6 they certainly have been more than generous, and
7 they'll be given many opportunities to continue in
8 their generosity.

9 (Laughter.)

10 CHAIRMAN LEVI: Any other --

11 MR. GREY: Let me just -- and the ABA
12 representative for Pro Bono is here.

13 CHAIRMAN LEVI: For SCLAID. The new chair of
14 the SCLAID committee --

15 MR. GREY: SCLAID, I'm sorry.

16 CHAIRMAN LEVI: -- Lisa Wood, is here.

17 MR. GREY: Both SCLAID and Pro Bono are
18 important ingredients in whatever we are going to
19 achieve with this as well. So the notion that we have
20 the opportunity at our meetings to also meet with the
21 ABA representative committees is something that we
22 ought to, I think, try to formalize as best we can

1 because it's a great opportunity. We shouldn't miss
2 that.

3 CHAIRMAN LEVI: Well, now that the Pro Bono
4 has squared up with one of our meetings annually, one
5 thinks about, well -- yes.

6 MS. WOOD: No, you don't.

7 (Laughter.)

8 CHAIRMAN LEVI: And you, of course, were on
9 our Pro Bono Task Force as well. But I should make
10 special mention of your being here. You are the new
11 chair, and it's a pleasure to have you here with us
12 today.

13 MS. WOOD: I'm delighted to be here.

14 (Applause)

15 CHAIRMAN LEVI: Gloria?

16 PROFESSOR VALENCIA-WEBER: I appreciate all
17 the work that's being done on the Pro Bono Task Force.

18 Looking at the charges in the report for today, I
19 still do not quite see where law schools that run
20 clinics and train and really shape the commitment to
21 pro bono work for future attorneys fit in, especially
22 those law schools that continuously increase the amount

1 of not just pro bono work they do, but place their
2 students while in law school doing internships with our
3 legal aid organizations.

4 The Clinical Legal Education Association,
5 which is a large part of the law professorship in this
6 country but is made up of career clinical teachers --
7 these are people for whom that is their specialty --
8 has put out a book called, "Best Practices in Clinical
9 Legal Education."

10 It is being revised as we speak, and we'll be
11 having a conference about the revision of what are the
12 best practices in clinical legal education in October.
13 And in fact, it's going to be held at my school, but
14 it's a national meeting.

15 I think we need to be connected there. And I
16 will be working on that conference, but I would like to
17 have somewhere that in our pro bono outreach plan. And
18 I don't quite see where it fits. It's not fellowships.

19 Certainly it's part of rule changes because states
20 change their rules to allow law students, properly
21 supervised, to be the attorney.

22 CHAIRMAN LEVI: Robert?

1 MR. GREY: It is not only an important point,
2 but it is part of what each office's responsibility in
3 using all the resources available should consider as
4 part of the toolkit. And the question is, if you're
5 really maximizing the resources in your area, what have
6 you done with your outreach to law schools and the
7 clinics that they have?

8 Now, having said that -- and that was part of
9 the discussion with the chiefs yesterday, and we raised
10 that specifically with them because we wanted to see
11 what their thoughts were about it. And Martha did a
12 nice job of giving a thorough examination of their
13 participation with LSC and the pro bono world that was
14 very helpful when I had the chance to moderate that
15 panel.

16 If there are opportunities, and I think there
17 will be, of cross-fertilization of ideas within these
18 committees, I don't think anybody is going to have a
19 lock on anything, but if there are, as we look at this
20 -- paraprofessionals may be an example of that, and law
21 schools may be an example where there is some cultural
22 change or sustainable program that's beyond just a

1 toolkit opportunity -- the idea is that with the
2 meetings of the chairs, that hopefully that cross-
3 pollination will occur as we have the all-chairs
4 meeting and someone would say, this is a great project.
5 We enjoyed doing it.

6 But quite frankly, it belongs in your
7 committee, and that that is our belief, that one of the
8 things we can do is to create that discussion that
9 allows us not to get siloed as we're trying to do some
10 --

11 CHAIRMAN LEVI: Where would you see Gloria's
12 point lodging? Which committee?

13 MR. GREY: Toolkit.

14 CHAIRMAN LEVI: Toolkit?

15 MR. GREY: Right now. But what I'm saying is
16 that that could evolve into a more or larger calling
17 for us to do.

18 CHAIRMAN LEVI: Ron, you're at the table.

19 MR. FLAGG: And this is by no means a complete
20 response to Gloria's suggestion. But I would just note
21 that the PAI discussion we're going to have this
22 afternoon is going to include a discussion about how to

1 promote pro bono activities with the assistance of law
2 schools, and within our rules, to create incentives to
3 do that.

4 MS. JENNINGS: And a focus of the rules change
5 subcommittee is also how to engage law students or
6 change the rules there. But I think you make a great
7 point in including them in the conversations, and so I
8 have a followup with you on that.

9 PROFESSOR VALENCIA-WEBER: Early on, I think
10 as soon as we had our pro bono report out, I sent it to
11 everybody working on that conference. So they know
12 what we are after in that larger sense.

13 CHAIRMAN LEVI: Charles?

14 MR. KECKLER: Well, since Ron brought it up, I
15 was going to save it for the Committee report. But
16 perhaps it's appropriate here to note that the private
17 attorney involvement rulemaking has been undertaken by
18 the Ops & Regs Committee, and the first part of that
19 will be an extensive rulemaking workshop that is, as I
20 understand it, somewhat unprecedented in terms of the
21 technology that we're going to be using.

22 Management has made great efforts to create

1 this rulemaking workshop here in Denver and to open it
2 up to people around the country. So we are heavily
3 engaged, with the support of Management and many
4 skilled staff, to help with the recommendations from
5 the Pro Bono Task Force.

6 CHAIRMAN LEVI: Other comments?

7 (No response.)

8 CHAIRMAN LEVI: Thank you.

9 The Promotion and Provision Committee, do you
10 have a report? Anything we need to pass?

11 FATHER PIUS: No. There's no activity for the
12 Board. Just we were pleased to have the
13 representatives from the Colorado Legal Services here
14 to give us some information about what they do here,
15 and then we continued our discussions into the revision
16 of our charter.

17 And I think just to -- although all the Board
18 members were here, I just want to say it in the public
19 Board meeting as well. I think the revision of our
20 charter affects how we think of the division of labor
21 amongst the Committees by the Board itself.

22 So I think the revision of the P&P charter is

1 something that is of value to the whole board, and I
2 would certainly invite comment from the entire board on
3 the revision to the P&P charter.

4 CHAIRMAN LEVI: Thank you. Any comments?
5 Questions?

6 (No response.)

7 CHAIRMAN LEVI: Finance Committee? Mr. Grey,
8 Finance Committee?

9 MR. GREY: Mr. Chairman, the Finance Committee
10 met and considered a number of things, three of which
11 are action items. And I'd like to share those
12 recommendations of the Committee with the Board. The
13 Treasurer is close by. Oh, here he is.

14 CHAIRMAN LEVI: He's even closer by.

15 MR. GREY: Yes. That's good. As part of the
16 ongoing work of the Finance Committee, we were asked to
17 examine a presentation by the Treasurer on the
18 financial report for eight-month period ending May 31,
19 2013, and upon that presentation, offer and recommend
20 to the Board a resolution to consider a revised
21 consolidated operating budget, including budgetary
22 adjustments for the period.

1 M O T I O N

2 MR. GREY: The resolution is contained in the
3 Board book, and I would move its adoption.

4 CHAIRMAN LEVI: What page is it on so that
5 people know?

6 MR. RICHARDSON: Page 30, sir.

7 MR. GREY: Is there a second? We don't need a
8 second, Mr. Chairman.

9 CHAIRMAN LEVI: No, you don't. All in favor?

10 (A chorus of ayes.)

11 CHAIRMAN LEVI: Next resolution.

12 M O T I O N

13 MR. GREY: Next resolution is the continuing
14 operating budget for 2014, which is contained on page
15 36. That was discussed and approved by the Committee,
16 and we recommend its adoption by the Board.

17 CHAIRMAN LEVI: All in favor?

18 (A chorus of ayes.)

19 CHAIRMAN LEVI: All opposed?

20 (No response.)

21 CHAIRMAN LEVI: Next.

22 MR. GREY: The final resolution was to

1 consider and act on a recommendation by Management for
2 the 2015 appropriation request. That actually was
3 passed out during the meeting. I think all Board
4 members were present, but the resolution was
5 distributed after the Board books and was considered by
6 the Finance Committee.

7 M O T I O N

8 MR. GREY: And the Finance Committee
9 recommends that we request an appropriation from
10 Congress of \$486 million, broken down into various
11 categories for basic field, technology, innovation
12 grants, loan repayment, pro bono innovation fund,
13 management and grants oversight, and for the Office of
14 the Inspector General.

15 CHAIRMAN LEVI: All in favor?

16 (A chorus of ayes.)

17 CHAIRMAN LEVI: Opposed?

18 MR. KECKLER: No.

19 MR. GREY: That concludes the report of the
20 Finance Committee.

21 CHAIRMAN LEVI: Report of the Audit Committee?

22 Any action items?

1 MR. MADDOX: There are no action items,
2 Mr. Chairman. The Committee met July 2nd and again
3 yesterday, or Sunday, to discuss various items,
4 including risk management issues and the
5 interrelationship between the OIG work and the OCE
6 work.

7 I think we had spirited discussions. I think
8 most of you were here for the Audit Committee meeting
9 on Sunday, so I won't go into that in great detail.

10 We plan to have some followup discussions and
11 suggestions for some allocation of the risk management
12 categories under Management's risk matrix, and at our
13 next meeting it's my expectation that the Audit
14 Committee will make a recommendation to the Board on
15 how those various categories of risk should be
16 allocated among the Committees.

17 I suspect that we will be talking, staff and
18 myself, with other Committee chairs in the meantime to
19 get their input. For instance, Charles noted that the
20 COOP plan was allocated for the Audit Committee, and
21 that's obviously not appropriate, igs, in light of
22 where we've been.

1 So that's something that we'll be doing
2 between now and our next quarterly meeting. And I
3 expect we'll have a resolution for the Board at the
4 next meeting.

5 Our discussion on the interrelationship
6 between OCE and OIG was, I think, helpful, as was the
7 discussion in July. David Hoffman had some good
8 suggestions.

9 Among them was the notion that wherever there
10 is a significant difference between a questioned cost
11 by OIG as a result of one of its audits of a grantee
12 and Management's treatment of it through OCE's own
13 processes, that those instances should be brought to
14 the Audit Committee's attention for discussion and
15 possible further oversight.

16 So we'll be working on some method of making
17 sure that that kind of reporting actually happens and
18 that we have that brought to the Committee on a regular
19 basis.

20 For instance, in the last report that we
21 received, which is in the Board book, there were at
22 least three examples where OIG had questioned costs of

1 several hundred thousand dollars, and it was reduced by
2 OCE to 10- or \$20,000 at most. David's view was that
3 that was a reason for further discussion, and I think
4 he's probably correct.

5 So it was a helpful discussion. I think it's
6 bringing some of the Committee's work into more
7 concrete focus, and to that extent I think it should be
8 very helpful for the Board going forward. But no
9 action items for the Board.

10 I do want to mention that Traci Higgins in the
11 Office of Human Resources provided a report on the
12 403(b) thrift plan in writing. We didn't discuss it at
13 the Board meeting; it's in the Board's materials.

14 Some of the funds didn't perform well in the
15 last quarter, principally the bond funds, but that's
16 consistent with bond funds generally in the market.
17 The conclusion she provided was that, overall, the
18 long-term outlook for LSC's funds remains positive,
19 with solid one-, three-, and five-year returns.

20 The plan is currently being audited by an
21 outside auditor, Dixon Hughes Goodman. They've
22 reported that there are no compliance issues and that

1 the LSC plan has passed all its tests. We've gotten an
2 extension of a deadline for the final completion of the
3 audit, and that'll be done by October 15.

4 So otherwise, that completes the report of the
5 Committee.

6 CHAIRMAN LEVI: Questions? Comments?

7 (No response.)

8 CHAIRMAN LEVI: Ops & Regs?

9 MR. KECKLER: Thank you, Mr. Chairman. The
10 Operations & Regulations Committee met yesterday. As
11 you noted very appropriately, many thanks are due to
12 our colleague, Professor Valencia-Weber, for helping
13 organize what I think is the first panel that Ops &
14 Regs has done, at least during our Board time here.

15 A very distinguished panel of experts came in
16 and helped inform the Committee and the Board about our
17 changes that we'll be working on regarding
18 representation in tribal courts.

19 One of the things that we learned is that this
20 is going to be -- it's a sensitive issue in order to
21 help support our grantees and their work, as well as
22 the efforts of the tribal courts, to explore their new

1 possibilities and authorities.

2 We'll be continuing to work on that. But I
3 would note for the Board that there are probably issues
4 of management and practice and policy that go beyond
5 whatever regulatory language we eventually develop in
6 order to help support our grantees and find the right
7 way that they can continue working successfully with
8 the tribes. But I do want to offer my thanks again to
9 Gloria as well as to the panel that came.

10 We also considered and acted upon a notice of
11 proposed rulemaking that proposes changes to our
12 restrictions on legal assistance to aliens, or in fact
13 the eligibility for many aliens for our services. And
14 that did pass, and that will be published. And that
15 will come back under the rulemaking protocol to the
16 Board for any final rule approval.

17 CHAIRMAN LEVI: But there's no action item?

18 MR. KECKLER: There's no action item for the
19 Board today from the Committee. That concludes my
20 report.

21 CHAIRMAN LEVI: Any questions? Observations?
22 Julie?

1 MS. REISKIN: Just an observation. What I
2 heard really loud and clear from every panelist, I
3 believe, or at least most of them, is the importance of
4 letting each grantee figure out what works for them and
5 not trying to micromanage too much, which I don't think
6 that's anyone's intent. But I just wanted to reiterate
7 that and say I agree.

8 Even from the panel in the morning, the
9 differences among the different states and tribes are
10 so vast that I think that's advice well taken.

11 CHAIRMAN LEVI: I think the legal issues that
12 are going to evolve out of this are beyond our pay
13 grade, too.

14 That's the Committee's report. Governance and
15 Performance Review. Martha? Is she on? Did she know
16 she has her Committee report to offer here? Okay. I
17 don't believe there was -- we were all sitting there.
18 There is an action item, isn't there?

19 DEAN MINOW: Did you not hear me?

20 CHAIRMAN LEVI: No, we didn't. Now we hear
21 you. Okay. Now you're on. Well, now you're not on
22 Is her line open? Martha? We're not hearing you.

1 Martha? Are we clear that her line is --

2 DEAN MINOW: Hello? Do you not hear you?

3 CHAIRMAN LEVI: Now we hear you.

4 DEAN MINOW: Okay. I'm so sorry. So we had a
5 good Committee meeting, and we heard an update on the
6 GAO recommendation and our progress in implementing
7 them, and have planned for a further report on this in
8 our next meeting, which will address the status of the
9 risk planning and also the status of a series of
10 recommendations related to staffing.

11 We also had a very good report from Jim about
12 the progress of the Public Welfare Foundation grant,
13 and data questions both for LSC and for our grantees.

14 M O T I O N

15 DEAN MINOW: I have two action items. One is
16 an amendment to the LSC bylaws to include a temporary
17 recess provision for committees. And the Committee
18 recommends that for action here by the Board.

19 CHAIRMAN LEVI: Any questions?

20 (No response.)

21 CHAIRMAN LEVI: All in favor?

22 (A chorus of ayes.)

1 CHAIRMAN LEVI: Next item?

2 M O T I O N

3 DEAN MINOW: Similarly, we have a resolution
4 to appoint as a new Ethics Officer our new General
5 Counsel. That's a recommendation also from the
6 Committee.

7 CHAIRMAN LEVI: All in favor?

8 (A chorus of ayes.)

9 CHAIRMAN LEVI: Opposed?

10 (No response.)

11 DEAN MINOW: Very good. That concludes the
12 report from this Committee.

13 CHAIRMAN LEVI: Questions?

14 (No response.)

15 CHAIRMAN LEVI: Okay. Institutional
16 Advancement. There are two resolutions to approve.
17 The Committee met, and we have two resolutions and some
18 protocols to approve. I believe the protocols were
19 forwarded from the telephone meeting prior. Are they
20 in the Board book, too?

21 MS. RHEIN: They are in the book.

22 CHAIRMAN LEVI: Okay. Well, Wendy Rhein has

1 approached, and you want to lead us through the
2 resolutions and the protocol, then?

3 MS. RHEIN: Sure. The two resolutions for
4 your approval are for state registrations. Those are
5 for North Dakota and Minnesota, and they were approved
6 by the Committee.

7 M O T I O N

8 CHAIRMAN LEVI: I think we have to do them
9 separately. So first for North Dakota.

10 All in favor?

11 (A chorus of ayes.)

12 CHAIRMAN LEVI: Opposed?

13 (No response.)

14 M O T I O N

15 CHAIRMAN LEVI: Then next is Minnesota.

16 All in favor?

17 (A chorus of ayes.)

18 CHAIRMAN LEVI: Opposed?

19 (No response.)

20 CHAIRMAN LEVI: And now what page are the -- I
21 was flipping through here. I should have marked it. I
22 know they're in there.

1 MS. RHEIN: The Advancement Committee
2 documents for approval start on page 291.

3 CHAIRMAN LEVI: And you'll see here -- do you
4 want to take people through quickly? We've had a
5 couple of -- a number of meetings, actually, about
6 these and have revised and updated the protocols for
7 the solicitation of funds, and also created a Donors
8 Bill of Rights, a privacy policy, a Board member giving
9 policy, and made changes which are redlined to the
10 protocol for acceptance of funds, and also one on
11 memorial gifts.

12 Is there discussion? The Committee voted
13 these unanimously to the Board a few weeks ago on its
14 phone call. But the Board as a whole has not had these
15 in front of them. So if you have questions? Comments?
16 This is your moment.

17 (No response.)

18 CHAIRMAN LEVI: Then can I have a motion?

19 M O T I O N

20 DEAN MINOW: So moved.

21 CHAIRMAN LEVI: Second?

22 FATHER PIUS: Second.

1 CHAIRMAN LEVI: All in favor?

2 (A chorus of ayes.)

3 CHAIRMAN LEVI: Thank you very much. The rest
4 of the report of the Institutional Advancement
5 Committee is that it is working hard on trying to
6 design ways particularly to note, celebrate, the 40th
7 anniversary of LSC and how that can be put together in
8 a comprehensive way, reaching out beyond our Board, as
9 we have with task forces, to many around the country
10 because we're going to need help, clearly. We are only
11 eleven people. Even with our wonderful senior staff,
12 our numbers are not sufficiently large to carry out
13 what needs to be carried out here.

14 So we will be continuing to meet. Our
15 Committee meets every two weeks by phone for an hour.
16 It used to be half an hour, but now that we're really
17 getting serious, it's going to be closer to an hour.
18 And it is a time commitment of the Committee.

19 I'm very grateful to you. And at some point
20 we'll probably have to -- we will be branching out into
21 subcommittees, as Charles has reminded us, that
22 carefully bring in other voices and folks around the

1 country to help us put this together. So we'll keep
2 you posted and be making regular reports.

3 Comments? Questions? Charles?

4 MR. KECKLER: John, I just had a thought about
5 that, which is now that we have these protocols in
6 place, having just voted them in, I was wondering about
7 putting it -- this is not a proposal yet -- but it's to
8 put something on the website for donations. Somebody
9 goes to our website. Usually any other nonprofit,
10 there's a place: Hey, donate. Right?

11 CHAIRMAN LEVI: Yes. Yes.

12 MR. KECKLER: And I was wondering, has Wendy
13 had any thoughts about that?

14 CHAIRMAN LEVI: Yes. Yes, she does.

15 MS. RHEIN: One of the first meetings that I
16 had when I arrived at LSC was with Elizabeth, who runs
17 the website content. And we've started talking about
18 that.

19 The concern with putting a "Donate Now" button
20 the website is that is part of the protocol that was
21 just approved. This Board would like to know the
22 identity of any prospect or any donor that comes in.

1 What I intend to do is to put information on
2 the website about the areas in which someone can donate
3 and my contact information so that they can have a
4 direct email contact with me, and then that person's
5 name can be brought to this Committee.

6 CHAIRMAN LEVI: I think there was an income --
7 maybe if we didn't have -- I thought it was amounts
8 under a certain amount didn't need -- so it may be that
9 we could figure that --

10 MS. RHEIN: Sure. We could create a "Donate
11 Now" page and put a cap on the amount.

12 CHAIRMAN LEVI: Yes. That's what I was
13 thinking. But we also had to wait till we were
14 approved, and I don't know what that means with the
15 internet. Do you have to be approved then in 50
16 states?

17 MS. RHEIN: Ideally, yes. You would approved
18 in all 50 states. Well, only 38 states require
19 registration for the purposes of solicitation.

20 CHAIRMAN LEVI: But we're getting the 38?

21 MS. RHEIN: Yes, we will.

22 CHAIRMAN LEVI: Well, when we have the 38, the

1 point is well taken.

2 MS. RHEIN: The page will be ready.

3 CHAIRMAN LEVI: Any other comments?

4 Questions? Julie?

5 MS. REISKIN: Just on the record, this was
6 also said at the Committee meeting, just to reiterate
7 that the purpose of this is not at all to compete with
8 grantees.

9 In fact, what Chairman Levi said was
10 absolutely right, is that if this works the way we
11 intend, it'll have the opposite effect and will help
12 the grantees with their own fundraising. I just wanted
13 that on the record.

14 CHAIRMAN LEVI: Certainly. We should keep
15 reminding folks of that. We have particular areas of
16 focus, and I think ultimately, like all good
17 organizations, we're doing our focus work, our ground
18 work, to come up with an idea of what's possible for us
19 to raise and how much and actually have a campaign, a
20 quiet phase, and that kind of thing. Pyramids, the
21 whole thing.

22 Any other comments or questions on that front?

1 Look, Institutional Advancement. Those reports to the
2 Board will start to get larger as this starts to move
3 forward.

4 Public comment?

5 (No response.)

6 CHAIRMAN LEVI: Consider and act on other
7 business?

8 (No response.)

9 CHAIRMAN LEVI: Hearing none, can we act on --
10 somebody move to authorize a closed session, please.

11 M O T I O N

12 MR. GREY: So move.

13 FATHER PIUS: Second.

14 CHAIRMAN LEVI: All in favor?

15 (A chorus of ayes.)

16 CHAIRMAN LEVI: We'll go into closed session.

17 We are early, which is good. But we will give
18 everybody a five-minute break.

19 (Whereupon, at 11:10 a.m., the Board was
20 adjourned to executive session.)

21 ● * * * *

22 ●