

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

TELEPHONIC MEETING OF THE
FINANCE COMMITTEE

OPEN SESSION

Monday, June 9, 2014

2:03 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

Robert E. Henley Jr. (Non-Director member)

Allan J. Tanenbaum (Non-Director member)

John G. Levi, ex officio

OTHER BOARD MEMBERS PRESENT:

Julie A. Reiskin

STAFF AND PUBLIC PRESENT:

James J. Sandman, President

Richard L. Sloane, Special Assistant to the President

Rebecca Fertig-Cohen, Special Assistant to the
President

Ronald S. Flagg, Vice President for Legal Affairs,
General Counsel and Corporate Secretary

Katherine Ward, Executive Assistant, 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

Treefa Aziz, Government Affairs Representative,
Office of Government Relations and Public Affairs

Nupur Khullar, Intern, Office of Government Relations
and Public Affairs

Silove Barwari, Intern, Office of Government
Relations and Public Affairs

Joe Langerman, Intern, 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

Don Saunders, National Legal Aid and Defenders
Association (NLADA)

Terry Brooks, American Bar Association Standing
Committee on Legal Aid and Indigent Defendants
(SCLAID)

Lisa Wood, American Bar Association SCLAID Chair

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

2 (2:03 p.m.)

3 CHAIRMAN GREY: Let's call it to order.

4 Approval of the agenda?

5 M O T I O N

6 MS. BROWNE: I'll move.

7 MS. MIKVA: Second.

8 CHAIRMAN GREY: All in favor say aye.

9 (A chorus of ayes.)

10 CHAIRMAN GREY: All opposed, no.

11 (No response.)

12 CHAIRMAN GREY: Approval of the minutes of the
13 Committee's meeting of April 6, 2014. Is there a
14 motion?

15 M O T I O N

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

17 MS. MIKVA: Laurie. I second.

18 CHAIRMAN GREY: All in favor say aye.

19 (A chorus of ayes.)

20 CHAIRMAN GREY: Opposed, no.

21 (No response.)

22 CHAIRMAN GREY: Public comment regarding LSC's

1 fiscal year 2016 budget. And we have a number of
2 submissions. So who's going to head that up for us on
3 the staff end organizationally?

4 PRESIDENT SANDMAN: This is Jim. Do we know
5 who's on the call of those who submitted comments?

6 MR. SAUNDERS: Don Saunders is here, Jim.

7 PRESIDENT SANDMAN: Don, welcome.

8 MS. WOOD: And this is Lisa Wood from SCLAID.
9 I'm on.

10 PRESIDENT SANDMAN: Welcome, Lisa.

11 MS. WOOD: Thank you.

12 MS. REISKIN: Terry Brooks said he was on.

13 MS. WOOD: He is.

14 MR. BROOKS: I am on, but I will defer to
15 Lisa.

16 CHAIRMAN GREY: All right. Lisa, why don't we
17 start with you.

18 MS. WOOD: Okay. Thank you. I know that all
19 of you on the Committee received a copy of the letter
20 that the ABA wrote, and that I signed, giving our
21 thoughts on your process in requesting a budget number
22 from Congress. So I'm not going to take you through

1 the whole letter because I know you have the benefit of
2 that and will study it. So I just thought I'd give you
3 an overview.

4 Our committee, the SCLAID committee,
5 deliberated on this in April and had a long and
6 passionate discussion about this, largely around the
7 subject of the inadequate resources currently devoted
8 at all levels across the nation to provide equal
9 justice under law, and certainly the inadequacy of the
10 current funding of LSC, for which we do not fault LSC
11 but we know that that's just the reality in which we're
12 all operating.

13 So I would not be doing my committee justice
14 if I didn't pass on their strong views that the budget
15 increase at some point. But by the same token, we
16 recognize the budget reality and the political
17 realities in which we're all operating.

18 If we were looking to come up with a budget
19 that was appropriate for LSC to do its job, something
20 five times the current allocation would be appropriate,
21 and that's what we'd recommend. But we're not in a
22 position to do that, and we know that wouldn't be

1 helpful to you.

2 So instead, what we did was we're recommending
3 an increase based on inflation. So we're recommending
4 that you ask for an appropriation of no less than
5 \$195.7 (sic) million. And we came up with that using
6 inflationary figures.

7 And then the rest of the report goes
8 through --

9 MR. FLAGG: Lisa, this is Ron Flagg.

10 MS. WOOD: Yes?

11 MR. FLAGG: Could you repeat the number?
12 Because I think we heard 195.

13 MS. WOOD: Oh, no. That would be inconsistent
14 with my prelude. \$495.7 million.

15 CHAIRMAN GREY: Thank you.

16 MS. WOOD: And I apologize if I misspoke. I
17 haven't gotten an email from Terry Brooks yet; I'm sure
18 I would if I did ask for that.

19 But the rest of our letter just walks through
20 the various ways in which we check whether our request
21 that you increase your number makes sense. We look at
22 how the funding for LSC has measured against inflation.

1 We look at levels of poverty. We talk about what's
2 happening in our courts.

3 And we hear about this from all of the state
4 court judges because one of the things that SCLAID does
5 is support the creation of access to justice
6 commissions around the country, and those are largely
7 creatures of state supreme courts. And we're hearing
8 from all the state supreme courts about the problem of
9 increased pro se litigants.

10 (Pause, chatter on telephone)

11 CHAIRMAN GREY: I'm sorry, Lisa.

12 MS. WOOD: Yes. We have an interruption.

13 CHAIRMAN GREY: Yes. We've got somebody who's
14 not muted. Hold on one second.

15 Okay. Go ahead.

16 MS. WOOD: And then we keep close track of
17 funding, other sources of legal aid funding other than
18 the LSC budget. And we walk through what's happening
19 there, and it's generally a very bleak picture, as I
20 think all of you know. And then we talk about pro bono
21 lawyering, and just the other very important aspects of
22 the contribution that LSC makes overall to the request.

1 So I won't repeat all of that.

2 I guess I'll end with, as a private
3 practitioner in a large law firm, why from my
4 perspective I think it's so important that you continue
5 to ask for increases in your budget. When we were
6 drafting this letter, some of the early drafts
7 suggested that equal justice under the law was an
8 aspirational goal.

9 And as a trial lawyer, I would say it's not
10 aspirational. That is the cornerstone of our democracy
11 and who we are as a country. I do a fair amount of
12 antitrust where I go around the world, and people talk
13 about our justice system as being something on which
14 developing nations should base their creation of their
15 justice system.

16 But our whole justice system loses its
17 credibility when we can't say that there is equal
18 justice under law. And our justice system now is
19 seriously at risk of losing its credibility, given the
20 inadequate funding of our courts and the inability of
21 most people to afford a lawyer.

22 So to me, the Legal Services Corporation plays

1 an extremely important part in our democracy, and it
2 can't do that without sufficient funds. So I will rest
3 on that, and if you have any questions, I'm happy to
4 answer that.

5 CHAIRMAN GREY: Any questions for Lisa?

6 (No response.)

7 CHAIRMAN GREY: Thank you to Lisa and Terry
8 for --

9 MR. LEVI: What was your number last year?

10 MS. WOOD: I'll let Terry answer that.

11 MR. BROOKS: You leave me all the easy ones.
12 I think it was 492 million. I'm looking right now.

13 MR. LEVI: I was just --

14 MR. BROOKS: It was \$492.8 million.

15 MS. WOOD: We followed the same rationale.

16 MR. LEVI: Okay.

17 CHAIRMAN GREY: Any other questions?

18 (No response.)

19 CHAIRMAN GREY: Again, let me thank you for
20 what is always a very thoughtful and supportive
21 analysis of the needs for those in poverty and in need
22 of access to legal services around the country. Your

1 continued work in this area is very important, and the
2 time that you take to devote to giving us your thoughts
3 is very much appreciated. So thank you.

4 MS. WOOD: Thank you for the opportunity.

5 CHAIRMAN GREY: Absolutely.

6 And now NLADA. Don?

7 MR. SAUNDERS: Thank you, Robert. We
8 appreciate the opportunity to briefly discuss the
9 appropriation request with you today.

10 Chairman Levy, members of the Finance
11 Committee, we appreciate the time and effort the
12 Conference of Chief Justices, the Washington Council of
13 Lawyers, and particularly the ABA put in to responding
14 to your request for public input. It's always a
15 privilege to follow Lisa and the great work that SCLAID
16 does on behalf of LSC funding.

17 I speak to you today on behalf of our board,
18 which is chaired for another month or so by Lillian
19 Johnson, the director of your grantee in Phoenix,
20 Arizona; Dennis Groenenboom, who chairs our civil
21 policy group -- he's the executive director of the
22 program you'll be visiting next month in Des Moines;

1 and Steve Eppler-Epstein, not only a graduate of
2 Harvard Law, but also the director of Connecticut Legal
3 Services in Middletown, Connecticut.

4 We too, as did the ABA, discussed at some
5 great length this year whether or not we should request
6 a number that reflects more the real need in the field,
7 the fact that over the last few decades we've seen the
8 amount of federal support for the infrastructure
9 consistently erode to the point that it's less than a
10 third of what it was in the 1980s, and we too feel very
11 strongly that the need is much, much greater than is
12 reflected in our request this year of \$580 million for
13 FY 2016.

14 That figure, as does the ABA's, reflects a
15 slight increase over our request last year of \$560
16 million that both reflects the growth in eligible
17 population from 60 million to 67 million, and also a
18 small increase in the consumer price index.

19 You are very aware that every one of your
20 grantees aggressively seek support from other public
21 and private sources. Yet there can be no mistake that
22 the fundamental commitment of adequate resources at the

1 federal level through you and the network of your
2 grantees is the critical building block upon which
3 these other revenue streams can be built.

4 The federal commitment to a consistent
5 infrastructure is likewise crucial to the continuing
6 health and growth of the capacity to involve the
7 private bar in the delivery of civil legal assistance.

8 We were pleased to see the support for a Pro
9 Bono Innovation Fund, but your own data also indicates
10 that the connection between funding for LSC and the
11 ability of your grantees to leverage the resources of
12 pro bono attorneys is direct and crucial.

13 The commitment of the federal program is
14 particularly important in the poorest regions of the
15 United States. If you draw the map from the Deep South
16 up through the Mountain West, you find areas of the
17 country that are overwhelmingly dependent on funding
18 from LSC.

19 It's unfortunate in our country that your
20 access to justice may well be dependent upon where you
21 live in this country. But indeed, that remains a sad
22 fact that we face every day. And without this core and

1 minimal funding from Congress, you would have parts of
2 the country that would have little or no access to
3 civil justice.

4 Your grantees often cover large, isolated
5 rural areas or increasingly meeting the needs of a
6 growing number of cultural and linguistic minorities in
7 regions in which very few alternative resources exist
8 to support the civil justice system.

9 You've heard me address the Committee on a
10 number of occasions about the critical work your
11 grantees are performing. I will rest upon the written
12 comments to talk about many of the opportunities that
13 programs are meeting directly.

14 However, I would highlight again the critical
15 work that programs are doing to preserve people's homes
16 through the continuing foreclosure crisis, the work
17 that LSC grantees are doing to protect families who are
18 subject to violence.

19 We very much appreciated the regulatory work
20 you did around human trafficking and other victims of
21 violence who come from other cultures. We think that
22 work continues to be critical, and in partnership with

1 the Legal Assistance for Victims program, remains the
2 country's major response to the plague of domestic
3 violence across the country.

4 We're also seeing a terrific response to the
5 needs of volunteers returning from Iraq and
6 Afghanistan. Ron and I were pleased last week to
7 attend a meeting that the ABA organized to talk about
8 better responses to the growing needs of veterans. But
9 there can be no mistake that the primary response at
10 this point for those veterans who are living in poverty
11 remains access to legal services.

12 We're looking at an environment going forward
13 where the levels of deployment, as well as the overall
14 levels in the military, are going to be cut back.
15 There's still a political debate about the degree of
16 that cutback. But there can be no doubt going forward
17 that there's going to be a sustained and growing need
18 for services to veterans returning from overseas.

19 I wanted to just comment on a couple of the
20 special lines within the budget request. Even though
21 it's not a separate line, as we did in our written
22 comments, Chairman Grey, wanted to highlight the fact

1 that NLADA remains totally committed to the need for
2 specialized funding to address the problems related to
3 employment and housing that are unique to agricultural
4 workers.

5 We appreciate the effort that Management is
6 putting into this issue, and look forward to discussing
7 it further with you in Des Moines. But as part of FY
8 2016 funding, I know it's very likely that you will be
9 considering this issue in conjunction with that, and
10 just wanted to, for the record, once again reiterate
11 our strong support for that funding and our continuing
12 belief that there is a special need for that category
13 of --

14 (Telephone connection drops out briefly.)

15 MR. SAUNDERS: -- to you in more depth about
16 that in Des Moines and afterwards.

17 We continue to support the Herb Garten Loan
18 Repayment Assistance Program. It's not a lot of --

19 (Telephone connection lost.)

20 CHAIRMAN GREY: Hello?

21 MS. BROWNE: I was dropped, I think.

22 CHAIRMAN GREY: No. You're not dropped.

1 MS. REISKIN: I can't hear him, either.

2 CHAIRMAN GREY: I think Don got dropped.

3 MS. BROWNE: Oh, okay.

4 CHAIRMAN GREY: Let's give him a minute to see
5 if he comes back on the line.

6 (Pause)

7 MR. SAUNDERS: I apologize, Mr. Chairman. We
8 seem to have been cut off.

9 CHAIRMAN GREY: That's all right, Don. We all
10 stayed on the line knowing that you would be back soon.
11 So continue, please.

12 MR. SAUNDERS: Well, I thought that might be a
13 sign from the Chair to finish up, and I will do so.

14 We do remain very committed to the LRAP
15 program as symbolical in terms of the level of funding.

16 As you know, there is a review going on about the
17 critical programs that flow from the College Cost
18 Reduction in Affordability Act, the loan forgiveness
19 provisions.

20 We're conducting a survey of the legal aid
21 field to try to get a better sense of who is
22 participating in those programs. But we do know that

1 the future of a robust legal aid system depends upon
2 the ability of younger people, who face staggering
3 amounts of law school debt, to continue to participate.

4 Mr. Chairman, I had the opportunity in
5 Portland, Oregon recently at the Equal Justice
6 Conference, sharing a panel with Jim Sandman, to
7 recognize the extraordinary work that we believe that
8 you, the Board, Chairman Levi, and your staff have done
9 in really escalating the visibility of Legal Services
10 on the Hill; in a time of enormous budget challenge, to
11 continue to get the appropriation going up when many
12 others are going in the other direction.

13 And on behalf of NLADA and the entire
14 community we represent, I just wanted to take the
15 opportunity here to thank Chairman Levi and you, Mr.
16 Grey, and the whole Committee and Board, for your
17 continuing advocacy on behalf of the LSC-based
18 community.

19 We urge you to be as aggressive as you can
20 this year. The need is great. I think the comments
21 you received indicate that. And I appreciate the
22 chance to talk with you today.

1 CHAIRMAN GREY: Thank you, Don.

2 Are there any questions for Don?

3 MS. BROWNE: This is Sharon. I have just a
4 request for some clarification. On page 5 of your
5 comments, you mentioned dedicated agricultural worker
6 funding. I know that you mentioned we will explore
7 that further in Des Moines, but is it possible for you
8 to explain a little bit more what your vision is?

9 MR. SAUNDERS: Thank you, Ms. Browne. I'll be
10 glad to, briefly. The funding for representation of
11 farmworkers has been a constant commitment of LSC since
12 its beginning. Unfortunately, the data upon which that
13 funding is distributed has grown stale because these
14 workers are not effectively counted in the decennial
15 census or, now, under the American Community Survey.

16 So we believe that even though methods of
17 agriculture have changed and the community may have
18 changed, the challenges that are created by the
19 isolation, the specialty in law that advocates have to
20 master, the fact that many in this population are among
21 the most ill-housed and poorly-treated workers in our
22 economy, we believe that there's a continuing need that

1 can be effectively demonstrated for that funding.

2 And we do believe that the data sets are
3 available to effectively count and distribute funding
4 based upon much more current data than what is being
5 used at the moment.

6 MS. BROWNE: So are you asking for a specific
7 line item in the budget?

8 MR. SAUNDERS: No, ma'am. We are not.

9 MS. BROWNE: Or -- I'm sorry?

10 MR. SAUNDERS: We are not. We are not asking
11 for any change in that regard. We think allocation
12 based upon the current means of distribution of this
13 funding is the more appropriate way to do it.

14 MS. BROWNE: Okay. Thank you.

15 CHAIRMAN GREY: Don, as always, we appreciate
16 so much the amount of time and the continued attendance
17 and participation by NLADA in the work that we're
18 doing. You always provide, I think, very thoughtful,
19 analytical insight into the work, and it's always good
20 to hear from you. And we appreciate the level of
21 sophistication and of depth that you make your
22 presentation. So thank you very much, and to your

1 staff as well.

2 MR. SAUNDERS: Thank you, Robert.

3 CHAIRMAN GREY: And volunteers.

4 We have other submissions to the Committee
5 from the Conference of Chief Justices and from the
6 Washington Council of Lawyers. If they are on the
7 phone, I certainly invite them to make comment on their
8 submissions.

9 (No response.)

10 CHAIRMAN GREY: I would also invite any other
11 interested parties on the call to give their thoughts.

12 (No response.)

13 CHAIRMAN GREY: I would like to open the
14 floor, the meeting, for public comment.

15 (No response.)

16 CHAIRMAN GREY: Hearing none, is there any
17 other business that the Committee should act on?

18 (No response.)

19 CHAIRMAN GREY: If not, I want to thank
20 everyone for their attendance, their participation, in
21 what is a continuing discussion about the budget for
22 LSC, and for being on this call in particular. And we

1 invite you to future calls as notices are provided.

2 I would now consider a motion to adjourn.

3 MS. MIKVA: Robert, is Laurie Mikva. So
4 timing-wise, what's next on the budget?

5 CHAIRMAN GREY: Well, we've provided Board
6 members with a schedule, and we've publicized that. I
7 don't have it in front of me. But if Don or Jim had
8 the next proposed action by us with regard to that, I
9 invite them to say so.

10 PRESIDENT SANDMAN: We do have a next meeting
11 of the Finance Committee scheduled for June 27th. And
12 at that meeting, Management will be prepared to make
13 its recommendation.

14 MS. MIKVA: Thank you, Jim.

15 MS. BERGMAN: And that meeting is also
16 scheduled for 2:00. This is Carol.

17 PRESIDENT SANDMAN: Two weeks from now.

18 MS. MIKVA: Thank you. I do have that in my
19 book. Thank you very much.

20 CHAIRMAN GREY: Okay. Is there a motion to
21 adjourn?

22 //

1 M O T I O N

2 MS. BROWNE: So moved.

3 MS. MIKVA: Second.

4 CHAIRMAN GREY: All in favor say aye.

5 (A chorus of ayes.)

6 CHAIRMAN GREY: Opposed, no.

7 (No response.)

8 CHAIRMAN GREY: Thank you very much.

9 (Whereupon, at 2:30 p.m., the Committee was
10 adjourned.)

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