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TRANSCRIPT OF PROCEEDINGS

LEGAL SERVICES CORPORATION

OPERATIONS AND REGULATIONS COMMITTEE MEETING

Pages: 100 through 109

Washington, D.C.

March 8, 1985

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LEGAL SERVICES CORPORATION

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In the Matter of:)
)
OPERATIONS AND REGULATIONS)
)
COMMITTEE MEETING)
)

Friday,
March 8, 1985

Eight Floor Conference Room
Legal Services Headquarters
733 Fifteenth Street, NW
Washington, D.C. 20005

The above-entitled matter came on for meeting,
pursuant to notice, at approximately 3:55 p.m.

BEFORE: MICHAEL R. WALLACE
Chairman

APPEARANCES:

LEANNE BERNSTEIN

LORAIN MILLER

PAUL EAGLIN

CLAUDE G. SWAFFORD

ROBERT A. VALOIS

W. CLARK DURANT III

P R O C E E D I N G S

1
2 MR. WALLACE: All right. I am going to reconvene
3 the meeting of the Ops and Regs Committee, pursuant
4 to the recess resolution we passed yesterday.

5 When we recessed yesterday, we asked Mr. Houseman
6 who I hoped was still going to be here and who I don't
7 see--

8 VOICE: He's coming.

9 MR. WALLACE: He's coming. Okay. And our
10 General Counsel's office get together and to put together
11 some language on 1620.3 . I am going to read it. I have
12 made one stylistic change.

13 I am going to read it and then I am going to
14 ask for unanimous consent. I am going to let Mr. Houseman
15 get here and say what he has to say before I take my
16 unanimous consent.

17 But this is the way 1620.3 is going to read,
18 according to the consensus worked out:

19 "A recipient shall allocate resources consistent
20 with the purposes and requirements of the Act, regulations,
21 guidelines and instructions, including Section 1620.2 of
22 these regulations and shall make a reasonable effort to
23 provide that all potentially eligible clients in the
24 recipient's service area have reasonably equal access
25 to similar types of services.

1 "The type of services may vary"--and this is
2 my stylistic change--"so as to take into account
3 different priorities in different parts of the recipient's
4 service area, a higher incidence of a particular kind
5 of legal problem, the considerably higher costs of
6 providing services, or, if the governing body of the
7 recipient so desires, differences in individual client
8 financial resources.

9 "Consistent with the methods of delivery that
10 are most effective and economical and the factors of
11 Section 1620.2(b), allocation of resources shall be
12 reasonably proportional to the distribution of eligible
13 clients within the recipient's service area, but this
14 part shall not be interpreted to require any rigid
15 standard for dollar expenditures or number of clients
16 served."

17 That is the end of 1620.3. Mr. Houseman has
18 just arrived. My stylistic changes are 1,2,3,4,5,6,7,8,
19 line 9, "the type of services may vary so as to take
20 into account different priorities in different parts
21 of the recipient's service area" and so on.

22 Now before I ask unanimous consent that that
23 be adopted, does either Mr. Houseman or general counsel--
24 well, I will say one thing. We have taken out the
25 language about county and parish and we have put in

1 language about no rigid standards because we don't
2 want anybody to think we are going to look county by
3 county and if the percentages aren't right, then there
4 is a problem.

5 We don't have a rigid standard. We do for
6 the most part keep our statistics by county and parish
7 and the only way we will have to know what is going on
8 is to look at those county and parish statistics.

9 And we will mention that in the preamble. But
10 I think we made the point that there is no rigid standard.
11 We are just trying to get a good faith access policy out
12 there.

13 Now that seems to be the consensus position.
14 Mrs. Bernstein?

15 MS. BERNSTEIN: I have just one quick question
16 and this is something I didn't catch when I was reading
17 through it earlier. It looks like that the only time
18 that the governing body of the recipient is going to
19 be consulted about these different types of services
20 is if we are going to have differences in individual
21 client financial resources.

22 I would suggest that I think that is wrong
23 from just a fiduciary standpoint because the governing
24 body can deal with any of these problems.

25 MR. WALLACE: Yes.

1 MS. BERNSTEIN: So I would say that maybe the
2 placement of that clause needs to be moved.

3 M MR. WALLACE: All right. We will rewrite that
4 sentence. "If the governing body of the recipient so
5 desires, the type of services may vary so as to take
6 into account".

7 Does either general counsel or Mr. Houseman
8 have any problems with that?

9 MR. HOUSEMAN: I think it is an excellent change.

10 MR. WALLACE: Now, before I make my unanimous
11 consent request, does anybody have anything they want to
12 say about this consensus position?

13 Have I clarified it to everybody's satisfaction?

14 (No response)

15 I will ask unanimous consent that Section 20.3
16 be adopted as read.

17 (No response)

18 Hearing no dissent, 20.3 is adopted as read.

19 MS. BERNSTEIN: Can I ask you to back up because
20 I am not sure Loraine heard you.

21 MR. WALLACE: All right.

22 MS. BERNSTEIN: Do you have any problems with
23 Section 1620.3?

24 MS. MILLER: I understood it.

25 MS. BERNSTEIN: Great. I just wanted to make

1 sure.

2 MR. WALLACE: Loraine and I talked about it at
3 lunch and Mr. Smegal and I talked about it, and may
4 the record reflect, before he went to the airplane.
5 And he feels fine about it.

6 So I am going to declare 1620.3 adopted by
7 unanimous consent. Before we leave 1620, we did
8 everything else yesterday, I think. Does anybody else
9 on the Committee have any suggestions to make with regard
10 to part 1620?

11 (No response)

12 Does anybody here have any public comments on
13 1620?

14 (No response)

15 Let me say this now. We have just gotten the
16 minutes revised as I asked them to be revised. I don't
17 see any problems with them. But I am not going to adopt
18 them now.

19 I am going to leave them on the table until
20 the next Committee meeting. Any problems anybody has,
21 put on the agenda. We are going to adopt two sets of
22 minutes at the next Committee meeting.

23 That will be the first thing we do and we
24 can look these over and make such changes as need be.
25 At the next Committee meeting we will take up private

1 attorney involvement and people who want to respond to
2 discussion this morning will have a chance to do it at
3 that time and say anything else they want to say at that
4 time.

5 And we will try to get into 1612--part 1612,
6 which we keep struggling toward. Does any other member
7 of the Committee have any business to bring before the
8 Committee?

9 (No response)

10 The Chair will entertain a motion to adjourn.

11 MS. BERNSTEIN: Wait, wait, wait, wait.

12 MR. WALLACE: What?

13 MS. BERNSTEIN: One thing.

14 MR. WALLACE: One thing.

15 MS. BERNSTEIN: The question that had come up
16 on the 22, did we adopt these three or are we not going
17 to do that?

18 MR. WALLACE: Yes. That is a different--

19 MR. BAGENSTOS: We are not there.

20 MS. BERNSTEIN: Oh, okay.

21 MR. WALLACE: We cleared up the tie vote situation
22 yesterday in Committee.

23 MS. BERNSTEIN: I understand that. But
24 Mr. Smegal had asked me--but I thought he just adjourned
25 the meeting.

1 MR. WALLACE: I was going to entertain one but
2 you stopped me.

3 MS. BERNSTEIN: That's why I asked. I understand.
4 But it is also a Committee question because that is the
5 last time we discussed it, at the Committee. That is
6 where I thought it would be appropriate to clear it
7 up.

8 MR. WALLACE: I said I will entertain a motion
9 to adjourn.

10 MS. BERNSTEIN: That is what I want to clear
11 up.

12 (Laughter)

13 MR. WALLACE: She wouldn't give me one. She has
14 a question. I will let Mrs. Bernstein address her
15 question to the general counsel.

16 MS. BERNSTEIN: Tom Smegal simply asked me to
17 ask Mr. Bagenstos to clear up the question regarding
18 a matter that had been in a regulation related to policies
19 to be developed by the Corporation.

20 Mr. Bagenstos, will you enlighten us as to
21 that?

22 MR. BAGENSTOS: The issue was the meaning or let
23 us say the effect of language--and I don't have the part
24 in front of me so--

25 MR. WALLACE: It is 1601.

1 MR. BAGENSTOS: Which would allow for regulation
2 of relationships with employees or agents of any
3 former officers or employees of the Corporation or
4 with any entities with which or persons with whom any
5 former officers of employee is associated.

6 It's the opinion of the general counsel's
7 office that that neither expands nor restricts the
8 ability of the Corporation Board to regulate its relation-
9 ships with its former employees or officers or with
10 any entities with which they are associated.

11 MS. BERNSTEIN: And is it correct in that this
12 is just a matter of clearing up for the public that
13 Mr. Smegal has no objection to that provision staying in
14 at this point.

15 MR. BAGENSTOS: That's my understanding.

16 MR. WALLACE: Okay. That being clarified, the
17 Chair will now entertain a motion to adjourn.

18 MS. BERNSTEIN: I move to adjourn.

19 MS. MILLER: I second the motion to adjourn.

20 MR. WALLACE: All right. All in favor say aye?

21 (A chorus of ayes)

22 Opposed?

23 (No response)

24 This Committee stands adjourned. Mr. Chairman,
25 I tender you your Board.

(The Committee was adjourned at 4:04)

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REPORTER'S CERTIFICATE

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3 DOCKET NUMBER:

4 CASE TITLE: LEGAL SERVICES CORP. OPERATIONS AND REG. COMMITTEE
5 MTG.

6 HEARING DATE: MARCH 8, 1985

7 LOCATION: WASHINGTON, D.C.

8 I hereby certify that the proceedings and evidence
9 herein are contained fully and accurately on the tapes and
10 notes reported by me at the hearing in the above case before
11 THE LEGAL SERVICES CORPORATION

12 and that this is a true and correct transcript of the same.
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16 Date: MARCH 19, 1985
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18

19 *Lothar A. Kruegel*

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