

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS MEETING

March 9, 1992

10:00 a.m.

The Washington Marriott Hotel
1221 22nd Street, N.W.
The Dupont Ballroom
Washington, D.C. 20037

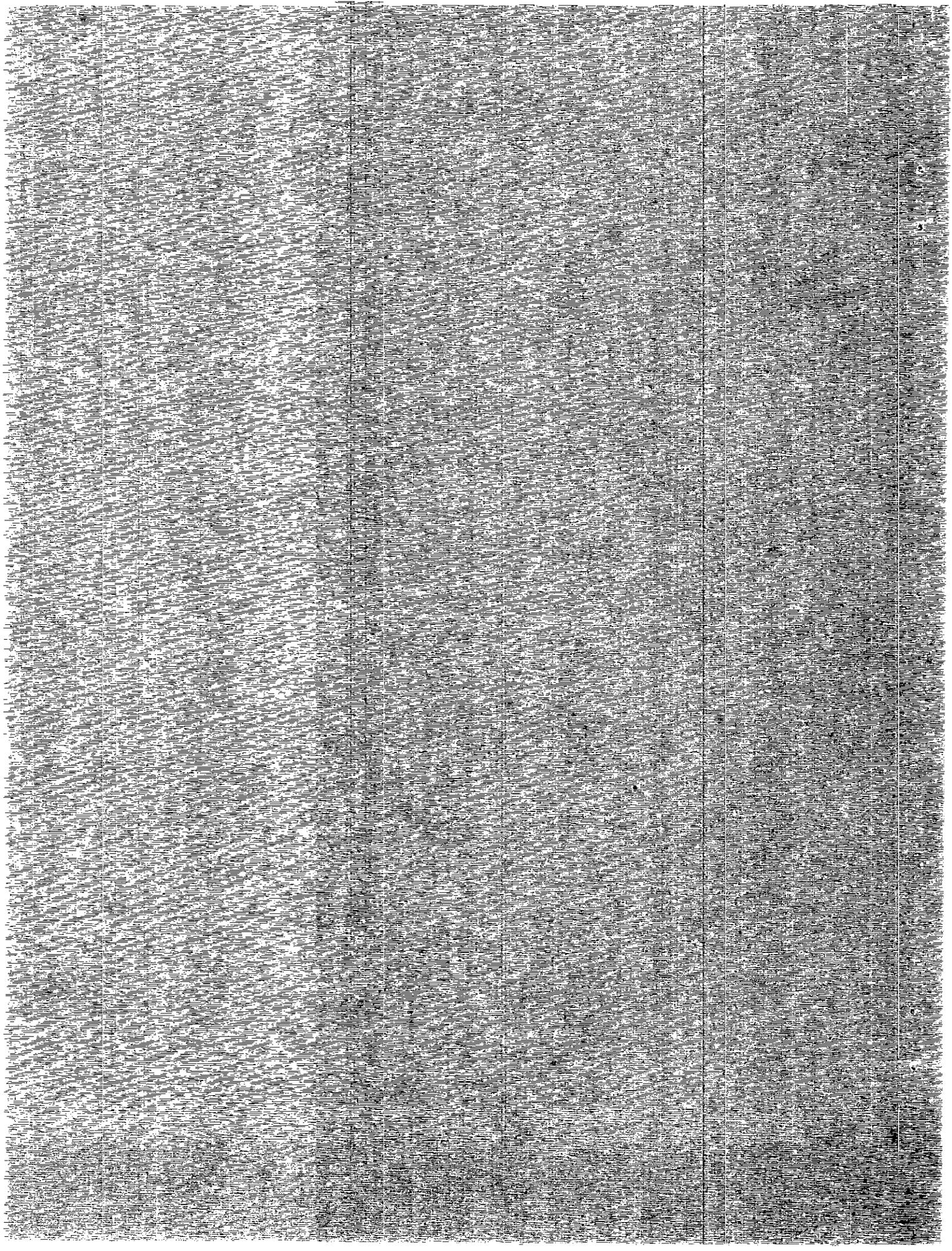
Board Members Present:

George W. Wittgraf, Chairman
Howard H. Dana, Jr.
J Blakeley Hall
Guy V. Molinari
Thomas Rath
Norman Shumway
Jeanine Wolbeck

Staff Present:

John P. O'Hara, President
Emilia Disanto, Vice President
Patricia D. Batie, Secretary
David L Richardson, Treasurer/Comptroller
Victor Fortuno, General Counsel
Edouard Quatrevaux, Inspector General
Kenneth Boehm
Christopher Sundseth
Alice Dickerson

Diversified Reporting Services, Inc.
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WASHINGTON, D.C. 20006
(202) 296-2929



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MOTIONS:

4, 5, 63, 69, 70, 78, 103

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P R O C E E D I N G S

1
2 CHAIRMAN WITTGRAF: May I have your attention,
3 please. This regular meeting of the Board of Directors of
4 the Legal Services Corporation will come to order. I believe
5 a quorum is present, and Mr. Hall and Mr. Molinari should be
6 joining us shortly.

7 Mr. Uddo may call in during the day, as I
8 understand it, from Ms. Batie. No indication necessarily
9 that Mr. Kirk or Ms. Pullen will, and if that changes, Ms.
10 Batie will let us know.

A P P R O V A L O F A G E N D A

11
12 CHAIRMAN WITTGRAF: The first matter of business
13 this morning is the approval of the agenda. You have, in the
14 beige or brown Board book the draft agenda. I would ask for
15 unanimous consent to move Agenda Item 9, Consideration of the
16 build-out costs for the new headquarters location, after or
17 to a place after Agenda Item 11, because I believe that the
18 report of the Audit and Appropriations Committee will deal
19 with that agenda item, and any consideration we give to it
20 properly should come after that report.

21 If there is no objection, we'll make that change.
22 Further discussion regarding the agenda?

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1 (No response.)

2 CHAIRMAN WITTGRAF: The Chair is happy to receive
3 a motion for the adoption of the agenda as published, with
4 that one change.

5 M O T I O N

6 MR. DANA: So moved.

7 MR. SHUMWAY: Second.

8 CHAIRMAN WITTGRAF: It's been moved by Mr. Dana,
9 seconded by Mr. Shumway. Further discussion?

10 (No response.)

11 CHAIRMAN WITTGRAF: Hearing none, those who are in
12 favor of the adoption of the agenda as presented and amended
13 by unanimous consent will signify by saying aye.

14 (Chorus of ayes.)

15 CHAIRMAN WITTGRAF: Those who are opposed, nay?

16 (No response.)

17 CHAIRMAN WITTGRAF: The ayes appear to have it.
18 The ayes do have it. The agenda is approved.

19 APPROVAL OF MINUTES OF

20 FEBRUARY 17, 1992 MEETING

21 CHAIRMAN WITTGRAF: The next matter before us is
22 consideration of the draft minutes of our last meeting, that

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1 of February 17 of 1992. Again, as a part of the beige or
2 brown Board book, you have a draft of those minutes, and I'm
3 prepared at this time to entertain a motion that the minutes,
4 as drafted, be approved.

5 M O T I O N

6 MS. WOLBECK: So moved.

7 CHAIRMAN WITTGRAF: It's been moved by Ms.
8 Wolbeck.

9 MS. LOVE: Second.

10 CHAIRMAN WITTGRAF: Seconded by Ms. Love. Is
11 there discussion?

12 (No response.)

13 CHAIRMAN WITTGRAF: Hearing none, those who are in
14 favor of the adoption of the draft minutes will signify by
15 saying aye.

16 (Chorus of ayes.)

17 CHAIRMAN WITTGRAF: Those who are opposed, nay.

18 (No response.)

19 CHAIRMAN WITTGRAF: The ayes appear to have it.
20 The ayes do have it.

21 The minutes are approved as drafted and presented
22 in that form in the Board book.

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1 CHAIRMAN'S AND MEMBERS' REPORTS

2 The third agenda item, Reports of the Chairman and
3 Members of the Board, I just have a couple of things to
4 mention at this point. One is to call your attention to an
5 important form sent to you in recent days by Ms. Batie. That
6 is the so-called disclosure of information form, having to do
7 with firms and organizations with which you and your family
8 members are associated and have been during the past two
9 years.

10 I think most of us have completed such a form in
11 the past. If you have not done so, I would encourage you to
12 complete that form, return it to Ms. Batie, either today or
13 as soon as possible. As insignificant as it may seem, keep
14 in mind there are people who look for these kinds of things
15 occasionally, and I think it behooves us all to have our I's
16 dotted and our T's crossed, and our form filed.

17 A second matter has to do with the calendar for
18 the year. You may have noticed in the past that we had been
19 projecting a conference with our friends from the field, as
20 we've had the last couple of years, for December.

21 I think that, based upon the results of the survey
22 that Ms. Batie and Leslie Russell did with the people who

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2 and upon the scheduling conflicts generally of the programs
3 in the field, Ms. Batie and I, at least, concluded that it
4 made sense to look for the annual conference somewhat
5 earlier.

6 It appeared that the most logical place outside of
7 Washington was the Minneapolis area, which is relatively easy
8 to get to, and we were looking at a date in September. As it
9 turns out, late September seems to work best, in terms of
10 available accommodations, and it may be that that conference
11 plus our Board meeting can take care of what needs we have to
12 deal with Board business for the months of September and
13 October, if we meet in late September.

14 We're looking at Friday for the conference, rather
15 than Monday, and that's Friday, September 25, an important
16 day. We're looking at Friday, September 25, with the Board
17 meeting either the preceding Thursday or the succeeding
18 Saturday.

19 I think it would help Ms. Batie and Ruby McCullum,
20 if we could get a sense right now as to whether the Board
21 members would prefer to meet on a Thursday or a Saturday for
22 the Board meeting.

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1 MR. DANA: Thursday.

2 MS. LOVE: Thursday.

3 CHAIRMAN WITTGRAF: I'm hearing a lot of
4 Thursdays. Ms. Batie, it would seem that Thursday is the
5 preferred date, and Ms. Wolbeck has assured me that she will
6 check the Twins schedule in the meantime so that that can be
7 added to the schedule of available opportunities in the
8 greater Minneapolis area.

9 Ms. Batie, did I understand that the Project
10 Advisory Group was thinking of scheduling of meeting of its
11 in conjunction with the annual conference?

12 MS. BATIE: That's correct.

13 CHAIRMAN WITTGRAF: What is that, do you know?

14 MS. BATIE: What is that meeting?

15 CHAIRMAN WITTGRAF: Yes, ma'am.

16 MS. BATIE: I'm not sure exactly what the nature
17 of their meeting is, but they were planning to have a meeting
18 in September, as I understand it, in a conversation I had
19 with Andy Steinberg. When we spoke last week, he asked that
20 I let him know where we ended up in our decision-making, and
21 the conference and Board meetings will be held in
22 Minneapolis, and he was going to speak to his group to see if

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1 they wanted to piggy-back our meeting so that they would be
2 in close proximity to us for the conference and our other
3 activities.

4 CHAIRMAN WITTGRAF: Thank you. What meeting is
5 that, Mr. McIver? Do you know offhand?

6 MR. MCIVER: The funding criteria --

7 CHAIRMAN WITTGRAF: The Funding Criteria Committee
8 of the Project Advisory Group?

9 MR. MCIVER: Correct.

10 CHAIRMAN WITTGRAF: Thank you. Hopefully, most of
11 you have seen the survey analysis prepared by Mr. Russell
12 that I referred to a moment ago. It is a memorandum such as
13 this, bearing the date of March 2. It's actually shown as a
14 memorandum from Mr. Russell to Ms. Batie, identified as
15 Evaluation Form Analysis, Annual Conference of Legal Services
16 Providers.

17 I think one of the other suggestions that comes
18 out of that is the suggestion that we attempt to make the
19 focus of our discussions more specific, perhaps, than they
20 were during the morning and the afternoon in St. Louis this
21 past December.

22 Taking that suggestion into account, my thinking

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1 at the moment is that based upon the work being done by the
2 Operations and Regulations Committee, by the Advisory Group
3 composed of our staff members and people from the field and
4 elsewhere, that having impact on the competition
5 demonstration funding as well as on the overall monitoring
6 process, that if the Advisory Group, the Operations and
7 Regulations Committee, and, in turn, we, as a Board, continue
8 to focus on those five criteria that have been spelled out as
9 the criteria for the evaluation of performance, that the
10 conference would be devoted to that, to some formal
11 presentation of those criteria in the morning and then to
12 discussion of those criteria in the afternoon.

13 I'm sharing my thoughts with you at this point
14 early on in March so that anybody on the Board who thinks
15 that I've gone too far off on a tangent, or anybody in the
16 field that I've gone off too far on a tangent, can tell me
17 that, and we can discuss it some more. But it seems to me,
18 in light of what we discussed this last December, in light of
19 the comments that came back from the surveys or the
20 questionnaires, and in light of the progress we've been
21 making, that that would be a logical focus for the
22 conference.

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1 Additionally we will have again the 25-year
2 service awards and the humanitarian awards, and we're
3 contemplating, of course, the addition of some pro bono
4 awards, and I would assume that that would be an awards
5 ceremony that would take place at noon, at our luncheon, and
6 that the humanitarian and 25-year service awards would be
7 continued to be presented at the reception following the
8 day's formal activities.

9 We've had discussions the last couple of years as
10 to who best should be the luncheon speaker, and, again, I
11 would encourage anybody here, either on the Board or in the
12 audience, who has any suggestions for a particularly
13 appropriate luncheon speaker, to share that suggestion or
14 those suggestions with Ms. Batie or with me as soon as
15 possible so that we can begin to make the necessary
16 arrangements.

17 The agenda indicates that we'll talk a little bit
18 more about Board meetings at the conclusion. I wanted to
19 talk particularly about the annual conference now so that
20 everyone was here and would have the benefit of my thoughts,
21 such as they are, and we can discuss it for informally during
22 the day, insofar as anyone wished.

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1 I don't believe I have anything further, other
2 than to mention that the House Appropriations Subcommittee is
3 expecting to hear from me, from Mr. O'Hara, and I believe
4 from Mr. Molinari later this month on March 25th, and then
5 we've been scheduled to appear before the Senate
6 Appropriations Subcommittee, I believe it's Thursday, May 7,
7 again, me,
8 Mr. O'Hara, and, hopefully, Mr. Molinari.

9 Do any of the Board members have anything they'd
10 like to report on at this point.

11 (No response.)

12 CHAIRMAN WITTGRAF: If not, I'll turn to Mr.
13 O'Hara for the President's Report. Mr. President.

14 PRESIDENT'S REPORT

15 MR. O'HARA: Thank you, Mr. Chairman. While I'm
16 reciting the results of the past month, would Ken Boehm and
17 Alice Dickerson and Chris come up to the table, because they
18 will be a part of the president's report and give their
19 statements?

20 We've had a busy month, extremely busy in the
21 staff. One of the first things I want to mention is, we had
22 a meeting with the Native American group in Phoenix, Arizona,

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1 which the Corporation sponsored, and which we picked up the
2 expenses for the people who traveled there.

3 It was a very good meeting. The meeting was
4 attended by the President of the Navaho nation. We had a
5 very good exchange. I think I look forward to future
6 exchanges with them, and put them on notice that we expect
7 them to come back with some specific proposals as to what
8 they need in the way of help with those programs.

9 Secondly, I did speak in Los Angeles at a luncheon
10 honoring an attorney who has spent quite a bit of his career
11 doing work for Legal Services, and especially with the poor.
12 At that meeting, I had a conversation with number of people,
13 including Earl Johnson, who was one of the early leaders in
14 the Legal Services, when it was part of the Office of
15 Economic Opportunity. Judge Johnson conveys his best wishes
16 to Howard Dana.

17 I would like to note that the interest at the L.A.
18 luncheon was quite surprising to me and very interesting,
19 because the luncheon was attended by over 400 people,
20 including many members of the Judiciary.

21 I guess more outstanding than anything else was
22 the fact that there were five members of the U.S. District

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1 Court in attendance at the luncheon, and a very-well attended
2 function, and it indicates the kind of support the program is
3 getting, at least in Los Angeles, and, hopefully, elsewhere
4 around the country.

5 I've accepted an invitation to go back and meet
6 with Earl Johnson, at which time he will be furnishing me
7 with the papers that the Board had asked me for at the last
8 meeting. He didn't have them available when I was there in
9 March.

10 Secondly, Ken will talk about the veterans'
11 project. I just want to say that I'm very pleased with the
12 way it's proceeding. We had a meeting with Judge Kramer last
13 week at the headquarters of the Court of Veterans Appeals.
14 It went very well.

15 The inspector general management report and the
16 1993 budget proposal from the Board has gone to the Hill.
17 Before you, you will find a letter from the New York City
18 Legal Service Program regarding a settlement of a matter that
19 we had reached with them. Amelia DiSanto did, I think, a
20 great job in meeting with them, and we have now received a
21 check for \$20,000 in settlement of -- I won't say dispute --
22 in settlement of some matters that were pending.

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1 I think the tone of the letter not only suggests
2 but is indicative of the type of working relationship which
3 we are establishing with all of our programs.

4 In another week or so, Vic Fortuno, our general
5 counsel, will be traveling to San Juan, Puerto Rico. They
6 will be holding a celebration, their 25th I believe. They
7 have invited Vic and myself to come down. My status at this
8 time is, I'm not sure whether I will go, but Vic can ably
9 represent us down there are.

10 Last week, we had a meeting with representatives
11 of the state support groups around the country, and, again,
12 it was another very positive meeting. I think we've gotten
13 things out on the table. We're talking, and I'm looking for
14 more progress in that area.

15 Finally, the last thing I'll mention is that we
16 have sent a letter to TRLA in regard to the matter that has
17 been tentatively settled with them. I'm waiting to hear back
18 from David Hall. It's just a matter of crossing all the T's
19 and dotting all the I's, and I think that's another matter
20 that we have put to bed.

21 Mr. Chairman, that would include my part. I'd
22 like now to ask Ken Boehm to give us a legislative report and

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1 to touch on the veterans' project, Ken, and also on anything
2 on the new building that we didn't cover yesterday. Thank
3 you.

4 LEGISLATIVE REPORT

5 MR. BOEHM: For the record, my name is Ken Boehm.
6 I'm assistant to the president and counsel to the Board. In
7 the three weeks since the last meeting, there has been some
8 movement on some of our concerns on the Hill.

9 With respect to reauthorization, you have before
10 you the freshly written copy of the bill that was reported
11 out of the Judiciary Committee last year. Up to this point,
12 we've been working from the subcommittee bill with an
13 attachment of a whole series of amendments that were added
14 on.

15 This has just come out this past week. There is
16 one more document that remains before the bill is really
17 ready for floor action, and that is a legislative report,
18 which the Judiciary Committee staff will be writing, in fact,
19 is writing right now and should be out in the next week or
20 two.

21 The schedule is the same as reported prior, which
22 is the earliest our reauthorization legislation could come

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1 before the full House would be the end of this month. There
2 is a great likelihood that it will be further delayed. There
3 is many things on schedule already. There has been no
4 scheduling of it since the report hadn't been written, but as
5 things stand now, the legislative report will be coming out
6 in the next week or two, and after that it will be available
7 to be scheduled, and that would be a decision for the Speaker
8 of the House and the majority leadership to decide.

9 Also, with respect to confirmation, there is
10 nothing new to report. There is no action on that front, and
11 I periodically check with the relevant offices. They
12 periodically tell me the same answer they told me before;
13 that there is nothing scheduled yet. And with respect to
14 appropriations, Chairman Wittgraf had mentioned our House
15 Appropriations hearings on March 25th, and the Senate on
16 Thursday, May 7th. Those are still proceeding as planned.

17 Then to the veterans' issue. The Court of
18 Veterans Appeal appropriation, which we had received as
19 additional funds, the \$950,000 in a special appropriation in
20 December, is proceeding at pace. At the last Board meeting,
21 we had just signed a memorandum of understanding which set
22 out the terms and conditions with which the Court of Veterans

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1 representation, but in the language itself, it talked about
2 involving the veterans' service organizations.

3 As a matter of fact there are only two or three
4 veterans' groups with any great involvement with the court,
5 and there was some uncertainty as to whether they would want
6 to work together on this project or not.

7 In the last several weeks, they've indicated to
8 us, through a series of meetings on their own, that they were
9 prepared to work in agreement together, and we're expecting,
10 although we don't know for a fact, but we're expecting, based
11 on their reports, that they will submit a unified proposal to
12 set up the demonstration project. So that's very heartening,
13 because there was a lot of uncertainty whether that would
14 happen or not.

15 As President O'Hara pointed out, we were invited
16 by Judge Kramer to speak before the Committee of Veterans
17 Affairs in the administrative law section of the ABA a week
18 ago. Progress report on this: They were very pleased.
19 Representatives of the Senate Veterans Committee were there
20 as well, and they were pleased with the progress that's been
21 made.

22 Both the Court and Corporation have been keeping

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1 the Hill apprised of the different steps along the way. The
2 MOU, suggested terms and so forth. So we have a good working
3 relationship. The only thing further I guess I should say on
4 that is, one of the terms of the MOU is that the Court and
5 LSC jointly agree to the request for proposals.

6 We have to be exactly on sync on that. It's,
7 after all, their funds, even though we're the grant
8 administrator, and it's been a very good working
9 relationship. We've met with Judge Nebeker in the last week
10 and had a regular series of conferences with his staff. So
11 things are proceeding on schedule there.

12 The only thing further with respect to the
13 veterans' group is, we are all mindful that we report to
14 Congress in June, in which we'll state our progress at that
15 point, and at the close of it will be a report to Congress as
16 well. That will be a joint effort between the Court and LSC.

17 As I say, to date, we've had a very good working
18 relationship, and we don't foresee any difficulties in that.

19 The new building: As we were getting ready for
20 this Board meeting, we received a call from our broker,
21 Charles Smith, who has been monitoring GSA interests. As you
22 know, a number of government agencies have toured our

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1 building, a number of them repeatedly.

2 The government is expanding a lot into the
3 southwest area of the city where we are. We have the new
4 NASA building there. We have Department of Transportation as
5 a neighbor, Housing and Urban Development as a neighbor.
6 Energy Department and a number of others have expressed
7 interest.

8 As we were preparing for this meeting, we received
9 word that the government, the GSA representative meeting with
10 the representatives from our building had told them that they
11 were preparing an SFO, Solicitation For Offers, that uniquely
12 described our building and our space for government tenants,
13 and it's our understanding the government tenant specifically
14 is the FAA, part of the Department of Transportation, the
15 Federal Aviation Administration, and we expect to hear what
16 the terms and so forth of that are shortly.

17 Our response -- just a quick procedure on that --
18 would be that we then come back and make an offer. We cite
19 the price we're listing, and so forth. Our prices will be
20 about market conditions, which would be in the low 30s right
21 now, and then they would come back, examine it, and ask us
22 for best and final, and that's the point when, if we're so

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1 inclined, we sharpen the pencil and give them our best and
2 final price and reach a resolution of it.

3 The folks from Charles Smith say that the need is
4 fairly immediate and that they have some backup government
5 interests besides FAA, and the SFO is an open-ended one so
6 that even if FAA does not become an immediate tenant, they
7 have some others that are interested.

8 So that's a promising development. It's been in
9 gestation, but we should have something written fairly soon.
10 That's where we are on that. The building itself, one other
11 thing, construction is under way. We've been monitored.
12 We're on schedule. We're actually under budget for that.

13 Part of the reason for that is that the bidding is
14 pretty fierce with subcontractors these days, and we're able
15 to get some lower prices, prices you wouldn't have gotten
16 three or four years ago, when real estate was booming in D.C.
17 for some of the billed-out costs.

18 So we are on schedule, in terms of time, and we're
19 really one of the last of the major tenants to move in. All
20 of the other, American Psychological Association, National
21 Association of Social Workers have all moved in on time.

22 Social Workers are billed out -- it's very similar

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1 to ours at 60,000 square feet. It's almost identical to
2 ours, and they moved in on budget and on time. So that
3 continues to be promising, and the move-in date is set for
4 June 1st. So we're proceeding at pace.

5 CHAIRMAN WITTGRAF: Thank you, Mr. Boehm. I have
6 one question on the veterans' project. Perhaps you said it,
7 and I missed it, but I'm not sure what the timing is, in
8 terms of when you're actually going to be in a position to
9 begin to make the monies available to the people who are
10 going to oversee the effort.

11 MR. BOEHM: The legislation -- we're working on
12 the legislation. The legislative language said to the
13 maximum extent feasible you should have the money out there
14 committed 150 days from date of enactment. The date of
15 enactment was December 12th. That puts it at mid-May.

16 When we had met with the representatives of the
17 Senate and House Veterans Affairs Committee, they said there
18 is definitely wiggle in there. Don't fight to make it the
19 exact day, if you need a little extra time to do it.

20 We're within the rough boundaries of that, but
21 because of the process by which we put the funds out, where
22 we're going to notice it in the Federal Register, and then

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1 there is going to be a period of time where they put their
2 proposal together, come back, then there is a period of
3 negotiation, and then we let the project, that will extend it
4 actually probably into June, in terms of the actual putting
5 of the money out.

6 But, as I say, because we weren't quite sure early
7 on how quickly we should reach agreement with the court and
8 what other things needed to happen, that's why we sought
9 those assurances that they would be somewhat flexible, and
10 they said, "Fine," and they have attended these meetings that
11 we've gone to. So we've kept them apprised.

12 Judge Steinberg of the court is very good
13 relationship, having worked with the Senate for years, and
14 he's been keeping in touch with them, too.

15 CHAIRMAN WITTGRAF: Thank you. Questions or
16 comments for Mr. Boehm?

17 (No response.)

18 CHAIRMAN WITTGRAF: I guess none further. Thank
19 you, Mr. Boehm.

20 MR. O'HARA: Alice? Ms. Dickerson is the director
21 of the Office of Human Resources.

22
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1 PRESENTATION OF ALICE DICKERSON

2 DIRECTOR, OFFICE OF HUMAN RESOURCES

3 MS. DICKERSON: Thank you, Jack. Good morning.
4 For the record, my name is Alice Dickerson. I'm director of
5 the Office of Human Resources, Equal Opportunity. I've been
6 with the Corporation seven years, and I've directed this
7 office for more than four years.

8 Jack has asked me this morning to give you an
9 update on the activities of OHREO related to the ADA. I'd
10 also like to briefly discuss with you this morning --

11 CHAIRMAN WITTGRAF: Ms. Dickerson, why don't you
12 state for the record what all of those initials stand for.

13 MS. DICKERSON: Okay. I'm sorry.

14 CHAIRMAN WITTGRAF: And for the benefit of those
15 of us here at the table, or at least some of us.

16 MS. DICKERSON: I'll start again. Jack has asked
17 me to discuss with you and give you an update on our
18 activities related to the Americans with Disabilities Act,
19 which is more commonly known as the ADA. In addition to
20 that, I would also like to discuss with you some major
21 changes in employment discrimination litigation related to
22 the Civil Rights Act of 1991.

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1 As I discussed with you in the November Board
2 meeting, the Americans with Disabilities Act is one of the
3 most sweeping pieces of civil rights legislation to have been
4 passed in the last 25 years.

5 In November, I advised you that we had obtained,
6 free of charge, authorization to duplicate a publication
7 entitled, "The Americans with Disabilities Act and Employers
8 Guide." This publication was sent to the field, and since
9 then we have received many positive comments from the field
10 regarding the usefulness of the publication in determining
11 whether or not their facilities were in compliance with the
12 ADA.

13 We also obtained, free of charge, from the Equal
14 Employment Opportunity Commission more than 300 copies of a
15 document entitled "The Americans with Disabilities Handbook."
16 This handbook contains annotated versions of regs. It also
17 contains an interpretive guide, provides the legislative
18 history and accessibility standards. It's a very useful tool
19 for programs, again, for determining compliance with the ADA.
20

21 In addition to that, we mailed a survey to
22 grantees, and, to date, 15 percent of the programs have

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1 responded to that survey. The purpose of the survey was to
2 try to determine what the need for technical assistance would
3 be.

4 In addition to that, in December we sent grantees
5 a special grant condition. The special grant condition
6 required that programs would be in compliance with the ADA by
7 January 26, 1992, or would submit to LSC by that date a plan
8 specifying what specific actions they plan to take to bring
9 the program into compliance with the ADA.

10 Included in that plan were to be projected costs
11 and dates of implementation. The date for receipt of this
12 plan was extended at the request of the Project Advisory
13 Group to February 26, 1992. To date, we have received 89
14 plans from programs; 63 of those were received by the end of
15 January.

16 For the 89 programs that are not in compliance, it
17 appears that the estimated cost will range from a low of \$10
18 to a high of \$59,000 to bring those programs into compliance.
19 From the information that we received, it appears that 27
20 percent of the grantees are not in compliance with the ADA,
21 but that 73 percent are in compliance. So it's pleasing to
22 note that that many programs are in compliance, and we, of

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1 course, will continue to work with those other programs to
2 try to assist them in any way that we can to help them come
3 into compliance.

4 I would right now briefly mention the impact that
5 the Civil Rights Act of 1991 will have on the ADA. The Civil
6 Rights Act now provides the litigant the right to a jury
7 trial and compensatory and punitive damages in instances of
8 intentional discrimination.

9 For such intentional violations, there may be
10 awards that will range from \$50,000 to a high of \$300,000 per
11 claimant. In addition to that, they may also be eligible to
12 receive front pay, back pay, interest, and other pecuniary
13 losses.

14 As you can see, the potential for eroding LSC
15 funds is very great, and, in that sense, we plan to work with
16 the grantees to try to help them to prevent any possible
17 disputes or litigation that may arise with regard to
18 compliance with the ADA.

19 Our future plans to further assist the programs
20 include developing a sample procedure for formal
21 consideration of requests for reasonable accommodation.
22 There will be consideration of any reasonable accommodation

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1 that has been made when awards are being made in this kind of
2 litigation.

3 So it's very important that steps be taken to
4 provide reasonable accommodation and to document that that
5 has been done so that it puts the program or anybody
6 defending this kind of case in a stronger position at that
7 time.

8 In addition to that, we also plan to develop and
9 implement a formal ADA compliance training program. We will
10 also continue, of course, to answer questions on an ongoing
11 basis, and one other effort that we also plan to make is to
12 modify any written materials we may currently have which use
13 the term "handicapped," and we will change that so we will
14 use the term of preference now, which is "disabled."

15 We plan to continue all of our efforts to assist
16 programs trying to ensure that, to the greatest extent
17 possible, LSC funds are directed towards service delivery and
18 not to try to resolve or to settle possibly avoidable
19 disputes and litigation of this nature.

20 Thank you, and if you have any questions, I'll try
21 to answer them.

22 CHAIRMAN WITTGRAF: Thank you, Ms. Dickerson.

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1 Could you expand just a little bit on the reasonable
2 accommodation concept under the Civil Rights Act of 1991.
3 I'm not sure I understood.

4 MS. DICKERSON: Okay. Both in public
5 accommodation and in employment, it is necessary for programs
6 to provide reasonable accommodation where that is requested.
7 For instance, if an individual with a disability wanted to
8 attend one of our Board meetings, for instance, perhaps
9 someone who is hearing impaired, it would be appropriate for
10 us to arrange to have someone come and sign the meeting for
11 them. That would be considered a reasonable accommodation.

12 In employment, it could be an individual who,
13 perhaps, was in a wheelchair and needs special accommodation
14 as far as the width of aisles and pathways through an office
15 or to various parts of an office. So that would be
16 considered providing reasonable accommodation.

17 CHAIRMAN WITTGRAF: This flows from the 1991 Civil
18 Rights Act, as opposed to the Americans with Disabilities
19 Act?

20 MS. DICKERSON: No. This flows from the Americans
21 with Disabilities Act, but there is an impact, because,
22 particularly in employment, the Americans with Disabilities

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1 Act also comes under Title VII.

2 So any claimants may make a claim both under Title
3 VII and under the ADA. There also may be civil action
4 brought with regard to ADA, particularly with regard to Title
5 III of ADA, and in the civil action, there could be civil
6 penalties. If the Attorney General feels that a case is of
7 general public importance, he may then seek civil penalties,
8 which can range to -- they're not to exceed \$50,000 for a
9 first offense or \$100,000 for subsequent offenses.

10 CHAIRMAN WITTGRAF: Discussion? Mr. Shumway.

11 MR. SHUMWAY: The damages that you described under
12 the Civil Rights Act of 1991, were they made expressly
13 applicable to suits brought under the ADA, or is that just by
14 inference?

15 MS. DICKERSON: Title VII and the ADA, yes, they
16 do.

17 MR. SHUMWAY: And is our worry, with reference to
18 grantees, that they may use funds which we earmark for
19 program to make these changes that are necessary under ADA?

20 MS. DICKERSON: Well, obviously, they have Legal
21 Services funds, which some of the programs that were funded
22 primarily Legal Services funds, but those are the funds that

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1 that they are going to use. The majority of the programs who
2 have responded have indicated that they will be using at
3 least some LSC funds. In some cases, they'll be using all
4 LSC funds. Based on the information that was reported,
5 approximately 70 percent of the funds will be LSC funds.

6 MR. SHUMWAY: But it doesn't mean that we're going
7 to increase funding to an agency that has to make substantial
8 expenditures to comply, but rather the program of that agency
9 would be detracted from by using funds?

10 MS. DICKERSON: That's right.

11 CHAIRMAN WITTGRAF: Mr. Dana.

12 MR. DANA: I think the results of your survey and
13 the cost to the various programs of complying with the ADA
14 would be of interest to the Board, particularly the Audit and
15 Appropriations Committee, and the chairman and others who are
16 going to the Hill to talk about our appropriation request.

17 So if, in fact, we're talking about -- and I think
18 we are, in some cases -- serious money to comply with this
19 new act of Congress, I think Congress ought to know what that
20 cost is so that we comply with its law, and, therefore, don't
21 get sued under Title VII Civil Rights Act for violating the
22 law.

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1 So if you could keep the Board, and particularly
2 the Audit and Appropriations Committee, updated on the
3 results of your survey as soon as possible, I think it would
4 be of assistance to us all.

5 MS. DICKERSON: Okay. We'll certainly do that,
6 Mr. Dana.

7 CHAIRMAN WITTGRAF: Further discussion?

8 (No response.)

9 MR. O'HARA: Thank you, Alice, and I would like to
10 note to the Board that we have received, or I have received,
11 a number of compliments regarding Alice's handling of the
12 information being sent to the programs from different
13 executive directors as to the promptness with which she got
14 that information to the field, and I want to congratulate you
15 for that.

16 MS. DICKERSON: Thank you.

17 MR. O'HARA: The next discussion will be by Chris
18 Sundseth. Chris is an economist and a member of the
19 Executive Office staff. He's going to talk on the
20 alternative dispute resolution mechanisms.

21 Before Chris starts, I want to say that I've had a
22 discussion with Alan Houseman on this, and Alan had provided

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1 me late Friday afternoon with a copy of a paper which is
2 going to be published this month. I went to the office this
3 morning figuring I could get 10 or 11 copies made. I ended
4 up getting two, and I apologize to the Board for that.

5 I will be mailing copies of Alan's paper to the
6 Board later this afternoon. So you'll have it within a day
7 or two. Chris.

8 PRESENTATION OF CHRIS SUNDSETH

9 MR. SUNDSETH: With regard to alternative dispute
10 resolution, the Corporation doesn't really have a policy per
11 se. The Board, in 1991, July of 1991, during the meeting
12 where I believe a number of resolutions were passed, past one
13 that "favors the study of circumstances under which the use
14 of alternative dispute resolution models. Nonlawyer
15 proceedings models, and self-help models may be appropriate."
16

17 Informally, the Corporation, in 1984, sent a
18 survey to, at that time, 304 recipient programs and asked a
19 number of questions about the extent to which programs used
20 alternative dispute resolution facilities, the extent to
21 which they were aware of their use, how they used them in
22 screening, and so on.

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1 Out of 304 surveys mailed, they received 120
2 responses from recipients and 2 from subgrantees. Generally,
3 out of those 120 that responded, 55 said that they did use
4 mediation to resolve client problems in some manner. So that
5 was roughly half of the respondents to that questionnaire.

6 Of course, all this information from this survey
7 is quite dated, because it was early '84. We don't know at
8 this point the interest in the field about dispute
9 resolution, other than, again, informally Alan Houseman, of
10 course, got a Ford Foundation grant for the last year to
11 study it.

12 The American Bar Association's standing committee
13 on dispute resolution passed a resolution on June 22, 1991,
14 which has been passed around to the Board members. This
15 resolution applies not only to programs funded by the
16 Corporation but all legal services providers, and, in
17 general, outlines what they see, the ABA, that is, sees as a
18 problem of communication and image of ADR and also a lack of
19 education, particularly among people who do the intake
20 screening.

21 The most critical, probably, aspect of a program
22 using ADR is to have people that do the intake screening

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1 understand what cases lend themselves to mediation or
2 arbitration. Also, obviously, to have a good understanding
3 of what facilities are available in their service area and
4 then linking the two.

5 The Corporation met -- then-President David Martin
6 and senior staff met at the end of May of 1981, with Robert
7 Evans, who is the Washington office director at the ABA, and
8 Larry Ray, who is the staff director of the dispute
9 resolution committee, and just discussed in general terms
10 possible cooperation between the ABA's dispute resolution
11 committee and the Corporation.

12 I think that anything the Corporation does further
13 to try and help the field use dispute resolution to be demand
14 side driven to a great extent, and, therefore, the field has
15 to have a big voice in being able to tell the Corporation
16 what the Corporation can do to assist.

17 I think there are things under the aegis of the
18 technical assistance department at the Corporation and other
19 areas that the Corporation might be able to be a resource,
20 and it's possible that if the ABA wants to participate in
21 some way, that we could use their resources, as far as their
22 network and their contact and their understanding of the ADR

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1 facilities, that are available to help grantees that would
2 like to expand services to clients by a greater use of ADR.

3 We know now that in any given area a number of
4 client or potential clients that have problems are not being
5 served simply because the demands are too great. And it's
6 not a great reach to assume that if, in many areas, at least,
7 if an intake process were to use proper ADR screening and
8 referral, that a number of clients who, under the current
9 circumstances, are not being served might be able to find
10 resolution to their legal problems.

11 The Provisions Committee intends to hold hearings
12 next month in Texas, at which, hopefully, a number of people
13 with interest in this area and expertise will testify, and
14 the Board will then have a better picture of the options
15 available to the Corporation to help grantees better exploit
16 the resources that are available under ADR. That's my
17 presentation.

18 CHAIRMAN WITTGRAF: Questions or comments for
19 Mr. Sundseth?

20 MR. HALL: Mr. Chairman.

21 CHAIRMAN WITTGRAF: Mr. Hall.

22 MR. HALL: I wanted to say that Chris has been a

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1 major player in bringing this to the Provisions Committee's
2 attention, and we do intend to meet and discuss it, I think,
3 in April. Our talk with Bob Bird from the Gulf Coast -- you
4 all may recall he was one of the finalists for the
5 president's position -- he teaches some courses along this
6 line. He's expressed an interest in coming and speaking to
7 us there. So he'll be there. I think that Alan Houseman may
8 have indicated that he would come and speak on that. I know
9 he's presented a paper that Jack has given me today; I've not
10 yet read. So it looks like quite a few of the providers
11 already use it, and it looks like it could be a really good
12 tool in getting more help to the poor at a very cost-
13 efficient basis, and I do appreciate the work that Chris has
14 done on it. He's the one to contact on this one.

15 CHAIRMAN WITTGRAF: The focus of your committee
16 hearing, then, on Tuesday, April 7th, is alternative dispute
17 resolution and its utilization in meeting the civil legal
18 needs of the poor?

19 MR. HALL: That's correct.

20 CHAIRMAN WITTGRAF: Mr. Sundseth, let me mention
21 one thing that I gleaned yesterday from the Des Moines
22 Register. I always feel good when I can get what I think is

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1 some helpful news out of the Des Moines Register.

2 I mentioned this already to Mr. Hall, but I think
3 it has significant potential not only in the ADR area
4 generally but particularly on one of the remaining knotty
5 political problems that the Corporation has to deal with.

6 The Des Moines Register reported yesterday that a
7 migrant worker ombudsman project conceived by Proteus, Inc.
8 and by Pioneer Hybrid International, Inc., received national
9 recognition for its success in resolving disputes without use
10 of legal action.

11 The Center for Public Resources, with which I'm
12 not familiar particularly -- I'll assume it's in either
13 Washington or, more likely, New York City -- honored Proteus
14 and Pioneer recently in New York with their 1991 legal
15 program award for so-called outstanding practical achievement
16 in application of alternative dispute resolution and
17 prevention and litigation management techniques.

18 The Center for Public Resources, a nonprofit
19 coalition of general counsel of major corporations, law
20 firms, legal academics and federal judges. The migrant
21 ombudsman project was created in 1990, then Proteus, a
22 nonprofit agency that provides services to seasonal farm

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1 workers, teamed up with Pioneer.

2 Pioneer, which is a seed corn company that hires
3 migrant workers for detassling, provided the necessary start-
4 up money to hire bilingual ombudsmen for quick and fair
5 resolution of migrant issues and concerns during the
6 detassling season.

7 The project then attracted additional money from
8 other seed corn companies and contract detasslers. I guess I
9 would like to think -- and my thought is heightened
10 particularly by the letter that we received, and I guess a
11 similar letter that was sent to the President of the United
12 States by my fellow Iowan, Dean Kleckner, the president of
13 the American Farm Bureau Federation, those letters in recent
14 days, suggesting, I guess, that there was plenty of money
15 available to civil legal services already, notwithstanding
16 the Farm Bureau Federation's continuing requests for much,
17 much larger supports for our good farmers across the country,
18 many of whom are my clients -- only a small proportion of
19 whom are my clients, I should say.

20 There may or may not be a contradiction there, but
21 Mr. Kleckner, in the letter, I guess, that I received from
22 him directly and that I think many or all of you received,

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1 did refer to continuing disputes between farmers and migrant
2 workers.

3 I guess if there is any way that we, as a
4 Corporation, can find other ways to deal with those disputes
5 short of litigation, both to minimize the drain on the
6 resources of our grantees and certainly to minimize the drain
7 on the resources of farmers, that we would not only be
8 providing a service, but we would be addressing what, to me,
9 is the last big political problem, at least currently, facing
10 the Legal Services Corporation.

11 That's more of a speech than a question at this
12 point, Mr. Sundseth, but I guess if there is a question --
13 and it may be that Mr. Hall has already talked with Leslie
14 Russell, but additionally I would ask you, to try to follow
15 up on this and to learn what more we can about this and to
16 see whether or not it's something that we, as a Corporation,
17 should be funding, when we talk about innovative grant
18 proposals, whether it's something that we should be funding
19 as well and on a national basis where farmer/migrant worker
20 problems exist. Further discussion?

21 MR. DANA: Mr. Chairman.

22 CHAIRMAN WITTGRAF: Mr. Dana.

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1 MR. DANA: Chris, what is the date of this
2 resolution of the ABA?

3 MR. SUNDSETH: June 22, 1991. I might add, the
4 Corporation has made no official response to this resolution.
5 This resolution was adopted verbatim. This, actually, was
6 the resolution that was put forward, but it was adopted word-
7 for-word by the committee on June 22, 1991.

8 The Corporation hasn't made any official response,
9 though at the staff level at that time David Martin said,
10 "It's encouraging. Meet with staff. Tell them we find this
11 encouraging. We're working on it." That's, basically, the
12 last official communication.

13 I was at the committee's last meeting in Dallas,
14 on February 2nd, and the chairman of that committee now is
15 Robert Raven, who was the president of the ABA in 1989 and
16 1990, and he took me aside and just encouraged me to
17 communicate, which I have, to President O'Hara, that the ABA
18 is still anxious to see what the Legal Services Corporation
19 intends to do with dispute resolution.

20 MR. HALL: Mr. Chairman.

21 CHAIRMAN WITTGRAF: Mr. Hall.

22 MR. HALL: That's going to be one of the focuses

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1 of the committee meeting, to come up with some type of
2 resolutions that probably -- I've read that resolution -- to
3 back that up, and we will make a recommendation to the Board
4 as quickly as we can do that. I'm sure it will be favorable
5 to what you see written there.

6 CHAIRMAN WITTGRAF: Mr. Dana.

7 MR. DANA: I didn't realize. I think I had heard
8 that Robert Raven was chair of that committee. He might well
9 be someone you might like to hear from, if he were available.

10

11 MR. SUNDSETH: We intend to invite him.

12 CHAIRMAN WITTGRAF: Further discussion, questions
13 for Mr. Sundseth?

14 (No response.)

15 MR. O'HARA: Thank you, Chris, and thank you for
16 the panel, very fine presentation. While they're taking
17 their seats, I would like to respond to a question that Ms.
18 Pullen had asked at the February meeting with regard to the
19 number of hours that the staff put in to prepare for that
20 meeting.

21 The figure that I have before me, which is based
22 on a survey of each of the deficient offices is 840 hours,

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1 was the staff time that was put in between the time of the
2 January meeting and the February meeting, and that does not
3 include my time.

4 I personally will tell you that I review every
5 paper that is prepared by the staff, and I want to commend
6 the staff publicly this morning. I think they have done a
7 great job. I'm very pleased and very proud to look out there
8 and say that that's my team, if you want to use that word.
9 And everything is done without complaining, a lot of hours, a
10 lot of work has gone into it.

11 We have 14 days from the days of the last Board
12 meeting until yesterday, and I think they've outdone
13 themselves again. So I just want to thank them for all their
14 work.

15 CHAIRMAN WITTGRAF: Thank you, Mr. President, and
16 I think the Board certainly shares your feeling, and I think,
17 as the committee reports are presented later in the meeting,
18 it will be obvious the different committees have benefitted
19 mightily from the efforts of the staff, and I think it can be
20 seen best in that context. Anything else?

21 MR. O'HARA: That concludes my report, Mr.
22 Chairman.

CHAIRMAN WITTGRAF: Thank you,

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1 Mr. President. At this time, I'd ask the inspector general
2 to share with us that portion of his report as is appropriate
3 for the open session of today's Board meeting.

4 Mr. Quatrevaux.

5 INSPECTOR GENERAL'S REPORT

6 MR. QUATREVAUX: Good morning, Mr. Chairman. I'd
7 like to advise you that the President's Council on Integrity
8 and Efficiency has issued a task force report. This council
9 consists of the Presidentially appointed IGs and is chaired
10 by the Deputy Director of the Office of Management and
11 Budget.

12 This task force was established last spring. It
13 had three goals: One was to identify the problems facing IGs
14 in the designated federal entities, such as LSC, which were
15 created in 1988; also, to identify solutions and to develop
16 what they term a "best practices document."

17 This would be a handbook of sorts of policies and
18 procedures that they believe would result in an effective
19 independent Office of Inspector General at the various
20 entities. The task force report itself reviews issues and
21 makes recommendations. That Best Practices document has not
22 been completed and is expected to follow.

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1 The task force report may influence legislation
2 amending the IG Act of 1988, which was originally -- the
3 hearings were originally scheduled for this spring. They
4 appear to be slipping now back to summer and fall.

5 I'll send each of you a copy of that task force
6 report, but let me just mention to you some of the
7 recommendations. One is that the OIG budget should be
8 identified separately in the entity's request to the
9 Congress.

10 Another, speaking to personnel and contracting
11 authorities, essentially says that IG decisions in these
12 areas should be subjected only to review only for technical
13 sufficiency; which is to say, compliance with the law, and
14 that sort of thing.

15 The report makes reference to the current IG Act,
16 which requires transfer of audit and investigative functions
17 to the Offices of the Inspectors General, and the
18 recommendation in that regard is that entity heads need to
19 revise conflicting directives and previous delegations to
20 make sure that that occurs. Those are just some of them. As
21 I say, I'll pass along the whole report to you.

22 The other topic that I'd like to discuss is

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1 reauthorization. I want to keep you fully informed of any
2 activities in that area. As I told you earlier, I provided a
3 statement to the vice chairman of the PCIE, and also to GAO's
4 senior officer for audit oversight.

5 I've also communicated with three committees, two
6 in the House and one in the Senate, and, in each case, I sent
7 the communication or held meetings with both majority and
8 minority staff present. I wanted to make clear to them, and
9 I did, that this was not a politically-oriented effort.

10 In my meeting with the House Government Operations
11 staffers, they seemed quite interested and open-minded. They
12 asked for more information on audit impacts. I will provide
13 that to them, and when I do, I'll provide you with a copy.

14 I have no further plans in that area except to
15 respond to event as they occur and keep you informed as that
16 happens. Any questions?

17 CHAIRMAN WITTGRAF: Thank you, Mr. Quatrevaux.
18 Going back to the things you highlighted from that task force
19 report, would it be fair to assume that, even without benefit
20 of congressional directives, that most of what we've done in
21 recent months has been consistent with those recommendations?

22

1 MR. QUATREVAUX: Yes, it is. I think there is one
2 area outstanding, and, again, I'm not sure you know the
3 solution to this, but it's the contractual nature of
4 employment. Even though we were meeting on the subject of
5 reauthorization, the House Operations staffers brought it up,
6 and it appears to be a universal reaction.

7 CHAIRMAN WITTGRAF: And they want you not to have
8 a contract, and, at your request, we gave you a contract.

9 MR. QUATREVAUX: That's correct. I think it's a
10 problem of getting people to think, put themselves in a
11 nongovernment environment, which is, essentially, what we are
12 in. They tend to think -- and rightly so -- that they're
13 dealing with a government entity and all the regulations and
14 policies and procedures that apply there.

15 There was another recommendation, I might as well
16 mention it, because it could be interpreted like you raised,
17 and that is that IG should be dismissed only for cause. So
18 to the degree that something like that would be incorporated
19 into law, I think that would cause the contract either to be
20 abrogated or rewritten certainly.

21 CHAIRMAN WITTGRAF: That would be a dramatic
22 change in the present state of the law?

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1 MR. QUATREVAUX: Correct.

2 CHAIRMAN WITTGRAF: Further questions or comments
3 for Mr. Quatrevaux?

4 (No response.)

5 CHAIRMAN WITTGRAF: Thank you. At this time,
6 then, we're prepared to move to Executive or Closed Session.
7 Mr. Rath.

8 MR. RATH: I just wonder, Mr. Chairman, we're a
9 little ahead of schedule. Would you want to keep going on
10 Open Session before we break? I know, for instance, that
11 some of the others -- some of the reports are fairly short
12 and straightforward in the afternoon.

13 CHAIRMAN WITTGRAF: Unless there is objection,
14 keeping in mind, I guess, our custom, which is to sort of eat
15 lunch and have Executive Session more or less simultaneously,
16 in the 12:00 to 1:00 or 1:30 range, I certainly have no
17 objection, if no one else does. We can skip over Agenda
18 Items 6, 7, and 8 and proceed to what is now identified as
19 Agenda Item No. 10, that being the report of the Operations
20 and Regulations Committee of the Board.

21 MR. RATH: You're not going to do 9.

22 CHAIRMAN WITTGRAF: We indicated, when we began

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1 this morning, that 9 would be taken up after 11 or as part of
2 11. You still feel that we should proceed, Mr. Rath?

3 CONSIDERATION OF OPERATIONS AND REGULATIONS

4 COMMITTEE REPORT

5 MR. RATH: Yes, and I can be, I think, straight
6 forward. The Operations and Regulations Committee met
7 yesterday afternoon, myself and Ms. Love and Mr. Dana were
8 present. We also were pleased to have Mr. Hall and Ms.
9 Wolbeck as chair and colleagues at that meeting.

10 So-called Options 1 and 3 were discussed, and
11 there are drafts of proposals on those which we were able to
12 give feedback to staff and to the Advisory Group that's
13 working with the staff on those. We're pleased to note that
14 there will be further meetings of a small group on this
15 Friday, and I believe, I thought I heard that there is a
16 meeting next week as well of the full Advisory Group.

17 We continue to believe that if we can reach
18 consensus on those two proposals, that will assist us, in
19 terms of what the Congress expects us to do. Option 2, we
20 concede, is a more difficult problem with more ultimate
21 issues in it, and that probably is going to be triggered
22 after the other two. If we can reach some consensus on the

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1 first two, it may make it easier to deal with the third one.

2 We're still working on measurement standards and
3 how to approach that and what is a reasonable way to test how
4 efficiently a project is operating. That goes on. We also
5 received from the staff late last week, and I believe each
6 member of the Board has received a proposal on timekeeping,
7 which is responsive to a request of the Board at our meeting
8 in New Orleans in February.

9 That is a very current, recent document, and we,
10 basically, received it and heard comment from Ms. Sparks and
11 David Richardson on the genesis of that document. It has
12 just been circulated through the project groups and the
13 provider groups, and we will try to engage something akin to
14 the process that we have employed to date on the competition
15 study to react to that, because we understand there are
16 severe concerns, and some of the concerns were raised by the
17 Board as to the mechanics of how it would work and what
18 indeed we're trying to get at.

19 We'll try to accommodate those concerns and
20 understand them through the same kind of dialogue that we've
21 gone so far in competition. I think we have made some
22 progress. I was pleased to note that the interaction between

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1 staff and the Advisory Group seems to be ongoing and
2 intensifying, and I would hope that as we get closer to our
3 meetings in April and May, we may be able to move forward in
4 those areas.

5 And I think that unless any of the committee
6 members want to add anything, that's the report of the
7 committee.

CHAIRMAN WITTGRAF: Mr. Shumway.

8 MR. SHUMWAY: I may have missed this, because I
9 was out of the room for just a moment, but the draft request
10 for proposals are not going to be acted upon today? Is that
11 what I understand?

12 MR. RATH: The reason, Mr. Shumway, is that they
13 had just come out late last week. Some of the members of the
14 committee expressed some reservations about how they were
15 drafted. We had further meetings of the Advisory Group to go
16 forward. I think we're moving ahead timely, but we don't
17 feel ready yet to go forward.

18 CHAIRMAN WITTGRAF: In that regard, Mr. Rath,
19 what's your sense of when it would be possible for the first
20 RFP to be closed and published?

21 MR. RATH: It would not be impossible to have it
22 done in April, but I don't want to set that as an absolute

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1 deadline. I would think by May at the outside. I think
2 we're fairly close, but I do not want to do something here,
3 in terms of setting a date, that conflicted with the ability
4 of people to feel that there is a process going on and that
5 the process is substantive as well as for form.

6 CHAIRMAN WITTGRAF: Do you have any sense at all
7 as to what the timetable might be for so-called Option 3, the
8 performance bonus or incentive approach?

9 MR. RATH: I don't think that they're necessarily
10 on different tracks, just that the RFP on one, and is the
11 geographic, unserved geographic area where you would have two
12 neighboring programs attempt to serve, is a little further
13 along in the drafting process. I think two months is
14 reasonable in both cases, I would hope.

15 CHAIRMAN WITTGRAF: It's my understanding that in
16 late February, the members of the Board were sent a letter
17 over the signatures of Mr. Houseman and Mr. Miller. They
18 then distributed a memorandum yesterday with some of their
19 more current thoughts and ideas.

20 I believe Mr. Kirk, particularly in light of his
21 inability to be here yesterday and today, also had responded
22 to the first letter prepared by Mr. Houseman and Mr. Miller,

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1 and you've got copies of Mr. Kirk's letter to add to our
2 other letters?

3 MR. RATH: That's correct.

4 CHAIRMAN WITTGRAF: Thank you, Mr. Rath. Mr.
5 Shumway.

6 MR. SHUMWAY: It seems to me that
7 getting the RFPs, at least in draft form, before us was a
8 step that we needed to take and represented some progress,
9 and yet, when I read Mr. Houseman's letter, I got the
10 impression that the Advisory Group would rather have more
11 discussion, more determinations made before we move to the
12 RFPs, and they thought it was untimely that we had acted so
13 quickly to request staff to develop these proposals.

14 I'm sure that discussion still can take place, but
15 I'm just concerned that we're not going to put the RFPs aside
16 and go back and begin the philosophical debate that's been
17 dominating this subject for so long, that the RFPs will
18 remain the subject of our focus, and we'll do whatever is
19 necessary within the Advisory Group to give them the kind of
20 support that that group feels they need so that we can, in
21 fact, move on them. Is that committee's feeling?

22 CHAIRMAN WITTGRAF: Mr. Rath.

MR. RATH: Actually, I agree with what my

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1 colleague has just said. In fact, I think the RFP, having it
2 in draft form will focus those discussions and move those
3 discussions forward, and it will be the focus of the
4 discussions.

5 Much of what we spoke about yesterday, the
6 committee meeting spoke about the Board's concerns about what
7 ought to be in those RFPs as well, and I think we had a good
8 exchange yesterday. And subsequent to the more formal
9 communications that are reduced to writing, I've had a chance
10 to talk both directly and by telephone with a lot of people.

11 I think that there is progress being made, and I
12 think the ability of the committee to keep the process moving
13 enhances those discussions, as opposed to frustrates them.

14 CHAIRMAN WITTGRAF: Mr. Shumway, I might make one
15 other point in response to your comment. If you look at the
16 memorandum dated March 7, from Mr. Houseman and Mr. Miller,
17 they, essentially, indicate that because of the unique
18 circumstances involved with Option No. 1 and the three
19 parishes or the triparish area in Louisiana, that they, too,
20 really see no problem with our going ahead there.

21 I think that we're down mostly to matters of
22 wording on the RFP. Their greater concerns probably pertain

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1 to Options 2 and 3, and I think the discussion yesterday
2 indicated that, in terms of our progressing, it will be
3 Option 1, Option 3, and, at a later time, Option 2.

4 That's why I was asking Mr. Rath what he foresaw
5 as the time. I mean, I think we're able to move fairly
6 expeditiously now, while not undermining the ongoing dialogue
7 that the Advisory Group represents.

8 MR. SHUMWAY: When we talk about an April or May
9 time frame, is that just Option 1, or are we thinking about
10 Option 3 as well in that regard.

11 MR. RATH: My own hope would be we would get as
12 much done as possible by that, and if -- I think the Chair
13 has stated it correctly. I think 1 is closest to where there
14 is consensus; 3 is the next furthest advanced, and there are
15 some important questions about 3, in terms of measurement,
16 that are being flushed out in the discussion of 3.

17 I would hope that the process is accelerating, and
18 that we can move it to closure by both of those dates. It
19 may not be possible, but there is no reason why we can't
20 shoot for that.

21 CHAIRMAN WITTGRAF: Let me make one more comment,
22 Mr. Rath. I think, as I had a chance to visit some with Mr.

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1 Houseman and Mr. Miller yesterday -- and this ties in a
2 little bit to the comments I made earlier this morning
3 regarding your conference with providers in late September --
4 that if five agreed-upon workable performance criteria can
5 evolve from this process, that, in the long term, that may be
6 as significant if not even more significant than the
7 competition demonstration projects that are run in the near
8 future.

9 If the field and the Corporation, the Board, and
10 its staff can agree on upon those criteria, those have a
11 major impact not only in the so-called area of competition,
12 but in the whole monitoring and accountability process, and I
13 think Mr. Houseman and Mr. Miller were concerned that with
14 what I understood them to say was significant process that
15 had been made in that regard, they certainly didn't want that
16 progress to be lost in the process of hurrying ahead with the
17 RFPs.

18 In fact, there have not been such criteria ever in
19 the 25, now 26-year history of federal funding for legal
20 civil services, and if we can get agreement there, while it's
21 a bit of an arcane subject, it's very, very important.

22 To the credit of not only those two individuals

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1 but our staff and the other who have been involved in the
2 advisory process, strides have been made there, and,
3 hopefully, that will evolve at the same time that the RFPs
4 for the different competitive demonstration projects evolve.
5 Mr. Rath.

6 MR. RATH: Just to include the thought, we're
7 talking about extremely important concepts, and we're doing
8 it within the context of the competition study and others,
9 but we're talking about concepts that really speak to the
10 essence of the quality of the services we're delivering.

11 The candle is clearly more than worth the game in
12 what we're doing, and I think that if we are able to build a
13 degree of consensus around these measurement standard and
14 that these, indeed, are what we should be looking for, and I
15 realize that's a dynamic process.

16 I mean, what is relevant today may not be relevant
17 five years from now, and we may have to come back and
18 reexamine, but this is a genuinely significant inquiry that
19 us being conducted here, and I think it's being done the
20 correct way.

21 Terrific credit ought to go to those who are
22 putting their time in on it from both the Advisory Group and

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1 our staff. Ms. deBettencourt, Mr. Moses, Ms. Smead, all of
2 whom are putting a lot of time into this, and it's like any
3 process, doing it by committee and trying to reach consensus
4 is painful at times, but it is important that it get done
5 this way, because what we're talking about is so central to
6 the mission of this Board and, indeed, the providers.

7 I'm not unconscious or unmindful of the desire to
8 move the demonstration process, but, in doing this, we have
9 touched on some very fundamental parts of how legal services
10 is provided to those in need of it, and I'm convinced that
11 we've got good people working at it and that they're applying
12 themselves diligently, and I think we're going to get more
13 out of this than we thought, when we're done.

14 CHAIRMAN WITTGRAF: Which takes us on, then, to
15 the matter of timekeeping. Mr. Rath.

16 MR. RATH: I don't really have much more to say
17 than -- I think I have touched on that, Mr. Chairman -- that
18 we have been presented with a report. We have just barely
19 read it. Mr. Dana and I had some comments about it. Mr.
20 Shumway and Mr. Kirk were not able to be present.

21 The staff was responsive to a direction from the
22 Board to get back something. The provider community has just

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1 gotten it, and I think, again, in this area, we're going to
2 have to be mindful of how important the issue is. And while
3 we certainly all subscribe to accountability and try to find
4 ways to make it accountability, we're not in a position to
5 pass on it at this point.

6 CHAIRMAN WITTGRAF: Further discussion?

7 (No response.)

8 CHAIRMAN WITTGRAF: Hearing none, we'll take that
9 as the report, which does not require any action at this time
10 from the committee. We'll move next to the report of the
11 Audit and Appropriations Committee. Mr. Dana.

12 CONSIDERATION OF AUDIT AND APPROPRIATIONS

13 COMMITTEE REPORT

14 MR. DANA: Thank you, Mr. Chairman. David, do we
15 have extra copies of those handouts for particularly the
16 Board members who were not here yesterday?

17 MR. RICHARDSON: Sir, unless they were removed, I
18 put a copy in each report at every chair yesterday, but I do
19 have additional ones coming over from the Corporation that
20 they will get later, if they were removed.

21 MR. DANA: Thanks. We'll do the best we can, and
22 I would ask those of you who were here yesterday to share

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1 your copies with Mr. Molinari and Mr. Shumway.

2 Mr. Chairman, the Audit and Appropriations
3 Committee met yesterday from 2:00 to quarter of 4:00. Ms.
4 Wolbeck and I were present. Mr. Uddo was present by phone,
5 which I'm happy to say worked very well. As well as the
6 committee, you were present, Ms. Love, Mr. Hall, President
7 O'Hara, David Richardson, at least two members of the Smead
8 household were present, and the usual suspects.

9 The committee received a report from Ms. Crystal
10 Kasler, who is the partner in charge of the Grant/Thornton
11 audit team for Fiscal Year 1991. We received their reports,
12 which are the blue copies.

13 I'm happy to say they are almost an identical
14 relationship to the internal reports that had been prepared
15 by David Richardson. Based upon the information presented
16 therein, we have asked management to review with
17 knowledgeable counsel our systems for making sure that our
18 fund are never at risk in the event of a bank failure.

19 For those of you who were not here, we learned
20 that at a particular point in time there was as much as \$18
21 million of our funds in a bank, and we think, or at least our
22 controller thinks, that we have a system whereby it would be

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1 protected in the event of that bank failing, but
2 Grant/Thornton urged us to get someone who is quite
3 knowledgeable about the arcane subject of banking law to make
4 sure that, in fact, in the event of a failure, we would be
5 protected, those funds would be protected.

6 We have done that, and management has indicated a
7 willingness to undertake that review and seek that guidance.
8 Also, we have asked management to present to the committee
9 for the committee's review and recommendation to you a policy
10 for the investment of our fund.

11 From time to time, between the time we withdraw it
12 from the Treasury and the time we distribute it to the field
13 or spend it ourselves, we have significant funds, and we do
14 not have a Board-approved policy for how to invest or where
15 to invest those funds.

16 As a consequence, management is doing that, but
17 they're doing it, really, without the protection of an
18 approved Board policy on this subject. We would like them --
19 we've asked them to bring forward a policy that indicate what
20 they would recommend that we adopt, and we consider that and
21 report it to you.

22 Then, Mr. Chairman, we turn to a review of the,

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1 what frankly, is becoming a tiresome subject of our
2 guidelines. Between the last meeting and this, the IG and
3 the general counsel, controller, and other members of the
4 management have reviewed the proposed guidelines, made
5 additional changes, and they are before you, or were before
6 you yesterday, and I think are available here.

7 We would recommend them to you for your adoption
8 with two changes on the -- this is the March 6, 1992 form.
9 There is a footnote on page 1 that makes a reference to
10 committee before the blanks, and that should read "Board,"
11 because these are guidelines that should be adopted by the
12 Board.

13 On page 7, the words "committee and" in the second
14 line should be deleted. Those are genuine nitpicks, but it
15 is the Chairman, and I think the committee's sincere wish
16 that these guidelines, once adopted by you, will remain part
17 of the charter of our committee so that both the committee
18 and the Board and management can have really safe harbors for
19 acting in the area where all three entities have
20 responsibilities for implementation and oversight.

21 M O T I O N

22 So, Mr. Chairman, the committee's and, I think,

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1 management's recommendation is unanimously that these
2 guidelines as amended be adopted.

3 CHAIRMAN WITTGRAF: Howard, you referred to page
4 7. I think it's paragraph 7. Is that correct?

5 MR. DANA: I'm sorry. It is paragraph 7. That's
6 correct.

7 CHAIRMAN WITTGRAF: Thank you, Mr. Dana. I'll
8 accept the report of the committee as the movement of the
9 report. Let me ask one question to begin discussion. Is it
10 my understanding from the footnote on the bottom of page 1 of
11 the March 6th draft that this is really an evolutionary set
12 of guidelines, that such guidelines were first adopted by the
13 Board in December of 1980, that they were revised and adopted
14 by your predecessor committee in December of 1985, and that
15 this is the current version of those guidelines?

16 MR. DANA: That is correct, updated and to reflect
17 really current practices, current forms, but they are,
18 essentially, the evolution of what had been in existence for
19 12 years.

20 CHAIRMAN WITTGRAF: Any significant differences,
21 other than the inclusion of the inspector general and
22 recognition of the unique aspects of that office?

1 MR. DANA: No significant differences. We have
2 provided, formally provided that, within a given line -- and
3 a line would be the line for the executive office, and if you
4 turn to the back page, not the back page, but the matrix that
5 we talked about before, which is Exhibit B, the vertical
6 lines for the Board of Directors or the executive officer are
7 all part of the budget.

8 We are recommending to you that these guidelines
9 provide that management can move sums from one line up and
10 down in that vertical column without Board authority. So
11 that if they need to hire a consultant to carry out existing
12 policy, and they don't have any money in the temporary
13 employee line, and they do have money in the personnel line
14 or the personnel benefits line, then they can move monies
15 from those places into the temporary employee line so that
16 they can hire the temporary employee they need.

17 That's an added area of flexibility for management
18 that does not require any Board or committee oversight. They
19 just have to notify us afterwards, when they have done it,
20 but it makes further clear that if they want to take money
21 from the General Counsel's Office and turn it over and move
22 it to the Executive Office, that they need our authorization

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1 and should come and seek it first.

2 After we adopt the guideline, we have an example
3 of both instances. We've also formally provided in these
4 guidelines for the use of the contingency account, which is
5 the \$97,000 that is in the M&A budget, and we've indicated
6 that that money may be used for an existing -- in any area
7 without Board authority by management to address their needs
8 as long as it's consistent with overall policy.

9 If they want to do -- if management is proposing
10 something new and different from what they have previously
11 indicated, in all respects, they should come back to the
12 Board and seek authorization. I think the guidelines will
13 help both management and the committee and Board grapple with
14 a tough issue, and that is making sure that we carry out our
15 responsibility without hampering the appropriate execution of
16 management's responsibilities.

17 CHAIRMAN WITTGRAF: Mr. Shumway.

18 MR. SHUMWAY: In the budget that we prepared to
19 submit to Congress as our request for appropriations, we had
20 some discussion about the status of a minority point of view.
21 Is there anything in these guidelines that addresses that
22 subject? Are we precluding that, or are we just going to

1 continue as we have in the past, when there is disagreement
2 with the budget?

3 CHAIRMAN WITTGRAF: Okay. I think the
4 consolidated operating budget really reflects the budget
5 that's been appropriated, based upon the appropriations we
6 have. My impression of the way we left the discussion three
7 weeks ago today was that any member -- and I think Mr. Kirk
8 has followed up on that -- who wants to either singularly or
9 collectively present separate ideas or a separate budget to
10 the Congress can and will do so, based upon, I guess, the
11 precedents established by Leanne Burnstein and Tom Smeagle,
12 among others, as our predecessors on the Board.

13 I don't know that it has anything to do with these
14 guidelines as such, because these have to do with the money
15 that exists for the current fiscal year, and I think what
16 you're talking about would be the recommendation for the next
17 fiscal year. Mr. Dana.

18 MR. DANA: That's correct. The Attachment D to
19 the guidelines does set up a schedule of what is anticipated,
20 but it is exactly the same schedule that we follow now, and
21 it in no way addresses issue of -- it provides for the
22 development of and submission to Congress of a Board

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1 recommendation, but it doesn't preclude a minority
2 recommendation in any way.

3 CHAIRMAN WITTGRAF: Mr. President, did you want to
4 say anything regarding the committee-recommended guidelines
5 for adoption, review, and modification of the consolidated
6 operating budget for the Corporation. Mr. President?

7 MR. O'HARA: No. No comment.

8 CHAIRMAN WITTGRAF: Further discussion? Mr. Hall?

9

10 (No response.)

11 CHAIRMAN WITTGRAF: Hearing none, those who are in
12 favor of the motion, which is the adoption of the guidelines
13 with the two amendments or changes noted by Mr. Dana will
14 signify by saying aye.

15 (Chorus of ayes.)

16 CHAIRMAN WITTGRAF: Those who are opposed, nay.

17 (No response.)

18 CHAIRMAN WITTGRAF: The ayes appear to have it.
19 The ayes do have it. The guidelines as presented and amended
20 are adopted. Mr. Dana.

21 MR. DANA: Thank you, Mr. Chairman. Consistent
22 with the guidelines that we have just adopted, management has

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1 made a series of internal adjustments within the Executive
2 Office COB line, that are described on pages 2 and 3 of the
3 March 6th David Richardson memo that is before you.

4 Under paragraph 4 of the guidelines, we have been
5 advised by that. We have just been notified of that. We
6 don't have to take any action. Management has also proposed
7 the abolition of the Office of Policy Development and
8 Communications, and the moving of the archives and central
9 files and depository in the law library to the Office of
10 Financial and Administrative Services, and those changes are
11 described on pages 1 and 2 of David's memo and, pursuant to
12 paragraph 5 of guidelines, require our approval, and the
13 committee unanimously recommends your approval.

14 CHAIRMAN WITTGRAF: Thank you, Mr. Dana. Forgive
15 me.

16 M O T I O N

17 MR. DANA: The committee unanimously recommends
18 your approval of the reallocations between lines that are
19 described in Mr. Richardson's memo of March 6, 1992, on pages
20 1 and 2.

21 CHAIRMAN WITTGRAF: I'll take the committee's
22 action, then, as a motion to that effect. Is there

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1 discussion?

2 (No response.)

3 CHAIRMAN WITTGRAF: Hearing none, those who are in
4 favor of the committee report, now in the form of a motion,
5 will signify by saying aye.

6 (Chorus of ayes.)

7 CHAIRMAN WITTGRAF: Those who are opposed, nay.

8 (No response.)

9 CHAIRMAN WITTGRAF: The ayes appear to have it.
10 The ayes do have it. The reallocation motion is adopted.
11 Mr. Dana.

12 M O T I O N

13 MR. DANA: Mr. Chairman, attached to David's memo
14 is the matrix for M&A after those two changes have been made,
15 and I would ask that this matrix be attached to the minutes
16 of this meeting, and, for future reference, it is the new and
17 improved and revised budget for the Corporation.

18 Mr. Chairman, in our deliberations, we reviewed,
19 in a fiscal context, the matter that is Item on your agenda
20 today, and after an extended discussion, the committee
21 unanimously recommended something in the neighborhood of the
22 following: That the management consider

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1 that, without prejudice to spending less, and without
2 prejudice to seeking more authority from the Board, that it
3 establish a budget of approximately \$300,000 for furniture
4 and equipment for the new office space.

5 There is a memorandum that has been presented
6 which deals with the fact that management is bringing in the
7 renovations well under the allowance that has been provided
8 in our contract. For the Board's understanding of this
9 issue, we have a lease, and the landlord has provided
10 approximately \$2 million for renovations, moving costs, and
11 related expenses.

12 The balance would be returned to the Corporation
13 in a rent rebate. For those of you who have not had the
14 experience of walking around our existing quarters and
15 looking at our facility, most of the furniture appears to be
16 governmental reject from somewhere during one of the Great
17 Wars. I'm not sure which.

18 We have a unique opportunity here, within the
19 budget that we have, to update the appearance of our
20 quarters, and rather than pay probably more money than it is
21 worth to transport lousy, tired, and nonfunctional furniture
22 to the new spaces, we are recommending that management spend

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1 a significant amount of money conservatively, carefully, and
2 in every other way to put our new facility -- to outfit our
3 new facility.

4 The committee unanimously recommends that we take
5 half of the money and treat that as a budget without
6 prejudice of spending less or certainly without prejudice of
7 coming back and asking to spend more of it, if that
8 reflection becomes important.

9 CHAIRMAN WITTGRAF: You've given that guidance, as
10 I understand it, to Corporation's management?

11 MR. DANA: It's in the form of a recommendation to
12 the Board for its action.

13 CHAIRMAN WITTGRAF: And that's for a ceiling of
14 \$300,000, is it?

15 MR. DANA: A ceiling that we are affirmatively
16 -- it's a target of \$300,000. We do want to indicate that if
17 we can do it for less, that's fine, and if we need more, they
18 should certainly consider coming back and asking for it.

19 CHAIRMAN WITTGRAF: And the committee would like
20 the Board's endorsement of that guidance?

21 MR. DANA: We would.

22 CHAIRMAN WITTGRAF: We'll take the committee's

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1 report, then, as a motion made and seconded. Discussion
2 about furniture? Mr. Hall.

3 MR. HALL: Howard, I understood, listening in on
4 you all's committee that what you wanted to do is you wanted
5 David to look around and see what was available, and he was
6 trying to get some idea from you on how much money you wanted
7 him to look around with.

8 Is it my understanding that what you want to
9 actually do is to spend that \$300,000 and buy furniture, or
10 is he just to report back and say, "If you all want, this is
11 what we can get"? I'm confused.

12 MR. DANA: It was sort of an Alphonse and Gaston
13 routine. They would like very much to go out and get bids,
14 but they don't want to do that if we're going to say, "Well,
15 after the bids come in here," we'd say "You can only spend
16 that much," and also time is wasting, and they hope to be in
17 the facilities by, if not June 1, July 1.

18 So they want. We gave them a budget within which
19 management should feel comfortable, really where Mr. O'Hara
20 is the final word on how much under \$300,000 they can spend.
21 So they can negotiate internally after they get bids.

22 MR. O'HARA: Could I comment, Mr. Chairman?

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1 CHAIRMAN WITTGRAF: Mr. President.

2 MR. O'HARA: Mr. Dana, thank you. Mr. Hall, with
3 regard to the replacement and replenishment of the furniture,
4 we've been working within the Corporation, the staff
5 directors primarily, with David to come up with a list of
6 things that we need almost right away, furniture that is
7 really not usable.

8 Let me give you an example. We had a young
9 attorney -- I think this was two weeks ago -- who sat down
10 in a chair, the chair collapsed. That might seem funny,
11 except that attorney is now in a brace, and I think that we
12 don't have a lot of chairs like that, but we do have some.

13 Some of the furniture, it may be from a couple
14 wars ago. I'm not sure. But I think we're going to be very
15 careful in what we do. I think if we can find enough
16 furniture and enough chairs and enough cabinets, whatever we
17 need, and we don't need the \$300,000, we're not going to
18 spend just to reach the \$300,000. We would rather replace as
19 we need it down the road. So we would use only from that
20 what we absolutely need.

21 CHAIRMAN WITTGRAF: Mr. Dana.

22 MR. DANA: The examples of -- I've been advised

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1 that in the inspector general's office there is a sofa, and
2 on there is a sign on the sofa which says, "Do not sit on
3 this side of the sofa." Apparently, it just collapses when
4 you do. You can sit on the other side, it's fine. For
5 instance, there are no files that lock in the Inspector
6 General's Office.

7 CHAIRMAN WITTGRAF: Mr. Molinari.

8 MR. DANA: Mr. Dana, there is a housing authority
9 pink sofa available back in New York City, you may or may not
10 have heard about. Well, if you get out of city, you wouldn't
11 know about it, but great flap over how much money was spent
12 on this pink sofa. So if you don't mind pink.

13 MR. DANA: Have you got a deal for us?

14 CHAIRMAN WITTGRAF: I hope, Mr. Dana, that that
15 sofa is not viewed as our, in some manner or fashion,
16 undermining the IG concept at the Corporation.

17 MR. DANA: Well, we're trying to do something
18 about it, Mr. Chairman.

19 MR. HALL: Mr. Chairman.

20 CHAIRMAN WITTGRAF: Mr. Hall.

21 MR. HALL: I'd also like to know how Howard knows
22 that none of the files lock in the IG's office.

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1 (Laughter.)

2 CHAIRMAN WITTGRAF: He's been told that by former
3 employees of the Corporation, I understand. Further
4 discussion about furniture?

5 (No response.)

6 CHAIRMAN WITTGRAF: Hearing none, I believe we
7 have a motion giving a target guidance figure to the
8 Corporation's management. Those who are in favor of the
9 motion will signify by saying aye.

10 (Chorus of ayes.)

11 CHAIRMAN WITTGRAF: Those who are opposed, nay.

12 (No response.)

13 CHAIRMAN WITTGRAF: The ayes appear to have it.
14 The ayes do have it. The motion is adopted. Mr. Dana.

15 MR. DANA: Finally, Mr. Chairman, the committee
16 reviewed a series of funding options for the Republic of the
17 Marshall Islands and the Federated States of Micronesia that
18 have been prepared by staff at our request.

19 We heard from Clint Banberger who, in a prior
20 life, headed the predecessor of Legal Services at OEO. He
21 was the first, I think, to be executive vice president of the
22 Legal Services Corporation, and he, I am advised, in an even

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1 prior life, taught some law to our current president.

2 Mr. Banberger is, sort of, the stateside minister
3 without portfolio acting on behalf of Micronesia, which, for
4 those of you who weren't here -- we all know what Micronesia
5 is. It's a series of islands in the Pacific. The territory
6 that surrounds those islands is larger than the Continental
7 United States.

8 Three-quarters of the population are now in these
9 two countries that are not part of the United States, and
10 therefore not subject to the U.S. Census, and since their
11 funding is census-based, it presents a problem for doing it.

12 Management has given us eight options. Mr.
13 Banberger, Ellen Smead, and some of the friends in the
14 audience and on the Hill have agreed to work together to come
15 up with language that we can give the appropriate
16 congressional committees to deal with this issue in the
17 upcoming appropriation language. So I think that problem is
18 on the way to being solved.

19 That concludes my report.

20 CHAIRMAN WITTGRAF: And that doesn't require any
21 action by the Board then?

22 MR. DANA: Correct.

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1 CHAIRMAN WITTGRAF: Okay. Further discussion
2 regarding the report of the Audit and Appropriations
3 Committee? Any questions for Mr. Dana?

4 (No response.)

5 M O T I O N

6 CHAIRMAN WITTGRAF: Hearing none, the Chair is
7 prepared to entertain a motion that we proceeded to Closed or
8 Executive Session at this time. Mr. Rath, is there a second?

9 MR. MOLINARI: Second.

10 CHAIRMAN WITTGRAF: Second from Mr. Molinari.
11 Discussion?

12 (No response.)

13 CHAIRMAN WITTGRAF: Hearing none, those who are in
14 favor of the motion to proceed at this time to Closed or
15 Executive Session of the Board will signify by saying aye.

16 (Chorus of ayes.)

17 CHAIRMAN WITTGRAF: Those who are opposed, nay.

18 (No response.)

19 CHAIRMAN WITTGRAF: The ayes appear to have it.
20 The ayes do have it. We will proceed to Executive Session
21 with the understanding that as we do, we'll have a ten-minute
22 personal convenience break, that we will meet during lunch,

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(1:28 p.m.)

1
2 CHAIRMAN WITTGRAF: The meeting will be in order
3 once again. The Office of Inspector General Oversight
4 Committee did not have an opportunity to meet, I don't think
5 had a compelling need to meet, although presumably will, in
6 the next month or two at least, for purposes of receiving and
7 responding to the next semi-annual report of the inspector
8 general.

9 I don't believe there is any report to be
10 received, so we'll move on to the next agenda item published
11 No. 13, the report of the Committee for the Provision and
12 Delivery of Legal Services. Mr. Hall.

13 CONSIDERATION OF PROVISION FOR THE DELIVERY OF
14 LEGAL SERVICES COMMITTEE REPORT

15 MR. HALL: Thank you, Mr. Chairman. The
16 Provisions Committee did meet yesterday with all members in
17 attendance, and we discussed three things: the procedures
18 for making the unsolicited and meritorious grants; we
19 discussed the policy that the Corporation currently has
20 toward making interstate subgrants, and we talked about the
21 retention and recruitment issues and explored some different
22 ways to do that.

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1 Ellen Smead began the meeting on the first issue
2 by producing a very well-done chart that gave us a history of
3 what the Corporation has done since 1987, concerning the
4 meritorious unsolicited grants. And it broke out the
5 different grants into six different categories: pro bono,
6 training, self-help, material development, internships, and
7 emergency. It showed us how much had been spent on each, the
8 purpose of each, and through testimony, that was developed.

9 I understand that most if not all of these
10 programs were successful in their purpose. With the
11 exception of the emergency grants, which I subtracted out
12 dollar-wise, it appears that since '87, the Corporation has
13 made these types of grants in the amount of \$67,000 per year
14 up to just over \$200,000 in another year. I forget which
15 ones were which, but that's kind of a range from year to
16 year.

17 If you added on the emergency, it would be
18 increase those figures somewhat. I kind of see them as two
19 different types of categories, so I subtracted that out.

20 She continued, then, with the presentation on the
21 procedure, suggested procedure that the Corporation would use
22 to make these meritorious grant awards. She produced a very

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1 fine chart, which I'm sure many of you have seen, that shows,
2 I think, what the Corporation does now when they make law
3 school grants. It basically followed that pattern.

4 Basically, it is a system of preliminary reviews,
5 merit reviews, recommendation from the Office of Field
6 Services, and different components such as MAC -- I'd like to
7 call it VIC, instead of OTC, since there is three letters
8 there as well -- can review it, and give their input, and
9 then, basically, it goes on to the President to either make
10 or not make. If he does, of course, the award documents are
11 issued, and the fund are spent, and MAC reviews it later on.

12 I think this is going to be refined somewhat, and
13 I think that the field wants to respond to this. By our next
14 meeting, I hope to have something that we can recommend, so
15 that we can get this show on the road, so far as this
16 concerned.

17 I think once we come up with the procedure, that
18 will probably with the end of this committee's work on this
19 issue, because the amount of money, I guess, is still up in
20 the air on how much will be available. There were a couple
21 of draft Federal Register notices that were offered. I
22 suppose amounts are the only thing that differ in those.

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1 Anyway, that is kind of a target date, so far as
2 summing up this issue. The subgrant issue, Ellen continued
3 and presented a paper on that issue, which, again, gave the
4 historical position of the Corporation in making the
5 interstate subgrants, which is that they're not favored and
6 generally not made.

7 We learned that there is no prohibition against
8 making them in the Act itself, or at least our memories were
9 refreshed about that point. However, there were several
10 sections in the Act that seem to indicate that they were
11 disfavored by the Act, and we went over each of those.

12 Harrison McIver responded that the Corporation
13 should not take the position of completely shutting out these
14 types of awards. There may be a situation, an emergency
15 situation, or perhaps a situation where some temporary
16 training needed to be done, so we should keep an open mind to
17 it and approach it on a case-by-case basis. I believe that
18 Harrison may present a paper to me with their position
19 spelled out.

20 The last thing that we looked at was the attorney
21 training -- not training, but the retention and recruitment.
22 Leslie Russell, from the Corporation, spoke to us on that.

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1 He brought our attention to different
2 organizations that currently have some type of loan repayment
3 program. He discussed the National Association for Public
4 Interest Law, which apparently is an organization that
5 promotes loan assistance programs, and gave examples of the
6 things that they've done, and that's presented in the paper
7 that I'm sure everyone has provided with as well.

8 He also gave us instances of several state
9 programs, what they do. There is just a variety of different
10 ways to be done. Apparently, a lot of the programs may
11 require you to be committed to your service for maybe a two-
12 year period or more.

13 There was one that you could stay in as long as
14 you wanted to, and, for each year you stayed in, a little bit
15 more your loan was paid. It seemed like almost all of them
16 had a cap of right over \$300 per month in payment on their
17 loans.

18 So there was a lot of different ideas to do that,
19 and I'm sure we will be developing that further. Joe, do you
20 or Jeanine have anything to add to that, our ex-officio
21 member?

22 CHAIRMAN WITTGRAF: Mr. Hall.

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1 MR. HALL: If not, that's it.

2 CHAIRMAN WITTGRAF: Let me ask one question to
3 begin with. Looking ahead to our appearance before the House
4 Appropriations Subcommittee on March 25, on the question of
5 attorney recruitment and retention or loan repayment
6 assistance programs and our asking the Congress for some
7 specific funds dedicated to that end, is your committee
8 leaning in any particular direction at this point that we
9 would want to use in representing our thinking to that
10 subcommittee at this time or not?

11 MR. HALL: Well, this member is not as far along
12 on this particular topic as the others. I don't know about
13 Jeanine or Joe. I know that I did plan to review the
14 transcript, and there was quite a bit more than that
15 presented by Mr. Russell that I, apparently, didn't glean,
16 and must do so upon reading the transcript, when I get it.

17 CHAIRMAN WITTGRAF: At this point -- Ms. Love.

18 MS. LOVE: I'd like for Mr. McIver's paperwork,
19 I'd like to see it in the way he's thinking on. If he could
20 get it to us soon, before we go to Texas, I'd like to have
21 it.

22 CHAIRMAN WITTGRAF: Mr. McIver, was your

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1 presentation simply oral yesterday, or was it written as
2 well?

3 MR. MCIVER: My presentation was oral, and it was
4 limited to the interstate subgrant issue. You may recall the
5 February meeting, I think it was the February meeting -- no,
6 January meeting, where we testified in support of the
7 fellowship program, and we would continue -- we would
8 continue that position that some fellowship program, some
9 combo of the loan forgiveness/fellowship program should be
10 considered and promoted by the Board.

11 CHAIRMAN WITTGRAF: Did you give to the members of
12 the Board or to the Corporation staff a copy or copies of the
13 presentation you made, then, in January?

14 MR. MCIVER: Yes, I did.

15 CHAIRMAN WITTGRAF: Mr. President, I don't know if
16 we all received copies of that, but I'm sure that you and the
17 staff could make sure that we've got them. If I'm
18 understanding Ms. Love's concern, particularly if the
19 Provisions Committee meets again in April, she and the others
20 would like to have copies of Mr. McIver's presentation
21 available then.

22 At this point there really is no consensus on your

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1 committee as to the best approach to take, then, Mr. Hall, if
2 I understand you?

3 MR. HALL: I think we've looked at the loan
4 repayment a lot more than we have the fellowship model, and
5 why, I don't know. I don't think there is any favor over
6 one. I don't know if it's one versus the other or not at
7 this time. I just know that that's the one that we looked at
8 more, probably know more about, but we have no recommendation
9 for you at this time.

10 CHAIRMAN WITTGRAF: Further questions for Mr. Hall
11 or discussion of his committee's report?

12 (No response.)

13 CHAIRMAN WITTGRAF: Thank you, Mr. Hall. The
14 Special Reauthorization Committee did not meet this morning.
15 I think Mr. Uddo had hoped that it would be possible for them
16 to meet earlier today, but then he had a conflict in court
17 this morning, I believe, and was unable to be here to preside
18 over that meeting.

19 We do have already, from Mr. Boehm, of course, a
20 copy of the House Judiciary Committee draft reauthorization
21 bill, and it probably would behoove us, and particularly the
22 members of that committee, to review that and to have the

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1 opportunity to familiarize themselves before probably the
2 next Board meeting, at which time Mr. Uddo will probably want
3 to have a meeting of the committee.

4 Aside from that copy, I think Mr. Boehm indicated
5 that the House leadership has not given any indication of
6 which we are aware or of which he, Mr. Boehm, is aware
7 regarding when the matter of reauthorization legislation will
8 proceed to debate on the House floor.

9 Does anybody have any questions or comments
10 regarding the reauthorization issue? Mr. Dana.

11 MR. DANA: Mr. Chairman, I think that many of us
12 are conflicted concerning the reauthorization bill. I know
13 the IG has expressed his concerns with respect to several
14 parts of it. The committee has not met to review the IG's
15 concerns.

16 Although I think that most everyone would like to
17 move the reauthorization process along, it is this Board
18 member's hope that we get something out of the House. It
19 moves to the Senate where I think we will have another
20 opportunity in a drafting stage to make our views known to
21 the appropriate committee in the Senate, but unless we get it
22 out of the House, we're not going to have an opportunity to

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1 do that.

2 I'm not sure exactly how much the committee can do
3 that is constructive prior to getting to the Senate, but if
4 there is, I'm sure we'll do it.

5 CHAIRMAN WITTGRAF: Any further discussion
6 regarding the matter of reauthorization?

7 (No response.)

8 CONSIDERATION OF BOARD MEETING SCHEDULE

9 FOR THE BALANCE OF 1992

10 CHAIRMAN WITTGRAF: If not, we'll turn to Agenda
11 Item No. 15, Board meetings scheduled for the balance of this
12 year. Let me suggest that you turn to the last few pages of
13 the Board booklet, where Ms. Batie has put together, at my
14 urging, projected schedule for committee meetings.

15 Let me make a couple of comments by way of
16 introduction. In my experience, I guess, in 1990, we
17 functioned largely as the committee of the whole, we as Board
18 members, and devoted ourselves primarily to two things: one
19 was familiarizing ourselves with the responsibilities of the
20 Corporation and the activities of its grantees, and the
21 second, of course, was the hiring of a new president for the
22 Corporation.

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1 In 1991, our committee structure was activated.
2 We began some committee work, but ended up spending a lot
3 more time again on personnel, probably, than we had
4 anticipated, both for the office of President and for the
5 office of Inspector General. We did spend some time in the
6 field in 1991, I think time well spent, particularly in
7 Jackson and Portland, in giving us the opportunity to meet
8 with program directors and to expand our education.

9 For 1992, I had attempted, with Ms. Batie's
10 assistance, to project a fairly full meeting schedule
11 covering about 10 of the 12 months, with the thought that our
12 committees would be busier than they had been before.

13 We don't have regulatory authority, as I think we
14 all understand, and short of confirmation, I'm not sure that
15 we will have it in the foreseeable future. The earliest at
16 this point would be October 1 of 1992, I believe, and that
17 may not happen.

18 We have finally, in 1992, I think come to grapple
19 with some substantive issues. Aside from budgetary matters,
20 we've also been attempting to grapple with the matter of
21 competition, with the matter of timekeeping, with the matter
22 of special programs to help retain attorneys at the grantees,

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1 with the effort of alternative dispute resolution and,
2 perhaps, as I suggested this morning, it being a way to deal
3 with some of the farmer/migrant labor problems that continue
4 to be a political thorn for all of us.

5 I'm not very optimistic about the reauthorization
6 process. I'll say, at the best, there is, maybe, a 50/50
7 chance we'll move forward. Personally, I think it's probably
8 less than that. So that the issues that have bedeviled the
9 reauthorization process such competition and timekeeping and
10 farmer/migrant labor problems, I think, will continue,
11 perhaps even with reauthorization, will continue.

12 I think it's necessary for us to try to deal with
13 those issues as best we can, and I'd like to think that's
14 what we've been doing the last six to eight months and will
15 continue to do this year.

16 That, in general terms, I guess, is why I had
17 anticipated a fuller meeting schedule for us this year and
18 have projected something along those lines. Now, we did
19 discuss this morning having the annual conference with the
20 field or the providers in September, in Minneapolis -- late
21 September, September 25th. And I'd like to think that that
22 would take the place of both the September and October

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1 meeting, absent some other business that I don't foresee at
2 the moment.

3 At least in November and probably in December,
4 we'll be back into the appropriations process. We have some
5 new monies to carry out some of the new initiatives that
6 we've proposed in our funding request. If we do, we'll need
7 to move in that direction. If we don't, we still have to
8 develop, as subjected by the time line that's a part of the
9 guidelines we adopted this morning, we need to begin working
10 on our FY 1994 request.

11 So that at least late in the year, I think we will
12 be busy again. At the moment, that would mean no July
13 meeting and a combined September-October meeting, but
14 meetings in most of the rest of the months, and, in general
15 terms, that's my thinking.

16 In more specific terms, April would take us not
17 only for the hearing that Mr. Hall is preparing for his
18 committee, but also would take us to Texas at the same time
19 that the ABA's pro bono committee or section is having its
20 annual meeting, and also, I think, some of us have been asked
21 to participate in a Legal Services symposium in Austin at
22 that same point in time. So there is a confluence of two or

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1 three meetings there.

2 In June, we have a trip to central Iowa, where the
3 House Appropriations Subcommittee Chair resides, and I'm
4 hoping that he will be with us at that time, and also an
5 opportunity to see the important national training facility
6 at the Drake University School of Law, about which many of
7 you have heard.

8 August, we're hoping to meet in conjunction with
9 the ABA and have an opportunity to let ABA leaders, in
10 addition to the president, Mr. Dalembear, share with us their
11 ideas and concerns at that time, and that's the thinking
12 behind August in the San Francisco area.

13 I realize it's a cold time to be in San Francisco,
14 but, perhaps, we can endure that. We've talked about
15 September-October, and then November would bring us back to
16 Washington, and December would be optional, somewhat
17 depending upon the work that needs to be done.

18 In general terms, those are my thoughts, and,
19 obviously, I'm happy to hear the thoughts or concerns of
20 others of the Board members. It is more than the four times
21 that the statute talks about, but I'd like to think that in
22 light of about a threefold increase in funding since 1974,

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1 and in light of, sort of, the hiatus of the Corporation's
2 activities during the 1980s, and in light of my hope to
3 revolve some of these political issues as best we can, in the
4 absence of congressional action, meeting eight, nine, ten
5 times makes sense, at least for this Board member.

6 MR. DANA: Mr. Chairman.

7 CHAIRMAN WITTGRAF: Mr. Dana.

8 MR. DANA: I share your assessment. I would only
9 make one observation, and that is that we do have regulatory
10 authority, and we can change regulations of this Corporation,
11 we can't do it until -- if we change it, it would not take
12 effect until October 1, but we're coming up on a point in
13 time when a regulatory process could go forward, should we
14 choose to do that.

15 I think we're talking about that in the context of
16 timekeeping, and I think we should also, if we are going to
17 proceed in that area, I would recommend to the committee on
18 Regulations and Operations that we again endeavor to clean up
19 the regulatory -- our regulations.

20 There are several regulations that have been
21 suspended by Congress, and they are in a state of great
22 uncertainty, and I think that, given a memo to management,

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1 management has responded about a year ago to it, and there
2 are back and forth memos that maybe could be distributed to
3 your committee, Mr. Rath, to consider possibly cleaning our
4 regulations up as part of this effort.

5 It ought to be done between now and October,
6 because it's the regulations that we change during this
7 period that would, in fact, go into effect on October 1,
8 1992.

9 CHAIRMAN WITTGRAF: If, in fact, we have
10 regulatory authority, we could be frozen out of regulatory
11 authority once again for the next fiscal year, in the absence
12 of confirmation.

13 MR. DANA: The Congress can do virtually anything,
14 but they have not taken regulatory authority away from us.
15 They haven't taken it ever. All they have said is that,
16 "Anything you do can't go into effect until the beginning of
17 the next year."

18 In effect, they want an opportunity to look over
19 our shoulder, but that doesn't mean we have to do nothing.
20 Because we have a parent looking over our shoulder, we can
21 still act in a limited way.

22 CHAIRMAN WITTGRAF: Is this kind of like a

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1 learner's permit, is that it, in driving? Mr. Hall.

2 MR. HALL: If we don't do anything to clean up
3 these pending regulations, are there a set of facts or
4 circumstances that might occur that would bring those
5 regulations into law? If we don't do anything, what would
6 happen?

7 CHAIRMAN WITTGRAF: Mr. Dana.

8 MR. DANA: My understanding is that some of them
9 have been adopted and have been suspended by Congress. Some
10 of them have been frozen in their development along the
11 regulatory process. It's been a year since I looked into
12 this, but there are a series of regulatory actions taken by
13 predecessor Boards that Congress found so objectionable that
14 they've put in our appropriation language, riders that
15 suspend their effectiveness, but they are our regulations.

16 So we've got a set of regulations that are being
17 enforced, and we have a set of regulations that are
18 suspended, and we have the power to change them, at least
19 respectively, and make it clear what our intention is with
20 respect to these suspended regulations.

21 MR. RATH: If I might, Mr. Hall, on the more
22 narrow issue, which is what I thought we were on of Agenda

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1 Item 16 about the frequency of meetings, bring it back to
2 that, what I'm hearing is I think what those of us on the
3 Operations and Regulations Committee know, is that we are a
4 rather full plate. Having labored long in obscurity, we are
5 stepping out into a little sunshine here lately.

6 We've got a lot of work to do, and I would think
7 that we would need to keep meeting on a regular basis. And,
8 quite honestly, given the interest and the significance of
9 those issues, it is helpful to do it at or around a Board
10 meeting so that we don't lose much in the translation, in
11 terms of bringing it from the committee directly to the
12 Board.

13 I would hope that much of is done is going to be
14 done along the timetable that, Mr. Chairman, you've
15 suggested. So that I would think we would need, much as it
16 is a personal inconvenience, some amount of frequency on a
17 monthly basis between now and the fall, although I am
18 grateful for small favors with no July meeting.

19 CHAIRMAN WITTGRAF: And if you complete your good
20 works in those areas, apparently Mr. Dana has some other
21 things for you to concern yourselves with.

22 MR. RATH: Well, that's right. Our cup runneth

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1 over.

2 CHAIRMAN WITTGRAF: Mr. Shumway.

3 MR. SHUMWAY: My concern is not so much with the
4 number of meetings that you envision between now and the end
5 of the year, but more with the timing of the meetings. I
6 would like to be very active in this committee process, but
7 the committee meetings are necessarily scheduled before the
8 Board meetings, and the pattern has been to schedule the
9 committees on Sunday.

10 There are a couple of constraints that I face on
11 my participation on Sunday meetings. One, of course, is the
12 travel time from the West Coast. Most of our meetings are in
13 the east, and I understand the reasons for that, and they're
14 good reasons. Secondly is a very personal
15 reason, but I have a substantial responsibility in my church,
16 and I hate to be gone one Sunday out of four and not to do
17 what I should do in that regard. So if there were some way
18 of structuring the timing of our meetings so that committees
19 didn't always meet on Sunday, because it really makes it very
20 difficult for me to be involved. I don't know what to
21 suggest. I'm sure these things have been talked about
22 before, but for a West Coast member of the Board, it's very

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1 difficult.

2 CHAIRMAN WITTGRAF: For the Operations and
3 Regulations Committee, which we're talking about
4 particularly, I think it would be possible, as in January,
5 perhaps, Mr. Rath, to have a morning meeting, a Monday
6 morning meeting. That doesn't allow for any turnaround time,
7 if there is something that the staff needs to do in
8 preparation, then, for the Board meeting, the turnaround time
9 of just a few hours during the early part of the Board
10 meeting. Mr. Rath.

11 MR. RATH: Well, I just want to echo my
12 colleague's concerns here. I think Mr. Shumway's involvement
13 is critical to moving this process along, and we appreciate
14 his efforts and would want to do whatever we could to
15 accommodate his schedule. At least, as Chair of that
16 committee, I have no problem to meeting Monday morning.

17 Typically, we don't look for a great deal of staff
18 turnaround. What we try to do is provide a continuing kind
19 of prod to the process and keep it moving and allow them to
20 think on what we are seeing as problems.

21 If we needed to, we have been able, at least on
22 one occasion -- we could do it again -- to schedule meetings

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1 between the Board meetings in Chicago, or someplace like
2 that, which is doable for most of us in some fashion. So I
3 am very sensitive to Norm's concerns, and I think we should
4 try to accommodate them, from a meeting standpoint.

5 MR. SHUMWAY: The Chicago schedule was doable for
6 me, because I could come and go in one day, and that's a very
7 convenient thing. If we could do that, I could --

8 MR. RATH: I think it's really a question, Mr.
9 Chairman, if we have a sufficient agenda, that would, from a
10 cost benefit analysis, permit us to bring everybody in there
11 for that single meeting.

12 So I hear what you're saying, and I think maybe if
13 we could work, at least in the time being while Ops and Regs
14 stays as busy as it is, to do those on the mornings before
15 the meeting to get everybody here, I'd appreciate that.

16 CHAIRMAN WITTGRAF: Mr. McIver.

17 MR. MCIVER: Nothing regarding the meeting
18 schedule, but regarding Ops and Regs jurisdiction over the
19 regulations. Currently programs out there don't know what
20 regulations are what.

21 I understand that you may be looking at making
22 some changes, but in terms of what is the current status of

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1 regulations and having a document published and clear as to
2 what the programs should follow, I think that would be very
3 helpful, because we even, in Washington, are trying to scurry
4 around to fine out what's currently enforced and what's not.

5 If you have a document even now compiled that
6 would indicate what regulations these programs are obligated
7 to follow would be very helpful.

8 CHAIRMAN WITTGRAF: Mr. Rath.

9 MR. RATH: I'm going to inquire whether a motion
10 to adjourn is in order, before we get anything more dumped on
11 our plate.

12 CHAIRMAN WITTGRAF: No rest for the wicked. We'll
13 take this as a commendation of the good works of your
14 committee. Further discussion regarding the meeting
15 schedule?

16 (No response.)

17 CONSIDERATION OF OTHER BUSINESS

18 CHAIRMAN WITTGRAF: Other business? Mr. Dana.

19 MR. DANA: Do I have other business? I think I
20 do.

21 CHAIRMAN WITTGRAF: Mr. Rath.

22 MR. RATH: Do you recall what your other business

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1 is, Mr. Dana. If you don't --

2 MR. DANA: No, but I think you do.

3 CHAIRMAN WITTGRAF: Mr. Rath.

4 MR. RATH: Before I move to adjourn, I think what
5 I would like to raise is an issue that I think all of us have
6 been copied on, which is a letter from the president of the
7 Farm Bureau concerning a set of circumstances with a
8 particular piece of litigation, and I guess I would like to
9 ask, on behalf the Board, make a request to the president,
10 would you review the particulars of that particular piece of
11 litigation and get back to us in a timely fashion, and,
12 perhaps, prepare a response for Mr. Wittgraf? Well, for Mr.
13 Wittgraf on behalf of the Board?

14 CHAIRMAN WITTGRAF: You understand the letter to
15 which he's referring, Mr. O'Hara? Have you seen a copy of
16 that?

17 MR. O'HARA: Thank you, Mr. Chairman. Yes, I
18 have, and, in fact, I faxed it to all of the Board members
19 when I came in, because I wasn't sure whether or not you had
20 seen it.

21 CHAIRMAN WITTGRAF: Actually, I think there are
22 two different letters. There was one written to us

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1 individually as Board members expressing concern about the
2 level of funding for the Corporation and talking particularly
3 about an alleged abuse of judgment or discretion by a
4 program, and I think that's the allegation take we wish
5 checked into.

6 Also, I believe my fellow Iowan, Mr. Kleckner,
7 wrote to the President of the United States and suggested
8 that perhaps the Board is out of control, and I guess the
9 facts or the circumstances as they evolve in the future will
10 respond to that, but I think we would like to respond to the
11 specific allegation about the specific program.

12 Thank you. Other business?

13 Mr. Rath.

14 M O T I O N

15 MR. RATH: I move to adjourn.

16 CHAIRMAN WITTGRAF: Is there a second?

17 MR. SHUMWAY: Second.

18 CHAIRMAN WITTGRAF: Motion by Mr. Rath, with a
19 second by Mr. Shumway, that we adjourn. Those who are in
20 favor will signify by saying aye.

21 (Chorus of ayes.)

22 CHAIRMAN WITTGRAF: Those who are opposed, nay.

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