1 TRANSCRIPT
2 OF THE
3 LEGAL SERVICES CORPORATION
4 MEETING OF THE
5 BOARD OF DIRECTORS
6
7
8 COLUMBIA ROOM
9 CAPITOL HOLIDAY INN
10 550 C ST., S.W.
11 WASHINGTON, D.C.
12
13 FRIDAY, MAY 24, 1985
14 9:20 A.M.
15
16 PRESENT:
17 W. Clark Durant, III, Chairman, Claude Swafford,
18 Thomas Opsut, Basile Uddo, Hortencia Benavidez,
19 Robert Valois, Pepe Mendez, Thomas Smegal,
20 Michael Wallace, Lorain Miller, Paul Eaglin,
21 LeaAnne Bernstein

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

2 CHAIRMAN DURANT: The meeting of the Legal
3 Services Corporation Board of Directors for Friday
4 May 24, 1985 is now in session. The first item on
5 our agenda is to approve the agenda. Wait a second.
6 Excuse me, the very first item on our agenda is an
7 invocation by Father James Cohen.
8 Father Cohen, for those of you who don't
9 know, is a neighbor of ours in our building and has
10 been having a ministry, you might even say an
11 existential ministry, or, to use a lawyer's phrase,
12 anybody who walks in the door, he tends to his needs,
13 and we are very pleased that he is with us in our
14 building and with us this morning.
15 Father, if you would give us an invocation,
16 I would appreciate it, as would the Board.
17 FR. COHEN: Anyone who walks in my door is
18 a client.
19 (Laughter.) Almighty God, Father. As we
20 put our foot in the face of the mountain of prayer,
21 help us to realize that you don't want us to come as

1 philosophers poking around with creation trying to
2 assure ourselves that you are. Rather, let us put
3 on the energy of faith and go out beyond our knowing,
4 for you are the unknown. As we come up the mountain
5 we come up as lawyerly people and we seek from you
6 the energy, the wisdom, the conviction to practice
7 the law in such a way as to promote civility in
8 society, to promote a passion for peace and a
9 pursuit of justice.
10 We ask this most of all for your favorite
11 people, God, the poor, that the passion for the law
12 on the part of the lawyer will give the poor the
13 opportunity to be self-creative, self-reliant, able
14 to take out of this wealthy land of ours that which
15 you in truth and justice and love would will them to
16 have through their own creativity which you have
17 given to them.
18 We ask this knowingly dreaming the
19 impossible dream, but let lawyers be dreamers, God,
20 they need that romance in their lives. We ask this
21 through Christ our Lord.

1 CHAIRMAN DURANT: Thank you, Father. The
2 next item will be approval of our agenda. Can I
3 have a motion to that effect?
4 MS. BERNSTEIN: I move we adopt the agenda.
5 CHAIRMAN DURANT: Any second?
6 MS. MILLER: Second.
7 CHAIRMAN DURANT: Discussion. All of
8 those in favor say aye.
9 (Chorus of ayes.)
10 CHAIRMAN DURANT: Opposed.
11 (No response.)
12 CHAIRMAN DURANT: Carried. We will need a
13 motion also to go into executive session later today.
14 May I have such a motion?
15 MR. UDDO: So moved.
16 MS. BERNSTEIN: I second it. Do you want
17 it stated?
18 CHAIRMAN DURANT: Yes. Go ahead.
19 MS. BERNSTEIN: As stated in the board
20 book, a portion of the meeting is to be closed to
21 discuss personnel, personal, litigation and

1 investigatory matters under the Sunshine Act, 5
2 U.S.C. 552 (b)(c)(2), (6), (7), (9)(B), and (10),
3 and 45 CFR 1622.5(a), (e), (f), (g), and (h).
4 That is what I seconded.
5 CHAIRMAN DURANT: Before we roll call this,
6 do you want to certify? Do you want to roll call
7 first?
8 MR. MENDEZ: Yes.
9 CHAIRMAN DURANT: We will roll call first.
10 Paul?
11 MR. EAGLIN: First, I would like to say
12 that I don't have sufficient information on number 8.
13 I am not aware of any personnel or personal matters
14 that need to be dealt with. I am aware of
15 litigation matters that would be the subject and I
16 am prepared to vote on that, but I don't have
17 sufficient information to allow me to decide that we
18 need an executive session for personnel or personal
19 matters, but I am willing to vote on the one and not
20 on the other.
21 MR. OPSUT: We do have a matter concerning

1 indemnification of some former employees of the
2 corporation.
3 MR. EAGLIN: That is under litigation?
4 MR. OPSUT: No.
5 MR. MENDEZ: Personnel.
6 MR. EAGLIN: Yes.
7 CHAIRMAN DURANT: Roll call? Paul?
8 MR. EAGLIN: Yes.
9 MS. SWAFFORD: Yes.
10 MS. BENAVIDEZ: Yes.
11 MR. UDDO: Yes.
12 MS. MILLER: Yes.
13 MS. BERNSTEIN: Yes.
14 MR. OPSUT: Yes.
15 MR. WALLACE: Yes.
16 MR. SMEGAL: Yes.
17 MR. VALOIS: Yes.
18 MR. MENDEZ: Yes.
19 CHAIRMAN DURANT: Yes.
20 Mr. Bagenstos.
21 MR. BAGENSTOS: All of the members of the

1 Board of Directors of the Legal Services Corporation
2 have approved the closing of a portion of its
3 meeting held on Friday, May 24, 1985 at 9:00 a.m.
4 The closing is approved in order to discuss
5 personnel, personal and investigatory matters.
6 I certify that in my opinion the closing
7 is authorized by the Government in the Sunshine Act
8 Title 5 U.S.C. 552(b)(c)(2), (6), (7), (9)(B) and
9 (10), and the Legal Services Corporation Regulations
10 45 CFR 1622.5(a), (e), (f), (g), and (h).
11 CHAIRMAN DURANT: I have three brief
12 introductions to make before we go any farther. We
13 have three very distinguished guests in our audience
14 today. One is Joseph Uddo, 10 years old, the son of
15 one of our board members.
16 Joseph, will you stand up, please? He is
17 standing. Next to him are two of his companions,
18 Hope Durant and Maggie Durant. Glad to have you.
19 (Applause.)
20 CHAIRMAN DURANT: The next item on our
21 agenda is approval of our minutes. Have my fellow

1 board members had an opportunity to review the
2 minutes? One of the few prerogatives of the
3 Chairman is to introduce special guests.
4 (Pause.)
5 CHAIRMAN DURANT: If everybody has had a
6 chance to review the minutes, I will entertain a
7 motion to accept them.
8 MR. EAGLIN: Mr. Chairman, on page 5 --
9 CHAIRMAN DURANT: Before we get into that,
10 can we have a motion?
11 MR. MENDEZ: I move that we accept the
12 minutes.
13 MR. VALOIS: Second.
14 CHAIRMAN DURANT: Any discussion?
15 MR. EAGLIN: On page 5, the third line
16 from the bottom, the reference to Appendix A, was
17 the intention to refer to Appendix A to the minutes
18 or Appendix A that was being referred to at the time
19 of that meeting? It is unclear to me.
20 CHAIRMAN DURANT: It is not clear to me
21 either. I thought it was --

1 MR. EAGLIN: I don't have an Appendix A to
2 my minutes is why I am asking.
3 MR. MENDEZ: Appendix A --
4 MR. EAGLIN: Is that something that was
5 referred to at the meeting, is that it?
6 MR. MENDEZ: That is what was referred to
7 at the meeting, was Appendix A that we were
8 discussing at that time.
9 CHAIRMAN DURANT: Would you like to have
10 that language added?
11 MR. EAGLIN: It would probably be good to
12 add it. I have a blank last page. Amend it just to
13 have Appendix A put on that last page.
14 CHAIRMAN DURANT: I think this is an
15 excellent suggestion.
16 MR. MENDEZ: Attach Appendix A then.
17 MR. WALLACE: It is a single sheet.
18 MR. EAGLIN: Just print it on that last
19 page when you do the final minutes.
20 CHAIRMAN DURANT: Will you accept that as
21 a friendly amendment to your motion?

1 MR. MENDEZ: Sure.

2 CHAIRMAN DURANT: Any other comment on the

3 minutes?

4 MS. BERNSTEIN: I just have a question on

5 page 8. The bottom of the page there is talking

6 about the description of the agenda items proposed

7 for discussion in closed session. That was not my

8 memory of how I stated and discussed with Mr. Duga

9 what it was. The quoted section is what I

10 remembered. I am wondering whether or not there is

11 a little bit of an overstatement.

12 I would just ask that we recheck the

13 transcript and, since there was a discussion about

14 the exact meaning of what we were voting on, I would

15 suggest that we simply check the transcript and

16 defer the adoption of these minutes until the next

17 meeting.

18 The quoted section I remember. I think

19 that the other section is a little bit overphrased

20 of what was discussed, because it was a concern at

21 the time. I think that we get into in detail about

1 what is actually enclosed within it and we do in
2 fact defeat the purpose.
3 MR. WALLACE: I remember the discussion
4 and frankly I don't remember the precise form of the
5 words we chose.
6 MS. BERNSTEIN: That is why I am
7 questioning it. But it was a concern.
8 MR. WALLACE: Mr. Chairman, I would hope
9 that we could approve the minutes subject to
10 re-opening after we have had a chance to check the
11 transcript. We could modify them at the next board
12 meeting. I think it is important that we get the
13 right form of words.
14 CHAIRMAN DURANT: Dennis, will you make
15 sure?
16 MR. DAUGHERTY: I have the transcript if
17 Ms. Bernstein would like to review it and wishes to
18 consider it as a revision today.
19 CHAIRMAN DURANT: Mr. Eaglin.
20 MR. EAGLIN: Perhaps we can also have,
21 since we are working on the minutes, have the

1 general counsel state precisely what the corrected
2 language would be and put that in the minutes. That
3 is what we want in our record, isn't it?
4 MS. BERNSTEIN: Except that I voted on it
5 on the basis of what was stated at that time.
6 MR. MENDEZ: Mr. Chairman, I move that we
7 amend page 8, the last paragraph and the top of page
8 9 and move a substitute of the transcript for those
9 pages.
10 MS. BERNSTEIN: That is fine.
11 CHAIRMAN DURANT: You are making a
12 friendly amendment to your own motion.
13 MR. VALOIS: I second it.
14 MR. EAGLIN: Which part is being changed,
15 Mr. Mendez, just that last paragraph?
16 MR. MENDEZ: Yes.
17 MR. EAGLIN: From the bottom of page 8 and
18 continuing to page 9?
19 MR. MENDEZ: That is the part in issue.
20 We will substitute the transcript for that paragraph.
21 CHAIRMAN DURANT: All right. Will that

1 address your concern, Mr. Eaglin?

2 MR. EAGLIN: Yes, it probably would,

3 except if that much is going to be changed,

4 beginning at the part where the board reconvened,

5 there may have been a number of --

6 MR. MENDEZ: Speak up, I can't hear you.

7 MR. EAGLIN: It refers to the board

8 reconvening at 4:05 p.m. and perhaps a number of

9 pages of transcript took place there or are recorded

10 there before you finally get to this discussion.

11 Isn't it just that discussion that you want put into

12 the minutes?

13 MR. MENDEZ: That is correct.

14 MR. EAGLIN: I agree with that.

15 CHAIRMAN DURANT: I think that deals with

16 your question. Any further discussion?

17 (No response.)

18 CHAIRMAN DURANT: We will be voting on the

19 original amendment with two friendly amendments to

20 it. All those in favor say aye.

21 (Chorus of ayes.)

1 CHAIRMAN DURANT: Opposed.
2 (No response.)
3 CHAIRMAN DURANT: I have one prerogative
4 of the chair, one other introduction that I would
5 like to make. Mr. Howard Swafford has come into the
6 room and with him is his grandson, Graham. I want
7 to attest to the fact that Howard Swafford is one
8 absolutely wonderful tour guide, as he has taken
9 these children around this city. I would like to
10 take a moment to simply applaud him and thank him.
11 (Applause.)
12 CHAIRMAN DURANT: After all, anybody who
13 wears bow ties has to be all right.
14 The next item on the agenda is our report
15 from our interim president, Mr. Tom Opsut.
16 MR. OPSUT: Thank you, Mr. Chairman.
17 Since our last meeting I would like to report the
18 following things: First of all, in our executive
19 session the last time after consultation with you I
20 appointed Charles Jarvis to the office of vice
21 president of the corporation. Also discussed in the

1 executive session was the litigation update. There
2 were no decisions made as a result of those
3 discussions.
4 On May 1st of 1985 the hearing officer in
5 the funding proceeding involving the National
6 Clients Council issued his recommended decision and
7 that is presently before me at the moment for
8 consideration.
9 I have this week made the awards for the
10 Elderlaw money. Those awards are as follows: The
11 Law School Clinic, Franklin Pierce Law Center will
12 receive $100,000; Brooklyn Law School, $97,150;
13 George Washington Law School, $92,122; Campbell Law
14 School, Campbell University, $48,975; West Virginia
15 Law School, $80,000; University of Alabama, $92,000;
16 Stetson University, $80,000.
17 MR. EAGLIN: Which one?
18 MR. OPSUT: Stetson. Thomas M. Colby Law
19 School, $56,829.78; Southern Illinois University,
20 $80,861; University of New Mexico $100,000; Thurgood
21 Marshall $86,220; the University of Nebraska $99,070;

1 Lewis & Clark, $55,200; McGeorge Law School,
2 $100,000; the University of Utah, $60,000; William
3 and Mary Law School, $80,000; University of Texas,
4 $75,000; Drake Law School, $100,000; and Catholic
5 Law School, $99,750, for a total of $1,583,177.78.
6 It is a total of 19 grants. In addition to that,
7 awards out of the Elderlaw money have been made for
8 source materials to the following entities in the
9 following amounts: University of Southern
10 California, $50,000; Milwaukee Young Lawyers, $4558;
11 Center for Public Interest, $22,712; the Maryland
12 State Bar Association, $5000, and the University of
13 Pittsburgh, $25,000.
14 There is one more pool of money out of the
15 $2 million appropriated by Congress for those funds.
16 Those recommendations are supposed to come to me
17 today. We are trying to meet the July 1 deadline of
18 having the money distributed.
19 Also since the last time we met we have
20 attended the following Congressional hearings; House
21 Appropriations, Senate Appropriations, and House

1 Judiciary committees. I was accompanied to the
2 House Appropriations by Mr. Mendez and Chairman
3 Durant and to the Senate Appropriations and House
4 Judiciary by Chairman Durant and I am pleased to
5 announce that all of you were favorably reported out
6 of the Senate Labor Committee and I hope that the
7 next step will be getting you four confirmed and it
8 happens soon and favorably. I congratulate you on
9 that. That ends my report unless there are any
10 questions.
11 CHAIRMAN DURANT: Thank you, Mr. Opsut.
12 Are there any questions?
13 MR. OPSUT: I have one more thing. I do
14 have a seven-page memo on the status of
15 re-authorization in the Congress, which I will get
16 out to the board members.
17 CHAIRMAN DURANT: Mr. Wallace, a report
18 from your committee, Operations and Regulations --
19 Presidential Search. Claude, my apologies, you are
20 first.
21 MS. SWAFFORD: Thank you, Mr. Chairman.

1 Let me report that the process is proceeding for the
2 selection of the president for the Legal Services
3 Corporation. The committee is now composed of the
4 entire board. I would like to say that we have
5 received some 250 applicants, of which each member
6 of the committee has had access to the entire resume.
7 We have completed seven meetings. Most of
8 these meetings have been in conjunction with our
9 board meetings, to save expenses as much as possible.
10 At the February 13th committee meeting the committee
11 convened to receive public comment and input into
12 the search process. We have made a conscious effort
13 to do just this. We have received thoughtful and
14 provocative questions from the New York Upstate and
15 Suburban Association of Legal Services Project
16 Directors and also the Legal Aid Society of Central
17 Texas. The committee appreciates this input into
18 the search process and we are still open to receive
19 any questions or any suggestions that might be
20 forthcoming.
21 CHAIRMAN DURANT: Thank you. Any

1 questions or comments?

2 (No response.)

3 CHAIRMAN DURANT: Mr. Wallace?

4 MR. WALLACE: Thank you, Mr. Chairman. On

5 behalf of the Committee on Operations and

6 Regulations, I am happy to present the final

7 approval of two sets of regulations which are ready

8 to be put into the Code of Federal Regulations. As

9 you recall from the minutes we just read, at the

10 previous meeting of this board we approved part 1601

11 of the bylaws of the corporation and part 1622 of

12 the regulations on the Sunshine Act. They were

13 fully explained at the last meeting. They were

14 approved. We put them out for republication in the

15 Federal Register because there had been some

16 substantial changes from the time they had

17 originally been published in the Federal Register in

18 January. The comment time has expired on each of

19 these sets of regulations. We have no new comments,

20 no comments at all on either set of regulations.

21 At its meeting last month, my committee

1 approved these regulations again and passed them on
2 to the board in the form the board approved them two
3 months ago at our previous meeting. I don't think
4 there is any occasion to go over the details of them
5 again because we did them last time.
6 All that has happened since is that they
7 have been republished. We have had no comments. My
8 committee has approved them and we are ready for the
9 board to approve them.
10 Taking them separately, Mr. Chairman, on
11 behalf of my committee I move that the board adopt
12 part 1601 of the bylaws of the Legal Services
13 Corporation as approved at our previous meeting and
14 republished in the Federal Register.
15 MR. SMEGAL: Second.
16 CHAIRMAN DURANT: Any discussion?
17 (No response.)
18 CHAIRMAN DURANT: All those in favor say
19 aye.
20 (Chorus of ayes.)
21 CHAIRMAN DURANT: Opposed.

1 (No response.)

2 CAIRMAN DURANT: Hearing none.

3 MR. WALLACE: By the same token, Mr.

4 Chairman, on behalf of my committee I move that this

5 board adopt part 1622, public access to meetings

6 under the Government in the Sunshine Act, as

7 approved at the previous meeting of the board and

8 republished in the Federal Register.

9 MS. MILLER: Second.

10 CHAIRMAN DURANT: Any discussion?

11 (No response.)

12 CHAIRMAN DURANT: All those in favor say

13 aye.

14 (Chorus of ayes.)

15 CHAIRMAN DURANT: Opposed.

16 (No response.)

17 CHAIRMAN DURANT: So passed.

18 MR. WALLACE: Mr. Chairman, we have one

19 other set of regulations which will require some

20 explanation. It is not quite as far along the line

21 as the two we just adopted. It is part 1620 on

1 priorities and allocations of resources. My
2 committee has approved them as amended. We are
3 going to ask this board to approve them as in the
4 board book and we are going to ask that they be
5 republished in the Federal Register as the other
6 regulations have been.
7 Ms. Bernstein looks quizzical.
8 CHAIRMAN DURANT: Do you have a question?
9 MS. BERNSTEIN: I thought this was on the
10 agenda for yesterday's meeting to be approved by the
11 committee.
12 MR. WALLACE: The priorities were on?
13 MS. BERNSTEIN: I am willing to be
14 corrected, Mike, but I am wondering whether the
15 committee is actually taking a vote on them.
16 MR. WALLACE: We took a vote on priorities
17 last March that gapped the minutes we just approved.
18 You will recall we went to executive session. Then
19 we reconvened my committee at 3:30 and we approved
20 the priorities and --
21 MS. BERNSTEIN: In that form?

1 MR. WALLACE: In final form. It was taken
2 care of at that brief meeting in March. So not
3 having had a board meeting since, we are now ready
4 to present these to the board as approved by the
5 committee. Priorities is a matter that we wrestled
6 with a great deal because the act requires local
7 input, indeed local control over the setting of
8 priorities, and we are trying to impose procedures
9 that will make sure, to the extent any regulation
10 can, that our local grantees are going to consider
11 the needs of their clients, the needs of their
12 communities in setting priorities for the use of
13 their scarce resources. It is a difficult thing to
14 do.
15 There were some things that frankly we
16 found confusing in the previous section of the
17 regulations. We think those have been taken care of.
18 For instance, let me just walk through it. In part
19 1620.1 we deleted the last half of that sentence, "It
20 is further designed to ensure that all potential
21 eligible clients are provided substantially equal

1 access to the same types of services and levels of
2 representation." We decided what that was was
3 simply an attempt to try to restate in shorthand
4 everything that follows in the next four or five
5 sections. We decided it was somewhat confusing
6 shorthand and that it would be better to delete it,
7 leaving merely the first half of that sentence as
8 stating our purpose in this regulation.
9 In Section 2, 1620.2, the main thing we
10 did was to add that in conducting the appraisal of
11 needs and in setting priorities to the extent
12 feasible a recipient should include outreach to
13 eligible clients, which may include the use of such
14 techniques as questionnaires and surveys.
15 Now, we are not trying to mandate to local
16 programs that they use questionnaires and surveys.
17 A scientific public interest sampling poll is going
18 to be expensive and it may be inaccurate, but the
19 programs that are big enough, we feel that they have
20 the expertise and resources to do surveys right. We
21 would certainly encourage that. We think going out

1 and talking to your client community is the absolute
2 best thing you can do in setting your priorities.
3 To the extent you are capable of doing scientific
4 survey techniques, do them. You are encouraged to
5 do them. You are not mandated to do them by this
6 regulation.
7 I will say at this point that I think it
8 is the sense of my committee, I hope it will be the
9 sense of the board, that our Office of Field
10 Services, or whatever component of our staff would
11 be appropriate, should be working on this and
12 devoting some time to putting together a survey
13 document, training techniques, something to help our
14 recipients in setting their priorities because we
15 want this done right and we want our people to give
16 all the help to the recipients they possibly can. I
17 don't think we have any concrete proposal to make as
18 to how that could be done. It is something we will
19 have to look at.
20 CHAIRMAN DURANT: Mr. Wallace, if I might,
21 Greg Dallaire of the Evergreen Legal Services

1 Program in, I think it is Washington or --

2 MR. WALLACE: Washington.

3 CHAIRMAN DURANT: In his testimony before

4 the House Judiciary Subcommittee made a couple of

5 very, I thought, astute observations. One of them

6 is that there needed to be certain kinds of training

7 and attention to compliance matters with the field

8 and the corporation. With your permission, I would

9 ask our secretary, Mr. Daugherty, to contact Mr.

10 Dallaire and see what suggestions he might have

11 specifically at this particular point.

12 MR. WALLACE: You don't need my permission,

13 Mr. Chairman, but I think that is a good idea.

14 CHAIRMAN DURANT: Would you make a note of

15 that, please?

16 MR. WALLACE: This is important. I think

17 most of us were at confirmation hearings. They

18 heard my exchange of thoughts with Senator Kerry on

19 setting priorities. I think it is just about the

20 most important and most difficult thing that we have

21 before us. This regulation is not a cure for the

1 problem. It is simply some guidance. It sets some
2 procedures and thought patterns that we think our
3 recipients ought to take into account. If we can
4 give them technical assistance to help them do the
5 job right, we ought to be doing it. The regulation
6 can't do that, but maybe the Office of Field
7 Services can.
8 In Section 2(b) we made just a couple of
9 changes, but both of them I think are important. We
10 added one word in Subsection 6, that they should
11 take into account the relative importance of
12 particular legal problems of the individual clients
13 of the recipients. We certainly want to encourage
14 our recipients not to look at their clients as an
15 undifferentiated mass of people. Their clients are
16 individuals that come before them with legal
17 problems, and the insertion of that word is simply
18 to emphasize that fact.
19 We also added Subsection 9, requiring to
20 consider whether legal efforts will result in the
21 efficient and economic delivery of legal services.

1 That is our statutory language and we think it is
2 important that that be kept in the forefront of
3 everybody's mind.
4 Subsection 3 has to do with access and, as
5 you can see, we made quite a few changes here
6 because we wanted to remove misleading terminology
7 and to deal with the problem of access as best you
8 can in the form of words. We have eliminated such
9 matters as substantially equal access, which was in
10 the first part. We still have a reasonably equal
11 access in here, but we have taken out the term "level
12 of representation." Maybe they really couldn't
13 understand what a level of representation means. If
14 you have a client, you represent the client, you
15 give that client the representation that he needs,
16 consistent with the nature of his problem. That
17 language has been taken out.
18 We have also authorized boards of
19 directors to take into account different priorities
20 based on the higher incidence of a particular legal
21 problem with a considerably higher cost of providing

1 services in particular areas. Some of these areas
2 cover a large geographic area. There are costs in
3 trying to reach every nook and cranny of the area.
4 You ought to be able to take it into consideration,
5 and also the higher incidence of a particular kind
6 of legal problem. There may be areas which have
7 unusual needs that you don't find anywhere else.
8 Black lung problems with miners, that would be in
9 part of an area and not someplace else. The
10 distribution of legal problems is not uniform over
11 the country and not uniform over a particular
12 service area. So we ought to be able to take that
13 into account.
14 The biggest change in this section deletes
15 a couple of sentences and adds a sentence. There
16 was substantial concern that we were going to
17 mandate the caseloads and the expenditures ought to
18 be equal county by county or parish by parish within
19 the service area. That is because the previous
20 language had said reasonably proportional, the
21 distribution of eligible clients by county or parish.

1 That language is gone.

2 What we are saying is we want you to keep
3 in mind your responsibility to be effective and
4 economical at all times, but keeping that in mind,
5 try to spread your resources reasonably
6 proportionately across your area. We are not
7 interpreting this to require any rigid standard for
8 dollar expenditures or number of clients served. We
9 are simply saying keep this in mind. Don't put all
10 of your money into one part of your area, but we are
11 not going to have a quota system by county for where
12 your resources go.

13 In point 4 we eliminated B because that is
14 obviously out of date. It tells people what to do
15 by June 30, 1984, which is passed. So that is gone.
16 An annual review, we are not requiring priorities be
17 set every year. You don't have to go through the
18 whole massive study program to set your priorities
19 every year, but you do have to review those
20 priorities every year.

21 The board of directors has to review those

1 priorities every year. You have to make an annual
2 report on how you have reviewed your priorities,
3 what kind of job you have done, and that has to be
4 available to this corporation and to the general
5 public.
6 One set of language we changed farther
7 down there, we no longer talk about case acceptance
8 schedule because nobody was quite sure what that is.
9 We do talk about policies and procedures established
10 under 1620.4 of these regulations. That is an old
11 part of the regulation.
12 We have always told them to establish
13 policies and procedures and all we are doing is
14 saying that when you write your report, you ought to
15 tell us how those policies and procedures are being
16 carried out.
17 Mr. Chairman, this is not a perfect set of
18 regulations because the priority setting process is
19 not perfect. It is sort of impressionistic. I
20 think the word "existential" has been used once
21 already this morning. It is not science and we

1 don't have the control and probably we shouldn't
2 have the control to tell people what their
3 priorities ought to be.
4 We do want to tell people your most
5 important concern is to do the job effectively and
6 efficiently and concentrate on the individual client
7 and to look hard every year at how you are doing
8 your job. That is what these regulations try to do.
9 We think this is a good first step and we
10 hope that OFS and the rest of our staff will be able
11 to provide the kind of technical assistance that you
12 and Mr. Dallaire have been talking about, and on
13 behalf of my committee I would move that the board
14 approve these regulations as printed in the board
15 book and that they be republished in this form in
16 the Federal Register for further comment.
17 CHAIRMAN DURANT: Is there a second to
18 that motion?
19 MR. SMEGAL: Second.
20 CHAIRMAN DURANT: Any substitution?
21 MS. BERNSTEIN: No. I cleared it up.

1 This isn't in final form.

2 MR. WALLACE: They have been approved by

3 our committee, but they do have to get republished

4 because we have had some substantial changes here.

5 CHAIRMAN DURANT: One minor thing. I

6 didn't see Mr. Broccoletti in here a minute ago.

7 Peter, would you -- and I just talked to Dennis --

8 would you contact Greg Dallaire on the issues that

9 he raised in his testimony, which I reviewed,

10 regarding technical assistance on certain kinds of

11 compliance items, and see what ideas he has,

12 particularly as it applies to the priorities

13 regulation that we are about to republish?

14 MR. BROCCOLETTI: Yes.

15 CHAIRMAN DURANT: Any further discussion?

16 (No response.)

17 CHAIRMAN DURANT: As a former staffer on

18 the House side, I notice you did a marvelous job

19 there trying to establish the legislative history.

20 (Laughter.)

21 MR. WALLACE: If Bradley were living, he

1 would have a fourth kind of lie with this
2 legislative history.
3 CHAIRMAN DURANT: Any further discussion?
4 (No response.)
5 CHAIRMAN DURANT: All those in favor say
6 aye.
7 (Chorus of ayes.)
8 CHAIRMAN DURANT: Opposed?
9 (No response.)
10 CHAIRMAN DURANT: Hearing none, the motion
11 carries.
12 MR. WALLACE: That completes the report of
13 my committee, but on the agenda we do mention
14 private attorney involvement. We do not have a
15 recommendation to make. We had a good meeting on
16 that subject yesterday. We have some data on how
17 the program is working, which was in those yellow
18 books on the tables. The members of the board have
19 not yet seen them. You might find that interesting.
20 We would ask for further thoughts on that data and
21 on any other matters relating to the regulations and

1 we hope to be able to approve these regulations at
2 our next meeting in Detroit next month. That
3 completes our report.
4 CHAIRMAN DURANT: Mr. Wallace, when I was
5 back in Washington on one of my trips, I made a
6 point of going by and visiting Mr. Willie Cook's
7 program here in town and Mr. Cook mentioned some
8 concerns that he had regarding private attorney
9 involvement. Since I see him in the audience now,
10 Mr. Cook, on this issue -- we will come back to some
11 of the others that I know you want to talk about on
12 audit and appropriations, but if you have some
13 comments that you would like to make for board
14 consideration on private attorney involvement, I
15 invite you forward.
16 MR. COOK: Thank you, Mr. Chairman. I am
17 Willie Cook, the project director in the Washington,
18 D.C. program. I put my name on the agenda for that
19 particular item because I have some very strong
20 views about that. My views haven't changed since
21 this board or at least some of your predecessors

1 started to deal with that matter.

2 As we discussed when you visited my

3 program, my view is that private bar involvement is

4 extremely important for those of us in Legal

5 Services who work around the country. My point of

6 departure is that I think that it is absolutely

7 insane for the corporation to require those of us in

8 the field to put aside the kinds of monies that we

9 are presently spending for private bar involvement.

10 For instance, in my program we are

11 spending $193,000 in 1985 for private bar

12 involvement. I think that private bar involvement

13 is important, but I think that the resources for

14 that involvement ought to come from the private bar.

15 I don't think that scarce funds for legal services

16 ought to be used in that effort. The private bar

17 ought to put up the funds in terms of that

18 involvement.

19 In my own case, in our own case here in

20 D.C., for instance, we are faced with raising

21 $200,000 in 1985 in order to balance our budget. It

1 is rather interesting that what we are spending for
2 private bar involvement almost equals that. I just
3 don't think that it makes any sense to put that kind
4 of burden on local programs when we are dealing with
5 scarce dollars.
6 One of the other points that I made to you
7 was the one that I have made in years past. One of
8 the suggestions that I made to one of your
9 predecessor boards was how we look at private bar
10 involvement. The point that I raised was we have a
11 rather unique situation with a law firm in the
12 District of Columbia, Covington & Burling. We have
13 had that relationship for the last 15 years.
14 Covington keeps three attorneys, two paralegals, and
15 two secretaries working in our neighborhood offices
16 on a full-time basis. They come in teams and they
17 rotate every six months.
18 We estimate that the value of that
19 contribution is between $200,000 and $250,000 per
20 year.
21 The thing that I pressed with the Office

1 of Field Services some years ago, and was turned
2 down, was that it seemed to me if you are going to
3 talk about private bar involvement, what we are
4 talking about is the total amount of money that a
5 program spends on delivery of services to the
6 community. It doesn't matter where that money
7 and/or resources comes from.
8 My suggestion was that in terms of private
9 bar involvement for the District of Columbia, since
10 we have had the kind of relationship with private
11 firms for a number of years, that we be allowed to
12 use that contribution; i.e., that pro bono or
13 volunteer contribution from Covington and other law
14 firms, as our private bar involvement money. We
15 were turned down on that because the people at LSC
16 insist that you must include not money from the
17 outside, but money from your basic field grant.
18 It illustrates in my view why it is
19 essential that local programs be given flexibility
20 in dealing with private bar involvement. It makes
21 no sense to come up with a rigid rule as the

1 corporation has come up with in terms of mandating
2 private bar involvement. We ought to have
3 flexibility.
4 Number 1, I think the 12-1/2 percent
5 figure is insane. There was no reason given for
6 that. They just arbitrarily raised that percentage.
7 I don't agree with the 10 percent. I don't think
8 there ought to be any requirement monetarily for
9 private bar involvement, but there ought to be
10 flexibility that is left to the local programs. I
11 think that it is a mistake the way the board is
12 proceeding on this because it is really strangling a
13 lot of us in the field.
14 CHAIRMAN DURANT: Thank you, Mr. Cook.
15 Thanks also for your time when I came to visit.
16 MR. COOK: Welcome back. Just come before
17 5:00.
18 CHAIRMAN DURANT: I thought all lawyers
19 worked between 4:30 and 7:00.
20 (Laughter.)
21 CHAIRMAN DURANT: The next item on the

1 agenda is our report from Mr. Mendez on the Audit
2 and Appropriations Committee. Mr. Mendez?
3 MR. MENDEZ: Mr. Chairman, the Audit and
4 Appropriations Committee took up the subject of the
5 reorganization of the Office of Field Services.
6 After discussion the committee unanimously agreed to
7 recommend postponing consideration of the
8 reorganization to Detroit.
9 The committee recommends to the board that
10 the board take some testimony this morning
11 concerning some issues raised at our board meeting.
12 The committee recommends and I move that the board
13 accept jurisdiction to consider the issue of
14 reorganization of the Office of Field Services. In
15 other words, we are bucking it up to you.
16 MR. WALLACE: I will second that.
17 CHAIRMAN DURANT: I think I'd better vote
18 against this one. You are bucking it to the full
19 board to look at?
20 MR. MENDEZ: Yes.
21 CHAIRMAN DURANT: Any discussion on that?

1 I do want to take some testimony either from Mr.
2 Osterhage or Mr. Broccoletti.
3 MR. MENDEZ: That is correct. I would
4 like to have the motion voted on first.
5 CHAIRMAN DURANT: Any further discussion
6 on it?
7 (No response.)
8 CHAIRMAN DURANT: All those in favor say
9 aye.
10 (Chorus of ayes.)
11 CHAIRMAN DURANT: Opposed?
12 (No response.)
13 MR. MENDEZ: Mr. Chairman, I would like to
14 get on the record from Mr. Uddo that he had
15 conversations with Mr. Braude yesterday. Would you
16 please state what the conversation was?
17 MR. UDDO: I had explained to Braude that
18 I wanted to hear from Mr. Broccoletti today some
19 explanation of the question that Mr. Roche raised
20 yesterday, about the figures and the accuracy of the
21 figures given the circumstances of fewer offices,

1 how travel and phone expenses and the like would be
2 less. So Mr. Braude was informed of that and he
3 said he understood we would be better served to have
4 that information today since we intend to act on
5 this at the next board meeting.
6 MR. MENDEZ: I don't see him here. I gave
7 him my word that we wouldn't be taking any action on
8 this thing, not that it makes any difference to me
9 whether he is here or not. I wanted to make sure it
10 was on the record that we weren't doing anything
11 that we had told him that we weren't going to do.
12 CHAIRMAN DURANT: Who did you want to have
13 testimony from?
14 MR. UDDO: Whoever is prepared to answer
15 some of Mr. Roche's concerns.
16 CHAIRMAN DURANT: What a story it would be
17 if we took action on this today.
18 (Laughter.)
19 MR. BROCCOLETTI: Before I go into the
20 questions that you had about the line items, let me
21 first just say a couple of words, if I may. One of

1 the regional directors commented that what we have
2 in regard to regional reorganization is a pig in a
3 python. What I think we have is a mummy and the
4 mummy is dragging its foot. In order to shore up
5 that bad leg and take the wraps off we are going to
6 need to reorganize.
7 We have a very inefficient system, lots of
8 duplication of effort, wasted resources and it makes
9 no sense to have an office with no permanent
10 employees in Boston, two permanent personnel in
11 Seattle, two permanent secretaries and no
12 professional staff in Philadelphia.
13 With that short statement, I would like to
14 introduce Gail Francis, who is our manager of budget
15 for Field Services, and she is going to talk about
16 the line items to explain the differences.
17 MS. FRANCIS: Good morning. I guess I
18 will go line by line. That was the way that Mr.
19 Roche, I think, asked the question.
20 CHAIRMAN DURANT: Gail, I can't hear you.
21 MS. FRANCIS: Personnel compensation and

1 employee benefits, first --

2 MR. MENDEZ: What page are you on?

3 MS. FRANCIS: Page 43. First, apparently

4 I think Mr. Roche was under the impression that the

5 $5.2 million represented budgets for regional

6 offices and the evaluation unit. In fact, it covers

7 the entire Office of Field Services Division,

8 including the other units and headquarters. The

9 $4.1 million budget also represents the proposed

10 1986 budget plan for the entire Office of Field

11 Services Division.

12 The differences between the 2.5 and 2.6

13 first, presumably there will be savings generated on

14 the personnel line due to certain vacancies in the

15 regional offices. For the most part, many of those

16 vacant positions were budgeted at less than 12

17 months or zero dollars in 1986, such that I think

18 the significant savings that Mr. Roche was under the

19 impression might occur in 1985 will not, in fact,

20 translate into dollars because there was never a

21 budget associated with a slot.

1 The 2.6 -- and there are, I believe, 104
2 slots included in the 2.5 budget. However, there is
3 something like 40 vacancies at this point in time
4 and I would say only about a third of them had any
5 budgets associated with them in 1985.
6 MR. UDDO: So actually that figure would
7 be higher if they had all been budgeted?
8 MS. FRANCIS: Yes, sir.
9 MR. UDDO: Can you estimate how much of it?
10 MS. FRANCIS: I would say over $3 million,
11 somewhere between 3.1 and 3.4.
12 The proposed budget provides for a staff
13 of 81 persons -- I am sorry, 52 persons in the
14 central office, 19 of which under the Monitoring and
15 Evaluation unit, 29 persons in the four regional
16 offices and the Native American unit for a total
17 staffing of 81 persons.
18 That 2.6 does provide for 12-month
19 salaries for those 81 persons and we have built in a
20 10 percent slippage factor for attrition, late
21 starts, et cetera, such that the actual amount or

1 the 12-month amount is roughly $2.9 million, minus
2 the 290 brings it back to 2.6. It also includes
3 fringes at 10.85 for persons hired for January 1,
4 1984 and 16.6 for those individuals which have been
5 or will be hired after the 1st of January 1984.
6 The next line item, temporary personnel
7 and consultants, I think Mr. Roche had indicated
8 that probably these two lines should be added
9 together. He is correct. There is a significant
10 number of temporary personnel within both the
11 regional offices and the Office of Field Services
12 headquarters which are serving as staff. We have a
13 number of consultant and temporary personnel persons
14 which either will be moved into some of the
15 permanent slots in the 1986 budget or those
16 individual services will be terminated by the end of
17 the fiscal year. So that is getting back to about
18 that $3.1 million number that we are talking about
19 if you add those two lines together.
20 Monitoring consultants and travel expense,
21 it is our expectation again that it costs

1 approximately $1 million to maintain normal
2 monitoring operations would remain relatively the
3 same under the current budget and under the proposed,
4 I guess, annualized allocation for 1986 of roughly
5 $1 million, such that I think Mr. Roche was asking
6 the question, well, how many dollars are we talking
7 about? We are talking about approximately $1
8 million out of the 1985 budget, approximately a
9 million dollars out of the 1986 budget and that
10 later amount of $1 million, that would be catch up
11 money out of the 1984 carryover, that is the
12 monitoring dollars that we are considering.
13 MR. WALLACE: The carryover is not
14 reflected on this chart?
15 MS. FRANCIS: No, sir. Other travel and
16 transportation, largely that is travel outside of
17 monitoring. A lot of it is more over in the
18 headquarters offices than the regional offices and
19 that is where, in terms of being able to come back
20 down to the 4.1, we made significant cuts in the '86
21 allocation. Some travel will be necessary in 1986.

1 A lot of it in fact is associated with some of the
2 program development work that is taking place right
3 now, but we will not require as much travel in 1986.
4 MR. UDDO: That was one of Mr. Roche's
5 concerns, is that if you look at 3 and 4 in
6 projecting $263,000, almost $264,000, less total
7 travel with fewer offices, and his point is that you
8 can't reduce the number of offices and reduce the
9 travel budget because presumably there will be more
10 travel involved with several offices.
11 MS. FRANCIS: The nature of the travel is
12 not related to monitoring; it is other kinds of
13 things.
14 MR. UDDO: Part of it is monitoring. You
15 are expecting to save $163,000 on monitoring.
16 MS. FRANCIS: Given that we had to meet a
17 4.1 budget, we made the decision that travel would
18 be cut.
19 MR. UDDO: You are saying to fit within
20 the budget you decided to cut travel. But is that
21 realistic?

1 MS. FRANCIS: Another decision has been
2 made that that $195,000 includes roughly $50,000 for
3 a staff meeting. There are other areas in the
4 budget where we made decisions that cuts can be made.
5 MR. MENDEZ: I don't think that is the
6 question he is asking. Let's go back up to line 3.
7 Let's leave line 4 alone. Just tell us on line 3
8 how we increase our monitoring, decrease our offices,
9 and still have a cut in travel.
10 MR. UDDO: That is the question.
11 MS. FRANCIS: The budgets for both 1985
12 and 1986 were built, formulas developed by the
13 Office of Field Services headquarters based on our
14 experience related to monitoring travel from prior
15 periods.
16 It is the expectation that by centralizing
17 many of these functions that some cost savings will
18 result, such that the overall travel budget can be
19 cut substantially. If we look at only that line
20 item, we are talking about a 10 percent cut.
21 MR. MENDEZ: I don't think that is very

1 good. I want you people to give us within a week a
2 statement on how much you are going to spend, how
3 much you are spending this year and how much you are
4 going to spend next year on travel.
5 MR. UDDO: I would like to see a breakdown
6 of what kind of travel has been involved and what
7 you think is going to be eliminated from that and
8 why. Basically what you are telling me is that you
9 folks made a guess that the travel budget would go
10 down, and I have a real concern about purporting to
11 increase monitoring, reduce the number of offices,
12 thereby putting the offices at greater distance from
13 a good number of the programs and at the same time
14 reduce just line 4, the monitoring travel budget.
15 If you are telling me you did it to fit
16 within the budget, that is one thing, but if you
17 have rationales for how you fit it within the budget,
18 I would like to see the rationale. I want to see
19 what travel has been compensated in the past and
20 what of that you expect to eliminate by the
21 reorganization to show me that you are really going

1 to save that money.

2 MR. WALLACE: I would also like to know

3 where we are going in 1987 with this budget line

4 item, because what I am worried about -- and this is

5 supposed to be our annualized regular monitoring and

6 it has been cut, and that is easy to make up with

7 the carryover funds, but in 1987, when there aren't

8 any carryover funds, when our regular travel and

9 monitoring is going to be up to a million 2, you are

10 comparing apples and oranges here.

11 I want to know what your annualized

12 regular monitoring and travel budgets is going to be

13 under this new setup. I am kind of with Mr. Uddo.

14 I have a hard time understanding how it is going to

15 be 986 over the long run, but I am ready to be

16 educated.

17 MR. UDDO: I might say while you are at it,

18 I would like to see the same thing for line 4,

19 because I am not sure what is included in other

20 travel and transportation.

21 MR. BROCCOLETTI: It would be for other

1 than monitoring and evaluation. For example, it
2 would be my travel, a deputy director's travel, a
3 budget director's travel, and we are pulling in our
4 belt.
5 MR. UDDO: You will show us that, though.
6 MR. MENDEZ: We want to see some
7 explanation.
8 MR. UDDO: If you are going to pull in
9 your belt at the cost of the efficiency of these
10 offices, which we think we are going to pick up by
11 the reorganization plan, I am not in favor of it.
12 If you are going to pull in your belt eliminating
13 excess, that is different.
14 MR. WALLACE: It is one thing to say we
15 are spending 195,000 in 1985 and we are going to
16 spend less than that in 1986 because we are
17 tightening our belt. That doesn't tell me anything
18 about whether the reorganization plan is any good
19 unless that belt tightening is somehow related to
20 the fact that you have fewer regional offices to
21 travel to, to the extent that is where it is you are

1 saving money, but I don't know how much is belt
2 tightening and how much is less places to visit.
3 MR. BROCCOLETTI: That would slightly
4 reflect that, that there are less regional offices.
5 The deputy director of Field Services is responsible
6 for the regional offices and does significant travel
7 to those. With four less offices that would be a
8 lot less travel to those offices.
9 MR. WALLACE: But try to quantify that.
10 We know it is going to be somewhat less and we know
11 there will be savings. I don't think there will be
12 $100,000 in savings. Give us an idea of what it is.
13 MR. MENDEZ: In essence, what we want to
14 see is the backup for each one of these line items.
15 MR. UDDO: I think you see what we are
16 asking. The communications costs I would guess
17 would maybe go up. If you are cutting down on
18 traveling, you might be using the phone more. I am
19 concerned that if you can't reduce all of those
20 things --
21 MR. BROCCOLETTI: For example, on

1 communications we have also less phone systems with
2 less regional offices. That is where almost all
3 those savings in communications come from.
4 MR. UDDO: I would like to see that. If
5 you are going to travel so much less and still have
6 contact with the offices, are you going to make more
7 long distance calls or doing something to make up
8 for the reduction in travel?
9 I would also very much like to see what is
10 included in other operating costs, since that is a
11 significant figure there, and I would like to see
12 what is included there and why it going to be
13 reduced by $226,000.
14 MS. FRANCIS: I guess part of the general
15 answers to most of those other line items that you
16 are asking about is that the regional offices
17 particular operating expenses are included within
18 their budget, which is a part of the 5.2.
19 When you reduce the number of regional
20 offices in 1986 and that more of the staff would be
21 housed in the central office, those costs are then

1 not -- actually they are provided by our Office of
2 Administration, so they shift out of the Field
3 Services budgets and into the Office of
4 Administration.
5 MR. UDDO: I would like to see that, too,
6 though. Because if we are moving money around, I
7 would like to know about that, too. If we are not
8 saving money, I think that is relevant. If it is
9 being moved around, I want to know that.
10 MS. FRANCIS: The relative savings are
11 fairly substantial. As you are well aware, we are
12 moving into a new building and all of those kinds of
13 things are already built into this budget.
14 MR. UDDO: Let me say this: The basic
15 proposal I think makes sense. I am sympathetic to
16 the basic proposal. I am just not convinced that
17 these numbers stand up. I would like to see, as Mr.
18 Mendez says, the background so that we see that
19 these numbers are just not sort of rough estimates.
20 If they do stand up, I would continue to
21 be sympathetic to it. But I would like to see the

1 specific numbers, the justification, how is it that
2 you have decided that these savings are going to be
3 realized and to what extent.
4 I think that they are legitimate questions.
5 I don't want to take any more of the board's time
6 since you understand what sort of information we
7 would like to have, and frankly, as Mr. Mendez said,
8 we would like to have it within a week, because if
9 we are going to vote on this at the next board
10 meeting, I think we would all like to have enough
11 time to digest it.
12 MR. BROCCOLETTI: We will provide you with
13 those.
14 MR. MENDEZ: Mr. Chairman, unless anyone
15 else has any questions --
16 CHAIRMAN DURANT: I have one question I
17 would like to ask Mr. Broccoletti.
18 Mr. Broccoletti, one question was raised
19 by the gentleman from West Virginia yesterday, the
20 whole problem, which I think is a legitimate concern,
21 about the relationship between the regional offices

1 and the programs in terms of historical memory that
2 would exist in relationship between particular
3 programs, the importance of an increased efficiency
4 so that you don't have red tape problems that you
5 might have if you centralize things. I think those
6 are two of his points. I would appreciate it if you
7 would address those, because I think they are worth
8 discussing.
9 MR. BROCCOLETTI: First, let me say there
10 is still in our proposed plan four regional offices
11 in each area of the country. Those regional offices
12 in some cases will have to extend their jurisdiction,
13 but they are still in the same region of the country.
14 It is interesting to note we did a survey of travel
15 expenses and found that they wouldn't be virtually
16 affected in regards to travel in those regional
17 offices because it costs the same amount of money to
18 go from San Francisco to Alaska as it does from
19 Seattle to Alaska.
20 MR. MENDEZ: We would like to see those
21 studies.

1 MR. BROCCOLETTI: We did a survey of those.
2 So the regional office in San Francisco would
3 increase its jurisdiction beyond California to the
4 same region of the country. It would take a longer
5 time to become familiar with the programs, but there
6 are only 15 programs in that part of the country.
7 For the past 20 years Washington has been
8 included as part of the Northeast Corridor. We have
9 15 people responsible for the Northeast Corridor.
10 Perhaps some of those people may not be as
11 experienced with that particular area of the country
12 at first, but we don't think in this day and age it
13 will take very long for them to become that familiar
14 with the area of the country, that state or
15 association or the program.
16 Let me say, too, perhaps in that area of
17 the country that it is refreshing to have perhaps a
18 new look in dividing up that area, because it is
19 such a large area in regards to programs, but has
20 been sort of historically higher funded per poor
21 person.

1 CHAIRMAN DURANT: What about the
2 relationship, though, on the question of help in
3 terms of compliance or monitoring or whatever, that
4 a closer geographic location might be good or
5 otherwise?
6 MR. BROCCOLETTI: Again in geographic
7 location we are looking at Chicago is still in the
8 Midwest, San Francisco is still on the west coast.
9 So I don't think we are looking at a tremendous
10 difference. From Washington you can easily get to
11 any place in the Northeast.
12 CHAIRMAN DURANT: I don't have any other
13 questions. That is something I am going to want to
14 visit with you over the next 25 days or whatever.
15 MR. BROCCOLETTI: If you are interested,
16 Joshua Brooks, a deputy director of Field Services,
17 is available now to comment on some of the plans
18 that were proposed by the other regional directors.
19 We can submit that to you in writing.
20 CHAIRMAN DURANT: I would prefer that you
21 submit it to us in writing.

1 MR. MENDEZ: I would hope you would submit
2 all of these materials to us within the next week to
3 10 days.
4 MR. BROCCOLETTI: Yes.
5 MR. MENDEZ: I am getting tired of having
6 everything dumped on me three days ahead of time. I
7 want to have some time to read the studies.
8 CHAIRMAN DURANT: That sentiment has been
9 passed on from the Chair to others, too.
10 MS. SWAFFORD: We are in need of more
11 reading material.
12 CHAIRMAN DURANT: We are in need of what?
13 MS. SWAFFORD: More reading material. I
14 was being facetious.
15 (Laughter.)
16 MS. SWAFFORD: Is there not some way that
17 we could summarize? I have gotten to the point
18 where I am reading all of these miles of material
19 looking for a summary on all of them, for the last
20 paragraph.
21 CHAIRMAN DURANT: I have discussed with

1 Mr. Opsut that we have sort of, in effect, two
2 levels of material, one that is an executive summary
3 of some of the material and salient points, but also
4 the availability of the other material so if we need
5 it to follow up on particular points, it would be
6 there. But I agree with you. As lawyers we can
7 appreciate the need for clarity of phrase and
8 shortness of phrase. While brevity might be the
9 soul of wit, it is also the essence of a good staff
10 reporter.
11 MS. BERNSTEIN: But our pay is so high for
12 all the time we are reading this.
13 (Laughter.)
14 MS. SWAFFORD: I just offer that as a
15 friendly suggestion, that if we could just have some
16 of these reports somewhat summarized.
17 CHAIRMAN DURANT: Okay. I share your
18 concern and I know our president --
19 MR. OPSUT: Duly noted.
20 MS. SWAFFORD: I am the only one who is
21 not a rapid reader.

1 CHAIRMAN DURANT: Mr. Mendez, we were on
2 that aspect of your report dealing with
3 reorganization and field offices. Would you like to
4 address the allocation formula?
5 MR. MENDEZ: A pleasure. Mr. Chairman,
6 the committee reviewed the allocation formula and
7 will take further testimony concerning the
8 allocation formula, and we have asked the staff to
9 work up various programs on the allocation formula,
10 including the various percentages and different
11 levels.
12 CHAIRMAN DURANT: So that --
13 MR. MENDEZ: We anticipate that there will
14 be a decision made concerning the allocation formula
15 in Detroit.
16 CHAIRMAN DURANT: The question of carryover?
17 MR. MENDEZ: Mr. Chairman, the Audit and
18 Appropriations Committee recommends and I move that
19 the board allocate the 1984 carryover funds in the
20 following manner: $1,105,080 allocated to basic
21 field programs, $1,584,377 to cover committed

1 obligations as listed in the board book on page 57,
2 1,736,430 to Management and Administration for the
3 following purposes: 1 million for monitoring
4 catchup, 300,000 for special studies, 170,000 to
5 cover litigation-related expenses, $266,430 to
6 upgrade mainframe computers, 994,250 to program
7 development in noncommitted funds. Mr. Chairman,
8 that is my motion. I hope I have a second.
9 CHAIRMAN DURANT: I want to apologize, I
10 was taking some information from Mr. Gessner. Could
11 you just restate your information?
12 MR. EAGLIN: I didn't get all the figures
13 either and I would like to get them down.
14 MR. MENDEZ: Mr. Chairman, the motion is
15 as follows: $1,105,080 to basic field programs,
16 $1,584,377 to cover committed obligations,
17 $1,736,430 to Management and Administration.
18 CHAIRMAN DURANT: 700 what thousand?
19 MR. MENDEZ: $1,736,430 to Management and
20 Administration. I have broken the Management and
21 Administration down to $1 million for monitoring

1 catchup, 300,000 for special studies, $170,000 to
2 cover litigation-related expenses, 266,000 to
3 upgrade mainframe computers and the last portion,
4 994,250 to program development, and this is the
5 noncommitted funds because there originally was
6 approximately 1.8. Of that 1.8 approximately
7 $431,000 is committed funds and that has already
8 been taken care of in Section 2 of the committed
9 funds and then we cut another $405,000 out.
10 CHAIRMAN DURANT: Mr. Eaglin, did you get
11 all the numbers?
12 MS. SWAFFORD: I will second that motion.
13 CHAIRMAN DURANT: Any discussion?
14 MR. MENDEZ: May I, Mr. Chairman? Just a
15 followup. We yesterday asked to take in some
16 testimony concerning the computerization. Before we
17 enter into the discussion -- I can't recall who
18 specifically asked to have Mr. Gessner here today.
19 MR. WALLACE: I did.
20 MR. MENDEZ: Before we voted on this today
21 and before we did anything else, we wanted to take

1 some testimony about what computerization and what
2 all of the aspects of computerization would be.
3 MR. SMEGAL: What I would like to do has
4 nothing to do with that. I am not in disagreement
5 with that portion. I would like to get my matter in
6 because I think it would be germane.
7 CHAIRMAN DURANT: Is that all right?
8 MR. MENDEZ: That is fine.
9 CHAIRMAN DURANT: Mr. Smegal?
10 MR. SMEGAL: I would like to move that
11 there be two changes in what Mr. Mendez has
12 recommended, that there be distribution of $2-1/2
13 million among the one third lowest funded programs
14 in proportion to their fiscal year 1985 grant, the
15 difference between what Mr. Mendez has recommended
16 and what I have recommended to come out of the
17 Management and Grant Administration but in a way
18 that I would like to speak to when I get a second.
19 There is a second part to my motion and
20 that would be that the staff provide us with a
21 revised fiscal year 1985 budget through June,

1 representing three quarters of the fiscal '85 year,
2 to include the various carryover distribution that
3 we were advised presently exists through the fiscal
4 year 1985. If I have a second, I have some comments
5 to explain what I am proposing to do.
6 MR. EAGLIN: I second, Mr. Chairman.
7 MR. SMEGAL: Mr. Chairman, as of December
8 13, 1984, the staff prepared a document that came to
9 this board, allocation of fiscal year 1984 carryover
10 funds. In that document, the staff proposed that
11 the basic field programs receive $1,842,794 out of
12 uncommitted funds of $3,633,135.
13 Three things have happened since December
14 13. One, the uncommitted funds have gone up,
15 according to the sheet we are provided. Page 56
16 indicates we now have $3.8 million in uncommitted
17 funds, roughly $167,000 more.
18 The second thing that has happened is we
19 were advised during the exchange between Mr. Roche
20 and Mr. Gessner yesterday, as far as management and
21 grant administration for the first six months of the

1 year, the first six months having ended in March,
2 that we are substantially under budget in an item
3 that represents $11,283,000. Roughly it looks to me
4 like we are a million 5 under budget in that
5 category.
6 The third thing that has happened is that
7 we have publicly debated over the last six months
8 our concerns, I think our unanimous concerns, with
9 the delivery of legal services and our desire to
10 expand these direct services to clients with greater
11 funding of the basic field programs.
12 So we have uncommitted funds between
13 December and now. We are now advised there are
14 roughly $200,000 more in uncommitted funds. We are
15 advised that our management and administrative line
16 is a million 5 under budget at this point.
17 What I am proposing is that we accept the
18 staff recommendation of December 13, add to it the
19 additional uncommitted funds that have become
20 available in the last five months and, in addition,
21 roughly one third of what we are under budget

1 presently in the Management and Grant Administration,
2 totaling $2.5 million.
3 I also propose that that $2.5 million not
4 be spread across all the programs. We have had
5 substantial discussions about filling up the cup,
6 about various formulas for distributing the $11.3
7 million that we have allocated in the fiscal 1986
8 budget to the basic field programs. We have those
9 matters before us. We are going to decide that at
10 some later date.
11 At this point I think our objective should
12 be to get some money to the basic field programs
13 that are least funded. I propose that this $2-1/2
14 million go to the third of the programs that have
15 the least funding at the present time, pro rata
16 based upon their current funding levels.
17 In other words, you take all the current
18 funding for fiscal 1985, using that as the
19 denominator, and divide that into $25 million. If
20 they are all equal, they will roughly get $25,000.
21 I think under the circumstances, all the testimony

1 we had yesterday indicating the amount of excess we
2 have, how much we are under budget in Management and
3 Administration, this will not affect any of the
4 items. In reality in Mr. Mendez' motion the 1. -- what
5 is it, Pepe? -- 1.7 you need for Administration, the
6 1 million 736 will still be there. It will still be
7 there in a revised 1985 budget.
8 There is a million 5 in there right now.
9 I am proposing taking only $465,000 of that million
10 5 that we are already under budget, adding to it the
11 uncommitted funds that we have determined are
12 available since our December 13 report, adding those
13 two to the proposal to the staff in December of 1984.
14 CHAIRMAN DURANT: Mr. Mendez?
15 MR. MENDEZ: Mr. Chairman, I would need to
16 get some more clarification from Mr. Smegal. Like
17 everyone else, when I went through my motion the
18 first time, I need to get his numbers rewritten.
19 Mr. Smegal, as I understand it, you want
20 to put $2-1/2 million in the basic fund?
21 MR. SMEGAL: Yes.

1 MR. MENDEZ: As I understand it, you don't
2 want to take anything away from prior committed
3 funds?
4 MR. SMEGAL: That is right. The prior
5 committed funds stay where they are.
6 MR. MENDEZ: We don't have any argument
7 about the prior committed. As I understand, you
8 don't want to take any monies away from 1984
9 carryover; that $1,736,430 will still be allocated
10 from the 1984 carryover?
11 MR. SMEGAL: No. The source is fiscal
12 year '85.
13 MR. MENDEZ: You want to take some money
14 out of 1984 carryover into Management and
15 Administration?
16 MR. SMEGAL: I want to take $2-1/2 million
17 out of the $5.3 million carryover -- well, 3.8.
18 MR. MENDEZ: I don't see where you want to
19 take it from.
20 MR. SMEGAL: I have explained.
21 MR. MENDEZ: You want to take it out of

1 Management and Administration.

2 MR. SMEGAL: There is only one pot. It

3 has to come out of somewhere.

4 MR. MENDEZ: Based on my motion, what you

5 are saying is that you want your $2-1/2 million

6 taken out of the Management and Administration

7 section?

8 MR. SMEGAL: I want to take the $2-1/2

9 million out of the same place you propose the 1.1.

10 That pot obviously includes the Administration and

11 Management, those two together.

12 MR. WALLACE: I am trying to understand

13 the two of you, but if I understand what you are

14 saying, where Mr. Mendez has asked 1.7 of the total

15 pot be put into corporation management, Mr. Smegal

16 would put maybe $200,000 and put --

17 MR. SMEGAL: 350.

18 MR. WALLACE: -- and put 350 in the

19 Management and Administration and the difference,

20 which would be about 1.4, over here into field

21 programs and Mr. Smegal is saying there is enough

1 fat in the 1985 budget so nobody is going to suffer.
2 MR. SMEGAL: We can have presented to us a
3 revised 1985 budget that would include enough money
4 to do everything you want to do out of the fiscal
5 year '85 budget.
6 MR. MENDEZ: Is Mike's statement a fair
7 summary of what you were stating?
8 MR. SMEGAL: Yes.
9 MR. WALLACE: I just wanted to understand
10 that.
11 MR. SMEGAL: I think Mr. Wallace
12 understands it completely.
13 MR. MENDEZ: We have taken substantial
14 testimony in my committee concerning the buildup of
15 this year on the budget of Management and
16 Administration. We have taken testimony that they
17 believe there is going to be very little carryover
18 from Management and Administration in 1985 based on
19 current '85 needs.
20 If we do what you are proposing, we, in
21 effect, cut the million dollars out of monitoring.

1 We wouldn't have the special monitoring catchup. If
2 we do what you are proposing, in essence, we could
3 eliminate the studies, including the micro study.
4 If we do what you are proposing, we wouldn't be able
5 to cover litigation-related expenses.
6 MR. SMEGAL: That is not correct.
7 CHAIRMAN DURANT: May I raise one other
8 point? One thing that troubles me a little bit
9 about the motion is not the intent of it, if you
10 will, but quite frankly it is these kinds of things,
11 the information from the staff, and the staff
12 recommendations have been before us for quite some
13 time, and I think these kinds of amendments and
14 whatever, leaving aside their merits, ought to
15 frankly have been brought up in the committee itself
16 so that the committee can, if there is additional
17 testimony to be taken or additional discussion at
18 that time, that it could take place.
19 Since the information that you have is as
20 current as any of the others that have been provided
21 to us, Tom, I really think that that is the reason

1 why we have the committees. That is the reason why
2 we try, even though some of the material doesn't get
3 to us as soon as it ought to. I know that some of
4 the material that you have and that I have has been
5 with us a long time and I think those kinds of
6 things, so that they do get full consideration in a
7 variety of ways, need to be brought up before the
8 committee.
9 MR. SMEGAL: I don't know if what you said
10 is entirely accurate, because as far as I know, I
11 still don't have the second quarter numbers that I
12 am talking about, unless you have information I
13 don't know about, Mr. Durant.
14 I am talking about an exchange that took
15 place between Mr. Roche and Mr. Gessner yesterday,
16 where Mr. Roche indicated that Administration and
17 Management was about 7 percent under budget for the
18 first quarter and about 8 percent for the first
19 quarter, 13 percent under budget for the first six
20 months of this year.
21 If you take 13 percent of the $11 million

1 and $3 million, you get a million and a half. I
2 didn't have that information when I walked in the
3 room yesterday. I thought about it last night.
4 Maybe we should go back to committee with this.
5 Maybe by June -- Mr. Gessner has assured me that by
6 our meeting he feels confident he can have numbers
7 through May -- maybe we can have a little more light
8 on this.
9 Mr. Durant, I don't think what you said is
10 fair. I don't think I have or had the information
11 yesterday when the committee meeting started to make
12 this motion at that time. I think we have
13 information now and maybe by June we will have more
14 information, but I think what we should be focusing
15 on, Mr. Durant, is putting our money where our mouth
16 is.
17 We are talking about our concerns about
18 the field programs, about getting money out for
19 delivering legal services to poor people. I think
20 there is $2-1/2 million available to do it. There
21 may not be enough information to determine that

1 today and maybe this matter should be put over to
2 our June meeting. I would be prepared to have the
3 matter tabled for a month, but I think the numbers
4 are there and I think Mr. Gessner would be prepared
5 to come in next month and give us some numbers that
6 would help us.
7 CHAIRMAN DURANT: Ms. Bernstein.
8 MS. BERNSTEIN: I would agree with Tom in
9 terms of putting our money where our mouth is, but
10 it goes to a mixed bag of things that we have been
11 talking about for a long time.
12 The problem with our not making some sort
13 of commitment in terms of getting caught up on
14 monitoring, in terms of getting these studies
15 started and so on and so forth, we need to make that
16 commitment now so we can get the staff going on
17 these projects and so we can be proceeding on these
18 projects.
19 I am going to agree with you very, very
20 strongly about the June meeting. I would like to
21 see in the June meeting the first -- I know that the

1 first two quarters will have been completely
2 available and possibly they can get part of the
3 third quarter projections available and so forth,
4 and I don't have any problems, and I tell you this
5 honestly, I don't have any problems. If it looks
6 like we are going to end up with a carryover in '85,
7 we make a motion on that, in terms of redistributing
8 line items in the June meeting, but that doesn't
9 mean we have to be doing that with the '84 money.
10 We need with the '84 money in my view to get some of
11 these other things going so the staff is not in this
12 limbo situation for still another month before they
13 can get these projects under way and get the
14 monitoring catchup effort going.
15 I would like to see us get beyond this
16 question of are we going to do studies, aren't we
17 going to do the studies. I totally agree with you,
18 Tom, I don't think we want to go into next year with
19 a carryover if that is, in fact, the case. I don't
20 know enough, and let's just face things. We have
21 been in a period of flux within the corporation

1 headquarters. It has not been exactly easy for them
2 with heads of boards coming and going and not
3 knowing exactly what our situation is going to be
4 and not knowing what reorganization plans are going
5 to be made and so forth.
6 But personally I am very committed to the
7 monitoring. I am also very committed to getting
8 money out for the field, that is why I voted, and
9 delay some of the program development projects.
10 I would hope that we can make the same
11 kind of commitment to our kind of getting beyond the
12 controversy efforts and constantly be vigilant about
13 the budget process. This is something that we can
14 do at any meeting, in terms of saying, look, we
15 don't feel comfortable with this being the
16 continuing cycle.
17 We were told by our staff that this cycle
18 is reversing itself this quarter and that we were in
19 a process of staffing up in various areas. I
20 understand that if we are trying to get this
21 monitoring effort under way. So I agree with your

1 concerns, but I would think that we have two
2 different obligations and that we can deal again
3 with field money going out next month, but with '85
4 funds.
5 MR. WALLACE: Let me just try to
6 understand what you are saying. You are saying
7 let's get this '84 money out of here today.
8 MS. BERNSTEIN: So the staff knows what we
9 are doing.
10 MR. WALLACE: And in June we can do a
11 revised '85 budget and if we have money hanging
12 around in management that we can get out to the
13 field --
14 MR. MENDEZ: As chairman of the Audit
15 Committee I will instruct them -- they have been
16 instructed, but I will instruct them publicly --
17 that we want to see if there is any available
18 carryover and we want to take that action on '85
19 funds at the next meeting.
20 MR. UDDO: Let me get a clarification here,
21 because it sounds like we might be able to do both

1 what the committee suggests and what Tom suggested.
2 If, in fact, those figures show that we are under
3 budget for June, there is going to be an extra flow
4 of money which would then be re-allocated to field
5 programs. Is that my understanding of this
6 discussion?
7 MR. MENDEZ: I agree with that. But we
8 have to take one thing into consideration. We also
9 have to ask the staff their best prediction as to
10 what we are going to do in the remaining third and
11 fourth quarters.
12 MS. BERNSTEIN: I agree with Tom. We
13 don't want to be too far away from predictions this
14 year. My concern is about the '84 funds, that we
15 can't get plans under way unless we get a commitment
16 on them.
17 MR. UDDO: I would be willing to support
18 the committee proposal with the understanding that
19 we are going to get the information from the staff
20 for the June meeting, to review it with the specific
21 purpose in mind that Tom is suggesting, and that is

1 if we are substantially under budget and the
2 projection for the remainder of the year shows that
3 we remain that way, we pump more money into the
4 basic field programs.
5 MR. MENDEZ: I would like to have Mr.
6 Gessner come to the stand for just a moment. I
7 would like to find out when this information is
8 going to come to us. I don't want to have it the
9 last day.
10 When do you believe you can get the
11 information to us?
12 MR. GESSNER: The staff has been looking
13 at the mid-year review process for the last couple
14 of weeks. We expect to have it completed within the
15 next two weeks.
16 MR. SMEGAL: That is six months?
17 MR. GESSNER: That is six months. We will
18 try to have actual figures for you through May at
19 the June 27th meeting.
20 MR. SMEGAL: You indicated to me earlier
21 it takes about three weeks to put it together. Our

1 meeting is in late June. So is it conceivable we
2 could have May numbers at our late June meeting?
3 MR. GESSNER: Yes.
4 MR. WALLACE: How soon can you get us
5 numbers for April?
6 MS. BERNSTEIN: Give us the half year.
7 MR. UDDO: Get six-month figures as
8 quickly as possible. Do you have the seventh?
9 MR. GESSNER: Without any projections,
10 just raw numbers.
11 MR. UDDO: I would like to see what you
12 have as soon as you have it.
13 MR. MENDEZ: I want to see raw numbers.
14 We want you to put line item, proposed budget and
15 then we want to have raw numbers and on a third line --
16 let's have four lines. One is projected budget, raw
17 numbers, and you ought to be able to do it real
18 quickly on your computer, dollars under and percent
19 under and you should be able to do what the
20 percentage of the budget is at that point.
21 MR. SMEGAL: If you can't do it, Pepe has

1 a computer in Denver. He will do it.
2 MR. GESSNER: I have one. Mr. Frey has
3 assured me that my computer can do that.
4 MR. SMEGAL: With that understanding I
5 will withdraw my substitute motion, Mr. Durant.
6 There is one other part of it, though, that I think
7 maybe I would like to hear discussed at least. We
8 talked yesterday at Mr. Mendez' meeting about
9 splitting up the 1 million 1 among the 326 programs --
10 MR. MENDEZ: Before we get to that, I want
11 to talk about the computers.
12 MR. WALLACE: After we hear it, it may be
13 a million 4.
14 MR. MENDEZ: We want to hear about these
15 computers first.
16 CHAIRMAN DURANT: Are you withdrawing your
17 motion?
18 MR. SMEGAL: With the understanding of the
19 conversation we had, yes.
20 CHAIRMAN DURANT: Is that a condition to
21 proceed?

1 MR. WALLACE: It is an alternative
2 contingent.
3 (Laughter.)
4 MR. SMEGAL: Excuse me, if I may have the
5 floor for one more point.
6 CHAIRMAN DURANT: Yes.
7 MR. SMEGAL: The effect of this is there
8 will be checks written based on 1 million 1 and
9 there might be another check written. We are
10 looking at two checks rather than 1. LeaAnne is
11 saying let's get this money up, fiscal year '84
12 check supplemental, fiscal year '85 check
13 supplemental.
14 MR. MENDEZ: Yes.
15 CHAIRMAN DURANT: The only question will
16 be not what amounts but whether there will be.
17 Mr. Frey, while you are here, would you
18 address, maybe you and additional people, us on the
19 question of 250-some-odd regarding hardware?
20 MR. FREY: I would like to go back and
21 talk about what Legal Services' data processing was

1 like when I arrived here two years ago, or less than
2 two years ago. Their data processing was done
3 entirely outside the corporation and their word
4 processing was operational from 9:00 to 5:00 and
5 only five days a week.
6 Today the data processing is being done
7 internally. The word processing is available 24
8 hours a day, seven days a week. As you have noticed
9 here at this meeting, work begets work. We are
10 going to see the information within 10 days. You
11 want to see the budget at the end of June. That
12 would not have happened two years ago. You could
13 not have gotten that kind of data.
14 We are constantly pressed for data and
15 every bit of data we give requires more data to be
16 given, because it brings up another thought in
17 someone's mind. Consequently, we have been gearing
18 up, as this has been going on, over the past two
19 years to have the ability to provide this kind of
20 service.
21 We are in the process right now of

1 bringing the case service reporting system in-house
2 and it takes over eight hours for us to run through
3 that data to produce one reset of regional reports.
4 During the time that this is happening a programmer
5 has to sit there idle almost because the tool that
6 she uses to do this work is tied up in the process
7 of developing the report.
8 We have asked for and received permission
9 to hire two programmers. We got the two programmers
10 but we never got equipment. Our equipment request
11 in the budget was arbitrarily cut out last year. So
12 we do not have the equipment to set these two
13 programmers down to do their programming work.
14 Consequently, what we have done is we have
15 stolen, in effect, work stations that belong in the
16 Office of Administration and in the Personnel
17 Department. Actually, we took them from Government
18 Relations and Personnel, and those people want those
19 computers back because they are unable to perform
20 some of their functions efficiently.
21 CHAIRMAN DURANT: The question I always

1 ask there is: Are you gold plating or are you
2 getting what is necessary to do the job? There
3 always is a tendency, quite frankly, particularly
4 depending on whether you were in a profit-making
5 institution or a nonprofit, of overbuilding. I have
6 tracked the putdown that will last for a hundred
7 years and I keep reminding them we will only be
8 there for 50.
9 Have you analyzed your purchases in light
10 of doing the job as opposed to getting the gold
11 plates, if you will? There was only one spike when
12 the east met west, and that is the end.
13 MR. FREY: I have 30 years in data
14 processing, all of it, with the exception of my two
15 years here, working with controllers who are very
16 tight with their money, and I have had to really
17 struggle hard to ask for equipment and we have
18 always been behind. That is my act and that is the
19 way we are here. We are falling behind the needs,
20 all the time falling behind the needs.
21 When someone sits down at a work station

1 in the afternoon at Legal Services and starts to use
2 it, it is noticeably slower than it was in the
3 morning because of the workload. We are getting
4 increased requests from the Board. We are getting
5 increased requests for information from Congress and
6 other outside sources. All of this has snowballed
7 into the Office of Information Management's
8 equipment and causes this continual slowdown.
9 We are trying to build up disk drives so
10 that we can separate data, instead of constantly
11 having to move our arms back and forth like this to
12 get data out of the computer, so it can be more
13 timely. We are trying to increase the size of the
14 computer so that when someone sits down at a work
15 station and they use it, they can get that
16 information back without sitting there wasting time.
17 I do not believe we are doing any gold plating or
18 asking for anything that isn't required.
19 CHAIRMAN DURANT: I know Mr. Wallace has a
20 question.
21 MR. WALLACE: I have got several. First

1 of all, I don't understand what we have got here. I
2 am looking at page 75 of the board book which seems
3 to be under monitoring and evaluation. They are
4 asking for a Wang PC, which I guess is a personal
5 computer and a work station. I am looking at your
6 page 80 on your memorandum where you are asking, if
7 I understand it correctly, for 21 personal computer
8 work stations. Now, is this Wang PC on page 75
9 included in the 21 PCs on page 80, or is the Wang on
10 75 in addition to the 21 PCs on page 80, or do I not
11 understand page 80 at all?
12 MR. FREY: My evaluation request for
13 equipment is not included.
14 MR. WALLACE: So they have got a personal
15 computer. Tell me what is on page 80. Does that
16 add up to 21 personal computer work stations when
17 you have got 8 under line 2, and then you have got a
18 bunch broken out under 3A through 3G. I think those
19 are all PC work stations, and I add them up to 21,
20 is that right?
21 MR. FREY: The bottom section on that page

1 is not being asked for. That is a projection for
2 next year.
3 MR. WALLACE: I am not talking about the
4 bottom section. I am talking about 3A through 3G.
5 PDSS, one at 4 now and one at 6000. GBU gets one at
6 4 and 6000, and all the way down to CO which gets
7 two at 6000. If those are all PCs we have got eight
8 more PCs on line 2, that adds up to 212. I am not
9 counting the bottom paragraph under the asterisk.
10 Are we asking for 21 work stations here?
11 MR. FREY: That's correct.
12 MR. WALLACE: How many work stations has
13 the corporation got now?
14 MR. FREY: 20.
15 MR. WALLACE: You are going to more than
16 double your work stations?
17 MR. FREY: That's correct.
18 MR. WALLACE: With a supplemental
19 appropriation?
20 MR. FREY: That's correct.
21 MR. WALLACE: I am not sure I understand

1 how work stations work.

2 MR. MENDEZ: Maybe I see it.

3 MR. WALLACE: I don't understand how work

4 stations work, but it is my understanding that if

5 you sit down at one it gets you into the computer,

6 and if they all get you into the same computer and

7 if you haven't got 41 people working on the work

8 stations at the same time you don't need 41 work

9 stations. If you have got 30 people that are going

10 to be working at any one time you need 30 work

11 stations, but if the other 11 people can wait, they

12 can wait until somebody finishes and use somebody's

13 empty work station. It would be nice to have 41

14 sitting around so everybody has his own, but as I

15 understand it, it is just a way to get into the

16 computer. If I am computer illiterate, tell me. I

17 think that's what these things are supposed to do.

18 MR. FREY: The answer is what you are

19 saying is, yes, you were computer illiterate. There

20 are ways to get into the the computer. It used to

21 be we used centralized word processing, and when you

1 send a document down to get it through you got it
2 back in two or three days. What we are trying to
3 achieve here is to prevent people from sitting
4 around waiting to use equipment that you spend the
5 cost for one time, and don't spend the cost of
6 having people sit around waiting for being able to
7 use that equipment.
8 MR. WALLACE: Haven't they got other
9 things they can do? I have a couple of computer
10 stations in my office, and if somebody is using it,
11 I can't use it. I go do something else. I come
12 back, I have got one sitting at my desk unused.
13 MR. FREY: For a professional person; they
14 are not necessarily right for secretarial or
15 clerical help. That is their tool to use to do
16 their work.
17 MR. WALLACE: Is all of this for
18 secretarial -- have we got 41 people who need
19 permanent access to a work station?
20 MR. FREY: This guy here is on his almost
21 100 percent of the time.

1 MR. WALLACE: That is one?

2 MR. FREY: For programmers who have no

3 tools to work with right now.

4 MR. WALLACE: Why wasn't this in the

5 regular budget? You have asked for 785,000,

6 something like that. We have mentioned the Pentagon,

7 but this really reminds me of the Ag bill, every

8 year they lowball the Ag bill by a billion dollars,

9 because they underestimate food stamps, and they

10 come back in June and tell us people were starving.

11 It works the same way every year. If you need to

12 double your work stations, some of that should have

13 been in the regular 1985 appropriation.

14 MR. MENDEZ: You try to have it in.

15 MS. BERNSTEIN: It was cut out.

16 MR. WALLACE: How much did you ask for in

17 '85.

18 MR. MENDEZ: Did you have this

19 appropriation in '85?

20 MR. FREY: With the exception of the

21 increase in computers, it was all in the previous

1 budget request.

2 MR. MENDEZ: Who cut it, the Corporation?

3 MR. FREY: I was not allowed to even be

4 present, so I don't know.

5 CHAIRMAN DURANT: That was before we came

6 on board.

7 MR. GESSNER: The '85 operating budgets

8 were put into place, and we had requests from

9 divisions totaling about 13-1/2 million, and we were

10 working at a target of 11.1 million.

11 The first thing that went, with the

12 exception of, I believe, one or two computers, was

13 all equipment. There were requests from virtually

14 every division for at least one computer. They were

15 cut out because we couldn't fit them within the

16 target.

17 MR. UDDO: Who cut them out?

18 MR. GESSNER: The setting of levels

19 involved the comptroller's office and the

20 corporation president.

21 MR. UDDO: The president and the

1 comptroller cut them out, is that basically what you
2 are saying?
3 MR. GESSNER: Basically it was a
4 collective decision between the comptroller and
5 budget director.
6 MR. MENDEZ: Mr. Uddo, I have some
7 information that I am not sure how well they want to
8 disclose it publicly, but it is my understanding
9 that the president in essence has repeatedly -- in
10 fact, if you look at all of the budgets from the
11 past, former presidents.
12 MR. UDDO: Some of my concern with a
13 supplemental budget like this is it's a one-time
14 thing to try to make up for, I guess, all the sins
15 of the past and double the capacity. I mean it may
16 be necessary. It may be one of those things that
17 Chairman Durant talks about, the difference between
18 wants and needs. I am not sure that this isn't a
19 want at this time, not necessarily a need. It is a
20 lot of money.
21 MR. MENDEZ: If I could speak to this.

1 CHAIRMAN DURANT: Go ahead.

2 MR. MENDEZ: I am not so worried about the

3 $150,000, which is increasing the capacity of the

4 computer. We have heard that repeatedly expressed.

5 What I am very worried about is what Mr. Wallace has

6 addressed, is these 21 machines.

7 MR. UDDO: Actually it is 22.

8 MR. WALLACE: There is one on page 75.

9 MR. UDDO: Which is not included.

10 MS. BERNSTEIN: If we are going to be

11 accurate, it is 10.

12 MR. WALLACE: 10 units for Wang PCs on

13 page 75.

14 MR. UDDO: We are increasing it 31, we are

15 looking for 31.

16 MS. BERNSTEIN: I have a question that I

17 think maybe gets to the heart of this. Those of you

18 who have never been in a corporation and waited on a

19 Wang, and I am a professional person and would like

20 to have access to it occasionally, but the clerical

21 people of the corporation, and you say shouldn't

1 they have something else to do, it doesn't make a
2 whole lot of sense for them to go to a manual
3 typewriter and get it typed when we have the reams
4 of paper that we read is a drop in the bucket to
5 what --
6 MR. UDDO: How many people do we have?
7 MS. BERNSTEIN: That is what I am going to
8 ask. What is the number of clerical people at the
9 corporation?
10 MR. FREY: I don't know the number.
11 MS. BERNSTEIN: Somebody has got that.
12 MR. UDDO: Somebody better know the number
13 because you are asking for 51 work stations?
14 MR. FREY: They are not all for clerical
15 work.
16 MR. UDDO: You have got 20 there already.
17 MS. BERNSTEIN: They are not all for
18 clerical people.
19 MR. UDDO: I would like to know how many
20 clerical people we have got before I approve it.
21 Will?

1 MR. FREY: These are not all for clerical
2 people. They want to put it on a lawyer's desk who
3 can talk better than he can type.
4 MR. UDDO: He can do what Mr. Wallace does,
5 he can wait.
6 CHAIRMAN DURANT: Maybe it would be
7 helpful -- I don't want to take --
8 MR. MENDEZ: Mr. Chairman, based on what
9 we have heard today, I think we have got to
10 authorize the $150,000.
11 MS. BERNSTEIN: That is not going to do us
12 any good if we don't have anybody then.
13 MR. WALLACE: To get into it.
14 MR. UDDO: It increases your capacity for
15 future additions.
16 MR. MENDEZ: What groups do we need to
17 know to know the number of clerical that we have on
18 board exactly now?
19 MR. FREY: I think there is 15 clerical
20 staff and office and field services, and there is
21 only 25 work stations right now in the whole

1 corporation. So there is a tremendous amount of
2 people waiting in line to use this equipment.
3 MR. UDDO: 15 clerical people?
4 MR. MENDEZ: We have most of the staff
5 that can tell us how many they need right now.
6 MR. FREY: I have two programmers and two
7 keypunch operators scheduled for my staff and no
8 equipment for them. I need equipment for training
9 purposes because we have to train outside the work
10 areas or we can't train.
11 MR. UDDO: Let me tell you what my problem
12 is with all of this. You people have asked for more
13 than double the work stations, and nobody knows the
14 answer to the question of how many clerical people
15 there are?
16 MR. FREY: They are not all for clerical.
17 MR. UDDO: We talk about monitoring and
18 spending money appropriately, and we talk about
19 being careful about how we spend money, and you have
20 come and asked us for 300,000, or 400,000 and nobody
21 can answer how many people there are out there to

1 use these things? I don't think that is a way you
2 ask for this kind of money. I am not in favor of it
3 until I get some explanations for why you need so
4 much money and who is going to use these things. I
5 don't think the corporation people can ask for
6 things with any less justification than the field
7 people can. I am disturbed by this.
8 MR. MENDEZ: Mr. Chairman, based on what I
9 have heard today, I move we exclude this 266,000 and
10 give it to the field. I will tell you what. If
11 they need it next time we will put it in off, and if
12 they can show the justification we will put it in.
13 MS. BERNSTEIN: Let me just ask you this.
14 The next time you want something turned around at
15 the corporation in two days?
16 MR. FREY: You won't get it.
17 MS. BERNSTEIN: You are not going to get
18 it. That is not going to be out of maliciousness,
19 but they were telling us they cannot do it.
20 CHAIRMAN DURANT: Don't we allow them as
21 we would anybody else to gather the information to

1 answer those questions, to answer your questions, to
2 answer Michael's questions? Without knowing what
3 the answer should be, I don't think we should move
4 quickly.
5 MR. MENDEZ: Mr. Chairman, I am getting
6 kind of tired of the staff not having complete
7 materials for us when they come in front of us.
8 MR. SMEGAL: I am pleased to report to you
9 the messenger is on the way to the telephone to get
10 an answer.
11 CHAIRMAN DURANT: While I know there is a
12 tremendous burden on the staff, in my judgment,
13 quite frankly, they have performed well under very
14 difficult circumstances.
15 MR. MENDEZ: I understand. But when they
16 come with a line item such as this, Mr. Chairman,
17 they have come in under this one, they have come in
18 under various other ones, and all of the
19 justification is not there, and we have asked the
20 field when we first came in specific questions, and
21 we just do not ask the field, we ask everyone.

1 CHAIRMAN DURANT: I agree with that. Let
2 me say, if I might, let me say to you what I said to
3 Mr. Smegal. Granted Mr. Frey was not here yesterday,
4 but I think it would have been part helpful, it
5 seems to me, to see that, knowing some of the
6 particular kind of concerns they have or other staff
7 members who were here so these questions could also
8 have been raised during the course of the committee
9 hearing.
10 MR. FREY: I can read off documentation
11 for one specific department here and we have done
12 this, and we have generated this kind of
13 documentation. I just don't happen to have it with
14 me. In PDSS we are asking for two microcomputers
15 for a total cost of $10,000. This is their
16 documentation, their needs for that information.
17 Incidentally, I am never in a position to judge
18 whether their needs are real or not. I can only
19 take their word for it. I am not asking for
20 equipment for somebody that hasn't come to me and
21 definitely convinced me that they need it.

1 MS. BERNSTEIN: Some people don't know
2 what PD is.
3 MR. FREY: Program development.
4 MS. BERNSTEIN: Don't just use the acronym.
5 MR. FREY: They have four major reasons
6 for equipment needs. Data accumulated from delivery
7 projects. The increase in staffing levels and the
8 resultant increase in support needs. Additional
9 research projects undertaken by PDSS, bar graphs.
10 MR. UDDO: What additional research
11 projects?
12 MR. FREY: Bar graphs, vouchers, these are
13 the things they listed in their documentation to me.
14 MR. UDDO: How much does that increase
15 their workload? I don't really want an answer to my
16 question. My point is it sounds like the staff has
17 not heard Mr. Durant's distinction between wants and
18 needs and I am not voting for this until I see some
19 documentation that these are needs and not wants,
20 and I am not going to hold the field people to a
21 different standard than the staff. If the staff

1 wants 266,000 plus another 10 computers on another
2 page in here, they are going to have to show us that
3 they need it. I am not going to vote for it, and I
4 would propose that the budget committee motion
5 excise out this money, put it on the side for now.
6 MR. MENDEZ: This particular portion,
7 table this.
8 MR. UDDO: I am willing to table this till
9 the June meeting.
10 MR. FREY: Can I make a comment? It takes
11 six to eight weeks to get equipment after you get
12 permission to go and order it. I would like you to
13 amend your table, or the motion to state that we can
14 go ahead and order the equipment, but not take
15 delivery on it.
16 CHAIRMAN DURANT: I would be in favor of
17 that. Let me ask you what I think might be
18 appropriate. Except for our closed session, the
19 last item on our open part of our meeting, what I
20 would propose and would ask, if it is possible, is
21 that we recess. You now know some of the questions

1 that the board quite, in my judgment, legitimately
2 has asked, and that we will go into executive
3 session and, if possible, if you could come back
4 afterwards and address the questions that have been
5 raised?
6 MR. FREY: Fine.
7 CHAIRMAN DURANT: We will take up the
8 matter at that time.
9 MR. MENDEZ: Mr. Chairman, I want to do
10 this in a clean sort of way if we can. I would move
11 to table --
12 CHAIRMAN DURANT: Wait a minute. We have
13 two motions on the floor.
14 MR. MENDEZ: I know. Mine, and I want to
15 table my motion.
16 CHAIRMAN DURANT: I don't think you can do
17 that once you have had a second to it.
18 MR. MENDEZ: You can always table. We can
19 table it. There is a motion to table. Do you want
20 to second that motion, are you tabling the
21 substitute motion?

1 MR. SMEGAL: I am going to table whatever
2 Pepe wants to do.
3 MR. MENDEZ: I made a motion to --
4 CHAIRMAN DURANT: Excise 266.
5 MR. MENDEZ: I want to table that now.
6 CHAIRMAN DURANT: Until we reconvene?
7 MR. MENDEZ: That's right, because I want
8 to vote on the other.
9 MR. WALLACE: Let me understand. Your
10 main motion allocates that 266 to management
11 administration, and what I thought we wanted to do
12 was to approve, was allocate all of this 1984
13 carryover except for the 266, and your main motion
14 allocates all of it, period.
15 MR. UDDO: Just deduct 266.
16 MR. SMEGAL: I think a proper motion would
17 be to divide out the 266 from the rest of the motion.
18 MR. WALLACE: I withdraw it.
19 MR. SMEGAL: You can't table the 266. I
20 withdraw my motion.
21 MR. UDDO: I think the way to handle this

1 is to amend the motion and instead of the management
2 figure being whatever it is, it will take 266 from
3 it. Keep the same committee motion, just deduct 266
4 from the management figure and that 266 would be
5 left for us to deal with separately.
6 MR. SMEGAL: Separate fiscal year
7 carryover.
8 MR. UDDO: Right. As a friendly amendment
9 I would propose that management figure, which is
10 1.736, now be whatever that is, when you deduct 266,
11 1.47. So that would be my amendment to my motion
12 and we can vote on the entire committee report,
13 knowing we have 266,000 from the '84 carryover that
14 we will deal with separately.
15 MR. SMEGAL: Has that been seconded?
16 MR. WALLACE: He has accepted it as a
17 friendly amendment.
18 MR. SMEGAL: The problem with that
19 procedurally is if we were to divide and table 266
20 we could then come back and discuss it. You can
21 always remove it from the table. Your position

1 would in effect set it off to the side. I don't
2 think it would be appropriate for us to come back
3 after a closed session.
4 MR. UDDO: The management figure was a
5 lump sum figure. I don't know that you can divide
6 something out of that and table it. I think you
7 have to table the whole management thing.
8 MR. MENDEZ: I stated what the management
9 was and then I subdivided the management portion in
10 my motion.
11 MR. UDDO: I don't know what the proper
12 procedural approach is, but I think we are all in
13 agreement that we want to take that 266 out right
14 now and vote on them.
15 CHAIRMAN DURANT: Why don't we do this.
16 The simplest thing would be, all the motions were
17 simply withdrawn and Pepe can make an original
18 motion that excises the 266, and it will then be
19 taken up after we come back from executive session
20 and after the staff has had an opportunity to meet
21 with Pepe and Basile. Is that acceptable?

1 MR. MENDEZ: That is acceptable to me. I
2 will rephrase the motion.
3 MR. UDDO: I will withdraw my friendly
4 amendment.
5 MR. SMEGAL: My table fell off the table
6 along time ago.
7 CHAIRMAN DURANT: We are now back and you
8 withdraw your original motion, is that correct?
9 MR. MENDEZ: That's correct.
10 CHAIRMAN DURANT: Why don't you start
11 fresh?
12 MR. MENDEZ: I move the board all locate
13 1984 carryover funds in the following manner:
14 1,105,080 allocated to field programs.
15 1,584,377 to cover committed obligations as listed
16 in the board work. One million dollars monitoring
17 catchup. 300,000 for special studies. 170,000 to
18 cover litigation related expenses. 994,250 to
19 program development and noncommitted funds. Do I
20 hear a second?
21 MR. UDDO: I second.

1 CHAIRMAN DURANT: Any discussion?
2 MR. FREY: Would you take comments from
3 the field?
4 CHAIRMAN DURANT: I would be glad to.
5 MR. MILKIS: Sam Milkis, I am Deputy
6 Director of Legal Services, Incorporated, which is a
7 program located in central Pennsylvania. Thank you
8 for the opportunity to comment.
9 I am troubled not so much about the
10 suggestion about computers as much as the trend here
11 in the direction of allocating only one-fifth of the
12 amount being allocated today to local programs and
13 the remainder to administrative and other expenses.
14 It has been a fight over the years that I have been
15 able to express in people discussing with legal
16 services, the low overhead costs in implementing
17 legal services programs, that I think this directly
18 counters that trend within legal services. I think
19 we have been required as local programs to take on
20 many additional responsibilities, many of them
21 administrative responsibilities without additional

1 funding, and in fact in the face of cuts in our
2 funding. I am still using my scratch paper instead
3 of legal pads and I guess it has become symbolic to
4 me because of what it symbolizes, that we are not
5 increasing our allocation and ability to serve our
6 clients. I think any move toward funding central
7 office purposes when we are still not able to serve
8 our client community is an ill-advised decision.
9 CHAIRMAN DURANT: Thank you. Any other
10 comments from the floor, Mr. Mola.
11 MR. MOLA: John Mola, I am cochair of the
12 project advisory groups funding criteria committee.
13 We have presented lengthy testimony over the months
14 on this issue and I will not bore you with repeating
15 all that in detail. We are basically opposed to any
16 new money coming from 1984 carryover to go into any
17 of the central Legal Services Corporation
18 headquarters budget lines. Our position has been
19 laid out in several memos that we have submitted to
20 you, that there is ample funding currently in the
21 1985 budget to cover both the normal activities and

1 the additional activities that the board is
2 interested in mandating that step and implementing
3 it. I would echo Mr. Milkis' comment that the field
4 programs are those that desperately need any new
5 money, any one-time money so that we can utilize
6 those new resources to bolster and expand direct
7 delivery to poor people in this country.
8 I think you will find when you do the 1985
9 budget review, that the surpluses in the budget
10 lines would now add millions of new dollars, are
11 going to continue to grow and will be there at the
12 end of '85. That is not the case with any field
13 program that you are currently funding. There is
14 plenty of money in headquarters. They need no more.
15 We are the ones who are delivering the direct
16 services. You can carry out your administrative
17 responsibilities with current funding. Please
18 allocate all of the carryover to basic field
19 programs so we can serve our clients.
20 CHAIRMAN DURANT: Thank you Mr. Mola. Any
21 other comment?

1 MR. MENDEZ: Mr. Mola, yesterday I asked
2 you to advise us how the field wanted any funds that
3 was allocated divided. Do you have a position?
4 MR. MOLA: It depends on the amount, Mr.
5 Mendez. If it were the entire amount we would ask
6 that it be allocated according to the traditional
7 funding formulas. If it is simply the one million
8 dollars, a little bit over one million dollars, that
9 is much less a pot, and we have to be very careful
10 about dividing it up in such a way that the check of
11 any individual program is big enough to have an
12 impact.
13 Because of the very, very small amount of
14 money that is going out to field programs, we would
15 recommend that this one-time money be given on a
16 peer program basis to all those programs funded
17 under the national average. If my calculation is
18 correct, that is about 148 of the grantees. If it
19 is the little bit over a million dollars, that would
20 result in a check per program somewhere in the
21 neighborhood of $7800. It is our belief that that

1 is the minimal amount of money really to be
2 effectively used by the program or the Board of
3 Directors. It would, for example, either cover the
4 cost of a replacement of a copier or cover most of
5 the cost of some other capital expenditure or, for
6 example, in a program that is losing a REGGIE, cover
7 the personnel cost between August and the end of the
8 year perhaps when the budget might be able to absorb
9 that REGGIE into a staff position.
10 If we increase the number of programs,
11 unfortunately, the amount of money would be
12 significantly reduced and if you get down much below
13 7800, although any funds are welcome, it is very
14 difficult to use them in any significant way. So
15 our proposal again is, if it is only one million, it
16 should go out to those 148 programs funded below the
17 national average.
18 MR. SMEGAL: John, you would divide
19 whatever the number is by 148 as opposed to
20 weighting it with respect to their grants?
21 MR. MOLA: That's correct.

1 CHAIRMAN DURANT: Any other comment? Any
2 further comment from the board?
3 MR. UDDO: Call for the question.
4 CHAIRMAN DURANT: I am going to do this in
5 a roll call. Pepe.
6 MR. MENDEZ: I move that we accept.
7 MR. WALLACE: We have got a witness.
8 CHAIRMAN DURANT: The question has been
9 called. Can we vote on it and Gail will come to you.
10 MR. MENDEZ: I move it be approved.
11 MR. VALOIS: Aye.
12 CHAIRMAN DURANT: Mr. Smegal.
13 MR. SMEGAL: I am going to vote yes with
14 the understanding of the discussion that we had
15 earlier, that there is going to be an analysis of
16 fiscal year '85 for expenditures.
17 MR. MENDEZ: We did agree.
18 MR. SMEGAL: That didn't get wiped out.
19 CHAIRMAN DURANT: No.
20 MR. WALLACE: Aye.
21 CHAIRMAN DURANT: Aye.

1 MR. EAGLIN: Aye.
2 MS. SWAFFORD: Aye.
3 MS. BENAVIDEZ: Aye.
4 MR. UDDO: Aye.
5 MS. MILLER: Aye.
6 MS. BERNSTEIN: Aye.
7 MR. OPSUT: Aye.
8 MR. SMEGAL: Aye.
9 MR. VALOIS: Aye.
10 MR. MENDEZ: Aye.
11 CHAIRMAN DURANT: Gail, is your matter on
12 things immediately pending?
13 MS. FOGARTY: It was on the carryover
14 issue.
15 CHAIRMAN DURANT: Go ahead.
16 MS. FOGARTY: Gail Fogarty from the House
17 Judiciary Committee. Thank you for giving me a
18 moment to speak. I am glad you are looking very
19 carefully as to how to use the carryover funds. It
20 seems like a very small proportion is going directly
21 to the field. I think that will be of concern to

1 the Members of Congress. As you know, they have set
2 forth an allocation formula, and I think
3 particularly where you are giving money, I think you
4 are giving about one million for monitoring and
5 995,000 for program development.
6 Both of those categories I think are
7 questionable. First, Mr. Smegal has raised the
8 question whether you don't have sufficient money
9 already for the monitoring. Certainly monitoring is
10 an important function, and Congress wants you to do
11 the monitoring. But I think you already have the
12 money for that. So that seems to be one category
13 where you may be diverting this instead to the field.
14 The other category is the 995,000 for program
15 development. I think you already have about 1.8
16 million in that category. That's where, again, you
17 are taking money from the basic field and putting it
18 into some programs that may not be as effective as
19 using it in the field. I hope you will consider
20 that.
21 MR. WALLACE: Let me just respond to that.

1 On program development a good part of this carryover
2 came out of program development. Instead of letting
3 them just keep it and use it next year, in fact we
4 have cut some of that money. This is program money
5 that a previous board appropriated, and instead of
6 rubber stamping that and passing it along we have
7 cut some of it. On monitoring, we have got letters
8 from Members of Congress, some members of your
9 committee, that tell us this is the most important
10 thing we are doing.
11 MS. FOGARTY: It is important.
12 MR. WALLACE: We are not unconscious that
13 Congress cares about the field. We care about the
14 field. On both of those items I think we have been
15 responsive to our responsibilities and many of the
16 concerns we are getting from Members of Congress.
17 The best I can put it to you --
18 MS. FOGARTY: I hope then in your next
19 meeting in June when you look at whatever other
20 funds might become available, you consider the field
21 as a top priority.

1 MR. MENDEZ: For the record, we always
2 consider the field as a top priority.
3 CHAIRMAN DURANT: Mr. Mola.
4 MR. MOLA: Mr. Chairman, in terms of the
5 Congressional perspective, it is interesting to note
6 that '84 money is going into budget lines that have
7 been capped in the 1985 appropriation. I can see
8 there is a very clear intent from Congress that
9 while those activities are important in program
10 development and its central administration that they
11 want to limit the amount of dollars that are being
12 spent in this fiscal year to those that are
13 contained in the 1985 appropriation. What you have
14 done is to remove money from 1984 and indirectly
15 counter that directive that has been imposed by
16 Congress.
17 CHAIRMAN DURANT: Except, as you know,
18 since that was passed we have had a number of
19 meetings with Congress and whatever regarding
20 current concerns. That is exactly what I think we
21 are doing that reflects that. What I would like to

1 do is have Basile, Michael, Pepe or anyone else to
2 meet with Tom, Mr. Frey, Peter Broccoletti or anyone
3 else that you think is necessary from the staff to
4 analyze the questions that have been raised and to
5 address them, and then we will move into executive
6 session. We will recess right now to go into
7 executive session. Where and when are we going to
8 meet in executive session?
9 How much time do you think you need, 30
10 minutes?
11 MR. WALLACE: I don't think he has the
12 answers to our questions.
13 MR. UDDO: I am not so sure you can do it
14 in 30 days.
15 CHAIRMAN DURANT: Why don't we have a
16 preliminary meeting to determine what kind of time
17 frame you actually need.
18 MR. MENDEZ: Are we going to have
19 executive session now or break for lunch?
20 MR. WALLACE: It is 11:30.
21 CHAIRMAN DURANT: What is the sense of the

1 board?

2 MR. UDDO: I move we break for lunch and

3 give us a few minutes to talk with Tom.

4 CHAIRMAN DURANT: Does anybody have any

5 objection? This is where executive session is going

6 to be. We haven't got lunch ordered up there.

7 Let's meet in the Jupiter Room at 1:00.

8 MS. BERNSTEIN: Are you coming back in

9 public session?

10 CHAIRMAN DURANT: Afterwards, yes.

11 MS. BERNSTEIN: At what time?

12 CHAIRMAN DURANT: We are going to address

13 the question on the Hart bill. We start at 1:00; an

14 hour.

15 MR. UDDO: 2:00.

16 CHAIRMAN DURANT: Approximately. We can

17 shoot for 2:00. We are now in recess.

18 (Thereupon, at 11:40 a.m., the meeting was

19 adjourned.)

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