

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE  
BOARD OF DIRECTORS

OPEN SESSION

Saturday, January 30, 2016

9:40 a.m.

The Mills House Wyndham Grand Hotel  
115 Meeting Street  
Charleston, South Carolina 29401

BOARD MEMBERS PRESENT:

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

## STAFF AND PUBLIC PRESENT:

Ronald S. Flagg, Vice President for Legal Affairs,  
General Counsel, and Corporate Secretary  
Lynn Jennings, Vice President for Grants Management  
Rebecca Fertig Cohen, Chief of Staff  
Mayealie Adams, Special Assistant to the President  
for the Board  
Carol A. Bergman, Director, Office of Government  
Relations and Public Affairs  
Janet LaBella, Director, Office of Program  
Performance  
Lora M. Rath, Director, Office of Compliance  
and Enforcement  
Carl Rauscher, Director of Media Relations, Office of  
Government Relations and Public Affairs  
David L. Richardson, Comptroller and Treasurer,  
Office of Financial and Administrative Services  
Jeffrey E. Schanz, Inspector General  
Joel Gallay, Special Counsel to the Inspector  
General, Office of the Inspector General  
Daniel O'Rourke, Assistant Inspector General for  
Investigations, Office of the Inspector General  
David Maddox, Assistant Inspector General for  
Management and Evaluation, Office of the  
Inspector General  
Andrea Loney, Executive Director, South Carolina  
Legal Services  
Angela Myers, South Carolina Legal Services  
Frank B. Strickland, Non-Director Member,  
Institutional Advancement Committee  
Allan J. Tanenbaum, Non-Director Member, Finance  
Committee  
Robert E. Henley, Jr., Non-Director Member, Finance  
Committee  
  
Robin C. Murphy, National Legal Aid and Defender  
Association (NLADA)

## C O N T E N T S

OPEN SESSION	PAGE
1. Pledge of Allegiance	5
2. Approval of agenda	5
3. Approval of minutes of the Board's Open Session meeting of October 6, 2015	5
4. Approval of minutes of the Board's Open Session telephonic meeting of October 19, 2015	5
5. Approval of minutes of the Board's Open Session telephonic meeting of November 17, 2015	5
6. Consider and act on nominations for the Chairman of the Board of Directors	5
7. Consider and act on nominations for the Vice Chairman of the Board of Directors	9
8. Chairman's Report	11
9. Members' Reports	26
10. President's Report	36
11. Inspector General's Report	68
12. Consider and act on the report of the Finance Committee	79
13. Consider and act on the report of the Audit Committee	80
14. Consider and act on the report of the Combined Audit and Finance Committee	81
15. Consider and act on the report of the Operations and Regulations Committee	83
16. Consider and act on the report of the Governance and Performance Review Committee	84
OPEN SESSION (Continued)	PAGE

	4
17. Consider and act on the report of the Institutional Advancement Committee	85
18. Consider and act on the report of the Delivery of Legal Services Committee	88
19. Consider and act on process for updating LSC 2012-2016 Strategic Plan	91
20. Report on implementation of recommendations of the Pro Bono Task Force Report and the Pro Bono Innovation Fund	89
21. Public comment	90
22. Consider and act on other business	90
23. Consider and act on whether to authorize a Closed Session of the Board to address items listed below	90

CLOSED SESSION

24. Approval of minutes of the Board's Closed Session meeting of October 6, 2015	
25. Management briefing	
26. Inspector General briefing	
27. Consider and act on General Counsel's report on potential and pending litigation involving LSC	
28. Consider and act on list of prospective funders	
29. Consider and act on motion to adjourn the meeting	

Motions: Pages 5, 5, 80, 83, 86 and 90

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

2 (9:40 a.m.)

3 CHAIRMAN LEVI: I need to call this meeting to  
4 order, but I will give Mr. Sandman a second.

5 (Pledge of Allegiance.)

6 CHAIRMAN LEVI: Thank you. Could I have a  
7 motion to approve the agenda?

8 M O T I O N

9 DEAN MINOW: So moved.

10 FATHER PIUS: Seconded.

11 CHAIRMAN LEVI: All in favor?

12 (A chorus of ayes.)

13 CHAIRMAN LEVI: And then approval of the  
14 minutes of October 6, 19, and 17. Maybe we can do them  
15 together unless there's some edits or changes.

16 M O T I O N

17 DEAN MINOW: So moved.

18 FATHER PIUS: Second.

19 CHAIRMAN LEVI: All in favor?

20 (A chorus of ayes.)

21 CHAIRMAN LEVI: Consider and act on  
22 nominations for chairman of the Board of Directors.

1 Father Pius?

2 FATHER PIUS: As Jim is celebrating an  
3 anniversary, I think we all are as well. It was six  
4 years ago this month that I received a call out of the  
5 blue asking me if I had any knowledge of this thing  
6 called the Legal Services Corporation. And my response  
7 was a sort of vague one. And the next question was,  
8 "Would you like to be a part of it?"

9 Of course I said, "Let me check with my  
10 superiors," and I eventually said yes, not knowing  
11 quite what I was getting into, but grateful for it.  
12 And it has been an extraordinary six years. And we've  
13 seen a lot of change in what we've done, and for every  
14 change, for every what the classic law services would  
15 call movement, it requires one who moves it. That is,  
16 in a sense, the prime mover.

17 And I think I can say without contradiction  
18 that the prime mover of the LSC for the last six years  
19 has been John Levi. John Levi has been -- at least I  
20 can say for myself -- an inspiration in leadership, and  
21 also a model of passion for the legal services  
22 community; and I think most important to me personally,

1 not only these things, but also, I hope to say, my  
2 friend.

3           It has been an extraordinary time for me on  
4 the board. When I think of the name, when I think John  
5 Levi, I think of Levi, of course. He is a member of  
6 the priestly class, the Levites, the Levites of old.  
7 But in the Christian dispensation who take on some of  
8 these images from Jewish tradition, the Levites are not  
9 the priests, the presbyteroi, but the diaconoi, the  
10 servants.

11           So the Levite in the Christian dispensation is  
12 the one who serves the people of God. And so I will, I  
13 think, always think of the name of Levi as he who  
14 serves the poor of this country.

15           And because of John's leadership in what we  
16 have experienced on this board, and as we look now not  
17 so much towards the beginning of our time but we look  
18 increasingly towards the end of our time on the board,  
19 for these last few years that we have on the board,  
20 that I think there is no other person, no better  
21 person, to continue the leadership on this board of  
22 directors than John Levi. He has been an extraordinary

1 leader, as you all know, in our time on the board, not  
2 only for the community, but I will say for me  
3 personally as well.

4 And so it is with great honor and great  
5 humility, and I dare say with great love, that I am  
6 proud to nominate once again John Levi -- John Levi as  
7 the chairman.

8 (Laughter.)

9 FATHER PIUS: Sorry.

10 CHAIRMAN LEVI: That's okay. That's good.

11 FATHER PIUS: John the Levite. Or as I know  
12 him best, as Jill Levi's husband.

13 (Laughter.)

14 FATHER PIUS: John Levi as the next and  
15 continuing chairman of the board of the Legal Services  
16 Corporation.

17 CHAIRMAN LEVI: Thank you. I'm going to have  
18 to gather myself for a second.

19 DEAN MINOW: Is there a second?

20 CHAIRMAN LEVI: Is there a second?

21 PROFESSOR VALENCIA-WEBER: Second.

22 CHAIRMAN LEVI: Any other nominations?

1 DEAN MINOW: All in favor?

2 (A chorus of ayes.)

3 CHAIRMAN LEVI: Thank you.

4 (Applause)

5 CHAIRMAN LEVI: Thank you, Father Pius. The  
6 love is felt mutually. And that goes for the entire  
7 board. How fortunate we are. It's a funny thing that  
8 we landed in this place together, but here we are. And  
9 I think the bonds and affection among us are very  
10 powerful. And I know we'll continue our work together,  
11 but I look forward also to the time when we will  
12 continue to be in touch with one another even after our  
13 tenure is up.

14 So now for the nominations of vice chair?  
15 Julie?

16 MS. REISKIN: That was a hard act to follow.

17 (Laughter.)

18 MS. REISKIN: But leadership happens in teams,  
19 and leadership also involves getting other people  
20 involved. And I think Martha Minow has done that, and  
21 in spades, with her leadership, not only running a law  
22 school, a big one, but the Pro Bono Task Force, and all

1 of the ways that she's gotten out there and gotten our  
2 message across, and just moved this, and running the  
3 Governance and Performance Committee.

4 I think Martha has been an amazing vice chair.

5 And as a team, you guys are just unstoppable and  
6 incredible. And so I think the team is working. If  
7 it's not broke, don't fix it. And I think that this  
8 team, this amazing team, should continue. And so with  
9 that, I would like to nominate Martha Minow to continue  
10 as vice chair.

11 PROFESSOR VALENCIA-WEBER: I'll second.

12 CHAIRMAN LEVI: All in favor?

13 (A chorus of ayes.)

14 CHAIRMAN LEVI: Opposed?

15 (No response.)

16 (Applause)

17 DEAN MINOW: This has been one of the most  
18 rewarding experiences of my professional life, and I am  
19 very, very grateful, and look forward to not ending  
20 right away. So thanks very much for that lovely  
21 comment, and the team point is absolutely right because  
22 it's about all of us. So thank you.

1           CHAIRMAN LEVI: Thank you, Martha. Thank you,  
2 all of you. And I have to say, I don't see it on here,  
3 but at some place I have to reappoint the committee  
4 chairs. Do I just do it now? We didn't put it as an  
5 agenda item. Should I do it as a part of my report?

6           MR. FLAGG: That would be fine.

7           CHAIRMAN LEVI: Okay. So I sent out a note to  
8 all of you, and every one of you said that you were  
9 happy to continue on your committees and in the roles  
10 that you continue to serve in. And I think, again,  
11 it's a team effort. Each one of you plans such a  
12 significant role. And our learning together, our  
13 combined efforts, I think, have made a tremendous  
14 difference.

15           And I'm so grateful to you, and to our  
16 non-director members of our committees, also to you. A  
17 number of you are in the room. But we are reappointing  
18 you as well. And each one of you also volunteered to  
19 continue your service. And it means so much to us to  
20 have you.

21           We're a small board, and I suspect we're going  
22 to remain ten. And so to extend ourselves across the

1 number of committees and the number of issues that we  
2 have is difficult. So you guys have really, really  
3 helped us, and we're so grateful to you, too. And so  
4 I'm reappointing all of you, and thank you so much for  
5 your service.

6           For my own report, I want to begin by thanking  
7 Andrea. She sat through all the committee meetings  
8 yesterday. And thank you and your colleagues for what  
9 you did for us here in South Carolina. This was a  
10 tremendous visit for us. We're so impressed with your  
11 program, and just want to thank you. And please stand  
12 up and be acknowledged.

13           (Applause)

14           CHAIRMAN LEVI: And I want to thank all of our  
15 panelists. They were just terrific, as they have been.

16       We've been so fortunate, in my view, to have great  
17 panel discussions. I believe that you can sort of see  
18 the flowers blooming, and you never know which person  
19 picked up what idea from what discussion and then they  
20 took it and ran with it.

21           But we're at a different point than we were  
22 four years ago, five years ago, in encouraging

1 innovation, encouraging collaboration, best practices.

2 The number of access to justice commissions is, I  
3 believe, almost tripled from when we took office; and  
4 the use of technology, you can see it even in this  
5 morning's meeting, expanding quite rapidly, as it must.

6 But I think that the board and what we've  
7 tried to promote, you can start to see what's happening  
8 out there and feel some -- we're not going to have to  
9 pat ourselves heavily on the back, but you can see how  
10 these things are starting to take shape.

11 Again, we can't put these meetings on without  
12 the hard work behind the scenes of a staff that really  
13 knows how to do it. Mayealie. Becky. Bernie's out, I  
14 guess, in the hall. But the three of you are  
15 quite -- I've just got to say, this is a different day  
16 than when the -- well, we're very grateful to you, and  
17 these meetings move along without a hitch.

18 And just, I know, particularly when the snow  
19 hit the other day, I said to Mayealie, "Are you going  
20 to be able to get out of your house?" She said, "Well,  
21 I'll figure out I'll get out of my house. We've even  
22 got backup train reservations."

1 (Laughter.)

2 CHAIRMAN LEVI: They were going to get down  
3 here by hook or by crook, and they really had -- they  
4 go the extra mile. And we're so grateful.

5 (Applause)

6 CHAIRMAN LEVI: This is Mayealie's first real  
7 solo mission, huh? So special congratulations to you,  
8 Mayealie. Thank you.

9 (Applause)

10 CHAIRMAN LEVI: She's still smiling, even  
11 after having been emailing us at 1:00 in the morning.  
12 I so appreciate that.

13 Then I want to thank the other -- this is our  
14 annual meeting. It was said yesterday, but the  
15 leadership team that Jim has assembled -- I see Ron  
16 here. Dave. Carl. Carol. Lynn is hiding behind a  
17 chair. Did I miss anybody? Would you all stand and  
18 please be recognized by the board?

19 (Applause)

20 CHAIRMAN LEVI: While we're at it, I want to  
21 also -- oh, Lora. Okay. Lora's hiding behind -- see,  
22 I asked if anybody's hiding.

1 (Applause)

2 CHAIRMAN LEVI: I couldn't see her behind  
3 Frank.

4 And then I want to also salute our Inspector  
5 General and his team. I don't think you guys have  
6 missed a meeting. I don't know whether you'd planned a  
7 train or not. But you've been with us all the way, and  
8 your team, too, has evolved. And we know it, and you  
9 know it, and what a crackerjack group you have. So  
10 congratulations to you, too. And why don't you stand,  
11 and your team, please, and be recognized by the board.

12 (Applause)

13 CHAIRMAN LEVI: So this is an opportunity for  
14 me to say just a couple of things. I think this year,  
15 as we look out over where we have visited in the past  
16 and going over the map before we came here, I would  
17 like to suggest that we go to Atlanta next January -- I  
18 said that a minute ago in the combined meeting with the  
19 ABA -- followed then by a return to Washington in  
20 April.

21 We haven't been to Ohio in the long time, and  
22 it seems to me that in July we ought to visit

1 Cleveland. And then in October, it's time to visit  
2 Martha's home state of Massachusetts.

3 DEAN MINOW: Are you telling me I can't have  
4 snow?

5 (Laughter.)

6 CHAIRMAN LEVI: Not in October. You should  
7 have some fall color, I hope, for us. But in any  
8 event, that is what the staff has suggested as a good  
9 way to take care of places on the map that we need to  
10 go. And unless the board -- would the board like to  
11 vote on that? I don't know whether we need to. That  
12 seems to be what we're suggesting.

13 And again, those are locations that should  
14 provide reasonably easy transportation and  
15 cost-effective lodging. So we do keep an eye on that.  
16 And so that's, I think, what we'll do.

17 Yes, sir?

18 MR. KORRELL: And we should come back to  
19 Charleston, John.

20 (Laughter.)

21 CHAIRMAN LEVI: I think that's where we'll  
22 have our board -- we'll have our post-board gathering.

1           MR. KORRELL:  If we wait a year, they'll  
2 replenish the food I ate.

3           (Laughter.)

4           FATHER PIUS:  Not as much as I ate.

5           CHAIRMAN LEVI:  The campaign has really, I  
6 think -- is Wendy in the room?  Where is Wendy?  She  
7 left?  Oh, okay.  Well, I should have -- because I  
8 would have had her stand up, too.

9           But the campaign has really taken off.  But it  
10 really is an opportunity to tell the story of LSC, and  
11 whether people give or not at major law firms is not so  
12 much the point.  It gives you an opportunity to go tell  
13 them what -- I will tell about one law firm that I went  
14 to see in the heartland.

15           And although they didn't give to our campaign,  
16 they gave more to our grantee.  But they became much  
17 more aware of who we are, what we're about, and I just  
18 view it as an opportunity.

19           And so something that I mentioned at the last  
20 board meeting, and Julie has volunteered to help us  
21 organize, over the next couple of years I would  
22 like -- and this is based on my own visits around the

1 country. I think you would all benefit and enjoy  
2 actually going to see grantees.

3 And when you're in a particular state, if  
4 there is a large law firm or two or a corporation that  
5 you can see on behalf of the campaign, that would be  
6 great, too, just to see the leadership of the bar.

7 But you're board members. You're  
8 presidentially nominated. Your Senate-confirmed. And  
9 incidentally, Senate-confirmed, that doesn't happen  
10 that much. And so you have important positions, and  
11 you would be surprised by how much it means to the  
12 local folks when you come to visit.

13 So I figured we would except from this the  
14 states that we've been in the last two years and that  
15 we're planning to go to next year. So if we each did  
16 three or four states within our neighborhood, it will  
17 not be that big a burden. You don't necessarily have  
18 to do it alone; there are people from LSC who could  
19 accompany you.

20 But Julie's going to help organize this. And  
21 we can go out, and as we make our kind of farewell  
22 tour, also bring back -- we'll hear from the grantees.

1 We'll see what's happening. I'm sure from it that  
2 there will be ideas that you want to present and that  
3 you'll help also to share. But it will be the face of  
4 LSC. And we can't get to 50, I'm sure, but we'll try  
5 hard.

6 I think that then we have to focus on the  
7 strategic plan this year. It was interesting and  
8 important and instructive to see all of the things  
9 actually put in one place that Jim did that the  
10 last -- now, in some ways, you just almost feel like,  
11 well, if it isn't broke -- but we need to update the  
12 plan. And we need to have a good plan in place.

13 It's also part of this -- Carol has reminded  
14 us we'll probably have to put a transition document  
15 together at the end of the year here. So that will  
16 also assist in planning such a second document, I  
17 think. Is that the typical thing, that when a new  
18 administration comes in, that we provide some kind of  
19 transition document for them?

20 MS. BERGMAN: Yes. Officially, the way it  
21 works is that after the explain there's an official  
22 transition team for the new administration. And they

1 ask all of the agencies to come in and make a  
2 presentation, and that happens, obviously, very quickly  
3 in November and December.

4           However, the move now in trying to  
5 get -- there's now a new law that's been passed that  
6 has funded transition teams to be put together by both  
7 parties significantly in advance of the election so  
8 that there's actually a transition process that will  
9 take place where there's likely to be conversations  
10 with both parties prior to the election in September  
11 and October because they're very concerned that  
12 everybody can't happen between the election and January  
13 20th.

14           So the bottom line is you want to have  
15 something ready to go, really, by October.

16           CHAIRMAN LEVI: Well, and so it sort of does  
17 relate to the timing of our strategic plan. And I  
18 don't think it'll be done, but we'll have to work on  
19 that, too.

20           MS. BERGMAN: No. But it'll be done enough to  
21 be able to go in and talk to folks.

22           CHAIRMAN LEVI: Yes. Thank you. Father Pius

1 and Gloria are spearheading this, and we're very  
2 grateful. Very, very grateful.

3 Now, a couple of things that are on my -- and  
4 I don't know whether they go into the strategic  
5 planning or not, but I just want to throw out there. I  
6 think it's time for a new logo. I know it's a modest  
7 thing, but I just really do. I put that out there.

8 I also think it's time to consider whether  
9 Legal Services Corporation shouldn't have a DBA, the  
10 Access to Civil Justice Corporation, ACJC. So many  
11 times when I go around the country, people ask me,  
12 "What is Legal Services?" So maybe that's not a good  
13 idea. I'm not a marketing person. But I'm concerned  
14 that folks don't really know in the legal profession,  
15 well, what is the Legal Services Corporation?

16 The name, Access to Civil Justice Corporation,  
17 tells you what we do, and Legal Services Corporation  
18 doesn't. And so I'm wondering, as I've run into this,  
19 which I'll discuss in the closed session, somewhat  
20 appalling lack of knowledge of who or what we are.  
21 Well, it's just a thought. It's out there.

22 I also think two other things that I've been

1 observing, and we've been hearing this now for the last  
2 few years, and I don't know how we focus on this in  
3 terms of law reform. But the areas that affect the  
4 huge volume, state by state, as we go through -- you  
5 hear it continually: Family law, housing, consumer.

6           What does that mean and what can we say about  
7 how to make the court systems more friendly, to open  
8 the doors and windows in those areas, those particular  
9 areas? We don't have to focus on the entire body of  
10 admiralty and esoteric, even multi-district litigation.  
11 We don't have to focus on it.

12           If we focus on those few, what can we say? Is  
13 there something we should be saying to the legal  
14 profession about how to simplify those areas of law to  
15 make them more available? And I think we have  
16 something to say. I'm not sure what it is, but I think  
17 we do.

18           And I think it might be of value to have some  
19 kind of a working group -- and we can think about who  
20 and how to put together -- much as we did the Pro Bono  
21 Task Force and the Fiscal Oversight Task Force. We  
22 have convening power.

1           And if we put together a good group on a  
2 couple of these issues, maybe we can actually help the  
3 profession. We know more about this. It's what turns  
4 out to be we know more about this. And something that  
5 I said at the American Academy as I thought about what  
6 was I going to say there: Who's in charge of equal  
7 justice? That's the one thing we all are.

8           There's nobody in the constitution who is in  
9 charge of -- there isn't one person. And yet there are  
10 very few entities like ours that are this knowledgeable  
11 now, have spent this much time in understanding these  
12 issues.

13           So we have a role. We have a leadership role  
14 within the profession. I think we can be helpful here.

15           And maybe we could provide some guidance that would  
16 assist the profession.

17           I also want to add to that that I keep hearing  
18 from people out there, and I know you do, too, who say,  
19 my gosh. I don't live at 125 percent. Maybe I live at  
20 250 percent or 200 percent of the poverty guideline.  
21 But I couldn't afford a lawyer that I would want,  
22 either.

1           So is there a low bono? Is there some  
2 relationship that our grantees could have to that? I  
3 suppose it gets really complicated and requires  
4 statutory change. I don't know. But I know we're  
5 missing a lot of people, and I know that it is not a  
6 sustainable model for the long run of this country to  
7 have this many people feel shut out of the legal  
8 system.

9           So I'm not talking about 125 and below. I'm  
10 talking about actually a different range. And I don't  
11 know whether our grantees or others have to pick this  
12 up, or do law firms? But there is, from 125 to 250, a  
13 crying need in this country. And I just have come to  
14 hear that so much, I thought I'd put it out there today  
15 and just say, I'm thinking about it.

16           Then finally, what's our role? So many of our  
17 grantees are just doing phenomenal things. And how do  
18 we help them? The website is really hugely improved.  
19 But if we were going to have -- maybe it's part of the  
20 strategic plan.

21           What does the model legal aid office look  
22 like? What could we -- if we were to design the model,

1 what would it look like? And maybe thinking about that  
2 in terms of best practices, what have we come to know?

3 We know a lot now. And I think how we  
4 continue to share the TIG conference and what we've  
5 been doing with our webinars all across an array of  
6 issues that I think have been so helpful to our  
7 grantees.

8 But I think we have to figure out how do we  
9 continue to use within our community the power of our  
10 convening to help educate our 134 grantees on intake  
11 systems, for example? On setting up good pro bono  
12 operations? Just two examples. How do we help them?

13 And do we have the staff? I don't know. It's  
14 a question. How do we help them improve themselves  
15 through their own network -- not through having to go  
16 to a conference or whatever, but just an hour lunchtime  
17 webinar?

18 Is it time internally to be thinking about how  
19 we can do maybe 12 of these, a monthly webinar on this,  
20 that, or the other thing, that helps share best  
21 practices among our grantees?

22 Well, I have spoken too long. But I do want

1 to say that in the closed session, I'll speak a bit  
2 about some other matters around our funding. I  
3 continue to believe that it is way too low. But I also  
4 believe that we have put LSC in a position where there  
5 is confidence, I hope, in our operation and in our  
6 grantees, that we are poised to have once again broad  
7 bipartisan support.

8           And I thank the board and the staff for that  
9 because you have really put us in that position. And  
10 let's have a great year.

11           So with that, I'll turn it over to the members  
12 and ask if you have reports or questions or  
13 observations you want to make. Yes?

14           FATHER PIUS: Thanks, John. I just want  
15 to -- I obviously gave my nomination for you. But I  
16 also want to reiterate very similar words for Martha  
17 and to thank Martha for your service on the board.  
18 Your ability to both run the day school in Cambridge  
19 and yet give the attention that you give to this board  
20 is to me absolutely incredible. I don't know how you  
21 do it. You pack a lot in a little frame.

22           (Laughter.)

1           FATHER PIUS:  And for that, I appreciate it  
2 very much.

3           I mentioned before earlier that I had the  
4 opportunity to meet with David Hoppe, who is the chief  
5 of staff of Paul Ryan, so I won't go into that any  
6 more.  But I just wanted to mention it in my report,  
7 and then I hopefully will follow up when I'm back in  
8 D.C. in April and then over the summer.

9           Also, and I wanted to talk a little bit more  
10 about, I had a great opportunity for the first time to  
11 attend the TIG conference in Austin this year, together  
12 with Gloria.  It was really -- I'd heard great things  
13 about it, and it was better than I had actually  
14 anticipated.  And I anticipated good things.

15           It really is an incredible conference from a  
16 lot of very energized and excited people who are very  
17 knowledgeable about their field.  And yet it's not just  
18 a geek-out event.  Right?  It's not just technology for  
19 the sake of technology.  These are people who really  
20 appreciate how you can use technology to enhance the  
21 service that they do to the poor or make more efficient  
22 the work that they do within their own offices.

1           And this of course is not just simply in the  
2 seminars. I deliberately tried to sit at different  
3 tables with different people to listen to them. And  
4 every single time, invariably, people would sit down  
5 and they would talk about, "This is the things that I'm  
6 doing."

7           And they would say, "Oh, that's interesting."  
8 And they would ask questions, and they'd get specifics,  
9 and they would hear about interesting things and say,  
10 "Well, I could do that, too, in what we're doing. That  
11 sounds like something that would help us as well.

12           So you get a lot of activity, not only within  
13 the sessions but a lot of it outside the sessions as  
14 well. And I have to say that the grand master of all  
15 this is Glenn Rawdon. He's a truly remarkable  
16 individual, very well-respected in the field and what  
17 he does, and the consistent level of quality and energy  
18 that he's able to bring from meeting to meeting is a  
19 great treasure.

20           I was very impressed, and I thanked Glenn  
21 afterwards for the opportunity to be part of the TIG  
22 conference after the event. I think Jim said we have a

1 real treasure in Glenn. Keep him as long as we can.

2           So I hope in the future to be able to attend  
3 some more TIG conferences. I really enjoyed it. I  
4 really learned a lot. And anything I can do to support  
5 what's going on, and if any of you have not been to a  
6 TIG conference, I really do encourage you to go, even  
7 if it's just for a part of it. It's really worth  
8 attending. And San Antonio's a lovely city. I like  
9 the barbecue here better, frankly, but San Antonio's  
10 pretty good.

11           (Laughter.)

12           FATHER PIUS: So that's the end of my member's  
13 report. Thank you.

14           CHAIRMAN LEVI: Thank you so much for going,  
15 Father Pius and Gloria. And I do encourage you, all of  
16 you, if you haven't been, even for a day, it is really  
17 something.

18           FATHER PIUS: Yes. There really are  
19 remarkable things going on. It's just fascinating. I  
20 thought I'd heard everything that our grantees are  
21 doing. You think, oh, I've heard everything by now.  
22 But you haven't.

1           PROFESSOR VALENCIA-WEBER: No. I'll second  
2 everything that Father Pius said. And I was lucky  
3 enough to go for the second time, and the first time  
4 absolutely blew me away about the high level of energy.

5       It's just constantly there, as well as new things.

6           And Father Pius and I spread ourselves around  
7 in the sessions as well as in the informal. And I also  
8 took advantage there of being able to meet and talk  
9 with some of the EDs and the staff and the attorneys  
10 from the smaller rural state area groups, including a  
11 breakfast that involved talking about how many of them  
12 with joint borders can collaborate with each other.  
13 And we'll be having some interesting things come out of  
14 that.

15           I left with, first of all, a whole net set of  
16 things I learned, but most of all, just how incredibly  
17 inspiring everybody at that meeting is. I just haven't  
18 been to as electric a meeting since a couple of  
19 organizing meetings that happened in the area of Indian  
20 law and immigration law several years ago, where people  
21 were really focused on what had to be done at this  
22 time.

1           And that's what was really important about  
2 TIG, is that at this time, because of all the factors  
3 that affect what we have, what resources we have, and  
4 the way these people just continuously stimulate and  
5 challenge each other, not in competitive, vanity  
6 personal ways, but for this larger good.

7           I talked to somebody who said he was one of  
8 the old-timers, but was still hanging in to technology,  
9 and said he had not felt -- this was his first  
10 meeting -- not felt this degree of excitement since  
11 some almost 30 years ago, at a big organizing meeting  
12 for people who were gearing up to meet some big  
13 constitutional civil rights challenge that had just  
14 been an ad hoc meeting. And he said, "I've just not  
15 felt it since." And he was floating.

16           So I want to congratulate Jim and Glenn Rawdon  
17 there. And I do want to emphasize that the address we  
18 heard yesterday from the former president of the ABA,  
19 he also addressed there. And it was a highly inspiring  
20 talk.

21           Jim gives a real stem-winder. But the two of  
22 them together were just absolutely amazing in their

1 effect on the attendees. And I really want to urge our  
2 board members to go because it is totally unlike  
3 anything that you can experience anywhere else.

4 I mean, we have good meetings. We meet people  
5 at the staff office in D.C., and that's important. But  
6 this is something else. And I think that really has to  
7 matter.

8 CHAIRMAN LEVI: Julie?

9 MS. REISKIN: Yes. I mentioned that Jim and I  
10 presented, as we do every year, at the NLADA for the  
11 client reps and mostly client board members, which was  
12 very, very well-received. And as a result of that,  
13 we've talked about best practices -- well, one of the  
14 things that we learned there was the Puerto Rico  
15 program has a really interesting best practice in terms  
16 of how they involve clients.

17 My understanding is they divide into six  
18 little groups, and then they come together once a year  
19 for a meeting of all the different client reps. And  
20 then somehow it gets connected -- then within there,  
21 there's some representatives to the program board.

22 So they invited me to come to their meeting

1 this year. And I also work with a local foundation in  
2 Colorado, the Denver Foundation, that's very much into  
3 client engagement, and I do some consulting work for  
4 them in helping other nonprofits learn how to do this.

5           So the Denver Foundation generously is going  
6 to pay for me to go visit the Puerto Rico legal  
7 services program. So I'm going. I'm taking my  
8 assistant, who speaks Spanish, because my Spanish is  
9 very rusty. And their meeting is in March, I think  
10 March 6th. And so we're going to go.

11           And in addition to attending the whole day of  
12 client meetings, I'm going to then be able to meet with  
13 the program board, visit the program, and meet with  
14 several of the organizations with whom they  
15 collaborate, including the disabled students group at  
16 the university and several other nonprofits in the  
17 area.

18           So that's going to be in March. And again, no  
19 LSC money; it's all being paid for by the Denver  
20 Foundation.

21           CHAIRMAN LEVI: But it'll count on our board.

22           And watch for the mosquitoes.

1           MS. REISKIN:   Okay.   Thank you.   I didn't know  
2   that.

3           So yes, obviously I will be going as an LSC  
4   board member.   But I was able to get total outside  
5   funding for it.   So it'll be learning that I can  
6   provide both to this and to the Denver Foundation.   So  
7   I will report about that in April.   I'm hoping that  
8   that will be a best practice in terms of client  
9   engagement that can then be shared.

10          DEAN MINOW:   I just want to thank you, Julie,  
11   for your incredible work with the boards and with  
12   clients.   You have really made a consistent voice, not  
13   just here but between this board and those communities.  
14   And it has changed, I think, how we do our work.   So I  
15   think it's fantastic.   And Puerto Rico, we want a  
16   report back.

17          CHAIRMAN LEVI:   Any other -- Jim?   Oh, did  
18   Gloria have something?

19          PROFESSOR VALENCIA-WEBER:   Just in response to  
20   the earlier notice that Julie's going to be working on  
21   having board members visit the grantees in our  
22   geographical area, I'm willing to do that.   I visit

1 with our grantees because we happen to meet enough. We  
2 happen to meet enough just because of regional meetings  
3 about the issues that arise in the big spaces of the  
4 West.

5           And so I'd be willing to help. I'll even go  
6 to South and North Dakota. I've done that already.  
7 And I know that for some of you from the Northeast, I  
8 remember talking to an ACLU organizer many years ago  
9 who said, "Well, I'll have to think about that." And  
10 he said, "I spent a week there one day."

11           (Laughter.)

12           PROFESSOR VALENCIA-WEBER: But I don't look at  
13 it that way.

14           CHAIRMAN LEVI: That's terrific. Thank you.  
15 And I look forward to hearing about this. Julie's  
16 going to help put it together. And obviously, if  
17 you're going to be in a place anyway, that's the kind  
18 of thing we'll try to keep track of. But I don't think  
19 this is going to be that difficult to accomplish,  
20 actually.

21           FATHER PIUS: And I'm willing to be the  
22 ambassador to the European Union.

1           CHAIRMAN LEVI: That would be terrific. And  
2 bring some of us with you.

3           (Laughter.)

4           CHAIRMAN LEVI: Okay. Jim?

5           PRESIDENT SANDMAN: Thank you, John. I'd like  
6 to present on six items this morning. First I'll give  
7 an overview of our basic field grants for 2016. We  
8 completed the grantmaking process in December of 2015.

9       I'll give you some statistics on the 2016 TIG  
10 conference. I will just provide a summary report on  
11 private grants; I presented on that yesterday, and  
12 won't repeat what I said then.

13           I will give you a report on our use of the new  
14 enforcement mechanisms that the board approved three  
15 years ago; update you on our compliance with the  
16 Freedom of Information Act; and finally, the bulk of my  
17 report will be a five-year operations overview. At the  
18 last board meeting, some of you requested that I  
19 provide you with a summary of what's changed at LSC  
20 over the last five years, what we're doing differently  
21 now compared to what we were doing five hers ago.

22           So in the competition, as we call it, in 2016,

1 we had only one true competition for our grants, and  
2 that is for the service area in Southeast Michigan that  
3 encompasses Detroit. We have two applicants for that  
4 service area. And the competition is still ongoing; we  
5 expect to make a decision on that grant in February.

6 As our regulations require, we convened a  
7 special committee of outsiders to review all the  
8 application materials and to make a recommendation to  
9 me. I have not yet received the recommendation, but  
10 once I do, I'll consider it and make a decision  
11 promptly.

12 We continued to have a special focus on our  
13 applicants' fiscal confidence, and I will explain  
14 specifically what that involves. We continue to make  
15 use of special grant conditions to monitor the  
16 activities of grantees that we think need special  
17 attention, and I have some numbers on those.

18 And as always, our grants vary in terms of  
19 their term. Some are one year. Some are two. Some  
20 are three. Any grant term shorter than three years is  
21 usually an indication of an issue that we want to pay  
22 special attention to.

1           So let me talk for a minute about our focus on  
2 applicants' fiscal confidence. Once again, we expanded  
3 the amount of fiscal information that grantees are  
4 required to give us as a part of their application. We  
5 now require that each grantee provide us with a copy of  
6 their accounting manual, that they provide proof of a  
7 fidelity bond, and give us information about any  
8 fiscal-related special grant conditions that might have  
9 been imposed by another funder that we want to be aware  
10 of.

11           We require that they submit a worksheet that  
12 explains how they segregate duties among their  
13 financial staff. And we require that they provide  
14 charters for their audit and/or finance committees.  
15 Those things were all new this year.

16           We've improved the scoring of our fiscal  
17 applications. We've given increased weighting to  
18 matters that involve board oversight because we think  
19 that's a critically important component of good fiscal  
20 practices.

21           And we added some factors, some subjects, to  
22 our assessment process. We are reviewing the most

1 recent audited financial statements carefully for  
2 findings or weaknesses that the auditors have  
3 disclosed, and we now look at financial ratios of  
4 various kinds as a measure of the financial stability  
5 and fiscal health of the grantees that we fund.

6 This graph shows the number of grantees  
7 subject to special grant conditions going back to 2012.

8 And as you can see, for the current grant year we have  
9 21 grantees, or almost 16 percent of all of our  
10 grantees, that have special grant conditions. That  
11 number is considerably higher than it was back in 2012  
12 or 2013, but not as high as it was for the last couple  
13 of years, for reasons that I'll explain momentarily.

14 We can give you a little snapshot of the  
15 reasons that special grant conditions are imposed. The  
16 blue bar is fiscal-related special grant conditions.  
17 The red bar is non-fiscal compliance issues. The green  
18 bar is programmatic issues, things having to do with  
19 the manner in which our grantees deliver legal  
20 services. And the purple bar is migrant-related  
21 special grant conditions. So as you can see, since  
22 2013 there's been a significant increase in the number

1 of special grant conditions imposed for fiscal reasons.

2 Now, one thing that we did differently this  
3 year relating to -- yes?

4 DEAN MINOW: Julie has a question.

5 PRESIDENT SANDMAN: Yes?

6 MS. REISKIN: Can you just very briefly  
7 explain when you talk about programmatic and  
8 compliance, what are the --

9 PRESIDENT SANDMAN: Compliance deals with  
10 legal requirements, with --

11 MS. REISKIN: Like restrictions and stuff?

12 PRESIDENT SANDMAN: Yes.

13 MS. REISKIN: And programmatic is just how  
14 well they're doing their programs?

15 PRESIDENT SANDMAN: Yes. So it may be, for  
16 example, that they've had problems with intake, or that  
17 we have -- there's one grantee this year where we were  
18 concerned about their low private attorney involvement  
19 numbers. And we want them to report to us on what  
20 they're doing to increase private attorney involvement,  
21 and have regular reporting requirements during the  
22 coming year. Those are programmatic special grant

1 conditions.

2           We have done something differently the last  
3 few years to deal with problems with fiscal compliance.

4       One of the most significant reasons we've had an  
5 increase in fiscal-related special grant conditions in  
6 recent years has been because grantees have not had  
7 required policies dealing with fiscal issues, or if  
8 they had them, they didn't meet our requirements.

9           When we found that out, we imposed a special  
10 grant condition, required that they adopt a compliant  
11 policy within a certain period of time, that they  
12 provide proof of the approval of that policy by their  
13 board of directors, and it takes some time to do that.

14           Well, what we now do, and this is Lora's  
15 innovation and I commend her for it, is much more  
16 efficient. If during the course of the application  
17 process we begin to see that they haven't required the  
18 provided documents or the documents they've provided  
19 aren't compliant, we call them up and we say, "You  
20 didn't give us this document."

21           Sometimes it was just an oversight -- they  
22 have it, but they didn't provide it. Or we tell them,

1 "You've provided a policy, but it doesn't comply with  
2 our requirements for the following reasons. It needs  
3 to be updated."

4           If they can get that done before the point in  
5 December where we announce our final decisions, it's  
6 taken care of and we don't need to impose a special  
7 grant condition. We don't need to use people in the  
8 Office of Compliance and Enforcement to nag them and  
9 follow up. It's easier on the grantee. It's easier on  
10 us. Thank you, Lora.

11           So what you can see here is -- look at the  
12 blue bar. This represents number of grantees that had  
13 noncompliant policies at the outset of the application  
14 process. The red bar represents the number of  
15 compliant policies that we were able to achieve after  
16 the Office of Compliance and Enforcement followed up.

17           And the green bar is the difference between  
18 the two. It's the number of special grant conditions  
19 we ended up with because technical assistance wasn't  
20 sufficient to resolve the problem by the middle of  
21 December. So this is enforcement. It's very efficient  
22 enforcement. It doesn't require the formality of the

1 imposition of special grant conditions.

2           We also monitor every year how our grantees  
3 have done in complying with special grant conditions  
4 from the year before. The red bar is the total number  
5 of special grant conditions issued for the year in  
6 question. The blue bar is the number of those special  
7 grant conditions that were fully or substantially  
8 satisfied. And you'll see there's a pretty close  
9 correlation between satisfaction of the conditions and  
10 the number of conditions imposed.

11           So the use of special grant conditions is  
12 having an impact. I think that's one of the reasons  
13 why the number is coming down. We're resolving  
14 problems, particularly among grantees that have had  
15 repeat issues over the course of several years. So  
16 we're seeing improvements in internal controls, fiscal  
17 policies, financial safeguards, and programmatic  
18 improvement.

19           When we do see a grantee that hasn't complied  
20 with special grant conditions -- on the previous slide,  
21 that would be the difference between the blue bar and  
22 the red bar -- that will generally result, in the

1 following year, in the imposition of a grant term  
2 shorter than three years. We'll keep them on a shorter  
3 leash.

4           And this graphic shows the number of grants  
5 made in a particular year broken down by the term of  
6 the grant. The dark blue dot is a three-year grant.  
7 The light blue dot is a two-year grant. A grey dot is  
8 a one-year grant. A red dot is a grant of less than  
9 one year. And a clear dot is no grant awarded; that  
10 represents American Samoa for 2012, '13, and '14, but  
11 we do now have a grantee in American Samoa since 2015.

12           Any questions about these things before I move  
13 on to the next subject?

14           (No response.)

15           PRESIDENT SANDMAN: So Father Pius and Gloria  
16 mentioned the TIG conference. We had 285 registrants  
17 this year from 43 states, the District of Columbia, and  
18 Puerto Rico. Now, Glenn wanted me to add Italy to this  
19 list.

20           (Laughter.)

21           PRESIDENT SANDMAN: And I had a sneaking  
22 suspicion that I might know who that was. And I said,

1 "Was that Father Pius?" And I said, "I think we need  
2 to count him as Ohio. Nice try, Glenn."

3 (Laughter.)

4 PRESIDENT SANDMAN: So we can accurately say  
5 that this is an international conference. And you can  
6 see the trend over recent years. We've really  
7 increased the size of the conference. It fills a  
8 nice-sized hotel ballroom. This is a big deal. It is  
9 the only conference in the United States that deals  
10 with the use of technology in the world of legal aid.  
11 It's really quite a success story.

12 I presented all of the information on this  
13 slide yesterday. I won't repeat it here unless anybody  
14 has any questions about it.

15 (No response.)

16 PRESIDENT SANDMAN: Under a resolution that  
17 the board adopted three years ago, I'm required to  
18 report annually on our use of new enforcement  
19 mechanisms that the board approved at that time. My  
20 report -- I have a written report that's in the board  
21 book at pages 455 to 457.

22 We did not use any of these enforcement

1 mechanisms this year, but that's not a reason to  
2 dispense with them. It continues to be useful to have  
3 them, and you can never know what the deterrent effect  
4 of having them available but not using them might be.

5           So we're doing a lot of things to work with  
6 our grantees when we identify problems, things like the  
7 process that I mentioned that Lora instituted to  
8 provide informal technical assistance to grantees that  
9 don't have policies that comply with our fiscal  
10 requirements. If anybody has any questions about the  
11 enforcement mechanisms, I'd be happy to answer them  
12 now.

13           (No response.)

14           PRESIDENT SANDMAN: Our Office of Legal  
15 Affairs handles our FOIA requests every year. This  
16 graph shows the number of FOIA requests we've received  
17 in each of the past few fiscal years and how many we've  
18 responded to.

19           If you'll look at the last set of bars on the  
20 right, you'll see that we received more requests in  
21 fiscal year '15 than we responded to. The only reason  
22 for the disparity there is that we received several

1 requests in the last month of the fiscal year, in  
2 September of 2015, that we weren't able to respond to  
3 until early October.

4           The more important numbers to look at is those  
5 that relate to our response time. This is the average  
6 number of days to reply. The statutory requirement is  
7 to reply within 20 days. Last year we reduced the  
8 amount of time it took us to respond from the year  
9 before. It took us, on average, 12.45 days to respond  
10 to a Freedom of Information Act request.

11           We take this stuff very seriously. The  
12 Freedom of Information Act is a good government  
13 statute, and we want to be a model. The Department of  
14 Justice rates agencies subject to FOIA for their  
15 compliance every year. We haven't received the most  
16 recent ratings, but they have a color code. The best  
17 grade is dark green, and we're looking to get all dark  
18 greens, the equivalent of straight As, on their next  
19 report.

20           MR. MADDOX: Jim, do those statistics include  
21 the emails on your private server?

22           (Laughter.)

1           PRESIDENT SANDMAN: My colleagues know I do  
2 not send or receive email on LSC business other than  
3 from my LSC account.

4           In addition to having a great operation within  
5 the Office of Legal Affairs to respond to requests when  
6 they come in, we do a number of other things. Ron and  
7 his team provide annual training to our managers and  
8 staff on compliance with the Freedom of Information  
9 Act, what to do when you get a request from them asking  
10 if you have responsive documents.

11           Cheryl DuHart, our Freedom of Information Act  
12 analyst, reports weekly both to Ron and to me about the  
13 status of pending requests. So if anything seems to be  
14 backed up, we know about it right away and can  
15 intervene and do something about it.

16           There is a requirement in the Freedom of  
17 Information Act that agencies subject to it proactively  
18 disclose information that relates to the routine of  
19 their doing business. So we push a lot of information  
20 out there without being asked for it. We do that on  
21 our website. We can also use social media to propagate  
22 information that we think the public should be aware

1 of.

2           And we now have better search capacity to  
3 locate responsive documents when we get a request.  
4 We've come into the 21st century in terms of our  
5 ability to use technology to identify responsive  
6 documents and produce them to a requester quickly.

7           So I'd now like to give you an overview of how  
8 LSC today compares to LSC five years ago. Some of you  
9 asked at the October meeting if I could provide a  
10 comparison of organizational charts, what it looked  
11 like then, what it looks like now.

12           I'm not going to do that because the  
13 organizational chart looks pretty much the same.  
14 That's not what's changed. There are a couple of  
15 organizational differences. We created a Development  
16 Office. We created the position of chief information  
17 officer, but that person heads our Office of  
18 Information Technology, which still exists on our  
19 organizational chart. In creating the CIO position,  
20 our intention was to integrate our technology office  
21 much better into the work of LSC day to day than we'd  
22 been able to do previously. We did create a new Office

1 of Data Governance and Analysis, which replaced and is  
2 different in function than the prior Office of  
3 Information Management.

4           And we have integrated the Office of Program  
5 Performance, the Office of Compliance and Enforcement,  
6 and the new Office of Data Governance and Analysis  
7 under Lynn, our vice president for grants management.  
8 But these are, I would regard, as tweaks to our  
9 organizational chart. This is not a major reordering  
10 of our organizational chart.

11           What really has changed is our personnel and  
12 the way we do our work within the offices that we have.

13       So this slide shows all of the new office heads we've  
14 had over the last five years: Lynn and Ron and Peter  
15 Campbell and Wendy Rhein and Carol Bergman and Traci  
16 Higgins and Carlos Manjarrez, the new director of our  
17 Office of Data Governance and Analysis. These are  
18 significant changes. I think these are all first-rate  
19 people.

20           This chart shows how staffing compares five  
21 years ago to the end of fiscal year '15, and you can  
22 see we've grown by about five staff. I want to

1 highlight a few of the changes.

2 EO on the top line is the Executive Office.

3 As you can see, back in 2011, that was basically me and  
4 my assistant. The number that you see at the extreme  
5 right, 5-1/2 last year, includes Lynn, our vice  
6 president for grants management, our chief of staff,  
7 and our special assistant for board relations.

8 The Development Office did not exist five  
9 years ago, and we now Wendy and one assistant in that  
10 office.

11 In the Office of Finance and Administrative  
12 Services, we added an accountant, and Bernie Brady, our  
13 travel coordinator, who was previously housed in the  
14 Office of Program Performance, has moved into that  
15 office, which is why you see the increase there.

16 If you look at the Office of Information  
17 Management, which has been replaced by the Office of  
18 Data Governance and Analysis, there were six people in  
19 that office in 2011, only three last year. That's a  
20 reflection of the reduction in force that we had last  
21 year. That number will be coming up as we hire to fill  
22 the new positions now that Carlos is on board.

1           And you see an increase in the Office of  
2 Compliance and Enforcement. That's additional  
3 fiscal-related capacity.

4           Any questions about these numbers?

5           (No response.)

6           PRESIDENT SANDMAN: I mentioned yesterday that  
7 we look at our attrition rate, and this is what our  
8 history has been over the past few years and how it  
9 compares to other organizations. Our average annual  
10 attrition rate from 2011 through 2015 was 11.8 percent.

11           That was higher than the attrition rate at  
12 U.S. government agencies for the most recent time  
13 period we have information, 2004 to '12, but was  
14 significantly lower than the attrition rate that was  
15 shown in a survey done by an outfit called Nonprofit  
16 HR, which did a 2015 nonprofit employment practices  
17 survey of 326 United States and Canadian nonprofits.  
18 What that last survey showed was an attrition rate of  
19 17 percent in '12, 16 percent in 2013, and 19 percent  
20 in 2014.

21           So I'd now like to go through office by office  
22 and just describe some of the significant operational

1 changes that we've made, changes in the way we do our  
2 work. We've made some very significant changes.

3           The Office of Compliance and Enforcement today  
4 has much greater involvement in our grant applications  
5 process in the fall of each year, in the crafting of  
6 special grant conditions, and in the determination of  
7 what the grant term should be for any particular  
8 grantee.

9           We have a new section of our grant  
10 application, the fiscal application, that requires the  
11 grantees provide us copies of policies, as I mentioned,  
12 and narrative information and numbers about their  
13 fiscal situation.

14           On every compliance visit that OCE does, we  
15 now have two fiscal compliance analysts as a part of  
16 the team. Previously there was only one. The reviews  
17 that they do have been expanded, and they include a  
18 close look at internal controls and compliance with the  
19 LSC accounting guide. And OCE now does an expanded  
20 review of subgrants that our grantees make.

21           OCE has created a new executive director  
22 orientation training program. We created a position of

1 deputy director for fiscal compliance. That position  
2 is currently open. We're looking to fill it, but that  
3 is a manager position that is a demonstration of our  
4 commitment to rigorous review of the fiscal activities  
5 of our grantees.

6           And we, I think, do a significantly better job  
7 of following up on questioned cost referrals from the  
8 Office of Inspector General. During the six-year  
9 period from 2005 through 2010, OCE completed eight  
10 questioned cost proceedings based on OIG referrals.  
11 Last year alone, OCE acted on eight questioned cost  
12 referrals.

13           Now, not all of those were done through the  
14 initiation of formal questioned cost proceedings. We  
15 do that when we need to. But particularly when lower  
16 dollar amounts are involved, we work those out with the  
17 grantee and we get the money back without having to go  
18 through the bureaucracy of a formal questioned cost  
19 proceeding.

20           So to some extent, these are apples and  
21 oranges. The eight number shown from 2005 through 2010  
22 was full-blown questioned cost proceedings. The 2015

1 number was a mix. But they're both forms of  
2 enforcement and ensuring compliance.

3           In the Office of Program Performance, this  
4 office has gotten four new grant programs up and  
5 running in recent years: the Pro Bono Innovation Fund  
6 program, the Hurricane Sandy grants, which were of  
7 limited time duration; the Midwestern disaster grant  
8 program, which is being done with private funds; and  
9 the Vieth Leadership Development Grant program, which  
10 is also being done with private funds.

11           It's a big deal to get a new grant program up  
12 and running because we want to be sure that it's  
13 well-managed, that we have controls in place, that we  
14 have appropriate reporting requirements, that we do  
15 evaluations of them.

16           The Pro Bono Innovation Fund story, as Ron  
17 mentioned at the earlier meeting with the ABA Pro Bono  
18 Committee, is a particular success story. We wanted to  
19 get that program up and running quickly to show  
20 Congress that we were grateful for what they had done  
21 to fund it, and that we could implement it very  
22 quickly. And as Lynn reported, we're now in the third

1 year of that grant program.

2           We now have a mechanism to do structured  
3 followup on significant recommendations that OPP makes  
4 as a result of visits to programs. When OPP does a  
5 visit and they have recommendations, they have levels  
6 of priority among the recommendations that they make.  
7 The most significant recommendations they make are  
8 called tier one recommendations. These are the things  
9 that they think are important to implement and to act  
10 on quickly.

11           We now have a process where each year, when a  
12 program that's been visited and has tier one  
13 recommendations, when they apply for the next grant or  
14 for renewal of their grant, they need to report to us  
15 on what they have done to implement the tier one  
16 recommendations.

17           And if we determine that they have not made  
18 sufficient progress and if it's a particularly  
19 important recommendation, then we consider whether we  
20 need to turn the recommendation into a special grant  
21 condition; or if we try that and it doesn't work,  
22 whether they need to be subject to a shorter grant

1 term. So we track all of these things, and I think  
2 it's a much better process for ensuring that grantees  
3 take the recommendation seriously.

4 We issued last year new technology baselines  
5 for our grantees, updating baselines that had first  
6 been prepared in 2008, as I recall. OPP has expanded  
7 its review of the subgrants that our grantees make, and  
8 they have created -- this was in response to a  
9 recommendation of the GAO -- a risk assessment matrix  
10 to guide them in selecting grantees that should be  
11 visited.

12 And between those two offices, OCE and OPP,  
13 there have been some changes. They've both been  
14 integrated under the vice president for grants  
15 management. We now have joint regional teams, where  
16 program counsel from OCE and OPP who both deal with the  
17 same grantees meet together regularly and exchange  
18 information about what they're learning about their  
19 grantees. And we now have routinized, regular,  
20 calendared coordination with the Office of Inspector  
21 General with both of those offices.

22 In our Office of Human Resources, as you know,

1 we have a new performance process which OHR manages.  
2 We now have centralized hiring and onboarding processes  
3 for all offices; previously, a lot of hiring was done  
4 on a decentralized basis, office by office. And I  
5 think we have a much more rigorous hiring process.

6 Traci puts together multi-office screening  
7 panels for applicants so that, for example, if we have  
8 someone who's being considered to be a trainer in the  
9 Office of Information Technology, somebody who's going  
10 to be providing user support, that person interviews  
11 not only with the Office of Information Technology but  
12 with users, people who are not techies, people who are  
13 going to be the customers of this person.

14 And particularly for our higher level  
15 positions, we create homework assignments for them.  
16 So, for example, when Lynn was hired a few years ago,  
17 she and the other finalists for the position of vice  
18 president for grants management had as a homework  
19 assignment -- they had to prepare a paper explaining  
20 how they would go about implementing the  
21 recommendations of the Fiscal Oversight Task  
22 Force -- is my recollection correct? So they got the

1 task force report. They had been told about it in the  
2 interviews. At the end of the process, they had to  
3 prepare a paper.

4           With the Office of Data Governance and  
5 Analysis recently, our finalists for the director  
6 position there had to write something explaining how  
7 they would go about getting the office up and running,  
8 what their first hundred days would be like, how they  
9 would hit the ground running.

10           And these sometimes have a list of questions,  
11 essay questions that people need to answer. The thing  
12 that's amazing to me is no one has ever refused to  
13 participate. And if they did, you'd want to know that.

14           But it's a very useful device to use to separate  
15 people. It's a real window into their thinking process  
16 that you wouldn't get through an ordinary interview  
17 process, and Traci coordinates all of that.

18           Her Office of Human Resources is now  
19 paperless. They do annual customer satisfaction  
20 surveys, and they've improved the benefits that we  
21 offer to our employees at little or no cost to LSC.  
22 For example, we recently inaugurated a new voluntary

1 vision care benefit, and we have an extended care  
2 policy that's now available to our employees, voluntary  
3 participation. LSC doesn't pay for it, but we get the  
4 benefit of a group rate to offer to our employees.

5           Our Office of Government Relations and Public  
6 Affairs did create a new position a couple of years  
7 ago, a website content manager to ensure consistency of  
8 messaging across our website. We redesigned our  
9 website and rolled out a new one that's much cleaner  
10 and easier to use last year. Greatly expanded use of  
11 social media, as Carl regularly reports. Greatly  
12 expanded use of video, so that now all of the  
13 significant panel presentations that we have at our  
14 board meetings can be captured and pushed out to the  
15 public.

16           We have focused much more on local media, and  
17 very effectively. We have expanded our outreach to  
18 bipartisan congressional staff. We have conducted  
19 three briefings on Capitol Hill for both House and  
20 Senate staff over the past couple of years.

21           We developed a state-by-state story bank  
22 that's now available on our website through an

1 interactive map of the United States. Click on any  
2 state and you will find stories about what our grantees  
3 have done for people they've served in those states.  
4 And we've revised our fact book and our annual report  
5 to be much more user-friendly, much better graphics,  
6 and the online versions of those are really quite good.

7           The Office of Legal Affairs is a well-oiled  
8 machine and remarkably productive. Their numbers are  
9 stunning. Between 2011 and 2012, the office issued 11  
10 formal opinions -- that was a two-year period -- and  
11 the three-year from 2013 through '15, they issued 39  
12 formal opinions.

13           Working with the Ops and Regs Committee, they  
14 revised the rulemaking protocol and established an  
15 annual rulemaking agenda. They have done a huge volume  
16 of work dealing with the review and revision of  
17 regulations, including Parts 1606,  
18 1613, -14, -18, -23, -26, -28, and -40.

19           As you've seen from the graphs I showed  
20 earlier, they've improved our handling of Freedom of  
21 Information Act requests. They've issued new or  
22 revised LSC policies on important matters like

1 procurement and contracting conflicts of interest,  
2 anti-discrimination and harassment, and records  
3 management. And under Ron's leadership, they run our  
4 risk management operation, and Ron is a critical part  
5 of our internal risk management committee.

6 FATHER PIUS: Not to mention Ron's involvement  
7 in the union agreement. That was also quite  
8 significant.

9 PRESIDENT SANDMAN: Yes. Oh, that. Yes.

10 (Laughter.)

11 PRESIDENT SANDMAN: Our Office of Financial  
12 and Administrative Services did add an accountant, and  
13 Bernie Brady is now a part of that office. We have an  
14 online travel management system called Concur that  
15 works quite well.

16 We have instituted a new print management  
17 system. We replaced the massive copier that we had  
18 acquired in 1988, and now have a much better ability to  
19 produce things like our annual report and LSC By the  
20 Numbers in-house. And we've upgraded our financial  
21 systems and deployed a new payroll system that  
22 integrates with the Office of Human Resources.

1           In information technology, that office is  
2 deeply integrated with other offices and with our  
3 operations. Some of you may have had the experience in  
4 organizations that you've been connected with, where  
5 the IT people are kind of off to the side. They're a  
6 service office. You call them when you have a problem.

7       But the people in that office don't really understand  
8 the work that their users do day to day and how they  
9 can help with it.

10           We don't have that problem. We have a  
11 crackerjack information technology office, where people  
12 understand what we do and how they can be helpful,  
13 where they're full members of the team. And Peter  
14 Campbell gets a lot of credit for that.

15           Peter developed a strategic technology plan.  
16 We now have cloud-based document management. As you've  
17 seen, he's implemented a data portal to centralize  
18 information that we have about our grantees and to make  
19 it accessible to everybody at headquarters.

20           We are in the process of implementing a new  
21 grants management system, and we've increased training  
22 and user support. We're really realizing the benefits

1 of the hiring process that Traci has shepherded, where  
2 we have trainers who can speak the language of the  
3 people that they're serving.

4 So that's what we've been up to over the past  
5 five years. As I said at the outset, you won't see all  
6 this on the organizational chart, but it is very  
7 significant change and improvement. I'd be happy to  
8 answer any questions.

9 (Applause)

10 CHAIRMAN LEVI: I'm going to watch the time  
11 here, too. Father Pius. Laurie. Did anybody else  
12 have their hand up?

13 FATHER PIUS: One of the most significant  
14 things we've done, actually, at the last meeting was  
15 that agreement with the union. Is there any updates on  
16 that or any significant developments with that? I  
17 assume things are moving along as expected?

18 PRESIDENT SANDMAN: Yes. And Ron can provide  
19 a further report in the closed session.

20 FATHER PIUS: Okay. Good. Thank you.

21 MS. MIKVA: I just wondered whether there was  
22 any feedback from the grantees with the reorganization

1 of OCE and OPP.

2 PRESIDENT SANDMAN: No, not that I'm aware of.

3 The creation of the joint teams, those are new, so it  
4 may be too soon to tell. But no.

5 MR. MADDOX: Jim, I just want to say quickly  
6 that it was a remarkable summary and very helpful. I  
7 vividly remember leaving just about every meeting in  
8 2010 shaking my head and thinking, holy moly, there are  
9 a lot of problems here.

10 And the quality of my impression of the  
11 organization now is dramatically different. The  
12 honesty, the integrity, the efficiency, and the quality  
13 of the management from top to bottom is just  
14 remarkable. And so congratulations.

15 PRESIDENT SANDMAN: Thank you, Vic.

16 CHAIRMAN LEVI: I want to second the motion,  
17 and I can only say that during this period I know I  
18 came into the office with not so much hair on top. But  
19 arriving there caused me to lose quite a bit. And in  
20 any event, thank you for preserving the rest of my --

21 (Laughter.)

22 PRESIDENT SANDMAN: Yes. What about my own?

1 (Laughter.)

2 CHAIRMAN LEVI: Well, you're doing pretty  
3 well. But it's just a little grayer. Martha?

4 DEAN MINOW: Just adding to the series. I  
5 remember very well walking out in early meetings just  
6 with my stomach in pain and worrying constantly. And I  
7 now take notes about how can we, at my institution,  
8 learn from some of the practices here.

9 I do think that the team that you have  
10 assembled and the quality of the communication is key  
11 to what's happened. And I hope we can get that word  
12 out, and I hope that that can be captured in some of  
13 the transition document.

14 MR. MADDOX: If I could just add one more  
15 thing on that, Martha.

16 Jim, I think one of the most important things  
17 I saw was the increased focus on internal controls at  
18 our grantees because I don't think there was any of  
19 that before. I think it's in part a direct result of  
20 our Fiscal Oversight Task Force, and I think it ties in  
21 perfectly with all of the efforts of the OIG, which  
22 otherwise sometimes it was like they were shouting into

1 a void.

2           And now I think the grantees understand that  
3 they have to comply with these important requirements  
4 and it's for their own good. So thank you on that.

5           CHAIRMAN LEVI: And that's a perfect segue to  
6 the Inspector General. But as the Inspector General  
7 comes up, I do want to again thank you. And I assume  
8 you're going to, as you have in the past, disseminate  
9 that report?

10           PRESIDENT SANDMAN: Yes. I'll send it. I  
11 will send this around.

12           CHAIRMAN LEVI: Thank you. And thank you  
13 again, Jim, for all of that. I think it deserves  
14 another round of applause while the Inspector General  
15 comes up.

16           (Applause)

17           MR. SCHANZ: Mr. Chairman, before I get  
18 started, I would request a five-minute break for the  
19 people in this room.

20           CHAIRMAN LEVI: Do we need it? Oh, you do.  
21 Okay. We'll take a five-minute break.

22           MR. SCHANZ: Well, no. I'm speaking for the

1 masses here.

2 CHAIRMAN LEVI: Okay. We'll take five  
3 minutes.

4 (A brief recess was taken.)

5 CHAIRMAN LEVI: Okay. We're back on.

6 MR. SCHANZ: Thank you, Mr. Chairman. For the  
7 record, this is Jeff Schanz, the Inspector General.  
8 With me today is John Seeba, the assistant inspector  
9 general for audit.

10 I will start on a personal note, if you'll  
11 indulge me. I'm a little concerned when I keep hearing  
12 about a farewell tour of this board. It's taken me  
13 eight -- or how many years you've been in power -- for  
14 me to educate you, and now you're leaving.

15 (Laughter.)

16 CHAIRMAN LEVI: Two more to go.

17 MR. SCHANZ: Okay. That gives me some wiggle  
18 room. So thank you very much for that.

19 I also want to extend a personal note to the  
20 South Carolina Legal Services program for putting on  
21 and hosting such a tremendous program. I'm not sure  
22 that's been said publicly, but I want to be the one to

1 say it.

2           With that, I will talk a little bit about what  
3 CIGIE is doing. It, as you all know, standards for the  
4 Council of IGs for Integrity and Efficiency. They have  
5 been fighting the good fight on the Hill.

6           The IG Empowerment Act, which increases IGs'  
7 powers, and including testimonial subpoena power, which  
8 is hung up in the Department of Justice right  
9 now -- maybe Carol knows a little bit about it, but  
10 it's hung up in the Senate as of right now. What it  
11 does is it standardizes the powers of all the IGs,  
12 including the lowly DFE IGs who don't require Senate  
13 approval. So we're trying to make sure that we all  
14 have the exact same powers.

15           Related to CIGIE, I will talk a little bit  
16 about their performance plan. We're doing strategic  
17 planning across the board. For the board, in the IG's  
18 office we have a strategic plan that will be, if it's  
19 not already, posted on our website.

20           Just to give you an idea what the big guys are  
21 doing out there, goal 1 -- and of course, I'm a part  
22 and parcel of this -- is to deliver timely, relevant

1 products that identify and address cross-government  
2 vulnerabilities, opportunities for improvements, and  
3 best practices. Goal number 2 is to promote and  
4 improve professional development for the IG community.

5 And goal 3 is to improve CIGIE capacity to carry out  
6 its mission and vision.

7 Now, while that sounds very laudable, in  
8 practical terms it's been unsuccessful because Congress  
9 still refuses to give CIGIE a separate line item. So  
10 funding in the CIGIE community is always problematic.  
11 But we're working around that.

12 I do also want to mention that when I started  
13 in the federal government in 1974, OMB A-123, which is  
14 the internal control statute, was two pages long. It  
15 is now being worked between CIGIE and GAO to  
16 include -- and I won't waste a whole lot of time on  
17 this laundry list, but to give you an idea of things  
18 have moved forward in the expectation of fiscal  
19 integrity across the board and management's role in  
20 internal controls.

21 So very briefly, introduction. Of course,  
22 it's now called enterprise risk management and internal

1 control. Establishing and operating an effective  
2 internal control system. Assessing internal control.  
3 Correcting internal control deficiencies. Reporting on  
4 risk and internal control.

5           And then additional considerations, which are  
6 appendices to this voluminous document -- enterprise  
7 risk management; managing fraud risk in federal  
8 programs, i.e. including commissions, boards, LSC;  
9 managing grant risk in federal programs; managing  
10 Antideficiency Act risks, which does not apply to the  
11 Legal Services Corporation; and managing privacy risk  
12 in federal programs. And then there's a separate  
13 section for service organizations, which includes the  
14 special IGs for Afghan reconstruction and SIGTARP.

15           So there's a lot going on in my other hat  
16 related to what's happening with CIGIE. What you know  
17 or maybe don't know -- I think I reported on it last  
18 time -- is that we've been subjected to an awful lot of  
19 congressional requests, including numbers of open  
20 recommendations, which we reported back to the  
21 requesters. We had 133 open recommendations in LSC.

22           Jim and I have talked on that, and I've talked

1 on that with my staff, and John Seeba is spearheading  
2 that reduce that number, because not all open  
3 recommendations are fungible. There are some that are  
4 really crucial, and there are some that are, let's get  
5 some policies and procedures developed. So there are  
6 not the same level of requirements to close out.

7           But Congress has, and consequently so have the  
8 IGs, myself included, heard the bell clear, and we're  
9 trying to reduce the recommendations that are easy to  
10 reduce. I have an example I won't waste your time on,  
11 but it involves the Bureau of Prisons. They love to  
12 keep open recommendations because it showed their  
13 budget request. We don't have enough space.

14           So these can be used for a variety of reasons.  
15 We don't have that sort of underlying current here.  
16 We want to close as many recommendations as we can  
17 because we're being required now to report them to the  
18 Hill. And of course they're in both our semis during  
19 the course of the year, open recommendations, and we  
20 report on those to the Hill.

21           In the interest of transparency and telling  
22 you what's on our website, we just issued a report that

1 I'll have John talk about because it was his staff that  
2 put together the cumulative results of two years of  
3 internal control reviews of grantees. In it we said,  
4 this can be used as a tool, and the smart grantees will  
5 take a look at it and say, okay, I need to put more  
6 resources in this area. With that, I'll turn it over  
7 to John, who you know.

8 MR. SEEBBA: Thank you, Jeff. Basically, we  
9 included the report in the board book. It's on page  
10 459. I'd call your attention probably to page 461,  
11 where we give a quick summary of all the issues  
12 basically that's in the report.

13 As Jeff mentioned, it's a culmination of two  
14 years of reports. It contains 18 reports. There were  
15 166 recommendations in those reports. And what we've  
16 done is categorized them into 11 different topics.

17 I think you'll notice that the first one,  
18 written policies and procedures, represents about 40  
19 percent of the findings that we had over the past two  
20 years. And I'd like to compliment Jim and his staff on  
21 actually being proactive in attacking that issue, as he  
22 mentioned in his presentation, in getting the grantees

1 to provide information up front before they get the  
2 grant to make sure their policies and procedures are up  
3 to date and in accordance with our LSC guidance.

4 I don't really want to get into the details.  
5 You can read through the report itself. We've got, I  
6 think, some nice pie charts and lists that you can  
7 quickly go through the report and see what the major  
8 issues are. But most of the stuff is policies and  
9 procedures and documentation issues, quite honestly.

10 I also want to bring to your attention, too,  
11 an update from several board meetings ago, when the  
12 board had recommended, when we distribute our audit  
13 reports, that we distribute it to the board members of  
14 the grantees.

15 The good news is we've gotten some positive  
16 feedback from some of the board members; Acadiana and  
17 Wyoming are two specific ones that contacted us and  
18 were very appreciative of the fact that we had  
19 distributed that to the board members; that they had  
20 never seen a report like that before. They were not  
21 aware of some of the issues that were presented in  
22 those reports. So again, they were very appreciative,

1 and they're very happy that we're doing that now.

2 And with that, I'll turn it back to Jeff or if  
3 there are any questions.

4 CHAIRMAN LEVI: I would just ask, in addition  
5 to being posted to the website, this compendium of two  
6 years, I think it should be sent out to all of our  
7 executive directors and board chairs in hard copy. I  
8 don't know if that's being done, but --

9 MR. SEEBA: I don't know if we did it hard  
10 copy, but I believe Jeff sent that out electronically.

11 MR. SCHANZ: Yes.

12 CHAIRMAN LEVI: Well, or at least alert them  
13 that it's there and they should read it.

14 MR. SEEBA: Absolutely. Absolutely.

15 DEAN MINOW: This is a wonderful report. And  
16 while it's a small number, I just wanted to highlight  
17 in here any more that you had to say about the  
18 management of IT equipment, particularly that that has  
19 sensitive information on it. I think that that's a  
20 growing issue, and particularly with the cloud, it's  
21 going to be a more complicated issue.

22 So I wondered your thoughts about that. And

1 do you see it also as a large issue?

2 MR. SEEBBA: It's definitely a very large  
3 issue. In fact, kind of on a related issue, the IG's  
4 office has now contracted with an IT security  
5 organization to go out and do some IT assessments of  
6 grantees' internal and external visibility to the  
7 internet, so to speak, because we're concerned about  
8 penetration and those type of things. You see the  
9 hostage-type situations where people are overtaking  
10 networks and things. So that's a big deal on our list  
11 as well.

12 But certainly inventory of sensitive equipment  
13 is definitely something we look at at every grantee  
14 that we go to.

15 MR. SCHANZ: And Madam Chairman, this is a  
16 reflection of we don't know what we don't know. And I  
17 know I don't have that skill set embedded in the OIG.  
18 We did at Justice, but everything was magnified there.

19 But we don't have that here, so we do have a contract  
20 in place for that to occur. And that was something  
21 that Mr. Keckler had recommended quite some time ago,  
22 and we're getting to it. So thank you.

1           And in the interest of time, since I have a  
2 second bite at the apple in closed session, that's my  
3 open session report. So thank you very much for your  
4 attention.

5           CHAIRMAN LEVI: Thank you.

6           PRESIDENT SANDMAN: I'd like to follow up on  
7 something that Jeff said about open recommendations  
8 that OIG has, and a good example of the three Cs,  
9 communication, coordination, and cooperation at work.

10           When Office of Inspector General makes  
11 recommendations to a grantee, they don't have any way  
12 on their own to enforce those recommendations. They  
13 can refer things to management -- for example,  
14 questioned costs that we might try to recover -- but  
15 they depend on management to follow up.

16           Last year there was a recommendation that came  
17 out of one of their audits that was of particular  
18 concern to me. It involved a grantee, where the  
19 executive director of the grantee led employees of the  
20 organization in getting salary advances and what were  
21 called early paychecks. And OIG made a recommendation  
22 that the board should have to approve the executive

1 director's receipt of salary advances or early  
2 paychecks.

3           To me, that's a huge red flag. When the  
4 highest paid employee of an organization is the one  
5 getting the most salary advances and early paychecks,  
6 that's a signal that the person may be in financial  
7 distress. It just seems to me to be a classic  
8 situation that requires followup.

9           But OIG didn't have any way to enforce that  
10 recommendation. So last fall, when we were going  
11 through the grantmaking process, I wanted to see  
12 whether the grantee had followed up, and if not, to  
13 impose that as a special grant condition that the board  
14 would have to approve salary advances or early  
15 paychecks to the executive director.

16           We followed up. The board had not yet done  
17 anything. But guess what? On December 17th of last  
18 year, just around the time we were finalizing our  
19 decisions, we got a resolution of the board of  
20 directors requiring that any salary advance or early  
21 paycheck to the executive director be approved by the  
22 board.

1           So we worked hand in hand on that. They  
2 alerted us to what the problem was. We used our  
3 enforcement mechanisms to do what they could not do  
4 alone. And as a result of that, we're now cooperating,  
5 John with Lynn, to regularly review all open  
6 recommendations of OIG to see whether there is anything  
7 else that rises to that level where we should be acting  
8 on the management side quickly to avoid any potential  
9 problems.

10           I think this way of working together is  
11 another good example of the results of the  
12 recommendations of the Fiscal Oversight Task Force.

13           CHAIRMAN LEVI: And the three Cs. Thank you  
14 so much. Thank you, Mr. Inspector General.

15           Mr. Finance Chair? I think you have a couple  
16 resolutions that we have to adopt.

17           MR. GREY: Mr. Chairman, we have the agenda of  
18 our meeting on page 256 of the board book, and in that  
19 received information regarding the 2016 financial  
20 report, which by all accounts was consistent with the  
21 budget that the organization has been working under,  
22 and updates on the congressional standing that we have

1 before the appropriations committee, none of which was  
2 alarming.

3 M O T I O N

4 MR. GREY: But we were able, based on  
5 Congress's approval of the 2016 appropriation, to come  
6 up with a consolidated operating budget resolution,  
7 which we have recommended to the board, and is  
8 contained on page 283.

9 CHAIRMAN LEVI: All in favor?

10 (A chorus of ayes.)

11 CHAIRMAN LEVI: Opposed?

12 (No response.)

13 MR. GREY: There is a joint resolution -- but  
14 that's audit. That's his resolution.

15 CHAIRMAN LEVI: Well, that's going to come in  
16 14. That's the end of the finance?

17 MR. GREY: That's the end of finance.

18 CHAIRMAN LEVI: Audit? Do you have an action  
19 item?

20 MR. MADDOX: I don't know if we do have an  
21 action item. I thought that somehow that got passed  
22 yesterday.

1 FATHER PIUS: The joint one.

2 MR. MADDOX: The joint resolution.

3 CHAIRMAN LEVI: Well, the joint resolution's  
4 coming on 14.

5 MR. MADDOX: Well, the Audit Committee met  
6 yesterday and received briefings from the Inspector  
7 General --

8 CHAIRMAN LEVI: I think we have to accept the  
9 audit, but I think that's under number 14. Right?  
10 Yes. Okay.

11 MR. MADDOX: Do you want a report?

12 CHAIRMAN LEVI: Go on. I'm sorry.

13 MR. MADDOX: We met yesterday. We received  
14 briefings from the Inspector General. We considered  
15 the committee's evaluations for 2015 and goals for  
16 2016. We received an update from General Counsel  
17 regarding risk management, and a briefing by the Office  
18 of Inspector General and the Office of Compliance and  
19 Enforcement regarding referrals from OIG, including  
20 matters regarding the annual IPA audits of grantees.  
21 We had discussion concerning LSC's oversight  
22 of grantees' services to groups, in particular in

1 conjunction with our regulation at 45 CFR 1611, I  
2 believe. And I believe on the recommendation of Vice  
3 Chair Minow, we agreed that we would look into the  
4 development of a discussion group to further consider  
5 the issues raised during that discussion. It doesn't  
6 require any action by the board, I don't believe, at  
7 this moment.

8           Otherwise, there was no other -- we did  
9 receive a briefing about the 403(b) thrift plan, which  
10 like every other 403 and 401(k) plan in the country has  
11 suffered somewhat. But there are no issues to be  
12 concerned about except the regular vicissitudes of the  
13 market. And that would be everything that the  
14 committee considered.

15           There was a joint meeting of the Audit  
16 Committee and the Finance Committee yesterday to  
17 consider the report of the external auditors regarding  
18 the annual audit for the corporation. We did receive  
19 that report, and that was a clean opinion offered, or  
20 will be offered once the management's report to the  
21 auditor is presented and accepted. So that was a  
22 positive report.

1           And I believe there was a joint resolution  
2    which I wasn't sure, John, yesterday if we had actually  
3    considered and voted on it or not.  It's at page 313 of  
4    the board book.

5           CHAIRMAN LEVI:  You did.

6           MR. MADDOX:  Okay.  Then in that case, there's  
7    no other --

8           CHAIRMAN LEVI:  But we need to vote the  
9    resolution, don't we?  313.  Yes.  I think now the  
10   board -- yes.

11   M O T I O N

12           MR. MADDOX:  Move it.

13           CHAIRMAN LEVI:  So can we accept the --

14           MR. GREY:  Yes.  I'd move --

15           CHAIRMAN LEVI:  All in favor?

16           (A chorus of ayes.)

17           CHAIRMAN LEVI:  Opposed?

18           (No response.)

19           MR. MADDOX:  And that completes our report.

20           CHAIRMAN LEVI:  Ops and regs?

21           MR. KECKLER:  Thank you, Mr. Chairman.  The  
22   Operations and Regulations Committee met on Thursday.

1 Just as a matter of notice, we voted to approve the  
2 development of rulemaking workshops for our revisions  
3 to 45 CFR Part 1630 and the PAMM.

4 And so those will be occurring during the  
5 spring. We have a tentative schedule that's in the  
6 board book. As this is finalized, we'll provide notice  
7 for members of the board and the committee to be  
8 involved as possible in those rulemaking workshops.

9 We also will be publishing in the Federal  
10 Register a notice to solicit some further comments for  
11 our revisions to our population data for our  
12 agricultural and migrant workers. And that set of  
13 documents and memos and methodology is also provided to  
14 you as part of the book.

15 But there are no action items to bring before  
16 the board today. That completes the report.

17 CHAIRMAN LEVI: Thank you.

18 Martha?

19 DEAN MINOW: Our committee discussed the board  
20 and committee evaluations, and agreed that anyone with  
21 suggestions for additions or changes to the evaluations  
22 share them with Carol, whose guidance on this process

1 was invaluable.

2           We also had the chance to review Jim Sandman's  
3 own self-assessment and to compliment him for  
4 extraordinary work across the whole range of his many  
5 diverse duties. We also had the chance to hear from  
6 the Inspector General about his activities for the  
7 year, and also to commend him.

8           The succession planning initiative is well  
9 underway with Ron Flagg, and we had a good chance to  
10 review the foundation work and research work with Jim  
11 Sandman, and asked for, next time, a chance to have an  
12 ability to look at an overview of what we are studying,  
13 what we have a comparative advantage to study, and what  
14 others might be able to study with our help. So that  
15 was our meeting, and it concludes my report.

16           CHAIRMAN LEVI: The Institutional Advancement  
17 Committee met. We heard reports on year-end giving,  
18 where our campaign is. The campaign numbers are  
19 published in the board book. We heard reports on our  
20 foundation work and our grants. And we also will, in  
21 closed session, be asked to approve another potential  
22 donor. And other than that, we had no action items for

1 the -- we do?

2 MR. KECKLER: What about Minnesota?

3 CHAIRMAN LEVI: Oh, the Minnesota. You're  
4 right. We do. We have to approve the  
5 Minnesota -- well, all we have to do is accept --

6 DEAN MINOW: The committee's recommendation.

7 CHAIRMAN LEVI: -- the committee's  
8 recommendation that we reregister in Minnesota pursuant  
9 to charitable organization filings, whatever that is,  
10 so that we can raise funds for a nonprofit in  
11 Minnesota.

12 M O T I O N

13 DEAN MINOW: This being a motion, we can all  
14 just vote.

15 CHAIRMAN LEVI: Yes. All in favor?

16 (A chorus of ayes.)

17 CHAIRMAN LEVI: Opposed?

18 (No response.)

19 CHAIRMAN LEVI: That concludes the report.

20 And the next committee --

21 DEAN MINOW: Delivery of Legal Services.

22 CHAIRMAN LEVI: Delivery of legal services.

1           FATHER PIUS: We met in a two-part meeting,  
2 the delivery of legal services. We began with, I  
3 think, a very helpful and informative presentation by a  
4 number of members of our grantees about intake and the  
5 developments in intake, especially the last few years,  
6 and then some of the gold standards, the best  
7 practices, in regards to intake, and really the  
8 importance, I think -- we can't underestimate the  
9 importance of intake in the role of the work of our  
10 grantees. So we were very grateful for that.

11           We then talked, obviously, about evaluations.

12       We had a very brief update on the pilot project;  
13 Julie's been a big part in making sure -- well, at  
14 least in being involved in client involvement, and in  
15 client involvement on quality visits. And management,  
16 I think, has given us a really detailed, very  
17 ambitious, and I think what will prove to be very  
18 helpful project in which to involve clients in the  
19 quality visits.

20           I think also very helpful from management, we  
21 presented to the committee management's outline for the  
22 revision of the performance criteria. We've talked a

1 lot about them, as we mentioned before, the performance  
2 criteria were really developed about ten years ago.

3 And because we've seen so much change both  
4 within LSC and within the legal services community  
5 generally, it was thought it was a good idea; and now  
6 that some of our big projects have gotten through a  
7 little bit so that management might have a little bit  
8 of time -- maybe a little -- to review some of the  
9 performance criteria.

10 And so management has given us the outline for  
11 it. And we'll continue to get updates from management  
12 about the process on that, and I certainly encourage  
13 the board to be -- because I think this is a very  
14 important issue. I think it's helpful for the board to  
15 be engaged in it and to provide input from management  
16 as well.

17 There are no action items for us, so that is  
18 the end of my report, unless Gloria has anything to  
19 add.

20 CHAIRMAN LEVI: Items 19 and 20, 19 is on the  
21 strategic plan. I don't think there's an action item.

22 We've hired the firm, but I don't believe that

1 requires the board's -- and we received a report,  
2 written report, on the Pro Bono Task Force and just had  
3 a 90-minute meeting. So unless people feel we need to  
4 have more reporting on 19 and 20 and in the interests  
5 of time --

6 FATHER PIUS: Yes. I just want to make sure  
7 because I did send out the information about the  
8 timeline. And if anybody has any questions about that,  
9 you can either ask me now or later. I just want to  
10 make sure that we're on board.

11 I think one of the things that we haven't  
12 mentioned before specifically is really thinking about  
13 this more as a revision to the strategic plan, not as a  
14 new strategic plan. I think that's the right approach,  
15 and updating. If you disagree, let me know. But I  
16 think that's the sense of all of us, that it's really  
17 more a revision, maybe a significant one, but a  
18 revision more than a new plan.

19 I'm with John on the logo. Let's revise the  
20 logo. Not with your other name, though, John.

21 CHAIRMAN LEVI: Not the other name? I just  
22 threw it out there.

1 DEAN MINOW: I think only if we get pro bono  
2 donation of services to redesign the logo.

3 CHAIRMAN LEVI: Well, we have that. I've  
4 received some. But anyway.

5 FATHER PIUS: Look forward to it.

6 CHAIRMAN LEVI: I don't.

7 Public comment?

8 (No response.)

9 CHAIRMAN LEVI: Consider and act on other  
10 business?

11 (No response.)

12 CHAIRMAN LEVI: Can we move to go to closed  
13 session?

14 M O T I O N

15 FATHER PIUS: So moved.

16 MR. MADDOX: Second.

17 CHAIRMAN LEVI: All in favor?

18 (A chorus of ayes.)

19 CHAIRMAN LEVI: So we'll take a minute to do  
20 that.

21 (Whereupon, at 11:33 a.m., the open session of  
22 the board was adjourned to closed session.)