

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

BOARD OF DIRECTORS

OPEN SESSION

Monday, February 22, 1999

10:03 a.m.

Key Biscayne Room
Eden Roc Hotel
4525 Collins Avenue
Miami Beach, Florida 33140

BOARD MEMBERS PRESENT:

✓ Douglas S. Eakeley, Chair
✓ John Erlenborn
✓ Hulett H. Askew
✓ F. William McCalpin
✓ John T. Broderick, Jr.
✓ Maria Luisa Mercado
✓ LaVeeda M. Battle
✓ Edna Fairbanks-Williams
✓ Nancy H. Rogers
✓ Thomas F. Smegal, Jr.
✓ Ernestine P. Watlington (via telephone)

STAFF AND PUBLIC PRESENT:

John McKay, President
Mauricio Vivero, Dir., Gov't. Affairs
Victor Fortuno, General Counsel & Corporate Secretary
Edouard Quatrevaux, Inspector General
David Richardson, Treasurer
Jim Hogan, VP - Administration
Karen Sarjeant, VP - Programs
Representative Lincoln Diaz-Balart
Representative Carrie Meek
Jim Baxter
Doreen Dodson
Edith Osman

Diversified Reporting Services, Inc.
1025 VERMONT AVENUE, N.W. SUITE 1250
WASHINGTON, D.C. 20005
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C-08137

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P R O C E E D I N G S

1
2 CHAIR EAKELEY: All right. I'd like to call the
3 meeting to order. Good morning, everyone. You have the
4 agenda that was distributed with the board materials. There
5 is one item that was inadvertently omitted although you did
6 receive materials related to it and that is the ratification
7 of the contract you authorized me to negotiate with our
8 president and I would like to add that to the agenda.

9 Obviously a contract with the president is
10 something that's necessary for the orderly conduct of the
11 Corporation's business and the omission from the agenda was
12 inadvertence only and counsel informs me that we do not do
13 gross violence to the Sunshine and Government Act by adding
14 it to the agenda in this fashion.

15 Hearing no objections, is there a motion to amend
16 the agenda?

M O T I O N

17 MR. BRODERICK: So moved.

18 MR. SMEGAL: Second.

19 CHAIR EAKELEY: Mr. Smegal, second. All those in
20 favor?
21

1 (Chorus of ayes.)

2 CHAIR EAKELEY: Now, as amended, is the agenda for
3 the meeting satisfactory to the board? Hearing no objections

4 --

5 M O T I O N

6 MS. FAIRBANKS-WILLIAMS: So moved.

7 CHAIR EAKELEY: Second?

8 MR. BRODERICK: Second.

9 CHAIR EAKELEY: All those in favor of approving the
10 agenda as amended?

11 (Chorus of ayes.)

12 CHAIR EAKELEY: Minutes of the November 16, 1998
13 meeting were circulated in advance of the meeting. Are there
14 any corrections or additions to be made to those minutes?

15 MR. McCALPIN: Yeah.

16 CHAIR EAKELEY: Mr. McCalpin?

17 MR. McCALPIN: I notice, Mr. Chairman, that we went
18 into executive session, we came out of executive session; the
19 minutes do not reflect that we ever closed the meeting. The
20 minutes end with our going into executive session and we came
21 back and then we adjourned the meeting but that is not

1 reflected in the minutes.

2 CHAIR EAKELEY: I take it that's a motion to amend
3 the minutes to so reflect?

4 M O T I O N

5 MR. McCALPIN: It is.

6 CHAIR EAKELEY: Is there a second to that?

7 MR. BRODERICK: I'll second.

8 CHAIR EAKELEY: All those in favor of correcting
9 the minutes as circulated?

10 (Chorus of ayes.)

11 CHAIR EAKELEY: And all those opposed? And as
12 amended, is there a motion to approve the minutes of the
13 November 16 meeting?

14 M O T I O N

15 MR. McCALPIN: So moved.

16 MR. BRODERICK: Seconded.

17 CHAIR EAKELEY: All those in favor?

18 (Chorus of ayes.)

19 CHAIR EAKELEY: Opposed? Minutes of the executive
20 session. You have them. Are there any corrections or
21 additions to be made to the minutes of the executive session

1 on November 16? Hearing none, is there a motion to approve
2 the minutes of the executive session?

3 M O T I O N

4 MR. SMEGAL: So moved.

5 MR. ERLNBORN: Seconded.

6 CHAIR EAKELEY: Mr. Smegal moved, Mr. Erlenborn
7 second; all those in favor?

8 (Chorus of ayes.)

9 CHAIR EAKELEY: All those opposed? All right. We
10 have some wonderful guests to introduce in a minute or two.
11 The agenda, though, provides for a couple of other items
12 initially and it's been three months since we last met
13 formally. It's been a busy three months. After our meeting,
14 I came down and spent a day with the staff -- spent a morning
15 at the management meeting and then the afternoon with the
16 staff of OPO reviewing the soon-to-be-announced competitive
17 grants and state planning process for the year. Both were
18 very interesting and informative and impressive meetings. It
19 was really something I hope all of us will have periodic
20 opportunity to do, namely see the operation of the
21 Corporation as it actually happens.

1 I had the occasion also to meet with the inspector
2 general and review issues and operations with him. I then
3 went to San Antonio and spoke at the opening session of the
4 annual conference of the National Legal Aid and Defender
5 Association.

6 We also, as you know, in the appendix to the board
7 materials there's a report on the appointment of the HIIA
8 commission that you again authorized me to appoint at our
9 November meeting and I won't go through that but there's a
10 description of each of the members of the commission that's
11 being ably chaired by our vice chair, John Erlenborn, and
12 you've already had an organizational session and are
13 planning, I think, two hearings coming up in North Carolina
14 and in California.

15 MR. ERLENBORN: Right.

16 CHAIR EAKELEY: In January, I had the opportunity
17 of coming down and attending a reception that was hosted by
18 John McKay for Karen Sarjeant and our four new directors, Bob
19 Gross, Mike Genz, Ted Faris and Danilo Cardona and in advance
20 of that reception, which was very well attended and I thought
21 just a very nice way to usher in the new management or a

1 portion of a new management team, I spent a couple of hours
2 with Emily Gentz McKay who will be meeting with us tomorrow
3 and helping us along the way of our self-appraisal analysis.

4 I think all of the board members, except for
5 Ernestine, have met Ms. McKay and I know Ernestine has spoken
6 with her by phone. I hope you've all had a chance to read
7 her report on the survey responses. You all should have
8 received a copy of this. Mr. McCalpin is shaking his head no
9 and Emily, when Mr. -- okay; where's Nikki?

10 We have a couple of -- there's a compilation of
11 survey responses, report and an agenda for our meeting
12 tomorrow which will begin at 8:30 rather than 9:00 because
13 people have to leave early and unfortunately we will be
14 losing John Erlenborn and Bucky Askew in advance of that
15 meeting but we have their responses to the survey.

16 And while I'm at it, let me just welcome Ernestine
17 by telephone to the board meeting and say how glad we are
18 that she is recovering rapidly and able to participate with
19 us by phone today.

20 MS. WATLINGTON: Thank you, Doug.

21 CHAIR EAKELEY: Ernestine was already back in the

1 office last week after her operation but -- talk about
2 indominability. In any event, also a word of welcome, if I
3 could. Carol Honsa is now our official or unofficial
4 observer reporter for NLADA and will be hopefully joining us
5 at all board meetings. Is that right, Carol?

6 MS. HONSA: I hope so; yes.

7 CHAIR EAKELEY: We look forward to working with you
8 and reading about us. I think that's about all I want to
9 deal with now because we will be picking up other things in
10 the course of the meeting and I don't want to keep our guests
11 waiting.

12 We do have one other matter of business to get to
13 before we get to the election of officers which precedes the
14 introduction of our guests, which is the reports of other
15 members. So let me just start off around the table if I
16 could with LaVeeda.

17 MS. BATTLE: Nothing.

18 CHAIR EAKELEY: Edna?

19 MS. FAIRBANKS-WILLIAMS: I've been asked to sit on
20 the study commission for the futures board studying family
21 court in Vermont. That will be part of our state planning.

1 It's judges, lawyers, court clerks, myself and I don't know
2 who else yet.

3 CHAIR EAKELEY: Well, we wish you good luck for
4 that. Nancy?

5 MS. ROGERS: No report.

6 CHAIR EAKELEY: Tom?

7 MR. SMEGAL: Some of us attended the NLADA meeting
8 as representatives of the board in December in San Antonio.

9 CHAIR EAKELEY: Mr. Erlenborn?

10 MR. ERLENBORN: Nothing to report.

11 CHAIR EAKELEY: Justice Broderick?

12 MR. ASKEW: I've been demoted.

13 (Laughter.)

14 MR. BRODERICK: You know, Mr. Chairman, I thought I
15 was the only one with vision problems.

16 (Laughter.)

17 CHAIR EAKELEY: I didn't mean to jump Mr. McCalpin
18 as well.

19 MR. MCCALPIN: This is Bucky Askew.

20 CHAIR EAKELEY: Mr. --

21 MR. ASKEW: Nothing; no report.

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1 CHAIR EAKELEY: Mr. McCalpin?

2 MR. McCALPIN: Nothing.

3 CHAIR EAKELEY: Justice Broderick.

4 MR. BRODERICK: I'd like to ask Mr. Askew if he'd
5 like to read some briefs that I have.

6 (Laughter.)

7 CHAIR EAKELEY: Ms. Mercado?

8 MS. MERCADO: Just the same as Tom. I did two
9 workshops at the National Legal Aid and Defender Association
10 and met with different groups and of course our staff for
11 Legal Services was there also presenting on state planning
12 and other issues as well so it was a pretty productive
13 meeting.

14 CHAIR EAKELEY: Next agenda item is election of
15 officers of the board. Those are the chairman and the vice
16 chair. Shall we start with the chair and let me turn over
17 that vote to the vice chair.

18 MR. ERLNBORN: I will take nominations for
19 president for the coming year.

20 CHAIR EAKELEY: For chairman.

21 MR. ERLNBORN: For chairman; excuse me. We do

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1 have a president already.

2 CHAIR EAKELEY: We have one; hopefully the contract
3 will be ratified.

4 MR. ERLENBORN: Are there any nominations?

5 M O T I O N

6 MR. McCALPIN: I nominate Doug Eakeley as chair.

7 MR. ERLENBORN: Is there a second?

8 MS. FAIRBANKS-WILLIAMS: I will second that.

9 MR. ERLENBORN: Are there any other nominations?

10 MS. MERCADO: I move the nominations cease.

11 MR. ERLENBORN: Motion is made nominations be
12 closed; all in favor, say aye.

13 (Chorus of ayes.)

14 MR. ERLENBORN: Opposed?

15 (No response.)

16 MR. ERLENBORN: All those in favor for Doug for
17 chairman of the board for the coming year, vote aye.

18 (Chorus of ayes.)

19 MR. ERLENBORN: Those voting against him, vote no.

20 Motion is carried.

21 CHAIR EAKELEY: Thank you very much.

1 MR. ERLNBORN: Congratulations.

2 CHAIR EAKELEY: Next, vice chairman. Any
3 nominations for the post of vice chairman?

4 M O T I O N

5 MS. BATTLE: Mr. Chairman, I would nominate John
6 Erlernborn.

7 MS. FAIRBANKS-WILLIAMS: Second.

8 CHAIR EAKELEY: Any other nominations?

9 MS. MERCADO: I move the nominations cease.

10 CHAIR EAKELEY: Second to that motion?

11 MR. SMEGAL: Second.

12 CHAIR EAKELEY: All those in favor of closing the
13 nominations?

14 (Chorus of ayes.)

15 CHAIR EAKELEY: Opposed?

16 (No response.)

17 CHAIR EAKELEY: All those in favor of Mr. Erlernborn
18 serving the additional term as vice chairman of the
19 Corporation?

20 (Chorus of ayes.)

21 CHAIR EAKELEY: Opposed?

1 (No response.)

2 CHAIR EAKELEY: The ayes have it. Mr. Erlenborn is
3 vice chairman.

4 We have on the agenda for our discussion tomorrow a
5 discussion of committees and committee assignments and I
6 would like to just defer appointment of committees and
7 committee assignments until we get to a discussion.

8 Mr. McCalpin?

9 MR. McCALPIN: Don't we have a secretary?

10 CHAIR EAKELEY: We have a secretary but I think the
11 secretary continues until -- why don't -- I don't -- that's a
12 good question.

13 MS. MERCADO: I think you officially have to elect
14 them anyway.

15 CHAIR EAKELEY: You have to elect you every year or
16 appoint you every year?

17 MR. VIVERO: The officers of the Corporation don't
18 have to be elected at this meeting. It's just the officers
19 of the board of directors and that would be limited to the
20 chair and vice chair.

21 CHAIR EAKELEY: Good; okay.

1 All right. I'm sorry to keep our guests waiting
2 but we had to get through a little bit of preliminary
3 business before we could get to the main event which is to
4 welcome our guests. But first I'd like to start with a very
5 distinguished speaker, Congresswoman Carrie Meek.

6 I'm sorry; we're going to go with Mr. Diaz-Balart
7 first. Okay. This is -- they're rescripting this as I go;
8 forgive me. First is Congressman Lincoln Diaz-Balart who is
9 a strong supporter of the Corporation and one of 57
10 Republicans who voted for the Mulihan proxy amendment on the
11 floor of the House last year.

12 He represents the 21st District of Florida and is a
13 member of the powerful Rules Committee in the House. Mr.
14 Diaz-Balart serves on several Congressional caucuses such as
15 the Congressional Missing and Exploited Children's Caucus and
16 the Congressional Human Rights Caucus.

17 Mr. Congressman, it's really an honor for us to
18 have you with us today and we are graced by your presence and
19 thank you for being here.

20 CONGRESSMAN DIAZ-BALART: It is my privilege and my
21 honor and I thank -- you were correct, Mr. Chairman, in

1 recognizing first, not only because of her wisdom but because
2 she was first on the agenda, my colleague, Carrie Meek. She
3 was gracious enough to allow me to speak first because she is
4 aware of the fact that I have a meeting in my office at
5 11:00. And even if traffic is more lenient with me than it
6 was this morning, it will take me some time to get there so I
7 appreciate Carrie's indulgence.

8 Thank you. Mr. Chairman, Mr. Vice Chairman,
9 congratulations on your election. Distinguished members of
10 the board, I won't take up much of your time. I wanted to
11 welcome you when I saw that you were going to meet in our
12 community.

13 Exactly 20 years ago, I was writing a paper in a
14 class in my last year in law school and I went to Legal
15 Services of Greater Miami and had the privilege of meeting --
16 she was already running -- almost running -- I think she was
17 second-in-command -- I don't know how because she was about
18 13 years old, Marshal Seipan, who is here. And out of that
19 conversation, not only was I able to complete my paper but to
20 make a long story shorter, I ended up working for Legal
21 Services. And it was a marvelous experience. It affected my

1 life forever.

2 I have noticed that one of the greatest challenges
3 that we have as members of Congress and generally in life is
4 dealing with misinformation and lack of correct information
5 about programs. And having been able to be a staff attorney
6 in Legal Services and to see what Legal Services lawyers do
7 day in and day out to help people not only affected me, as I
8 said, throughout my life but was able to give me the
9 opportunity to explain to my colleagues, whenever possible,
10 what really is done by Legal Services.

11 Ever since then, I had a tremendous amount of
12 admiration for the work you do as an institution and I
13 commend you for being involved. We will continue to support
14 you and I just wanted, as I said, to welcome you to our
15 community. And without further delay, we could have my
16 colleague here continue to speak to you and if I may, at this
17 point, leave, I will do so.

18 But again, my commendations, admiration and
19 reiteration of the fact that I consider it an honor to be
20 here this morning with you. Thank you very much.

21 (Applause.)

1 CHAIR EAKELEY: Now, if I could invite
2 Congresswoman Meek to come to the podium. It's not exactly a
3 podium is it, but --

4 CONGRESSWOMAN MEEK: It's good, Mr. Chairman. It's
5 a seat.

6 (Laughter.)

7 CHAIR EAKELEY: Congresswoman Meek represents the
8 17th District of Florida and has been a strong supporter of
9 Legal Services. She is on the House Appropriations Committee
10 and serves on the Treasury, Postal Service and General,
11 Government and Veterans Affairs, HUD and Independent Agency
12 Subcommittees. That's a large mouthful but I don't see
13 Congress State Injustice there yet. But Ms. Meeks is a
14 leader of the Congressional Caucus for Women's Issues and the
15 Congressional Black Caucus, among many others and we really
16 are delighted to have you here and to have your support over
17 the years.

18 CONGRESSWOMAN MEEK: Thank you, Chairman, Eakeley
19 and good morning to each of you. Welcome to Miami. I'm
20 sorry the weatherman threw us a curve at the last moment but
21 we've had beautiful weather up until now and I think to each

1 of you this is still good weather. So welcome to you.

2 (Laughter.)

3 CONGRESSWOMAN MEEK: And I want to say don't look
4 so dull; it's going to work out. It's going to all work out.
5 This is an outstanding organization. I've been associated
6 with it for many years and a very young lady by the name of
7 Marsha Seipen introduced me to Legal Services. I know her
8 father and her mother, her entire family. So Marcia grew up
9 around my community. So that was my first interest in Legal
10 Services.

11 I served 12 years in the Florida Senate and at that
12 time I was a strong proponent of Legal Services. I am now
13 six years into the Congress, six years as a grandmother,
14 and -- not six years but six grandchildren. So I have
15 enjoyed my association.

16 It's an honor to be here before the board this
17 morning. I have a few things I'd like to say to you just as
18 a means of communicating what is important to us in
19 Washington. I think one of the myths you need to dispel is
20 that everyone in the Congress likes this Corporation. That's
21 a myth. Everyone does not. As a matter of fact, you have

1 many adversaries in Congress whether they're there just
2 because they don't understand or whether it's just because
3 they're plain mean-spirited. I don't know which one it is.

4 But it's been a fight with Legal Services in all
5 the six years I've been there to try to be sure you get
6 adequate funding. Much of the fight or much of the lack of
7 knowledge is due to the fact that many people don't want to
8 see poor people represented. They feel that that's a social
9 program that should not be given. Each of us knows that that
10 is a basic right given to us by the Constitution; the right
11 to seek justice under the law. And many people feel that
12 should not be given to all Americans.

13 Many of the people you help otherwise could not
14 afford it. I see them every day. I represent them every
15 day. They come from the immigrants who come in this country
16 which you've not been able to do very much for yet. They
17 come from the people who live in public housing, of all races
18 and creeds, the people who have gone to hospitals and who
19 can't get into hospitals, the people who are homeless. All
20 of them need your help.

21 And I just hope that this board will understand how

1 far your tentacles have reached. Your tentacles reach out
2 into the dregs of society. You're there when other people
3 can't help; you always help. And that's what I like so much
4 about legal services. It's a very noble goal you have there
5 and sometimes I think we expect all persons of goodwill to
6 support you with enthusiasm. They do not, but we will
7 continually seek to improve the awareness and the fact that
8 you should exist.

9 I began my service in the House of Representatives
10 in 1993. I've served on the House Appropriations since that
11 time. I've been on Budget as well, I've been on Government
12 Reform. So I have a fairly good idea and I have a very good
13 relationship with mean Mr. Rogers who is over Commerce State
14 Justice. And many times I know how to go to those people,
15 you know, those people who always look sour and mean, and say
16 to them, look, we've got to have this.

17 That's one thing about the Congress. It's not so
18 much the party someone is in; it's the person's heart or the
19 person's soul, a person's feeling. That's why when it comes
20 to Legal Services I'll go to anyone. I don't care who is the
21 chairman or what party that person is in. As long as they're

1 not in the Confederate party, I'll go to them.

2 (Laughter.)

3 CONGRESSWOMAN MEEK: Republicans or Democrats don't
4 make any difference. Even the Independents don't, either.
5 So I enjoy being there. There are some people there who say
6 to me, well, Carrie, why do we need Legal Services, why do
7 you keep coming to us and also going on the floor and
8 advocating them? But you do need advocates and you do have a
9 lot of them. Many of them are not outspoken; they will
10 become more so.

11 Well, as you know, in 1995 Congress provided \$415
12 million for Legal Services. In fiscal year '96, they reduced
13 the funding to \$278 million. That's the fascicules of the
14 Appropriations and the Budget Committee. They throw a little
15 something out there, you know, get you upset and when you see
16 that they've reduced Legal Services, well, it does get us
17 upset.

18 At the end of '94, local Legal Services programs
19 funded by the LSC operated more than 1,200 neighborhood law
20 offices and employed 4,500 attorneys. By the end of 1996,
21 almost 300 offices had been closed and the number of

1 attorneys went down by 900. The number of cases handled fell
2 from 1.7 million in 1995 to 1.4 million in '96. All this is
3 appropriations language that you already know about.

4 In fiscal year '97 and '98, LSC appropriation
5 increased by 278 million to 283 million. Last year in fiscal
6 year '99, your appropriation is 300 million. While Legal
7 Services currently funds 262 local programs serving every
8 county in the nation with this appropriation, we know that
9 some people simply are not being served; we know that.

10 So each year we dedicate ourselves to helping. We
11 know what your programs are, we know that in Florida about
12 1.6 million are receiving monies from -- assistance from
13 Legal Services. It means a lot for each Congressperson to
14 understand how you're serving their constituents and you
15 provide us with that information because many of us can't see
16 any other area except our own area. And when I know what
17 Florida is getting, even though I know how good Legal
18 Services is, but I even feel better when I know that
19 Floridians are receiving that service and even more when I
20 know that Marcia Seipen is receiving a good allocation for
21 legal services.

1 Because you'd be surprised; Miami is a microcosm of
2 trouble. It's a microcosm. I mean, there's not a day passes
3 here, not a day, if they can't find me in my office, they
4 come to my house. They'll find you wherever you are.
5 They'll find you in the supermarket. They have these needs;
6 they're hungry. It's such a diverse community.

7 Also, there's a lot of adversity here as well as
8 diversity. So we are accustomed to that. We know that you
9 can't help everyone, but I tell you one thing, you try. You
10 try. Those that are doable, you try to help them. People
11 feel good, board members, when someone makes an attempt
12 sometimes. You don't always win your cases; you can't help
13 everyone, but it's that feeling sense that people have that
14 Legal Services is not just a name, it's not just a pious
15 platitude that someone has hung on a door but they're real
16 people and the real board members as you sit there, concerned
17 about people.

18 I was surprised to see that only 11 of you, you're
19 chosen people, you were chosen by the president. And, my
20 God, you were confirmed by the Senate. That is to say
21 something again.

1 (Laughter.)

2 CONGRESSWOMAN MEEK: You're great people, the fact
3 that you got through the United States Senate. So I'm so
4 happy to congratulate you and to say to you I'm still a
5 strong advocate, Mr. Chairman, and members of the board.
6 Each of you has a very hard job. I know it. You are attuned
7 to what you're supposed to do, yet you have fiscal decisions
8 to make and you have decisions to make that will affect other
9 folks' lives.

10 I say Godspeed to you and thank you for having me
11 here. And I'm at your service. Thank you.

12 CHAIR EAKELEY: Thank you very much.

13 (Applause.)

14 CHAIR EAKELEY: We're going to be visiting Ms.
15 Seipen's program this afternoon and we're going to be seeing
16 Mr. Rogers on March 3 and if you would care to cheer him up a
17 little bit before we get there --

18 CONGRESSWOMAN MEEK: I sure will.

19 (Laughter.)

20 CONGRESSWOMAN MEEK: I know how to cheer him up.
21 No one is bad, you know. They all want to help out. You

1 just have to get them when the time is right.

2 CHAIR EAKELEY: We're praying for the right time on
3 this one.

4 CONGRESSWOMAN MEEK: All right.

5 CHAIR EAKELEY: Thank you.

6 CONGRESSWOMAN MEEK: If you need me, just call 401,
7 Canon Building, and I'll go see Mr. Rogers. Marcia knows.

8 Take care.

9 CHAIR EAKELEY: Thank you.

10 (Applause.)

11 CHAIR EAKELEY: Next on my list is Edith Osman, but
12 she's not here, Jane, right? So then we turn to Jim Baxter
13 who is the president of the Florida Bar Foundation. The
14 Florida Bar Foundation has played a leadership role in the
15 state planning process in Florida and has been very
16 successful in raising private funds to support Legal Services
17 for low income people in Florida.

18 Mr. Baxter, we're pleased to -- actually, we are
19 delighted to have you at the meeting to welcome us to your
20 fair state and we look forward to spending some more time
21 with you later today.

1 MR. BAXTER: Thank you. I appreciate those remarks
2 about our fair state. I've been a little disconcerted
3 hearing some comments about the weather. Gee whiz; yesterday
4 in beautiful sparkling clear water, it was rainy, windy and 50
5 degrees. So consider yourselves lucky.

6 I'm very pleased to be here with you today and as I
7 said, to have the opportunity to welcome you to Florida. As
8 president of the Florida Bar Foundation, our state's IOLTA
9 program and pardon me if I stumble over the word IOLTA. As
10 some of you may know here in Florida, it's called IOTA and so
11 it's a little difficult for us to get that L in there.

12 In any event, I have the pleasure of overseeing the
13 work of our board and our staff and the fine job that they do
14 in awarding over \$13 million of IOLTA grants during this
15 year, 11.8 million of which is for legal services to the
16 poor. You share the same goal, of course on a much broader
17 basis.

18 Our source of funds is somewhat different but our
19 experiences, while different, are in some ways similar. Each
20 year you mount a significant effort to get Congress to make
21 appropriations on your behalf for funding Legal Services and

1 we deal with lawyers in a mandatory IOLTA program where we
2 have banks which are now constantly either raising fees or
3 lowering their interest rates or both. So we have a struggle
4 for our funding, of course on a much smaller scale than you
5 do.

6 We do share a common mission of increasing access
7 to justice for the poor and assuring that our resources are
8 well spent in representing the availability of this service
9 to the client community. One very important and effective
10 tool in our legal aid grant program is our onsite evaluation.

11 We have provided you with the Foundation report and
12 I have it here in full. We have provided you with copies of
13 the table of contents and summaries and so forth and you're
14 certainly more than welcome to review it and we're anxious
15 for you to really understand what we do in regard to our
16 onsite evaluation.

17 Our onsite evaluation is headed up by a very able
18 man by the name of Paul Doyle. He isn't here right now; he
19 sometimes become a little uncomfortable when he hears us
20 eulogizing him but he does a wonderful job. As a matter of
21 fact, all Foundation directors are invited to participate

1 with him in evaluations. The only restriction, of course, is
2 that you're not allowed to join the evaluation in your own
3 area for obvious reasons. In any event, our evaluation
4 program, I think, is considered a model in the IOTA
5 community.

6 We have a little easier job at the Florida Bar
7 Foundation than you do because our funds have not been
8 restricted and we can thank the support from the Florida Bar
9 and the support of our Supreme Court which is our governing
10 body for both the Bar and the Foundation here in Florida. We
11 also benefit from a very dedicated grantee community which
12 works well together and helps us in our efforts to strengthen
13 all aspects of a statewide delivery.

14 I think it's important that we bring to your
15 attention one aspect of the dedication of the grantee
16 community. In response to the Congressional restrictions of
17 1996, Florida's federally funded legal services grantees
18 proposed to the Foundation that we cut IOTA funding to them
19 to create a pool of money to establish several new IOTA
20 programs to fund different -- excuse me -- different
21 grantees to fund services programs which we call our

1 companion delivery system. And this of course covers things
2 that cannot be funded under the federal mandate.

3 At the same time, our federal funded grantees,
4 while complying with the restrictions, thus worked out a
5 method to ensure that the services would be provided to the
6 client community and would not be suspended. As painful as
7 that process was for all of us, including the staff and this
8 board of the Corporation, we had a very basic document, a
9 touchstone, if you will, that we could look to in order to
10 guide us and that is the 1991 report of the Joint Florida
11 Bar, the Florida Bar Foundation Commission on delivery of
12 legal services to the poor.

13 I have passed around a copy of this. We have more
14 of them available. This is it. The Commission worked for
15 over a year. I had the pleasure of chairing the committee
16 that set up the provisions for Legal Aid for the poor and so
17 I'm well acquainted with this and I think that the State of
18 Florida is very well served by this document.

19 That joint commission report was the result of the
20 combined efforts of everyone involved in legal aid for the
21 poor; the Florida Bar, the Florida Bar Foundation, Legal

1 Services program, the executive, legislative and judicial
2 branches of government, local bar leader and of course,
3 finally, the client community. The recommendations which
4 came out of that commission I think dealt very effectively
5 for the entire State of Florida for the needs and resources,
6 services and priorities and the structure of our legal
7 service delivery system here in the state.

8 In any event, I think that when you look at this
9 report you will discover that the services that we are
10 providing in Florida through our IOLTA program are very
11 similar to the services and goals provided by the Legal
12 Services Corporation. We continue to work today to improve
13 our delivery system, even in the face of shrinking resources.
14 As I said, interest rates go down, service charges go up and
15 we recognize that IOLTA is not going to be endless. As a
16 matter of fact, the Florida Bar Foundation is moving forward
17 in a comprehensive effort to start greater fundraising from
18 all sources, not just the Bar and not just IOLTA but to find
19 other sources of support, financial support.

20 The joint commission report, as I said, remains our
21 touchstone. It's our guiding star, if you will, and it's not

1 something to which are locked in but it's something that we
2 rely on as a good method of direction for us in the future.

3 I'm especially pleased to welcome you and your
4 staff for your efforts to increase opportunities for us to
5 work together. I understand that your program officer for
6 Florida, Pat Hanrahan, will meet tomorrow with Paul Doyle and
7 Kim Spooler, director of Florida Legal Services, and we
8 recognize that our funding criteria and priorities may differ
9 from time to time but nonetheless I'm sure these
10 consultations will serve both of us well.

11 And again, I thank you for the opportunity to speak
12 to you and despite the criticisms of the weather, I welcome
13 you to sunny Florida.

14 CHAIR EAKELEY: Thank you very much, Mr. Baxter.

15 (Applause.)

16 CHAIR EAKELEY: Next I'd like to welcome to the
17 chair Doreen Dodson, the chair of the Standing Committee on
18 Legal Aid and Indigent Dependents and also recognize Terry
19 Brooks who is the ABA liaison to that committee and an
20 important part in the corporations.

21 Good morning, again.

1 MS. DODSON: Good morning. Thank you, Mr.
2 Chairman. As you already said, my name is Doreen Dodson and
3 I chair SCLAID.

4 Terry and I are delighted to have been asked to
5 participate today in the meeting of the Corporation's board
6 of directors and to be here to meet with the committees in
7 advance. I want to make sure you can hear me. Something has
8 happened to my voice; I don't know exactly what it is.

9 I wanted to begin by recognizing first from the
10 ABA's point of view and SCLAID's point of view some of the
11 many successes that we believe the Corporation has had this
12 past year. Members of the board and particularly President
13 John McKay are to be strongly commended for the excellent and
14 effective advocacy in Congress last year. It was really a
15 tremendous effort and made, as you know, a huge difference.

16 Secondly, we wanted to make sure that the board
17 knows how much we appreciate the way that Mr. McKay has
18 demonstrated in other ways his strong dedication to building
19 an effective national legal services program.

20 I don't think there has ever been a president that
21 has visited as many local grantees as Mr. McKay has done and

1 what a difference that has made in the community. That
2 includes migrant programs, programs that are geographically
3 remote, as I know you all know. All of this has really
4 improved morale tremendously in the community and I think
5 conveyed on behalf of the board and the whole community his
6 heartfelt dedication to that effort.

7 We also applaud the Corporation's efforts to
8 stimulate thorough planning at both the state and the
9 regional level for the legal services delivery system so that
10 it can move into the next millennium and continue to deliver
11 legal services effectively.

12 As you know, for -- well, really since before Legal
13 Service Corporation existed, we have been there as a partner
14 even though you weren't around for over 50 years, this has
15 been a standing committee of the ABA. And we bring, we
16 believe, to the Corporation and to the legal services
17 community and to Congress the unique perspective of the
18 private bar which you may not get from other groups.

19 We've long been your strong ally in obtaining
20 funding for an adequate system of justice. We hope to long
21 continue to be the working partner that we have been,

1 offering strong public support and sometimes offering
2 constructive, usually private suggestions on matters of
3 process and policy.

4 With this in mind, I just want to tell you a little
5 bit about the agenda that we have for this year, not go over
6 some of the things I've talked to you about before and that
7 you're familiar with. We will first of all continue to
8 advocate strongly for an appropriate appropriation from
9 Congress. This year, our position supports your budget
10 request and in fact we're suggesting that a larger
11 appropriation would be better. Legal Services -- SCLAID
12 adopted 400 million as a target so we are very happy to
13 support the 340 million targeted by the Corporation.

14 Recently, a couple weeks ago at the media meeting
15 of the ABA in LA, I spoke to the National Conference of Bar
16 Presidents and urged bar leaders to not be complacent this
17 year. You know, they have heard us before them so many years
18 saying there's a crisis, we have to do this now. You almost
19 get the feeling if you can't go out and say there's a crisis
20 that they'll just say, oh, well, that's fine, I'll just stay
21 home. We try to make the point that they can't be

1 complacent, they have to continue to do the very important
2 work to educate their legislators both at the national and
3 the state level and also to lobby.

4 This year we specifically urged them to come to ABA
5 Day in Washington, certainly not to be the only thing but to
6 make that. And we've been joined by what the ABA calls the
7 Section Officers Council and by the Bar Services Committee,
8 the group that deals with the National Conference of Bar
9 Presidents and they have all urged bar leaders to come to
10 Washington, to get involved in ABA Day. And the number one
11 item on that agenda is adequate funding for Legal Services so
12 we hope that there will be even more people there this year.

13 We will also shortly launch a multi-pronged effort
14 to stimulate greater involvement by the private bar in
15 implementing effective and innovative state delivery systems,
16 exactly what you're trying to do. First, working with LSC
17 staff and with NLADA and on the SPAN effort, we've identified
18 a number of states where we believe the bar, to say the
19 least, has not fully participated in the planning process and
20 we are working on finding ways to encourage them and urging
21 them to assume leadership roles if needed and to commit

1 ongoing effort and involvement in the state planning
2 processes in their state.

3 Phil Anderson, in support of this effort, has
4 agreed -- Phil is -- Mr. Anderson is president of the ABA.
5 He has agreed to write a letter to specific targeted states
6 to challenge the relevant state and local bar associations to
7 make state planning a priority for their bar association,
8 whatever they are, and he will work with us on those letters.

9 We are also working with the ABA's Coalition for
10 Justice to prepare a new publication. They publish what they
11 call road maps and they have a consultant who works with them
12 and Terry and Sarah Singleton, who is on SCLAID, are working
13 very hard on that to prepare this new publication for bar
14 leaders which will set out for them what the planning process
15 is, how they can be more effective, the need for bar
16 associates to step up to the plate, to be involved in areas
17 which don't have good relationships with the legal aid
18 programs, to make sure that they work to develop those
19 relationships because they, as key stakeholders, need to
20 participate in that process.

21 We're also reexamining SPAN which is our joint

1 project with the NLADA, the state planning assistance
2 network, to see how we can make that more effective
3 particularly in the states where the bar has not fully
4 participated. And in addition to that, the committee members
5 of SCLAID have all volunteered to specifically work one on
6 one with particular states, to make visits to those states,
7 to work with state bar leaders or do whatever it takes to get
8 them involved in the process. We hope that these efforts of
9 the committee will mesh very well with those of the
10 Corporation to nurture effective planning and development of
11 state delivery systems.

12 There are two other minor items I wanted to mention
13 to you which are in a slightly different vein. Your
14 Chairman, Chairman Eakeley, and I participated in December in
15 a meeting in Washington with President Anderson of the ABA on
16 a project that it's way too long a story to tell you how it
17 got to this point but China is very interested in working
18 with the ABA on legal services delivery in China.

19 They have a hundred programs; they want to do more;
20 they have contacted the ABA about a seminar there and it is
21 something that they are looking at, Corporation and how it

1 works in this country and will continue to work. Let me say
2 that there is no ABA revenue that goes into that so one of
3 the efforts is to help raise money to put on the project in
4 China where they want to do a seminar on how it's done in the
5 United States.

6 And secondly, there is the matter of the
7 anniversary of the Corporation this year, the 25th
8 anniversary. President Anderson is very excited about it.
9 He asked me to tell you that he plans to have a birthday
10 party at the annual ABA meeting in Atlanta this year for the
11 Corporation and there is a -- as always, our wonderful staff,
12 the Corporation's staff, Terry, Bob Evans and July and others
13 are working together.

14 President Anderson plans to have this as part of
15 his opening assembly for the conference on access to justice
16 issues and to make that a keynote of his opening assembly.
17 So we're excited about that and looking forward to it. We've
18 had a long and productive relationship with you. We look
19 forward to continuing that long and productive relationship
20 and it has been a real pleasure to be here and we thank you,
21 again, Terry and I both, for the opportunity to come and be

1 with you over this meeting.

2 If you have any questions, I'll take them,
3 otherwise, thank you, again.

4 CHAIR EAKELEY: Well, let me just say how much we
5 appreciate our alliance and partnership with SCLAID and all
6 of the work and support the Corporation has received and its
7 grantees from SCLAID over the years. I am amazed at how much
8 time and effort you put into this effort. Really, your
9 leadership has just been highly prized here and we look
10 forward to a continuing strong collaboration. We also don't
11 mind the constructive criticism from time to time. So please
12 keep us in your target sights and keep coming to these
13 meetings. We really appreciate it.

14 MS. DODSON: Thank you. And along the lines of
15 what Mr. McCalpin said yesterday, we don't really view it as
16 criticism, just as constructive ideas or whatever the word
17 was that Mr. McCalpin used. He's a much better spokesperson
18 than I am.

19 Thank you very much.

20 CHAIR EAKELEY: Thank you, Doreen.

21 (Applause.)

1 CHAIR EAKELEY: Next, I'd like to welcome to the
2 chair Edith Osman who is the president-elect of the Florida
3 Bar. The Bar has been a strong supporter of the National
4 Legal Services program and has worked actively to educate
5 members of Congress and other leaders on the issue of civil
6 legal assistance. The Bar has also been very active in the
7 state planning process and it's very appropriate, not only
8 appropriate but welcome that we have an opportunity to meet
9 Ms. Osman this morning. But thank you very much for joining
10 us and taking time out of a busy schedule.

11 MS. OSMAN: Thank you so much. Good morning. As
12 he said, I'm Edith Osman. I am president-elect of the
13 Florida Bar. I'm standing in for Howard Coffey our president
14 who was unable to get here today. We have to juggle our
15 schedules. He'll be in Miami tomorrow but had to be
16 somewhere else this morning and it's my pleasure to join in
17 welcoming you on behalf of the 63,000 lawyers of Florida to
18 sunny South Florida. We've had some sunnier weather before
19 today; it's pretty sunny but it's pretty cool. I hope while
20 you're here it warms up a little bit. It's been one of the
21 warmest winters we've had until today so maybe you'll still

1 get an opportunity to go out to the beach.

2 I'm a practitioner from Miami and we're very proud
3 of what the Legal Services of State of Florida has performed
4 but also we're particularly proud of Legal Services of Miami.
5 And we're pleased to participate in the reception that you're
6 going to have tonight and sponsoring it with you at the Legal
7 Services of Greater Miami and of course the new title, the
8 Chesterfield Smith Center for Justice and Legal Services.
9 Chesterfield Smith's a hero to all of us and a friend and a
10 mentor to many of us, including myself.

11 The leadership of the bench and bar in Florida have
12 totally supported Legal Services Corporation's mission of
13 improving access to justice for the poor. We commend this
14 board and the very talented staff of the Corporation for your
15 success in maintaining a federal commitment to justice for
16 the poor in this country. We know your task has been a
17 difficult one. We also know you look forward to the day when
18 the important funding you provide in Florida and access
19 around the country might be less restrictive. We share that
20 goal with you.

21 From the creation of Florida's IOTA program, which

1 I'm sure you know is one of the first in the nation, to the
2 1991 joint bench and bar foundation commission on legal
3 services, which led to Florida's adoption along with the
4 Supreme Court of a statewide voluntary attorney pro bono
5 program, we are proud to say that Florida has consistently
6 demonstrated its support for legal services to the poor.

7 We are also pleased to report that since the
8 implementation of our statewide pro bono plan, there has been
9 a 76 percent increase in the number of hours of free legal
10 services donated voluntarily by the lawyers in Florida
11 annually. Florida lawyers also have increased the dollar
12 contributions which they make each year to local legal
13 services programs by 112 percent to just over \$1.862 million.

14 As great as these figures are, however, growth in
15 pro bono appreciation and participation has leveled off in
16 the last two years and we would like to find a way to do more
17 to increase that. The Florida Bar in what we believe is a
18 critical partnership with the Bar Foundation and leading
19 private law firms in the state has committed to funding a
20 full-time pro bono legal services director in Florida.

21 Although this is only a two-year pilot project for

1 which ongoing funding will be needed -- will need to be
2 identified, we are confident that an experienced, full-time
3 attorney devoted solely to increasing law firm pro bono
4 activity will lead to more creative, more consistent and more
5 effective use of the talent and experience of our bar
6 members. With that, we will generate greater results for low
7 income clients in all the geographic areas of our state.

8 I've had a consistent and abiding commitment to
9 improving access to justice for children in our state and I'm
10 extremely excited about several current initiatives by our
11 legal services program in Florida in the areas of children's
12 health care and special education. I've been told that as we
13 sit here today, the children's advocacy project is also
14 meeting. These activities which are being coordinated with
15 special funding from IOTA are a typical example of our
16 efforts in Florida to expand and strengthen Florida's legal
17 services delivery system.

18 As you can tell, I'm extremely proud of the work
19 that Florida lawyers and our Legal Services Corporation have
20 provided to the citizens of this state. We wish you a very
21 exciting and memorable time in Florida and hope that your

1 continued efforts are as fruitful as they have been in the
2 past. And if there is anything more that we can do to help
3 you, please just ask.

4 CHAIR EAKELEY: Well, thank you very much. Good
5 luck on your endeavors as well.

6 MS. OSMAN: Thank you.

7 (Applause.)

8 CHAIR EAKELEY: I wanted just to recognize a couple
9 of other people in the audience, Jane Curran, whom many of
10 you know as a longtime leader of the Florida Bar and the
11 American Bar and on the board of the NLADA and we're
12 delighted to have her with us today. And you'll be seeing a
13 lot more of Marcia Seipan later today but we might as well
14 have her stand up and say hello. She's the executive
15 director of Legal Services of Greater Miami and our host for
16 the afternoon.

17 (Applause.)

18 MS. OSMAN: And Marcia and Jane are our heroes.

19 (Laughter.)

20 CHAIR EAKELEY: And Julie Clark; always glad to see
21 you, Julie. And Don Saunders and Linda Pearl, from again

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1 part of our extended partnerships. But welcome, all, to this
2 meeting.

3 The last person I'd like to just introduce to the
4 audience, because the board has met her, is Emily Gentz McKay
5 who is the founder of an organization called MOSAICA and will
6 be helping the board walk through where we've been and where
7 we ought to be going in the year to come.

8 All right. And forgive me if I've omitted anyone
9 but let's proceed with the agenda.

10 Next we have the president's report. John?

11 MR. MCKAY: Thank you, Mr. Chairman. Since I came
12 to the Corporation in May of 1997, we have worked very, very
13 hard I think as the board knows to focus on the really
14 important work that we do at the Corporation which really
15 exists in the area of our programmatic function and the
16 support that we provide to the field in terms of
17 appropriations.

18 So the first thing I wanted to mention to the board
19 is that we are very excited to begin the FY 2000
20 appropriations process. We will be working again with the
21 administration and commend the administration and the

1 president for all of his support, the First Lady's staff and
2 others who have assisted us in the past, and I know we look
3 forward to their support again this year.

4 We have a very extensive schedule planned for
5 meeting with members of Congress. Mauricio Vivero and his
6 staff have worked very hard to get us a position. We will be
7 testifying on March 3 before the House Appropriations
8 Subcommittee which handles our appropriation. So we are
9 excited to begin that process and we thank our national
10 partners for their assistance. We know that we will have the
11 support of the board as we move forward and our staff and all
12 of our supporters are looking forward to this year of FY
13 2000.

14 We are in the support business for operations in
15 our programmatic function and I was very pleased to submit to
16 the board and appreciated the board's appointment of Karen
17 Sarjeant as our vice president for programs.

18 We appreciate the chairman's visit with us recently
19 in which we were able to recognize Karen Sarjeant and her
20 appointment as vice president for programs. Karen of course
21 was serving in that capacity as acting vice president for

1 programs and Karen has had a busy time and we're going to
2 continue doing that work because it is our responsibility to
3 support the efforts of our lawyers who are in the end, of
4 course, working to advance the interests of our clients and
5 that is the thing that is most important to us.

6 And Karen has, with my acknowledgment and support,
7 put her team together now and organized it in a way that I
8 think flows naturally from the leadership of John Tull but
9 now has Karen Sarjeant's viewpoint and leadership which is
10 very important to all of us. So we recognize at that same
11 time Danilo Cardona's appointment as a director of the
12 corporation and welcome him to the management team, Ted Faris
13 in information management, Mike Genz in program performance,
14 and I think a very excellent addition to our management team
15 which we felt needed to have additional programmatic focus
16 and they certainly have brought that to our management team.
17 Each of them are strong leaders, have put together staffs who
18 will be moving forward on the agenda of the corporation which
19 is a very important one in support of our field.

20 We also, at the reception, honored Bob Gross for
21 his outstanding work in state planning. He is now senior

1 counsel for state planning and on that very important project
2 will continue to help lead the way for us out in the field.
3 And I think Bob's extraordinary efforts are known to the
4 board but I wanted to mention them here as well and we
5 appreciate also the support of those in Washington who were
6 able to come to that reception for all of those folks. And
7 they have been here, I know, and supporting the work of the
8 board.

9 Let me just mention very quickly that in Danilo's
10 area of compliance we have conducted two onsite visits, one
11 at TRLA in Texas and one in San Jose, California. Typically
12 we go onsite when we follow up on complaints that were
13 received. In TRLA we had indicated as part of the issue
14 there regarding the filing of the Cesares case that we would
15 visit with TRLA through our complaints unit to make certain
16 that some of the conditions that we had asked TRLA to
17 undertake in terms of priority setting were followed and
18 Danilo and his staff visited with them and I think had a very
19 successful visit down in Texas.

20 There have been 14 new complaints during this last
21 period. Three are now resolved; the others continue to be

1 pending; 10 new A50 referrals which are the audit-type
2 referrals have been received in Danilo's group and he is
3 working there.

4 In both compliance and program performance, we are
5 hiring additional professional staff into those units, two in
6 Danilo's and three in Mike Genz's and these are very
7 important positions for us because these are the areas where
8 we will work most directly with our field.

9 We've done more this time than simply advertise and
10 get the word out. We really have actively recruited people
11 to come to the Corporation who are people with deep field
12 experience and we think it's tremendously important that we
13 have that field experience in Washington and that's meant
14 that we have had to go out and maybe do some really
15 affirmative recruiting.

16 And I think the board would be pleased to know of
17 those efforts. We have spent really last week doing quite a
18 bit of interviewing and will give a report to the board.
19 Those are professional positions that are direct contact with
20 our programs in the field and so I know the board will be
21 anxious to hear the final results of that.

1 And that's occurred under Karen's direct leadership
2 but certainly with the new directors' involvement as well.
3 And all of our staff, which operates on a collegial fashion,
4 have been involved in the hiring.

5 I wanted to mention in my report again the
6 important issue of CSRs and the data that our programs
7 provide to the Corporation and I want to acknowledge the
8 close working relationship that we've had with the office of
9 the inspector general and the support and communication that
10 the inspector general's staff has had with our staff.

11 And I think it's important to point out that these
12 issues were brought to our attention by the inspector general
13 and in response to that information I think that the
14 inspector general would tell you that we have worked very,
15 very hard under Karen's leadership and in particular with Ted
16 Faris leading in his new unit to respond to that and to make
17 certain that the information that we receive from our
18 recipients accurately reflects the work that we do because we
19 know that our programs provide tremendous value to our
20 clients, to the justice system and to the American public.

21 And we want to make sure that that information

1 comes to the Corporation in a way that makes sense, that
2 accurately reflects the work that's being done. So there was
3 additional information provided to the provisions committee
4 on that; that continues to be a very high priority with us
5 and we will continue to work in very close communication with
6 the inspector general as he continues his work in the field.

7 We will continue to support, of course, the state
8 planning efforts that are being undertaken and we will stay
9 in close contact with the provisions committee and with the
10 board as we undertake that process. We have 32 states that
11 are up for funding decisions in the coming year. This will
12 be a tremendous amount of work that's being undertaken by our
13 staff. We will continue to support that and keep the board
14 informed of our efforts.

15 We are working very hard in field technology which
16 we believe is a very important issue. We're not talking
17 about computers on our desks at the Corporation now. We're
18 talking about an issue that Maria Luisa raised over a year
19 ago when we were talking about reorganizing and what efforts
20 will we be making out in the field on field technology.

21 We think that as part of the state planning effort,

1 we need to be in a position to help lead in the field as we
2 address the question of how we reach that large group of
3 clients who currently aren't being served. And it's very
4 clear to us at the Corporation that the advances in
5 technology, be they in web sites that can be accessed
6 directly by clients or whether they be in telephone brief
7 advice and referral, which is very computer-oriented, and I
8 know the board will be seeing as we meet in Seattle in
9 September that these are ways that we can reach more clients,
10 the clients that everyone agrees we haven't been able to
11 serve in the past.

12 And it is a core element of our state planning
13 effort that we ask the states to develop for themselves in
14 the first instance plans to reach those groups that have
15 never been reached before but that the Corporation must help
16 provide some leadership, be the organization that provides
17 information regarding how they can go about that process.
18 And clearly, technology is a very important part of that and
19 we want to continue to lead. So with the technology
20 conference that the board heard about before, we will
21 continue as part of state planning to advance what we believe

1 are the benefits of technology.

2 So I will mention just a couple of other matters on
3 administration. We are, through Joan Kennedy's office,
4 supporting the hiring efforts that are going on. This has
5 taken quite a bit of our attention and we think there's
6 really nothing more important than to make sure that the very
7 best people come into this service to support the field.

8 We have hit a bump in the road on our comparability
9 pay study issue. We are no longer working with the
10 consultant that we had hired. We are in the process now of
11 trying to capture as much of the data as we can. I'm
12 disappointed that I have to report to the board that we are
13 not in a position to give you a comprehensive look yet at pay
14 staff comparability for your staff in Washington but we will
15 get that matter resolved and reported to you when we can. I
16 don't think the board wants to hear a partial report so we
17 will get that information to you. I wanted to mention it
18 here on the record for the board so that you know we will
19 continue to address that.

20 We are looking at strategic planning. Again, we
21 consider it to be an ongoing process. We are -- as part of

1 the implementation requirements that ultimately become part
2 of our budgeting and appropriations process, we are looking
3 very carefully at the stated goals of the Corporation and
4 working at the level now of work plans and so it's important
5 for us to review our strategic plan and I think we'll be
6 coming back to the board with some additional information
7 there and suggestions as to how we as a staff can fulfill the
8 policy objectives of the board. And we will be back with you
9 on that. That's now taking place under Jim Hogan's
10 leadership.

11 I am not going to report because our staff is I'm
12 sure already running a stop watch on me to see if I'm going
13 to break any records here on the length of the president's
14 report. I'm going to report on only one trip and I've been
15 ordered by our now missing board member, Mr. McCalpin, not to
16 report on this. I'll do it while he's gone.

17 But I did travel to St. Louis just before this
18 board meeting where Legal Services of Eastern Missouri
19 dedicated the William McCalpin Wall of Justice. It was a
20 privilege for me to go and I told Bill during -- Doreen
21 Dodson was there was well -- that this was my act of

1 insubordination, I was going to come and have representation
2 from the Corporation. It was a tremendous event in St.
3 Louis. Doreen gave a wonderful summary of the history of
4 Bill McCalpin's involvement in St. Louis and in the State of
5 Missouri. We told them that it was important for us to be
6 there and recognize it because of his impact; his impact was
7 a national one.

8 And Doreen talked about his leadership at SCLAID,
9 his national leadership. It was a tremendous event for the
10 staff there to recognize Bill McCalpin. So there is a large
11 wall as part of the office in St. Louis that says the Wall of
12 Justice, William McCalpin. And so he also told me not to
13 report on this to the board but that's my second act of
14 insubordination.

15 Mr. Chairman, that is my report.

16 CHAIR EAKELEY: I actually eliminated it from my
17 report because I still take orders from Mr. McCalpin.

18 MR. MCKAY: He's not here so I think everyone
19 should join me in not telling him I reported it.

20 CHAIR EAKELEY: Except for Mrs. McCalpin.

21 MR. MCKAY: Oh; is Peggy here?

1 (Applause.)

2 CHAIR EAKELEY: Next we'll invite up our inspector
3 general, Edward Quatrevaux.

4 MR. QUATREVAUX: Thank you, Mr. Chairman, members
5 of the board. I'd like to update you quickly on the
6 activities since your last meeting. We published an update
7 to the compliance supplement to the audit guide. We also
8 compiled findings and recommendations relating to the Legal
9 Services program, the IG general accounting office, over the
10 period 1969 through 1993.

11 As you know, there were key findings related to
12 weaknesses and controls in client trust funds and also in the
13 priority setting process. Our most frequent criticism was
14 that the Corporation did not have systems to collect
15 information needed to evaluate the cost effectiveness of our
16 programs. We also initiated a client trust fund inspection
17 program in part because of that concern. As I say, that's
18 been initiated. The first inspection took place and you will
19 be receiving a report in the near future.

20 We also decided with management to suspend the case
21 statistical reporting audits briefly until the 1998 reports

1 have been received by the Corporation as opposed to
2 continuing to look at 1997 data. This will allow us to see
3 what effects the revision to the CSR handbook which was made
4 in part as a response to our initial work, see what effect
5 that has had and perhaps what additional changes need to be
6 made.

7 We awarded contracts to audit firms for audit
8 service reviews, compliance checks by grantees' auditors.
9 This project is being managed by Charmaine Romear who you
10 know is a senior auditor and who, as you know, has also
11 managed our corporate financial statement audit contract and
12 engagement for the past several years.

13 I would like to commend her. She's done a
14 tremendous amount of work. This is a very large and
15 expensive project and I'd like you to know that she -- the
16 initial bids that we got were higher than we expected and she
17 recommended that we set a minimum order quantity and ask the
18 bidders to come back with a best and final offer. That
19 process saved us \$20,000.

20 CHAIR EAKELEY: Charmaine, thank you very much.

21 (Applause.)

1 MR. QUATREVAUX: We have hired two new audit
2 staffers. Mr. Abel Ortunc comes to us from the OIG at the
3 Agency of International Development with over 20 years'
4 experience. I've also hired Mr. Michael Griffith who retired
5 from the OIG at the National Labor Relations Board. He was
6 their assistant IG for audits and he retired to accept the
7 position with us.

8 Last on past events as John McKay mentioned, a
9 strategic planning conference was held and at his invitation
10 I attended and participated in that and I want you to know I
11 was impressed both with the quality of the consultants and
12 their work and equally impressed with the results.

13 Turning to the future, I'll meet later this week
14 with appropriations staff on both sides of the Hill, both
15 majority and minority, to brief them on our compliance
16 oversight system, the projects we've done and the results of
17 those in the past as well as what we have planned for the
18 future. I may mention the OIG budget request while I'm
19 there.

20 I do want you to know that I think this budget
21 request is the best that I've seen in terms of promoting

1 effectiveness in the delivery of legal services since I have
2 been at the Corporation. I plan to -- and I'm speaking
3 specifically of the technology portion of that budget
4 request, and as you know I have a statutory responsibility to
5 comment on pending legislation with respect to efficiency and
6 effectiveness and I intend to do so in those briefings later
7 this week.

8 I have also told John that, although it's a bit
9 unusual for IG's to comment on appropriations beyond the
10 appropriations committee, I offered him if I can help in any
11 way, meaning on the Hill, in talking about the importance of
12 this budget, the importance of this seed money to grow the
13 tree that's really going to improve the effectiveness and
14 extend the delivery of legal services to the 80 percent of
15 the people who don't receive it now.

16 We have revised our fiscal year 2000 performance
17 plan for the office of OIG and we'll get that to you shortly.
18 Some key elements, we plan to do 50 audit service reviews, we
19 plan to do six audits of program integrity, that is
20 separation from organizations that do engage in activities
21 that are restricted or prohibited for our grantees, 12 client

1 trust fund inspections, an evaluation of the private attorney
2 involvement program. All of these -- well, the plan itself
3 will be to you shortly. I believe late next week we'll have
4 it on our web site and it will be available to the public. I
5 should have said the documents I mentioned earlier of course
6 are on our web site and that's on the web at oig.lsc.gov.

7 Last, I'd like to announce that effective March 1,
8 all OIG communications that are directed to grantees as a
9 group, all grantees, will be via e-mail. It's quicker, it's
10 cheaper both to send and to store and it also saves trees.
11 We'll also experiment with using e-mail for the comment cycle
12 on draft reports. We'll start that with the client trust
13 fund inspection reports. And I just noted recently that last
14 year e-mail volume surpassed first-class mail handled by the
15 Postal Service for the first time and that gap is expected to
16 widen rapidly.

17 That concludes my presentation. I'd be happy to
18 take any questions.

19 CHAIR EAKELEY: Thank you very much. Any questions
20 of the IG?

21 MS. MERCADO: Yes. In the valuations of the PIA

1 programs that you have, are you going to be having the
2 consultants from the private bar to help review that program
3 or is it just staff?

4 MR. QUATREVAUX: No, I will do that internally. We
5 may have some consultants from other areas assist us but
6 primarily staff.

7 MS. MERCADO: And as far as the audits of the
8 program integrity, would that also be just internal staff or
9 would you have any outside consultants?

10 MR. QUATREVAUX: We haven't made that decision yet.
11 The intent is -- we'll look first to staff to do it and then
12 if we feel that we need additional assistance, we'll reach
13 out to consultants.

14 MS. MERCADO: Okay.

15 CHAIR EAKELEY: Any other questions? Thank you
16 very much, Ed.

17 MR. QUATREVAUX: Thank you.

18 CHAIR EAKELEY: With the concurrence of the other
19 committee chairs, I'd like to move John Erlenborn's committee
20 report up to the next item because he's got to leave for
21 Washington at noon and we don't want to lose him.

1 MS. MERCADO: No problem. I'll yield my time to
2 him.

3 CHAIR EAKELEY: Thank you.

4 MR. ERLENBORN: Thank you.

5 CHAIR EAKELEY: So the next item of business will
6 be to consider and act on the report of the board's
7 performance reviews committee.

8 MR. ERLENBORN: Thank you, Mr. Chairman, and I
9 thank the other committee chairmen for yielding so that I can
10 catch my plane.

11 This marks the second year that we have gone
12 through the process of performance reviews of the president
13 and the inspector general. As I said yesterday at the
14 committee meeting, I was not necessarily enamored of the idea
15 of having these plans and then the performance reviews. I've
16 now learned over the course of the last year-plus that it has
17 been very helpful to the Corporation in my opinion.

18 I would say that last year when we had the first
19 performance reviews, we learned to crawl. This year I think
20 we're walking and in the future we may get off to a pretty
21 brisk pace and even start running. So I think a lot of

1 credit goes to Bill McCalpin for having started this as chair
2 of the performance reviews committee last year and I also
3 want to thank, by the way, Sue McAndrew of the general
4 counsel's office who was indispensable, right arm, left arm
5 and all kinds of help to me in the performance review report
6 writing this year.

7 Let me first call up the performance review of the
8 president, John McKay. Although the performance reviews
9 committee is composed of some select members of the board,
10 actually all board members have been involved in this process
11 and as we were gathering information, the forms went out to
12 all board members based upon the protocols that were adopted
13 last year.

14 And you both had an opportunity to respond to
15 questions as to how you believe the president and, in the
16 next report, the inspector general, have performed according
17 to those protocols. And you will note that the performance
18 review document itself, the report that is coming before you
19 today, is set in the same format based upon the protocols.

20 Without going through the performance review of
21 President McKay, let me just say that this is in the same

1 form that it was furnished to all committee members, all
2 voting members, probably a couple weeks ago so you've all had
3 an opportunity to read it. No changes were made in the
4 committee yesterday and I don't know -- I guess we have to
5 have a formal adoption of the performance review. I don't
6 recall. Bill?

7 MR. MCCALPIN: Yes, we do.

8 MR. ERLBORN: So if there are any questions
9 concerning the president's performance review, I'd be happy
10 to try to answer them. If not, I hope the chair would
11 entertain a motion to approve or adopt the president's
12 performance review.

13 M O T I O N

14 CHAIR EAKELEY: Well, if that is the motion, I ask
15 for a second.

16 MR. SMEGAL: Second.

17 CHAIR EAKELEY: And is there any further discussion
18 or any questions of Mr. Erlborn?

19 (No response.)

20 CHAIR EAKELEY: Hearing none, all those in favor of
21 accepting and adopting the report of the performance review

1 committee for 1998 for the performance of the president, John
2 McKay, say aye.

3 (Chorus of ayes.)

4 CHAIR EAKELEY: All those opposed?

5 (No response.)

6 CHAIR EAKELEY: The ayes have it. The report is
7 adopted.

8 MR. ERLNBORN: It just occurred to me that I
9 didn't explain for the benefit of those who are not board
10 members what the performance review said. It gave an
11 unqualified pass to the president on each of the items in the
12 protocol. All of the commentary from the board members was
13 highly laudatory of the job that's been done by the president
14 and I told him that he has to appear before the committee and
15 argue the polls of his case. Everybody is really impressed
16 with the job that he has done for us.

17 The next report is the performance review for the
18 inspector general, Edward Quatrevaux. This also was provided
19 to all of the board members. In the committee meeting
20 yesterday, there were some amendments discussed and some
21 amendments adopted. I believe that you all have had an

1 CHAIR EAKELEY: Second from Mr. McCalpin. Is there
2 any further discussion or are there any questions of Mr.
3 Erlenborn?

4 (No response.)

5 CHAIR EAKELEY: Hearing none, all those in favor of
6 approving the report as circulated, say aye.

7 (Chorus of ayes.)

8 CHAIR EAKELEY: Opposed?

9 (No response.)

10 CHAIR EAKELEY: The ayes have it. The report is
11 adopted.

12 Let me just say first how well performed the
13 performance review was under the leadership of our vice chair
14 and I want to thank John Erlenborn and Susan McAndrew for
15 their many efforts.

16 As we perhaps did not learn yesterday but were
17 advised, this function is becoming a very important function
18 within the Corporation because it drives a number of other
19 things including the annual performance planning process for
20 the president and the inspector general and through them of
21 their staffs as well as informing and hopefully improving our

1 strategic plan over time.

2 So what we at first attempted with some reservation
3 I think has proven to be a very important longer-range
4 improvement in the organization and operation of the
5 corporation.

6 Secondly, the techs are not out there but I think
7 again it's fair to say that the performance reviews
8 themselves reflect a very well-functioning management in OIG
9 and coordination between the two offices and again I think
10 that we have to thank John McKay and Ed Quatrevaux for
11 helping so much to make that work and to make our jobs
12 therefore so much easier.

13 And on that last note, I wanted just to, if I
14 could, take up the matter of the ratification of John McKay's
15 contract since this is sort of related to the annual
16 performance review.

17 As you will recall, you authorized me to
18 renegotiate -- actually to negotiate an extension of John's
19 contract at our November meeting because we were all not only
20 extremely satisfied with his performance as president but we
21 wanted to make sure that he would remain in that position for

1 a longer term. He advised me that he was more than willing
2 to do so also but we felt it important that we extend the
3 commitment so that John would have that vote of confidence
4 from the board.

5 The draft contract was circulated. We again had
6 some logistical problems in the last couple of weeks and
7 the -- I'm assuming you got an e-mail from me through Victor
8 that explained the two differences in the contract. The
9 contract came out before the explanation did but in any event
10 it's essentially the same except that the term is extended
11 from May 14, 1999 to May 14, 2000 and we have extended the
12 terms of termination by a month each in terms of voluntary or
13 involuntary termination except for cause at the end.

14 But the contract is in all other material respects
15 the same and I would recommend or I would ask you to ratify
16 that which I have already negotiated with your authorization.

17 M O T I O N

18 MS. MERCADO: So moved.

19 MS. ROGERS: Second.

20 CHAIR EAKELEY: Is there any further discussion?

21 (No response.)

1 CHAIR EAKELEY: Hearing none, all those in favor of
2 ratifying the contract for John McKay?

3 (Chorus of ayes.)

4 CHAIR EAKELEY: Opposed?

5 (No response.)

6 CHAIR EAKELEY: The ayes have it. Thank you very
7 much. John, glad to have you with us for yet another year.

8 Now, let's move back to the agenda and the regular
9 schedule and next is the report of the board finance
10 committee. Maria Luisa Mercado.

11 MS. MERCADO: I was going to check. I thought you
12 wanted him to do number 14, too, since he's leaving.

13 CHAIR EAKELEY: Oh, I'm sorry; yes. Yes. I
14 started my morning off rushing; I'm still rushing. Agenda
15 item 14 is the report on the status of the special panel of -
16 - the board authorized.

17 MR. ERLNBORN: I've been advised that I failed to
18 bring up another issue or another thing that we should do
19 concerning the occupational profiles which is the basis of a
20 protocol on which we base performance reviews. Last year --
21 and Bill called this to my attention a few months ago -- last

1 year we discussed changing the -- and maybe Bill you could
2 explain that a better than I. I'm a little vague on it right
3 now having not had this in mind.

4 MR. McCALPIN: John, I don't think I have it in
5 front of me but we -- the board approved occupational
6 profiles for the president and the inspector general at a
7 meeting I think it was in May of '97 probably. And last
8 year, it was determined that one element of those
9 occupational profiles should be amended to reflect the
10 responsibilities which the chair has just referred to of the
11 relationship between the performance reviews of the president
12 and the inspector general and the way that relates to the
13 personal performance plans of those individuals as they feed
14 into the strategic planning of the Corporation and the plans
15 of the subsidiary members of the Corporation.

16 And that amendment was actually prepared a year
17 ago. I didn't bring it down with me. I had it yesterday.
18 It's the third -- what we referred to as the third bullet
19 under the professional duties and responsibilities was
20 changed from -- what it reads at the moment is with the board
21 of directors developed strategic plan for operation of the

1 Corporation including the responsibilities of the president
2 and the implementation of the plan.

3 We informally amended that within the intervening
4 period to read "is responsible for developing management's
5 portion of" -- this is the president's -- "of the
6 Corporation's strategic plan, developing and implementing
7 annual performance plans for management and the president and
8 tying those plans to the annual budget request for
9 presentation to and approval by the board of directors."

10 And with the simple change instead of management
11 portions, the OIG's reads the OIG portion of the
12 Corporation's strategic plan. So that I think it's
13 appropriate, whichever Mr. Chair I'm addressing, I'm not
14 quite sure, that we formally adopt the amendment which was
15 approved and acted upon informally in this year's performance
16 review, those amendments and the occupational profile of the
17 president and the inspector general.

18 CHAIR EAKELEY: I hear -- I think that we can
19 appropriately convert that into a motion to amend.

20 M O T I O N

21 MR. ERLNBORN: I'll second and thank my colleague

1 for having stepped in to help me.

2 MR. McCALPIN: Thank the president for helping me.

3 CHAIR EAKELEY: Are there any questions? Is that
4 relatively clear what we're doing? We're essentially
5 improving and formally accepting an amendment to the
6 protocols that we've already --

7 MR. McCALPIN: No, to the occupational profiles.

8 CHAIR EAKELEY: -- to the occupational profiles for
9 the president and the inspector general.

10 Hearing none, all those in favor?

11 (Chorus of ayes.)

12 CHAIR EAKELEY: All those opposed?

13 (No response.)

14 CHAIR EAKELEY: The motion carries. Thank you for
15 that.

16 Now, any other items on the board's performance
17 review committee?

18 MR. ERLNBORN: I think we have concluded.

19 CHAIR EAKELEY: All right. Then let's go on to the
20 Erlenborn commission.

21 MR. ERLNBORN: Mr. Chairman, it has been the law

1 for some time in an appropriation -- limitation in an
2 appropriation bill, a provision in an appropriation bill,
3 that LSC-funded recipients are prohibited from providing
4 legal assistance to an alien unless the alien is present in
5 the United States and falls into certain delineated
6 categories.

7 This has apparently not caused any problem, any
8 discussion until quite recently when the issue was raised
9 particularly as a result of North Carolina Legal Services'
10 attorneys going down to Mexico. And the issue was raised in
11 Congress and became quite a burning issue with some of the
12 proponents of legal services and those who truly want to
13 understand the meaning of the appropriation limitation.

14 There is general agreement that present in the
15 United States means to be physically in the United States but
16 it's not clear when the alien must be present. One
17 interpretation of the language would require an alien to be
18 physically present in the United States any time that the
19 alien is provided legal assistance from an LSC recipient.

20 Another is that the alien must be physically
21 present only when the legal representation is commenced and a

1 third is that the alien must be physically present only when
2 the cause of action for which the recipient provides legal
3 assistance occurs. And although the presence requirement
4 applies to all categories of aliens listed in the
5 Corporation's Appropriations Act, the aliens most affected
6 are the seasonal agricultural workers which would include
7 HIIA workers, special agricultural workers and permanent
8 resident aliens who perform seasonal agricultural work.

9 For example, HIIA workers, as a rule, are not in
10 the United States long enough for the resolution of many of
11 their legal acts making effective representation of this
12 class of aliens questionable. Similarly, it's not uncommon
13 for permanent resident aliens who are farm workers to
14 temporarily leave the United States at the end of the
15 agricultural season while their legal matters are still
16 pending.

17 The board's response to this issue that has been
18 raised was to provide -- to approve the formation of a
19 commission to look into the factual and legal background
20 concerning the interpretation of this language and then to
21 make a recommendation or a report to the Corporation which

1 may be the basis for a regulation to be written and adopted
2 by the board.

3 The commission members have been appointed. I
4 chair the commission and the other members are Professor
5 Alexander Aleinikoff of Georgetown University Law Center,
6 Gilbert Casellas of the Swarthmore Group, and I must mention
7 here that he was in the past an adjunct professor because
8 that makes the entire group law professors, which is kind of
9 interesting. Professor Sarah Cleveland of the University of
10 Texas School of Law with Professor Nancy Rogers, a board
11 member, of the Ohio State University College of Law, and
12 serving as a reporter for the commission is Professor Enid
13 Trucious-Haynes of the Louis V. Brandeis School of Law of the
14 University of Louisville.

15 We've had our initial organizational meeting.
16 We've decided that we would hold two hearings out in the
17 field and prior to that we would request those who would like
18 to to make written submissions to the commission. The
19 commission then will extend to some an invitation to come and
20 testify at these field hearings. One will be in California,
21 the other will be in North Carolina. Interestingly, the vast

1 majority of the HIIA certified workers are in North Carolina.
2 There are a lot of agricultural workers in California but
3 apparently very few HIIA workers are certified there.

4 After the two hearings in the field, it's our
5 intention to have the final session in Washington where we
6 will, as a commission, discuss and come to some conclusion as
7 to what we would report. I think basically this will be a
8 factual background against which to look at the
9 interpretations, the several interpretations that are
10 possible of that language and to determine, when we know how
11 that would actually affect people in reality, whether one
12 interpretation or another is legally preferable.

13 It's interesting that the backgrounds of all of
14 these commission members include some expertise in statutory
15 construction, immigration law, and I think it's an excellent
16 panel and I look forward to the work that we have before us.

17 CHAIR EAKELEY: We thank you for your contributions
18 and Nancy's as well. Edna?

19 MS. FAIRBANKS-WILLIAMS: Are you just going to look
20 at agricultural workers or are you going to look at the ones
21 that follow the fairs, circuses and the loggers that come in

1 to Maine from Canada?

2 MR. ERLLENBORN: We've put a notice in the Federal
3 Register inviting written comments and I would hope that
4 there are issues like that -- that's not anything that we've
5 discussed yet but if there are issues like that that should
6 be brought to our attention, that the written commentary
7 would do so. And then if there is a need after seeing the
8 written commentary and there are those who might like to
9 testify before the commission on some of these other types of
10 aliens who might be affected, we certainly would invite them.

11 MS. MERCADO: I mean, the reality is that that was
12 not the intent behind Congress as to what kind of workers
13 they were talking about. It was specifically in North
14 Carolina cases that dealt with the HIIA workers.

15 MR. ERLLENBORN: The language of course is broad.
16 It does not limit itself to agricultural workers. It would
17 affect any alien who was eligible otherwise --

18 MS. FAIRBANKS-WILLIAMS: We have quite a few coming
19 down from Canada, logging in Vermont and New Hampshire and
20 Maine and I also have had some experiences with some that
21 come down with circuses and fairs and tend to bring the kids

1 with them that we can't get back over the border.

2 MR. ERLNBORN: I would suggest that you would
3 contact or let us know who we might contact to invite them to
4 file written comments with the commission.

5 CHAIR EAKELEY: Any other questions? Hearing none,
6 we will go back to agenda item number 10, consider and act on
7 the report of the board's finance committee.

8 MS. MERCADO: I think most of you should have
9 received a copy of the consolidated -- the proposed
10 consolidated operating budget in your board books and the
11 only items that -- and I'm sure -- just to make sure that
12 Dave Richardson gave a copy of these to all the board
13 members.

14 I know that the board members that were present at
15 the finance committee, which I think were pretty much all,
16 there may be a couple of them, received the memo that
17 basically highlights the bigger line item expenditures with
18 the proposed budget for this coming year, for FY '99.

19 And I know Mr. Chairman that you're running short
20 on time so I won't outline for you unless one of you has a
21 specific question on a particular time that stands out. For

1 example, in the -- one of the key areas, in the executive
2 offices line that was on your attachment C of the Legal
3 Services Corporation management and administration proposed
4 budget was a contingency fund of \$385,321 that would be for
5 this year's budget that will deal with some of the
6 expenditures on the 25th anniversary celebration as well as
7 looking into possible real estate study and a variety of
8 other executive office initiatives that will be taken into
9 account.

10 The office of general counsel had \$200,000 in their
11 line for legal consultants which would be an item that
12 perhaps may have caused any questions from individuals. The
13 majority of them deal with -- on the office of the
14 administrative and human resources deal with software,
15 computer technology, upgrading furniture, insurance
16 expenditures, of course our occupancy space which is a
17 million a few hundred thousand dollars, it's always a big
18 item in that line.

19 The office of information technology, the \$227,000
20 and \$475 is for the central computerized document management
21 system and the networking of engineering services as well

1 that will go for the whole program. And then a capital
2 expenditure of \$391,600 to upgrade the Corporation's network
3 and computer systems and of course the new software to
4 include the networking of the administration.

5 The only other -- there was a question I think on
6 the inspector general's line item, the \$563,751 which is for
7 consultants to review the different audits and so forth and I
8 guess compliance documents.

9 Those were the key items that would have been a
10 little bit out of -- slightly different than what last year's
11 budget had. And the budget that is being recommended to you
12 for FY '99 would be the permanent budget because as you know
13 we've been operating on a temporary operating budget because
14 at the time that we approved this in September we did not
15 have the appropriations from Congress. And what we are
16 recommending is that the board approve the consolidated
17 operating budget for FY '99 which would be a total of
18 \$302,080,934 of which \$290,063,981 is for the delivery of
19 legal services, \$9,840,531 is for management and
20 administration and \$2,176,122 is for the office of inspector
21 general.

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M O T I O N

MS. MERCADO: And I would move that the board adopt this consolidated operating budget for FY '99.

CHAIR EAKELEY: Thank you. Is there a second to that motion?

MR. SMEGAL: Second.

CHAIR EAKELEY: I might just point out as well that the budget that's been proposed includes an allocation of certain carryover funds so that they can be used to provide technical assistance grants to grantees involved in the state planning process.

MS. MERCADO: That is correct.

CHAIR EAKELEY: And that was a recommendation that SCLAID made and that we had held out at the NLADA annual meeting and I think a great deal of thought has gone into it and there's never enough money but it's a wonderful first step, I think, to putting our money where our mouth is and that is what you will be approving in addition as you approve the proposed consolidated operating budget.

MS. MERCADO: That is correct.

CHAIR EAKELEY: Any questions? Hearing none, all

1 those in favor?

2 (Chorus of ayes.)

3 CHAIR EAKELEY: Opposed?

4 (No response.)

5 CHAIR EAKELEY: The ayes have it. The budget is
6 approved.

7 MS. MERCADO: The other item that the finance
8 committee reviewed was the audit for the Corporation for FY
9 '98 and the presentation was basically to give us a clean
10 bill of health. It was without any problems whatsoever;
11 everything was clean in the audit report and I think all of
12 you should have also received a copy of that audit report in
13 your documents. And I know if you have any questions,
14 Charmaine or Mr. Richardson, I guess, would have additional
15 questions but everything was in order and we did get a new
16 consulting firm that is doing the audit which the inspector
17 general just mentioned a while ago. She saved us \$20,000 in
18 getting the new auditor as well.

19 Any questions on that?

20 CHAIR EAKELEY: I don't think -- do we need a
21 motion to accept it or --

1 MS. MERCADO: Just to accept it.

2 CHAIR EAKELEY: Just to accept it?

3 M O T I O N

4 MS. MERCADO: Just a motion to accept the audit
5 report.

6 CHAIR EAKELEY: I might just comment that we get
7 the end result of an enormous budgetary process and another
8 indication of the smoothness of the operation of the
9 organization is reflected in the fact that the budget reports
10 are within budget both with OIG and with management, that the
11 proposals come carefully prepared, they're well reviewed by
12 the finance committee and then at the end of the day an
13 outside auditor comes in and for as long as we have been
14 directors, we have received unqualified opinions from our
15 outside independent auditors and vouched by the inspector
16 general as well.

17 So I think that a great deal of credit and
18 appreciation has to go to David Richardson and to our
19 inspector general and his office and the finance committee
20 but this is a very important -- not terribly sexy but
21 incredibly significant to the ongoing operation and

1 credibility of this organization.

2 There's a motion I interrupted to make that
3 comment, but I need a second.

4 MR. SMEGAL: Second.

5 CHAIR EAKELEY: Is there any further comment,
6 questions, debate? Hearing none, all those who are in favor
7 of accepting the auditor's report for the last fiscal year?

8 (Chorus of ayes.)

9 CHAIR EAKELEY: All those opposed?

10 (No response.)

11 CHAIR EAKELEY: The ayes have it. David, thank you
12 very much. You were eloquent.

13 MS. MERCADO: And the other item that we have is
14 the review of expenses through December 31 of '98, just in
15 case they have any questions for Mr. Richardson but
16 basically, Mr. Chairman, again, all of you got the attachment
17 A which was in addition; page one of two is actually what it
18 reads at the top. But it's just to say that the expenses
19 through December 31 of 1998, the Corporation is between 15
20 percent and 22 percent of expenditures in the different
21 categories.

1 I know there was a question asked by someone
2 whether or not we weren't spending up to par and it really --
3 the reason the percentage is a little bit lower is out of
4 prudence and caution by our staff and our comptroller to make
5 sure that until we knew the exact amount that we had of
6 appropriations from Congress we were not going to overspend
7 items that were already targeted for projects for this year
8 but that we wouldn't begin or initiate those expenditures
9 until we actually received the funding from Congress.

10 Consequently, by the end of the year, we should
11 have expended all of the fund balances that are there.

12 CHAIR EAKELEY: But no more than.

13 MS. MERCADO: No more than that; that is correct.

14 CHAIR EAKELEY: Any questions on the --

15 MS. MERCADO: And this is just for your approval.

16 CHAIR EAKELEY: Thank you very much. Is that it
17 for the finance committee?

18 MS. MERCADO: That's it for the finance committee.

19 CHAIR EAKELEY: Thank you. Bucky, the provisions
20 committee report.

21 MR. ASKEW: Thank you. If you don't like my report

1 you can think this is Justice Broderick delivering the report
2 today.

3 CHAIR EAKELEY: I was going to give you the option.
4 (Laughter.)

5 MR. ASKEW: This will be a short but pithy report
6 because I think every board member was there for at least
7 part of the meeting yesterday and so there's no need to
8 repeat what we did. And as I look in the audience, I think
9 everybody except for, I guess, from Florida were there
10 yesterday. And in addition, our president has stolen my
11 thunder by reporting on many of these matters. I'll speak to
12 you about that later, John.

13 But we heard from Karen Sarjeant, our vice
14 president, and her staff about five issues. First is
15 restructuring which John has mentioned but I think it would
16 behoove me to repeat a little bit about that. We no longer
17 have an office of program operations. We now have three
18 directors responsible for three of the different areas that
19 used to fall under OPO.

20 Under program performance, Mike Genz is the
21 director as of February 1, compliance and enforcement, Danilo

1 Cardona is the director as of February and information
2 management, Ted Faris is the director. We also recognized
3 and Karen pointed out to us that Bob Gross has been made
4 senior program officer for state planning so this is a
5 dynamic --

6 MS. FAIRBANKS-WILLIAMS: Have a good trip.

7 MR. ASKEW: It's not a static system so that
8 another reorganization and I think it will stand us in good
9 stead for the future.

10 The other matter we heard about, second matter we
11 heard about was the case service reports which John
12 mentioned. There's a survey soon going out to the field
13 about work that programs do other than work that they report
14 on case service reports which the committee I think
15 encouraged and found to be a very important thing to do
16 because we all realize that programs do deliver a lot of
17 services to clients that aren't easily categorized or
18 shouldn't be categorized on the case service reports. We
19 need to know about that, the Congress needs to know about it
20 and programs, I think, would like to report to us about that.
21 So we're going to develop a system for collecting that data

1 into the future.

2 Third, which I don't believe has been mentioned
3 yet, and there's a memo in your board materials about this,
4 there will be a Native American conference on May 23,
5 beginning May 23 which will involve not only legal services
6 programs, Native American programs and the Legal Services
7 Corporation but I think other entities such as the BNA and
8 others have been invited to participate in that conference.
9 It's a very important development that we should be aware of.

10 The fourth and fifth issues were the major items on
11 the agenda. First was competition and we received a thorough
12 review from Mike Genz about the FY '99 competition, the
13 decisions that were made and where we stand and then there
14 were some discussion of plans for next year and some changes
15 that may be made in the competitive process for next year.
16 Mike reported to us that there are going to be 183
17 competitive service areas next year, which is almost double
18 what we did this year so we obviously need to keep working on
19 the process to make sure it's as streamlined and as effective
20 as possible.

21 The last item we heard about was state planning

1 from Bob Gross and Karen and John McKay participated in that
2 discussion. We have learned that the staff is making
3 available \$75,000 to all stakeholders, not just to programs
4 but to all stakeholders for technical assistance to state
5 planning. There's a possibility that amount could be
6 increased later in the year if funds from disaster relief
7 that we've set aside are not utilized. That's something new
8 and I think very important.

9 Bob Gross reviewed for us the decisions that were
10 made in December around three-year, two-year and one-year
11 grants. We got an update on the status of state planning and
12 the committee expressed, I think it's fair to say, to Karen
13 and the staff our firm agreement with the concept of state
14 planning and how it's working in practice but we went on to
15 encourage the staff to continue collaborative efforts not
16 only with field programs but with the representatives of
17 field programs as they have been doing in the past and
18 continue doing in the future to make sure that we're all
19 moving to implement the mission that we all agree with in a
20 collaborative fashion.

21 The only other thing I'd add is that in future

1 meetings, I'll continue to work with Karen to try to put
2 items on the agenda of the provisions committee that ground
3 us in what we're here to do in terms of legal services
4 programs serving poor people so we'll continue to hear about
5 those matters through the provisions committee.

6 And if any of you have any suggestions of
7 particular things you might like to hear about in terms of
8 field program activity, let us know and we'll try to
9 structure something for a future meeting but we'll continue
10 to have that as an important part of our function for the
11 board.

12 CHAIR EAKELEY: And we will try to continue
13 scheduling the provisions committee meetings so that all
14 board members can attend.

15 MR. ASKEW: Great. That's it.

16 CHAIR EAKELEY: Any questions of Bucky? All right;
17 thank you very much for that succinct report.

18 MR. ASKEW: Thank you.

19 CHAIR EAKELEY: Next is the operations and
20 regulations committee report and LaVeeda, might I start out
21 with an apology because of this first bullet item on the

1 agenda?

2 I had -- we had discussed at some point -- at a
3 variety of points the desirability or the necessity of
4 adjusting the compensation level for the inspector general of
5 the organization but due to a number of unforeseen events,
6 including an epidemic of 'flu in Washington, D.C., my memo to
7 the operations and regulations committee recommending a
8 mechanism that had been discussed and agreed to by management
9 and OIG did not get to anybody in advance of the meeting but
10 only at the meeting and I was sorry for that.

11 But because it was not there in advance and there
12 were other questions that came out of the report that could
13 have been answered in advance had it been in advance, I think
14 the decision was made rightly to table the item so that it
15 can be -- it can have the benefit of full committee
16 consideration and then board consideration. And that will be
17 back on and I will do better to prepare further with the help
18 of the inspector general and our counsel and it will
19 definitely be on the agenda for next time.

20 MS. BATTLE: That's right. I thought about the
21 fact that in Minnesota they have called out Guinness because

1 they built the largest snowman ever in the State of
2 Minnesota. We had the shortest meeting of the ops and regs
3 committee ever on yesterday and actually there were only two
4 items that we took up, given what Doug just said about the
5 third item that was on our agenda and we actually have no
6 action items for the board today but I will make a very brief
7 report of the items that we did discuss.

8 One reg that we did discuss was a proposed reg that
9 addresses the recipient fund balance issue. That is an issue
10 which we initially discussed at an earlier meeting, we put a
11 reg out, a proposed rule out for comment and we received some
12 comments back and had a lengthy discussion about a particular
13 comment that we got back from Farm Bureau asking questions
14 about our procedure and process which Suzanne, who is our
15 staff for this committee as well as Karen, did an excellent
16 job of explaining to us the process and in responding to the
17 concerns that were raised by the Farm Bureau about whether we
18 are, for example, covered under the APA in terms of how we go
19 about our rulemaking and what the process is.

20 There were several other comments that staff did
21 not have an opportunity to fully address and so we really

1 don't have a report at this point. We do want to give the
2 staff adequate time to address the issues pertaining to the
3 recipient fund balance and hope to have that issue up at our
4 next meeting.

5 The other issue which we discussed was to consider
6 and act on a final rule for 1635, the timekeeping
7 requirement. As you may recall, an issue came up about how
8 we address the concern of having part-time attorneys who may
9 both work for a legal services entity and engage in another
10 contractual relationship in matters that might be restricted
11 by our Act.

12 And we came up with a certification requirement but
13 felt that because the certification requirement was not part
14 of the original rule which we published, that in order to get
15 appropriate comments prior to entering a final rule, that we
16 put that rule back out as a proposed rule with the
17 certification requirement contained therein, receive comments
18 on it and at which time, after we have had an opportunity to
19 review those comments, we'll make a final recommendation to
20 this board.

21 Those were the only items that we discussed and so

1 that is our report.

2 CHAIR EAKELEY: Thank you. Any questions of
3 LaVeeda?

4 (No response.)

5 CHAIR EAKELEY: Hearing none, I think we are at
6 that moment in the agenda where we prepare to move into
7 closed session and that being the case, I need a motion go
8 into executive session.

9 M O T I O N

10 MS. MERCADO: So moved.

11 CHAIR EAKELEY: Is there a second?

12 MS. FAIRBANKS-WILLIAMS: Second.

13 CHAIR EAKELEY: All those in favor?

14 (Chorus of ayes.)

15 (Whereupon, the meeting was adjourned to closed
16 session at 12:00 noon.)

17 *****

18

1 OPEN SESSION (12:21 p.m.)

2 CHAIR EAKELEY: All right. We are back in public
3 session.

4 MS. MERCADO: I assume that the minutes will report
5 that we came back --

6 CHAIR EAKELEY: That's hopefully a safe assumption.
7 We are that moment entitled public comment. Is there any
8 public and if so, does the public have any comment?

9 (No response.)

10 MS. MERCADO: They're all smiling.

11 CHAIR EAKELEY: Hearing none, we'll get to consider
12 and act on other business although I promised Tom Smegal that
13 we would not adjourn until he came back.

14 We have our next board meeting in Washington April
15 16 and 17. I'm backing up from future to present. We will
16 be meeting tomorrow morning at 8:30. It's not a meeting. We
17 will be convening, just the board members and selected
18 others, to have our mini retreat at 8:30, I think down here.
19 Breakfast will be served in the Hibiscus Room, I think,
20 because it will be small.

21 The agenda for the self-appraisal session is

1 included in the package from Emily that you should have and
2 if you don't please see Naima or Nikki afterwards in case you
3 don't have it. We have a really interesting afternoon
4 planned with a visit to Legal Services of Greater Miami.
5 Cars have been organized for board members to go over,
6 departing here at 3:15 and Mauricio is giving you the
7 assignments of the cars. Please be prompt because we're
8 going to try and leave in a caravan, so-called.

9 Following our --

10 MS. FAIRBANKS-WILLIAMS: So we're meeting in the
11 lobby.

12 CHAIR EAKELEY: We're meeting at the lobby at 3:15.
13 Following our tour of Legal Services of Greater Miami, there
14 will be a reception at the Chesterfield Smith Building hosted
15 by the Florida Bar, the Florida Bar Foundation and Legal
16 Services of Greater Miami and Chesterfield Smith which will
17 be really a great treat. And then I think you're on your own
18 for dinner again if there's room left for dinner. That's
19 this afternoon.

20 Now, immediately following -- lunch starts at 1:00
21 in the Hibiscus Room. The report is that it's still too cool

1 --

2 MR. MCKAY: I'm sorry. We're going to use the
3 Topiary Room.

4 CHAIR EAKELEY: Oh, it is the Topiary Room; good.

5 MS. MERCADO: I thought she said it was indoors.

6 CHAIR EAKELEY: Well, it was changed. It was
7 indoors but --

8 MR. SMEGAL: The Topiary is where we had lunch
9 yesterday.

10 MR. MCCALPIN: That was yesterday.

11 MR. MCKAY: It is the Topiary Room and as you exit
12 we will have folks there directing you.

13 CHAIR EAKELEY: Okay; it's Topiary Room, not
14 garden.

15 MR. SMEGAL: Was it at 1:00? It's only 12:20,
16 right?

17 CHAIR EAKELEY: I know but lunch was scheduled for
18 lunch and I don't think they're going to bring it on quite --

19 MS. MERCADO: Well, I think he said it was ready.

20 CHAIR EAKELEY: All right; well, we can go try.

21 MS. WATLINGTON: Doug, this is Ernestine.

1 CHAIR EAKELEY: Yes, Ernestine.

2 MS. WATLINGTON: My one regret in not being able to
3 be there is that I have been very interested in looking at
4 the Miami program and their development through the years. I
5 would have loved to have been there to see what they did
6 before and where they are now (inaudible) could make it but
7 that was one of the things I was looking forward to also.

8 CHAIR EAKELEY: Well, we'll have to find some other
9 opportunity for you to come down and visit and catch up with
10 them. Meanwhile, we offer our best wishes for a continued
11 speedy recovery.

12 MS. WATLINGTON: Thank you.

13 CHAIR EAKELEY: And we'll be convening and
14 conferring with you tomorrow morning in any event.

15 MS. WATLINGTON: At 8:30.

16 CHAIR EAKELEY: Yes.

17 MS. WATLINGTON: All right. Good evening.

18 CHAIR EAKELEY: Are there any other matters for new
19 business?

20 MR. McCALPIN: Could I ask, this morning for the
21 first time I heard a date about this proposed twenty-fifth

1 birthday. Should we be putting that on our calendars?

2 CHAIR EAKELEY: Frankly, it was the first time I
3 heard about that date also. I don't have a response from the
4 White House yet and I think what we'll have to do is get back
5 to the board -- all board members in writing about save the
6 dates, in the plural.

7 MR. VIVERO: Yeah; that's tentative. On that same
8 subject, is it the intention of the Chair that the board
9 members attend and/or participate in that Estes Park Native
10 American program?

11 CHAIR EAKELEY: I think the invitation was if board
12 members would like to attend and participate in the Native
13 American conference in May, that we would be welcome to and I
14 think that the tentative date was the date of -- the twenty-
15 fifth anniversary of the signing of the Legal Services
16 Corporation Act which was July 23; is that --

17 MR. MCCALPIN: 13th.

18 MS. MERCADO: No. The Native American is in May.

19 CHAIR EAKELEY: I'm not talking about Native
20 American. I'm talking about --

21 MR. VIVERO: You didn't --

1 CHAIR EAKELEY: If we're in the process of saving
2 dates, I would save July 23 as a possible date for convening
3 in Washington as one of the celebratory events marking the
4 twenty-fifth anniversary of the Corporation and taking the
5 opportunity to spread the word about the importance of access
6 to justice in this democracy.

7 MR. McCALPIN: Would we still have the Denver
8 meeting in June?

9 CHAIR EAKELEY: Quite possibly; yes. We're still
10 scheduled -- we're on schedule. We will meet in June.

11 MR. McCALPIN: And July possibly as well.

12 MS. FAIRBANKS-WILLIAMS: What's the date?

13 CHAIR EAKELEY: The June meeting date?

14 MR. McCALPIN: I have 11, 12.

15 CHAIR EAKELEY: The June meeting date is the 11th
16 and 12th in Denver.

17 MS. MERCADO: I'll have to do that by phone.

18 CHAIR EAKELEY: Yes, alas. All right. Any other
19 business?

20 (No response.)

21 CHAIR EAKELEY: Hearing none, is there a motion to

1 adjourn?

2

M O T I O N

3

MS. MERCADO: So moved.

4

MR. BRODERICK: Seconded.

5

CHAIR EAKELEY: All those in favor of adjourning?

6

(Chorus of ayes.)

7

CHAIR EAKELEY: Opposed?

8

(No response.)

9

CHAIR EAKELEY: The ayes have it. Ernestine,
10 thanks again for joining us. We'll see you tomorrow or we'll
11 talk to you tomorrow.

12

(The meeting was adjourned at 12:27 p.m.)