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LEGAL SERVICES CORPORATION

APPROPRIATIONS AND AUDIT COMMITTEE MEETING

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LEGAL SERVICES CORPORATION

APPROPRIATIONS AND AUDIT COMMITTEE MEETING

New Hampshire Room B
Ramada Renaissance Hotel
1143 New Hampshire Avenue, N.W.
Washington, D.C.

Thursday
March 7, 1985

The above-entitled matter convened at 3:53 p.m.,
on Thursday, March 7, 1985.

BEFORE: PEPE J. MENDEZ
CHAIRMAN

Committee Members Present:

LEANNE BERNSTEIN
THOMAS EAGLIN
MICHAEL WALLACE
THOMAS SMEGAL
HORTENCIA BENOVIDEZ
W. CLARK DURANT, III
ROBERT VALOIS
CLAUDE SWAFFORD
BASILE UDDO

Also present:

Other members of the LSC Staff

Members of the Public

1 CHAIRMAN MENDEZ: Ladies and gentlemen, at this
2 time I would call the Audit and Appropriations subcommittee
3 to order, and ask for a motion to approve the agenda.

4 MS. BENAVIDEZ: I move to approve the agenda.

5 MR. EAGLIN: Mr. Chairman, I'd like to move to
6 amend the Agenda, number 3 on the Agenda. Where it presently
7 reads, as proposed reconsideration of line item allocations
8 in Fiscal Year '86 Appropriations, and I'd like to amend
9 that to reconsideration of the Fiscal Year 1986 Budget
10 Mark.

11 CHAIRMAN MENDEZ: Mr. Bagenstos, I ask you to
12 approach the microphone. Is it possible to amend the agenda
13 with less than 7 days notice. I know we have that question
14 problem this morning?

15 MR. BAGENSTOS: If the Board determines that the
16 amended agenda item, consideration of the amended agenda
17 item, is necessary to the conduct of the corporation's
18 business, and if it further determines that it was not
19 possible to give notice before, such an amendment may be made.

20 CHAIRMAN MENDEZ: How do we determine whether
21 or not it was possible to give notice before?

22 MR. BAGENSTOS: That, it would appear to me to be
23 on a case by case basis. You have to determine whether
24 or not the issue was right; whether it has arisen in such
25 a way that a vote could be taken.

1 CHAIRMAN MENDEZ: Just when did you receive
2 the agenda?

3 MR. EAGLIN: When did we get our packets. I think
4 I received mine, it was Tuesday, it was by express mail.
5 The first attempted delivery was on Monday, at my residence,
6 but since I asked that the mail come to my work address,
7 I was not able to get it until Tuesday, when I went down
8 to the main Post Office to pick it up, because the
9 delivery could not be given to me then. May I put a ques-
10 tion to him, then, to mesh with what he's saying?

11 MR. DAUGHERTY: I believe Mr. Eaglin is referring
12 to the delivery of the briefing book materials. The
13 notices were mailed to members of the Board on Tuesday,
14 the 26th.

15 MR. EAGLIN: This briefing book had the agendas
16 in it right?

17 MR. DAUGHERTY: They the notices were mailed on
18 the 26th of February.

19 MR. EAGLIN: Okay.

20 MR. DAUGHERTY: Which packet was it and what
21 was in it?

22 CHAIRMAN MENDEZ: Essentially all it had was the
23 notices in it. It was about 4 or 5 pages of notices.

24 MR. EAGLIN: And they had some expense forms
25 in there also.

1 MS. BERNSTEIN: And clippings.

2 CHAIRMAN MENDEZ: I remember getting something
3 like that, yes.

4 MS. BERNSTEIN: And some newspaper clippings.

5 MR. EAGLIN: No, I didn't get any newspaper
6 clippings. I don't think I did. I remember the expense,
7 the voucher forms, the blanks that you're talking about,
8 I got that. If it was in there, then I got it whenever
9 that was. But I got a packet this week that had the
10 briefing book in it. And the agenda was in there too.

11 CHAIRMAN MENDEZ: It was sent out twice.

12 MR. EAGLIN: Okay, may I put a question to him?

13 CHAIRMAN MENDEZ: Yes. Let me ask you a question
14 first. Did you read the other materials before?

15 MR. EAGLIN: Yes.

16 CHAIRMAN MENDEZ: Okay, thank you.

17 MR. EAGLIN: Okay. In connection with what
18 you're saying with reference to the Agenda today as
19 proposed for today, it was my understanding at the
20 conclusion of the meeting of two weeks ago, as I recall
21 when you concluded it, you said that we would continue
22 with this today, continue on today with what we were dealing
23 with two weeks ago, to proceed to where we are. We have
24 not completed what was the last item on the Agenda of two
25 weeks ago, which was approved and that was Fiscal Year

1 mark, wouldn't you have said that in the beginning in the
2 very first question put to you? Do we have that authority?

3 MR. BAGENSTOS: Are you addressing that question
4 to me?

5 MR. EAGLIN: It seems to me that you would have
6 pointed that out as your response to the question.
7 Do we have authority to change it?

8 MR. BAGENSTOS: I don't think the committee has
9 that authority, but I guess the committee would have
10 the authority to recommend it to the Board.

11 CHAIRMAN MENDEZ: To recommend the change, to
12 recommend the change. Okay, we do.

13 MR. BAGENSTOS: If you mean inherently, yes.
14 If you mean under the current agenda, I think that's what
15 is at issue here.

16 CHAIRMAN MENDEZ: Tom, what is your?

17 MR. SMEGAL: Well, I agree with Paul. In fact,
18 it seems to me that I addressed this issue at our last
19 meeting, during our meeting and I was looking forward to
20 an opportunity for there to be a motion to change the budget
21 mark. I think that's in the record. So I think what Paul
22 is saying is correct. His understanding and my understanding
23 are that the matter of the budget mark continues. This
24 Committee can make a recommendation to the full Board
25 tomorrow that the budget mark be modified, changed.

1 not only of the line item allocations but to reflect
2 discussion of increase of the 86 budget mark.

3 MR. EAGLIN: I didn't say that. I said I wanted
4 to reconsider the 1986 Budget Mark.

5 CHAIRMAN MENDEZ: Okay, reconsider the 1986
6 budget mark. Is there a second to that?

7 MR. SMEGAL: There's a second.

8 CHAIRMAN MENDEZ: Any further discussion?

9 MR. SMEGAL: Are there two separate motions?
10 Are you making two separate motions?

11 CHAIRMAN MENDEZ: No. There's an amendment
12 and Leanne has moved to accept the agenda as listed.

13 Mr. Eaglin has moved to amend the agenda the
14 agenda.

15 MS. BERNSTEIN: Mine didn't get a second.

16 CHAIRMAN MENDEZ: She didn't get -- hers didn't
17 get a second. What's the motion on the floor?

18 MR. SMEGAL: I didn't I felt that there was a
19 salient point.

20 CHAIRMAN MENDEZ: Okay, so the motion on the
21 floor at this time, is to amend the agenda, Mr. Eaglin's
22 motion is to amend the Agenda.

23 MR. SMEGAL: Well, I think the most -- if I may,
24 Mr. Chairman -- I think the most salient point is that the
25 prior agenda of this Committee and as Mr. Eaglin understands

1 and I understand, the last time we met, we met in continued
2 to today, and that agenda has the item that Mr. Eaglin
3 has moved be reflected in today's agenda. Fiscal Year 1986
4 bench mark, budget mark. So what he's suggesting is that
5 there's just been a typographical error made in putting to-
6 gether the agenda for this meeting and it should reflect
7 the continuation of the prior meeting we were having
8 which is reconvened today.

9 CHAIRMAN MENDEZ: Let me correct you. That was not
10 a typographical error. It was put in there pursuant to
11 my request.

12 MR. SMEGAL: All right.

13 CHAIRMAN MENDEZ: Now, is there any further
14 discussion on the issue of whether we will consider the
15 Budget Mark in changing in essence to clarify it to change
16 from a 305 mark?

17 MR. WALLACE: Well, let me ask the Chairman,
18 because I missed the beginning of this discussion, but
19 I'm my own inclination is I think I know how I would vote
20 on reconsiderating the budget mark. I'm pretty sure
21 I'd know how I would vote on reconsidering the budget mark.
22 I'm perfectly willing to hear somebody try to talk me out
23 of it and I'm perfectly happy to have it on the agenda
24 unless there's a good reason not to have it on the agenda,
25 I'm willing to talk but you know, I voted when I voted and

1 I haven't seen anything to change my mind.

2 MS. BERNSTEIN: Well, that goes to the question
3 though of the fact that this was published as consideration
4 of the line items and there may have been people here who
5 would have wanted to come and speak if they had known the
6 bottom line figure was to be re-examined again, and there-
7 fore I would be opposed to it from the standpoint that we
8 did not give 7 days notice.

9 And Paul, I disagree with the sense when we left
10 here, about what we were going to do, so I'm not what I'm
11 saying is that I'm supporting the Chairman's interpretation
12 because I didn't understand otherwise.

13 CHAIRMAN MENDEZ: Well, let's just take a vote
14 of the Committee. All in favor of amending the agenda
15 to include reconsideration of the budget mark, let's do it
16 by roll call, Paul?

17 MR. EAGLIN: Yes. I'm in favor of it.

18 CHAIRMAN MENDEZ: Tom?

19 MR. SMEGAL: Yes. I'm all right with that.

20 MR. WALLACE: It's all right with me.

21 CHAIRMAN MENDEZ: The Chairman will abstain.

22 LeaAnne?

23 MS. BERNSTEIN: No.

24 MR. DURANT: As a courtesy to Mrs. Eaglin and
25 Mr. Smegal, I will vote yes.

1 MS. BERNSTEIN: I want this to be noted in the
2 record that we can do this at any future time on an issue
3 that we have a majority of the board that wants to add a
4 line item, a different action item to the budget that has
5 not had seven days notice.

6 MR. DURANT: Can we have an opinion from the
7 general counsel as to whether or not -- if that's a
8 problem, then I'm going to change my vote.

9 MR. BAGENSTOS: The Sunshine Act provides that
10 an agenda item may be changed if the majority of the
11 Board determines that it is necessary for the performance
12 of agency business.

13 MS. BERNSTEIN: And I've heard nothing about
14 necessary.

15 MR. BAGENSTOS: And that no early announcement
16 of the change was possible.

17 MR. VALOIS: Excuse me. You said a majority of
18 the Board?

19 MR. BAGENSTOS: That's correct.

20 MR. VALOIS: As distinguished from a majority
21 of the committee?

22 MR. BAGENSTOS: That's correct.

23 MR. VALOIS: Now, I'm a board member, not a
24 committee member and I haven't voted and there several
25 Board members absent and I think we have to count. Can I

1 ask for a Count, Mr. Chairman of the --

2 CHAIRMAN MENDEZ: Just based on your opinion, then,
3 the majority of the Board, the whole board, a majority of
4 the Board has to do this?

5 MR. BAGENSTOS: That's correct.

6 CHAIRMAN MENDEZ: Let the record reflect that we
7 have a majority of the Board present and I will call the
8 --

9 MR. BAGENSTOS: Excuse me. Let me clarify that.
10 A majority of the board must so determine.

11 MR. DURANT: Determine what?

12 MR. BAGENSTOS: The two levels.

13 CHAIRMAN MENDEZ: Tell me the two levels.

14 MR. BAGENSTOS: Alright, one that it is necessary
15 for the conduct of th business of the corporation, and 2,
16 that no earlier announcement was possible.

17 MR. DURANT: Is that an and, is that disjunctive
18 or conjunctive? I mean, you got to have both of those?

19 MR. BAGENSTOS: You've got to have both of them,
20 according to Sunshine.

21 CHAIRMAN MENDEZ: Let the record reflect that Mr.
22 Eaglin received -- or it was mailed on the 26th -- is that
23 a fair statement?

24 MR. SMEGAL: And Mr. Eaglin had -- I don't know,
25 Paul, did you have more than 7 days? notice?

1 that I don't think that's the correct legal advice, I think
2 that sort of resolves the question at this time. And the
3 Chair would be very inclined to open it up and want Mr.
4 Eaglin to make any motion he wants to concerning the
5 change of the budget mark.

6 MS. BERNSTEIN: Can I just ask one practical
7 question of the corporation which I do not know the answer
8 to?

9 Have we in fact already submitted the budget mark
10 to Congress?

11 CHAIRMAN MENDEZ: We have in fact already submitted
12 the budget mark to Congress.

13 MS. BERNSTEIN: All right, then there is nothing
14 magical about this meeting as opposed to a future meeting
15 for reconsidering the final the bottom line figure?

16 CHAIRMAN MENDEZ: Yes, there is something magical.
17 We're here. That's one of them, and the second is that
18 we are scheduled to go in front of the Congress on
19 the 13th, to discuss the budget mark, and if we're going
20 to make any determination about changes, we would like
21 to bring this make these changes and clarify them before
22 we go in front of the Congress.

23 MR. BAGENSTOS: I'm not sure I understand what
24 you are proposing to do sir, but if you propose to reopen
25 it, if you propose to amend the agenda, it is necessary for

1 a majority of of the entire Board to so determine and it
2 is necessary thereafter for the Corporation to publicly,
3 to make publicly available the vote of those who -- it cannot
4 be done without a roll call.

5 CHAIRMAN MENDEZ: All right. The issue as I
6 understand it, Mr. Eaglin was given incorrect advice about
7 whether he should or could amend the budget and that
8 complies with the two-prong test of yours, as I -- if he
9 couldn't have done this before, and it's necessary for
10 action appropriate action of the corporation. Is that
11 a fair statement?

12 MR. BAGENSTOS: It is for the Board to so determine
13 but if it is that determination of the Board you have
14 considered both prongs of the test.

15 CHAIRMAN MENDEZ: Does the -- do all of the
16 Members of the Board here understand the test and the
17 motion, is there any further discussion?

18 MR. DURANT: The motion is to -- just to state it
19 so that we can --

20 CHAIRMAN MENDEZ: The motion is to reopen the
21 budget mark, based on the fact that there was no time avail-
22 able, prior to this meeting, to make the announcement and
23 that is because of the statement by Mr. Daugherty to Mr.
24 Eaglin, and that it is necessary for the accomplishment
25 of Corporate business. Would that handle your grounds?

1 MR. BAGENSTOS: Yes sir.

2 MR. DURANT: That doesn't you don't reopen the
3 mark, you reopen the discussion about the recommendations.

4 MR. BAGENSTOS: Specifically, you are amending
5 the Agenda to do so.

6 CHAIRMAN MENDEZ: We cannot reopen the mark
7 because the Board as a whole has done that.

8 We are merely reopening it for the purposes
9 of discussion of this committee. Mr. Eaglin?

10 MR. EAGLIN: My vote is yes.

11 MR. SMEGAL: Yes.

12 MR. WALLACE: Yes.

13 I'll vote aye, and then I would like to ~~explain it~~
14 explain it after the vote is over.

15 CHAIRMAN MENDEZ: The Chairman will abstain at
16 this time.

17 MS. BERNSTEIN: I abstain.

18 MR. DURANT: Yes.

19 MR. BAKER: Yes.

20 MR. VALOIS: I'm not a voting member of this
21 Committee and I'm a member of the Board.

22 MR. BAGENSTOS: Sir, if I can explain, in setting
23 the agenda, you may take a vote to set an agenda without
24 a meeting. That is not considered a meeting of the Board.

25 MR. VALOIS: I vote no.

1 In Mr. Wallace's committee meeting, I believe, and
2 correct me if I'm wrong, he asked the staff to go back in
3 the transcripts and do some summary of the comments of the
4 public on the regulations questions, and not just list
5 the names of people who spoke on specific issues.

6 I mentioned that at the Presidential Selection
7 Committee. There, and incidentally, pardon me, in the
8 Regulation process there was a full summary of one or two
9 comments, and no summary of others. My apologies. Just
10 the names of the people.

11 Then we go to the Presidential Search Committee,
12 and in the Presidential Search Committee there's a list
13 of three members of the public who addressed the Board,
14 with no comments about the substance of their presentations.

15 And here we're about to adopt minutes where we
16 go one step further, where not only is there no summary
17 of the comments there's not even the names or the identifica-
18 tion of the people who made the presentations, and while
19 I clearly would argue for the fullest public record with
20 accurate summaries of the comments of people from the public
21 section of the meeting, I would suggest it would be very
22 valuable if there be some uniformity of the Board so that
23 the minutes are reported in the same fashion.

24 CHAIRMAN MENDEZ: I will bring this to the
25 attention of the Chairman, Mr. Durant, and will bring this

1 also to the attention of the Secretary, --

2 MR. DURANT: Do that first.

3 CHAIRMAN MENDEZ: And we will attempt to insure
4 that there is uniformity and I certainly agree that in
5 the future we will attempt to have something of that
6 nature. It's fair to everyone. It's also -- one of
7 the things I've gone back and read the Board minutes and
8 the Committee meeting minutes, for the last eight years,
9 and this has been standard procedure for the last eight
10 years.

11 MR. BROOKS: Which way has been standard procedure?

12 CHAIRMAN MENDEZ: This just what we are doing.

13 MR. BROOKS: Okay.

14 CHAIRMAN MENDEZ: I would just advise you of
15 that. It's not very helpful for me to review the history
16 of the corporation when it is not as complete as it ought
17 to be.

18 MR. BROOKS: I just want to say that that is
19 not a totally accurate retelling of history depending upon
20 who sat on the Board, there was in fact a very serious
21 summary, and extensive summary of public comments, and in
22 recent years that's disintegrated, that's correct.

23 CHAIRMAN MENDEZ: And it was not in existence
24 at various times earlier?

25 MR. BROOKS: Right, that's correct.

1 CHAIRMAN MENDEZ: As a summary, it has not been
2 done and this is the course and the manner that it has
3 been done throughout the course of the Corporation's history
4 as a general rule. At this time, I would call Mr.
5 Broccoletti to come forward and make a couple of introductions,
6 please.

7 MR. DURANT: Before you do, Mr. Chairman, Mr.
8 Mendez, I just want to make one general comment. But we also
9 I think have to vote on this question of the minutes. And
10 after you do that, then I just have one general comment
11 about the Agenda, things that I wanted to mention before.

12 But you can take your vote first, and then I'll
13 mention the Agenda comments.

14 CHAIRMAN MENDEZ: Okay, all in favor of the
15 minutes, Mr. Eaglin?

16 MR. EAGLIN: What?

17 CHAIRMAN MENDEZ: The minutes, you're --

18 MR. EAGLIN: Oh sure oh yeah.

19 CHAIRMAN MENDEZ: Smegal, Mr. Smegal?

20 MR. SMEGAL: The understanding that something was
21 going to be done with respect to the questions raised, is
22 that right?

23 CHAIRMAN MENDEZ: Well, we'll address it to that.

24 MR. SMEGAL: Okay.

25 CHAIRMAN MENDEZ: Mr. Wallace?

1 two weeks ago, I thought that we were going to reach this
2 issue two weeks ago, and then I was concerned when I saw
3 it written differently. That's why I called in.

4 CHAIRMAN MENDEZ: Do you have anything?

5 MR. DURANT: I have nothing further.

6 CHAIRMAN MENDEZ: We can hear from Mr. Broccoletti.

7 MR. BROCCOLETTI: Mr. Chairman, Board Members,
8 Staff and guests, in my former position as Director of
9 Program Development of the Corporation, in September of 1983,
10 I started to work with the American Bar Associations'
11 special committee on the delivery of legal services. Since
12 that time, we've worked extensively with the ABA committee
13 to try to develop a joint project to study the voucher
14 system.

15 It's my pleasure to introduce here today,
16 Professor Steve Cox, who is an ABA Consultant Professor
17 at Arizona State University, a Professor of Economics,
18 and Mr. Van O'Steen, a partner of Van O'Steen Partners,
19 who formerly was a legal services attorney in Arizona
20 and who is the Chairman of the Special Committee on the
21 Delivery of Legal Services to the ABA.

22 MR. O'STEEN: The more academic appearing member
23 of this team is Cox; I'm O'Steen. Thank you for having
24 us. And in the interest of not complicating your meeting
25 than your Agenda did, we're going to take only a few minutes

1 to describe to you very briefly some background on this
2 project, and to highlight some of the important features
3 of it.

4 I think it's more important that we respond to
5 what you think is significant about this project, rather
6 than to have us engage in some long monologue and tell you
7 what we think is important. So we'll try to be very brief
8 about it.

9 The American Bar Association has worked for
10 about three years on a study which began to test, that is
11 originally, the objective was to test the viability of
12 using vouchers as a mechanism for delivering certain types
13 of legal services to the poor.

14 Over the course of that three-year period, and
15 incidentally now a commitment on the part of the American
16 Bar Association to the tune of over \$100,000, already,
17 that is not already spent, a commitment already made to
18 pay for the administrative costs of this study, the study
19 has expanded to become one proposed to you now.

20 To test the cost and quality effectiveness of
21 three models for delivering legal services to the poor,
22 and that is a comparison study, where the cost and quality
23 effectiveness of the traditional staff model will be compared
24 with that of a voucher system, also to be compared with
25 what we've referred to in the past as an incentive contract

1 system, which is very similar. Basically, it's a competitive
2 bid private law firm project, very similar to the legal
3 clinics project that you have underway now.

4 The one remark that I want to make before
5 Professor Cox describes two or three of the essential
6 features of this study proposal to you, is that while we
7 are here proposing this to you today, and some three years
8 down the road on the project, one level of approval is
9 still required at the ABA in order to proceed with the
10 project.

11 Whereas we have programmatic approval from the
12 Association, and in fact have had two years of funding
13 for the project already, nevertheless, a cosponsored
14 project -- which is what we're proposing really to you
15 now, it's worked out to be a proposal for a cosponsored
16 project -- requires one additional level of approval.
17 I'm informed that that approval should be forthcoming soon,
18 and there should not be a problem in getting it.

19 Nevertheless I do have to speak with that
20 reservation today, and with that, I'll turn this over to
21 Professor Cox.

22 PROFESSOR COX: And I'll try to refrain from
23 my traditional 50-minute lecture, and confine it to about
24 five minutes. I want to point out two or three things.
25 First of all, I believe you've been given a two-page voucher

1 project overview that the staff at the LSC drew up.
2 You've also been given a copy of the voucher study proposal
3 that I've designed for the ABA committee. I would like the
4 contents of the Staff two-page overview I think is worth
5 your attention as I hope my proposal is.

6 But in terms of a descriptive title, I would like
7 you to use the title on the study proposal. The reason for
8 that is, that on the two-page overview you've been given
9 it has become known as the Voucher Project, but in fact,
10 as I've designed the study, it's actually a comparison
11 of three different mechanisms for delivering legal services
12 to the poor.

13 All right, that comment leads to the second major
14 point I want to make, and that is the distinction between
15 this proposed study and all that I am aware of that has
16 been done prior to this, including the DSS, the Delivery
17 System Study which was done in the late '70s. That
18 distinguishing feature is as follows:

19 Up to this time, the research project of the
20 Corporation of which I'm aware, would be characterized as
21 a single model demonstration project. In other words,
22 a look at one mechanism for delivering legal services to
23 the low-income people, and because of the way in which
24 those projects were designed, about the only end objective
25 that could be achieved is an examination of the workability

1 you're too busy, doing what you're doing now?

2 MR. COX: One general comment. A professor is
3 never too busy to do research, but I must also --

4 MR. DURANT: You open to pro bono?

5 MR. COX: No, for a consulting fee. The as
6 opposed to an academic salary. The other, I must confess
7 that I simply do not know much about the operation of
8 what you're calling support centers and what role they play
9 in the relationship between the LSC Headquarters and the
10 local programs, so I can't really talk directly to the
11 substance of your inquiry.

12 CHAIRMAN MENDEZ: All right, that's really key
13 because in the project that you're doing now, it's really
14 important, those people have access both to the private
15 bar the voucher bar and the normal group to be run through,
16 that all of them become aware of these national systems.
17 And the national support groups, because they are available
18 to everyone and I want to make sure that the Bar is
19 educated as to the availability of the family, the youth
20 national centers and these types of things.

21 We have several of them and Consumer Credit, which
22 should fit in very well with the SSI project, and we also
23 have a senior citizens group that would fit well with that
24 too, and those are available for private attorneys as well.

25 MR. O'STEEN: That's a point well made, Mr. Mendez,

1 CHAIRMAN MENDEZ: And if a rational person picked
2 salaries over national support, you would say that that's
3 the most important need, is that a fair statement?

4 MR. COX: Yes. A rational consumer will choose
5 that which is most important to him first.

6 CHAIRMAN MENDEZ: I've got to ask you one last
7 question. Are attorneys rational?

8 MR. COX: Well economists assume that everybody's
9 rational.

10 MR. SMEGAL: Mr. Chairman, to follow up that
11 line of questioning, what would your reaction be to
12 understanding a little more about what was just said, and
13 that the survey was taken and all those who were asked
14 whether they want the money or the support, said we want
15 the support, what would you conclude from that?

16 MR. COX: That they would prefer to have the
17 support. I guess the question was formed in such a way
18 that the answer was predetermined.

19 CHAIRMAN MENDEZ: That's some peoples' view
20 as well. Do you have any other questions?

21 MR. O'STEEN: Mr. Mendez, if I could make one
22 other comment about this study proposal, I'd like to
23 point out that over the course of the last 2-1/2 to 3 years,
24 the input of various segments of the American Bar Association,
25 the organized bar generally, and Legal Services field people

1 has been invited and obtained and so the product that we've
2 submitted to you now, really is a product of several years
3 of work with the input of all those groups in it.

4 MR. COX: I want to second that. It's the first
5 research proposal that I've ever been engaged in in which
6 there has been such widespread input.

7 MR. DURANT: I have one other question. This
8 goes to Norman's -- Mr. Cox, is there any reason why the
9 four types of legal cases we're primarily limited to
10 or really to two types, either one form of divorce or SSI
11 cases, in some ways that's a fairly limited focus in terms
12 of applicability of any results, isn't it, or not?

13 MR. COX: And with a single site study, you can't
14 do much more. You could expand the study both in terms of
15 number of sites and number of services, but what I felt
16 was terribly important, given what had been done in the
17 past, okay, was instead of focusing on expansion and
18 generalization to across the country or across the spectrum
19 of legal services, that we focus in on the comparability
20 of alternative mechanisms. Because that had just never
21 been done in the past.

22 MR. DURANT: Yes, but alternative mechanisms as
23 to really two types of cases, that is Divorce or SSI?

24 MR. COX: Yes. And the reason for the three
25 kinds of divorces is that I wanted some kind of mechanism

1 whereby to test the cost and quality effectiveness of these
2 alternative systems across case complexity spectrum, as
3 opposed to case type spectrum.

4 MR. BROCCOLETTI: Excuse me, if I may add one
5 thing. That is that these case types were arrived at in
6 consultation with the local program. We didn't dream them
7 up. We worked very closely with them.

8 CHAIRMAN MENDEZ: I think that the Board has read
9 the proposal and that's very clear in there that he's had
10 really excellent cooperation from the Bar in San Antonio.

11 MS. BERNSTEIN: I just wanted to ask one further
12 question, Mr. Cox. I was involved at the meeting, I think
13 it's been two years ago now --

14 MR. COX: May 1983.

15 MS. BERNSTEIN: Yeah, when we were talking about
16 the possibilities in this project, and one other aspect
17 that we haven't at least touched on verbally here today,
18 is the question of the copayment as a mechanism for measuring
19 the difference between want and need and whether or not
20 that is something that the Corporation may benefit in the
21 long-run from studying in terms of figuring out whether
22 or not clients make a rational decision before they come in
23 to get services.

24 (Continued on following page.)

25
END T#5A

TAPE #5B LSC
KNEIFEL:holm
3-7-85

1 MR. COX: Is that a question or a statement?

2 MS. BERNSTEIN: Well, I just wanted you to
3 reiterate for the benefit of those people who weren't here
4 at that meeting that as a possibility because that's some-
5 thing this Board has never considered and I think it's
6 worthwhile you're here, we'll make your airplane trip
7 worthwhile.

8 MR. COX: In the medical service area, a great
9 many studies have been done on really the issue of medical
10 cost inflation. And study after study after study has
11 pointed to the importance of a cost-sharing insurance
12 arrangement, in order to prevent inflated demand basically
13 is what it amounts to.

14 People going to the doctor every other second
15 for virtually nothing because it's "free", never really
16 free but free in a monetary payment sense. Alright. Now,
17 if you take that situation that I've just described, many
18 many studies pointing to the importance of cost sharing,
19 to prevent what you might call simply runaway demand and
20 runaway inflation and bring that over now to the legal
21 services and what do all those studies have to say for
22 the legal services market. It says that the greater the
23 cost share borne by the consumer, the more carefully
24 that consumer is going to examine, (1) his demands, how
25 important the service is to him, and second, the more

1 incentive that consumer will have to shop around for
2 the cost and quality option which best statisfies his
3 needs or wants.

4 MR. DURANT: And may even make the choice of
5 deciding not to.

6 MR. COX: Exactly may make the choice of not
7 deciding to seek service, or may alter the nature of
8 the service that he selects or the provider of the service.

9 MR. O'STEEN: That however, is not an element
10 in this study design.

11 MR. COX: That's right.

12 MR. DURANT: Does that mean that the consumer
13 does not make a choice that the need then, because of
14 that heirarchy priority is not present?

15 MR. COX: I understand the nature of the question
16 and I guess I have two replies. One is that no, you can't
17 immediately assume that a person will consume a "free" good,
18 even though he doesn't want it. Because there's still
19 some time and effort involved in simply the consumption
20 of the service in this case, okay. And on the other hand,
21 you can't be sure that person places very high priority
22 on having that service rendered.

23 MR. DURANT: That you can be sure that -- say that
24 again?

25 MR. COX: You can be sure that indeed there is

1 some value to be gained from the service by the Consumer,
2 some value. This isn't -- he's not just out there consuming
3 the service to consume service. But you don't really know
4 how high a priority the service is for the individual.

5 MR. DURANT: Because there has been no cost
6 discipline?

7 MR. COX: That's right. Exactly.

8 MR. DURANT: So that you would have an exaggerated
9 sense, are you saying that you would have an exaggerated
10 sense of want or need because of without that discipline?

11 MR. COX. Yes. I don't know whether this would
12 be instructive for you at all but it's the example that
13 I use in my classroom all the time, and that is, think
14 about how your eating behavior differs from the single
15 price, all-you-can eat buffet, to the cafeteria line in
16 which you pay a separate price for every blessed item you
17 pick up and put on your tray.

18 MR. WALLACE: Not a very pretty thought.

19 MR. COX: And if you caught the analogy, I think
20 you got the point I was trying to drive at.

21 MR. DURANT: My children always go to the one-
22 price buffet.

23 CHAIRMAN MENDEZ: Does the committee have any
24 further questions of the gentlemen?

25 MR. COX: Thank you very much.

1 on a grant or whether it was --

2 CHAIRMAN MENDEZ: It was done in connection with
3 The American Bar Association.

4 MS. BERNSTEIN: Okay, so was there any type of
5 bidding process to determine which group would be able to
6 best prepare the study?

7 CHAIRMAN MENDEZ: I'll tell you what, I don't want
8 to enter into any dialog on this issue now. I'll refer
9 you to Mr. Broccoletti and he can answer your questions
10 at another time.

11 At this time, I would call Joel Thimmell.

12 MS. BERNSTEIN: May I ask where we are on the
13 agenda?

14 CHAIRMAN MENDEZ: We are taking -- Mr. Thimmell
15 is going to be commenting on some of the line items.
16 Please state your name?

17 MR. THIMMELL: My name is Joel Thimmell,

18 CHAIRMAN MENDEZ: And who are you with?

19 MR. THIMMELL: I work for the Legal Services
20 Corporation Executive Office.

21 CHAIRMAN MENDEZ: Joel, this morning you went
22 out and you interviewed several individuals at the Bureau
23 of Census, is that correct?

24 MR. THIMMELL: That's correct.

25 CHAIRMAN MENDEZ: And who were they?

1 MR. THIMMELL: Dr. Jeffrey Pascell, who is in
2 their demographic research division, Diane D'Ayer who is a
3 demographer as well. Paula Schneider who is the program
4 director for the Population Division, and Patricia Burman
5 who is in charge of their racial statistics.

6 CHAIRMAN MENDEZ: Now, inviting your attention to
7 the migrant issue, there was several questions about migrant
8 populations and why the migrants were counted before. Can
9 you recount what they advised you today?

10 MR. THIMMELL: We were advised that all migrants
11 have been counted in the total population statistics
12 compiled by the census bureau, with less than one percent
13 error in those statistics.

14 CHAIRMAN MENDEZ: Was the migrants, were the
15 migrants counted separately or were they counted as part
16 of the overall population?

17 MR. THIMMELL: They are not counted separately;
18 the do not have a separate definition for migrants; but
19 they are counted within the overall statistics for the
20 entire population.

21 CHAIRMAN MENDEZ: And they are lumped in the
22 farm worker category, is that correct?

23 MR. THIMMELL: They would be lumped in the farm
24 worker category.

25 CHAIRMAN MENDEZ: What did the Bureau indicate that

1 probably the most valid records concerning migrants were?

2 MR. THIMMELL: They suggested the Department of
3 Agriculture maintains studies on the number of migrants and
4 they also referred to the Bureau of Labor Statistics monthly
5 labor review.

6 CHAIRMAN MENDEZ: And have you reviewed those
7 reports?

8 MR. THIMMELL: I have.

9 CHAIRMAN MENDEZ: And do you have some idea about
10 what the migrant total is?

11 MR. THIMMELL: The most recent figures according
12 to the Department of Agriculture, that are not yet released,
13 statistics for 1983, which have been confirmed over by phone,
14 would be about 226,000 migrants in 1983.

15 CHAIRMAN MENDEZ: In essence then, what they've
16 told you is for the purposes of this, we are double counting
17 these individuals?

18 MR. THIMMELL: That's correct. If migrants
19 are already included in the census, statistics that we
20 use to fund all the remaining basic field programs which
21 have service throughout the country.

22 CHAIRMAN MENDEZ: Does any one of the Board have
23 any questions -- of the Committee, excuse me?

24 You also spoke today to someone from the Bureau
25 of Indian Affairs, is that correct?

1 MR. THIMMELL: That's correct.

2 CHAIRMAN MENDEZ: And who was that individual?

3 MR. THIMMELL: That was Mr. Bud Shepard, who is
4 a Research Service Officer working with the unrecognized
5 tribes project at the Bureau of Indian Affairs.

6 CHAIRMAN MENDEZ: And would you please recount
7 what he told you?

8 MR. THIMMELL: Well, he noted that since 1978, there
9 has been a procedure outlined whereby groups of individuals
10 who are seeking recognition as Indian tribes may apply to
11 the Bureau of Indian Affairs for such status, that these
12 petitions really do not require much legal work, but are
13 the province of social scientists, specifically ethno-
14 historians and genealogists.

15 That typically a good quality petition would
16 take no more than two years to complete and that the
17 delays that are inherent in this process are not because
18 of the time necessary to complete this but that the
19 Bureau simply cannot process all of the petitions that they
20 have received.

21 CHAIRMAN MENDEZ: Did he make a statement as to
22 how much he believed the cost would be to process one
23 of these unrecognized tribes?

24 MR. THIMMELL: He did indicate that he thought
25 \$40,000 would be more than sufficient to hire or obtain

1 the services of the experts in the field and to prepare
2 such a petition.

3 CHAIRMAN MENDEZ: And did he also indicate the
4 typical size of the unrecognized tribe?

5 MR. THIMMELL: About 600 people.

6 CHAIRMAN MENDEZ: 600 people?

7 MR. THIMMELL: 600.

8 CHAIRMAN MENDEZ: He also indicated though that
9 these unrecognized tribes are among the poorest in
10 America, is that --

11 MR. THIMMELL: That's that's correct.

12 CHAIRMAN MENDEZ: Does anyone on the Committee
13 have any questions?

14 MR. SMEGAL: I guess of you, Mr. Chairman. Are
15 we going to get this directly from the source rather than
16 through --

17 CHAIRMAN MENDEZ: Yes, we are in the process.
18 We are going to bring them in at a later date, directly
19 from -- both of them -- and I would suggest to this
20 board and to the Corporation that from now on it would
21 be wise to have a yearly meeting and have the Bureau of
22 Census come in yearly, as well as the Bureau of Indian
23 Affairs come in yearly. I think that's they can keep us
24 current and advise us what's happening.

25 One other area on the terminated tribes, what is

1 way, but I think he was talking in terms of some of the
2 more complex problems to be solved with the \$40,000. I
3 think he was talking of upper ranges as opposed to average
4 ranges.

5 CHAIRMAN MENDEZ: Gentlemen, I will bring, I want
6 this gentleman to come in. He is the expert in America
7 on this issue and I want him to come in on this. And
8 it's my understanding that the Bureau of Indian Affairs
9 has sponsored 12 or 14 different projects around the
10 country telling people how to do it, and I would suggest
11 that one of our programs ought to be in conjunction with
12 the Native Americans, is to put on a program, and you
13 may want to consider doing that, on how these tribes
14 can qualify and what they can do, and that would be a very
15 helpful tool to them.

16 MR. EAGLIN: Mr. Chairman, I think that would
17 be helpful and also if there is sufficient time, or rather
18 we should provide sufficient time so that others might
19 come in who could provide information. For example, J.T.
20 Pierce would have sufficient time or somebody else that
21 we would think appropriate.

22 CHAIRMAN MENDEZ: I would suggest that we should
23 put something like this on or we should look at something
24 like this, and I'll have to defer to Mr. Valois and his
25 priorities, but something in the fall when there's enough

1 My basic question is what relevance does it have to the
2 further deliberations of the Committee?

3 CHAIRMAN MENDEZ: It's very relevant with regard
4 to the migrants and very relevant with regard to the
5 Native Americans.

6 MR. MOLA: Mr. Chairman, let me state that
7 reciprocal courtesy is in order if you're going to use
8 any of this data to make basic funding allocations
9 decisions, just as you request of us, dissemination of
10 the information with enough advanced notice to allow us
11 an intelligent analysis, I would suggest that reciprocal
12 courtesy would require the Board to do the same as it
13 regards important issues.

14 MR. VALOIS: Mr. Mola, to make the record very
15 clear, we asked last week or last time and the migrants
16 and the Native Americans both testified last time.
17 Spent about an hour testifying before us, each one of them.
18 They had their opportunity at that time to make their
19 statements. There were some questions that were left
20 with us about those particular items that we had definite
21 questions about, and so we went out to look and see what
22 the answers were.

23 MR. MOLA: I don't believe, with due respect,
24 that that begs my question. There is new information
25 subsequent to the last committee hearing, that is available

1 pages long in which he presented statistics and facts and
2 so forth and so on, and these have the same evidentiary value
3 as that which has been presented in the last three minutes,
4 as we refer to that. Did he send you a copy, Mr. Mola?

5 MR. MOLA: I don't believe so, Mr. Valois.

6 MR. VALOIS: Would you like to read one?

7 MR. MOLA: I'd like to read all of your documents.

8 MR. DURANT: Mr. Dahlstrom, as it relates to that, I too
9 have met not only did Mr. Nagler deal with this whole ques-
10 tion of the numbers problem if you will, but last time,
11 I have had extensive at his request and also Mr. Gary
12 Gershohn who heads the Migrant Program initiative, and
13 we have met for extensive periods of time to talk about
14 some of those problems.

15 It's not as if something you know trying to
16 analyze these in any sense in a vacuum. Not only have
17 I reviewed what Steve sent Mr. Valois is referring to ,
18 but as I say, I mean, I don't think you or John should be
19 somehow apprehensive that somebody is getting some census
20 data to highlight something that hasn't in any way --
21 in a lot of ways been very fully discussed.

22 I know that Steve was very candid with me, and
23 then we sat around the table going through some of the
24 problems in both high and low numbers in terms of double
25 counting and the stream problem and how and the access

1 problem, how do you you know actually find a particular
2 people to identify. I mean, it's not as if we're trying
3 to think through some of these problems is an advancement.
4 It is a very difficult situation and Mr. Eaglin at our
5 February meeting passed out a series of articles that
6 I think very poignantly highlighted a number of problems
7 as far as the migrants go.

8 But as I said, I don't remember having a chance
9 to chat with you or seeing you last time, so I mean, I
10 think just for the purpose of understanding that there is
11 more in terms of trying to understand the problem than
12 any 2 minutes or 3 minutes can make.

13 MR. DAHLSTROM: I understand the volume of the
14 record that supports the problem of access for migrants
15 and the inadequacy of census data. What I'm commenting on
16 is what appears to be an attempt to a proposed action
17 possibly reducing migrant program funding, based on
18 a rather thin reed of a record that was provided in short
19 testimony here. That's the kind of --

20 But that question of weight is obviously yours
21 to make.

22 MR. DURANT: I understand that, and the other
23 thing is that in our initial budget proposal that went
24 up to Congress, it was supposed to have a cover letter
25 with an asterisk, and I understand it was communicated

1 got.

2 MR. VALOIS: Which is the same number that you
3 all are characterizing as new evidence. Now this figure
4 is not new evidence. This figure was known to Mr. Nagler
5 and I suspect he's told us about it before. and

6 CHAIRMAN MENDEZ: Just to clarify one other thing,
7 You will recall that I was very interested and am very
8 interested in the native American and the ability to
9 speak english in a bilingual issue. You should be
10 advised that the Navaho Nation, somewhere on the order
11 of 92 percent, does speak both either Navaho or Navaho and
12 English. And it's above the figure that you were quoting
13 us the other day.

14 MR. DAHLSTROM: With your indulgence, I worked
15 in Chin Le in the Center of the Navaho nation for four
16 years and understand very well the difficulty of communicat-
17 ing with clients when I don't speak the language that they
18 do, and it is indeed a high cost of trying to deliver
19 services.

20 CHAIRMAN MENDEZ: We are examining that and to
21 invite you the use of the census data is very helpful because
22 they are statistics and they help the case out a lot.

23 MS. BENAVIDEZ: Mr. Mendez, I talked to you
24 about the interpreter issue and I can't get a sense from
25 you when we're going to resolve this issue, because we

1 can be fully prepared you know to meet with the Bureau
2 or to be in a panel to lay this issue.

3 CHAIRMAN MENDEZ: All right. As far as I'm
4 concerned, give us a couple more minutes and you will
5 see the presentation that I make, and then you can address
6 yourself to that issue at that time. I'll make a special --

7 VOICE: No, I would want you to be fully prepared.

8 CHAIRMAN MENDEZ: I would say that that will
9 probably be several months down the line.

10 VOICE: Okay, so that issue doesn't have
11 any weight to bear on the line item decision that you are
12 making today?

13 CHAIRMAN MENDEZ: On a line item it has some bearing
14 on whether we raise it above or freeze it at last year's
15 level.

16 VOICE: Those two specific issues.

17 MR. BROOKS: Mr. Chairman, you gave us a hint
18 about a second ago about how you were going to proceed.
19 Could you tell us how you plant to proceed?

20 CHAIRMAN MENDEZ: Yes, I'm going to do that
21 right now. Does everyone -- I shouldn't -- do most of
22 you have the draft Legal Services -- let me explain to you
23 what this is. You should have two separate documents. One
24 document is one page and the one I would invite your
25 attention to is the one that's captioned "Draft Legal Services

1 Corporation FY 86 Budget Mark" and just to briefly go through
2 this at this time. We have the general line items on the
3 left hand side. At the top we have the FY '85 appropriation
4 which was in fact given to us. When we say the original FY
5 86 Mark, that is the mark that we originally suggested and
6 sent up to Congress.

7 The increased original Mark to '85 shows the
8 dollar amount for each one whether we increased it or decreased
9 it to the original FY '85, and then behind that is the
10 percent change reflects the percent of increase and decrease
11 to those areas. And I have given a good deal of thought,
12 and I have a proposal, a revised FY 1986 Mark, which is
13 the proposal I will give to the Corporation, and I will have
14 a formal motion to make in a moment concerning that.

15 And then there's a line called increase/decrease
16 and that will show the amount of increase or decrease and
17 then the last line shows the percentage change and the
18 percentage change relates back to the 1985 appropriation.

19 MR. EAGLIN: Excuse me, say that again?

20 CHAIRMAN MENDEZ: The last percent change relates
21 back to the 1985 FY appropriation as concerning the revised
22 '86 mark.

23 MR. EAGLIN: Which is it reflects the percent
24 change between column 5 and column 1? Is that the way you've
25 got it?

1 CHAIRMAN MENDEZ: Okay, I can do that before or
2 after.

3 MR. DURANT: Maybe you ought to go ahead and do
4 it.

5 CHAIRMAN MENDEZ: Right, do I hear a second to
6 this?

7 MS. BERNSTEIN: I'll second it.

8 CHAIRMAN MENDEZ: Let the record reflect that
9 Leanne has seconded it for the purposes of discussion.

10 The under Field Programs, we have basic field
11 programs. Under our original discussion and original feelings
12 that we wanted to increase support to the field, and we
13 wanted to give the field at least a cost of living increase
14 and the 4.6 percent increase is what the revised mark does,
15 and at this time I would invite your attention to the second
16 document.

17 And the second document is the distribution of
18 funds based on the increased appropriation and it would be
19 my suggestion, under this second document, you will see
20 a series of columns; there's per capita funding and then
21 Congressional '85, Congressional formula, and that tells
22 us the number of programs at each one of the funding levels,
23 and the 86 Funding Option says the way that I would propose
24 to have the 86 Increase to the Fee of the programs increased,
25 and that is to fill up the cup to the bottom programs.

1 Give all from dollar one to the lowest program until
2 we run out of money, and what we in effect do is bring the
3 cup up to \$8.42 for the base line and bring it to 185 programs
4 is the bottom line at \$8.42.

5 Now, turning to the next line on the budget, the
6 Native American programs and components, we originally had
7 a 21 percent cut and I believe that the Native Americans
8 have made a good statement and a good case, the trouble
9 I have and the difficulty I have is with the terminated and
10 unrecognized tribes and would therefore request that we
11 freeze the Native Americans at least year's levels.

12 Based on the testimony of the migrant programs
13 and the evidence received from the migrant programs as well
14 as the evidence received from the Census Bureau, and their
15 own documentation, I believe that it's very clear that
16 migrant programs are double counted. It's very clear at
17 the minimum, assuming that they would be funded at the level
18 of \$10 per poor person, based on the numbers that they have
19 and a 20 percent decrease based on the figures that they
20 are using themselves, would lower them to approximately
21 the \$8.00 level.

22 The reserve of course for special adjustments
23 is just that, just to -- in case there's some problems we've
24 got some matters built in some leeway built in.

25 Program Development Part B is Iolta was funded under

1 that. The voucher projects, the adjudicare, the private
2 law firm projects, the law school clinics and mediation and
3 I am requesting that on that we leave it the same as
4 before under the prior reduction of 21.6 percent.

5 I recognize that some of us have pet projects in
6 that area, but I believe in order to bring the 4.6 percent
7 to increase the mark to the field programs, that \$11 million,
8 that we have to cut it from someplace else and that's
9 one of the places that we have to cut.

10 Next, we have the Reggie fellowships, and Mr.
11 Cooke has made an excellent position stating that we weren't
12 well-qualified to know what to do and this year, I suggest
13 that we not fund it and perform some studies to determine the
14 most effective way to recruit minorities into the programs,
15 and place Reggies up into most of the Reggie funds up into
16 the basic field programs.

17 (Continued on following page.)
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END T#5B

TAPE #6A LSC
KNEIFEL: holm
3-7-85

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CHAIRMAN MENDEZ: Summer internships are law students that are given various internships and that sort of thing and we've cut them 21 percent.

Supplemental Field Programs are also some adjudicare programs. We also have the Antioch School of Law, which is to the extent of approximately \$400,000 this last year, that we are funding there.

Under Section 2, we have an overall line item and that is subdivided into sections A and B. As you can see, all of these line items are cut 21 percent. And just to touch base, Training and Development, and Client Training and Involvement, Numbers 1 and 3, I suggested that Client Training and Involvement was a one-time thousand dollar grant to each of the programs. And I suggested to our group that we bring the Client Training and Involvement up to Number 1, the Training and Development, and give special grants to those groups that need to have further training for the client.

Technical Assistance is essentially office automation, we are cutting that to 21 percent and giving all of those funds back up into the field programs as well. Technical Support, as we've stated before, and this is the position of the Chairman, and the most important to have funds at the local level.

1 The Chairman firmly believes this. This is where
2 we want to emphasize the delivery process. We do not want
3 to hurt any group, but part of the funds are going up into
4 the field programs.

5 State Support, I have asked the State Groups,
6 I've met with the State Support Group in Colorado, and I've
7 asked the State Support Group in Colorado, to communicate
8 with the National State Support Groups and come up with some
9 minimum standards for State support to ensure that we have
10 uniform state support groups across the country and hopefully
11 we will be able to cut our 66 programs down to one State
12 Support Unit in each state, and this without saying that
13 we won't cut any of these this year, and we believe and we
14 really want to encourage them to work closely with the
15 Field Programs and part of our belief is that basic field
16 programs work more closely with the State Support Programs,
17 and receiving more and better information from the State
18 Programs.

19 Clearinghouse, as the Board recalls, is the house
20 organ, it's the newspaper, and it also contains most of
21 the memos and briefs and works very closely with the CALR
22 grants. We are cutting them because of the philosophical
23 getting back to the direct delivery and the closer the
24 delivery is to the locals, the better it is.

25 National Clients Counsel is the audience and as

1 the Committee recognizes, we have asked to have that
2 decertified, the evidence was presented and has been under
3 consideration for approximately one year, and we have funded
4 this again in case we lose. If we win, that will not be
5 refunded.

6 CALR grants as the Board recalls, Oregon has
7 withdrawn and the various grantees have taken a 6 percent
8 cut, and based on the 6 percent cut and the Oregon withdrawal,
9 we have placed it at 25 percent. As the Committee recalls,
10 the Oregon grant was almost \$100,000 -- I believe \$94,000 --.

11 The Special Elderly programs, the Committee will
12 recall that the Congress gave us a line item two year
13 \$2 million provision for the elderly and we are moving
14 on that at the present time with regard to FY '85, if you
15 will look at FY'85.

16 We feel that we want to continue not only the
17 two-year program that Congress has indicated but fund this,
18 and look at the elderly, especially the institutionalized
19 elderly.

20 In regard to a couple of special programs, one of
21 which that is one of the special programs we're looking at
22 and the other special program that we're looking at is
23 of course the interpreters. Increasing that use, neither of
24 which has really been reviewed since the history of this
25 nor done effectively traded since the corporation was started.

1 Corporate Management and Grant Administration,
2 you will notice that we have taken the budget up from \$10
3 million to \$10,700,000. And this assumes that we are
4 closer in all of the regional offices with the exception of
5 the Denver Regional Offices which houses the Native American
6 Groups. If we do that, we'd have a savings of between
7 \$500,000 and \$700,000 next year for the Corporation.

8 And part of the reason that I've taken this
9 from \$10 million to \$10,700,000 is is that we want to bring
10 on more monitoring and closer monitoring as well as the filed
11 will recall that we've sent out the new audit guide newly
12 revised audit guide for comment and as soon as that
13 comes back and as soon as it's finalized, we want to increase
14 the audit, and start in on auditing.

15 And we anticipate and hope to have audits at
16 least once in every 18 months in every program.

17 That is my general feeling and that is my
18 view on the change and requested revised '86 Mark.

19 Is there any discussion or amendments or proposals?

20 MR. EAGLIN: I'll defer to you Leanne, if you
21 want to speak now.

22 MS. BERNSTEIN: I'm just a little concerned about
23 the I think the Corporation line item. I do not understand
24 after we made I think a prudent decision to get beyond
25 the rhetoric and attempt to get an across the board clean

1 have been monitored. And this is not necessarily a standard
2 that would allow us to say to our critics, be quiet, we've
3 looked at them and everything's okay.

4 MR. BROCCOLETTI: That's correct.

5 MS. BERNSTEIN: We still have questions about
6 some of these 107?

7 MR. BROCCOLETTI: No, it's only 107.

8 MS. BERNSTEIN: I don't think there's enough there
9 to rely on.

10 MR. WALLACE: Let me ask a question. Maybe this
11 isn't time to get into it, but I don't know that there's
12 enough money there to do the job. I agree with Ms.
13 Bernstein that it ought to be done.

14 I may be opening up another kettle of fish, but
15 we've got to deal with last year's carryover funds? What's
16 the technical term for them?

17 CHAIRMAN MENDEZ: Carryover funds.

18 MR. WALLACE: Carryover funds. They're you go.
19 And it would I mean nobody's convinced me yet that on a
20 permanent basis, we need to kick corporation management up
21 to \$12 million or \$12.5 or whathaveyou, but I certainly
22 agree until we catch up on the backlog, and know what's
23 going on, we do need more money in Corporation Management
24 Grant Administration. I hope we can get that money on
25 a one-shot basis out of the carryover funds, get caught up.

1 we stand.

2 I just pulled out my file and reread a letter that
3 I wrote to Mr. Fretch at the Senior Citizens Law Center and
4 I think I sent copies to all of the Board. Because he took
5 up a remark I made at the first meeting about my sense of
6 what Congress' priorities were.

7 I said in that letter that I'd hear evidence,
8 I'd reconsider the priorities and I've heard it and I
9 have and I'm restoring some of the cuts and I'm not
10 restoring some of the cuts but what I'm really doing
11 here is reordering priorities on basic levels to what's
12 most important on this list and what's least important
13 on this list.

14 And that's what Mr. Eaglin's substitute does
15 not do, and that's what Chairman Mendez' amendment does
16 do. I'm in basic agreement with the priority that
17 Chairman Mendez' motion sets and that's why I intend to
18 vote against the substitute and when the main motion
19 comes up for discussion, I will vote for it.

20 The bottom line question to me is not as important
21 as it might otherwise be. I think \$305 million is what
22 Congress is going to do and I think that's probably some-
23 thing we can live. If Congress wants to go up to \$319
24 or to \$400, I'll still have the same set of priorities that
25 I do now, and I'll distribute the money basically according

1 At the same time, I don't think that \$319 million
2 is pie in the sky -- or pie, because it is a level that is
3 less than a level of actual funding just two or three years
4 ago, when it was \$321 million, so I don't think I'm being
5 unrealistic. I'm attempting to try to advocate to the
6 Congress, a position where the Corporation was just a matter
7 of a few years ago. I don't think that it's being unrealistic.

8 MR. SMEGAL: Well, it seems to me that what I
9 heard you say, Mr. Chairman, is that the philosophical believe
10 extend to a freeze on our budget, and as Mr. Eaglin is just
11 pointing out, Congress has not (1) seen fit to freeze our
12 budget in any prior years; (1) we're still below even with
13 this particular amendment, we're still below 1981 fiscal year,
14 and I can understand the change in priorities.

15 What I can't understand, though, Mr. Mendez is
16 the changes in the numbers you've come up with. Now, we've
17 listened for three months and we haven't heard from the
18 basic field programs on their programs, but we have them
19 still at 4.6 percent, which I think is fine.

20 We have listened to the Support Centers, both the
21 State and National, and you've eliminated any cut for the
22 State's portion, and you haven't raised the 4.6 percent in
23 spite of the fact that they are at the local level, they
24 are delivering services with the local level, as do the
25 National Support Centers who you propose still propose to cut

1 So the money, the money's already there in the
2 Administration's budget. Our job is to make our case for
3 a poor peoples' share of that. And you all are the people
4 that need to do that job.

5 One final point, and you know, it's beating an
6 easy horse, I think I remember that the Administration's
7 budget for Defense was increased by something like
8 9 percent and I got to thinking the other day, about how
9 and what it is we're all about, all of us sitting in this
10 room.

11 I think at least we are about assuring fairness,
12 assuring an orderly dispute resolution to the least knowledg-
13 able in many instances, and the weakest among the people
14 in our society, and so what Mr. Eaglin is asking, which
15 is not as much as PAG is asking, but what Mr. Eaglin is
16 asking for is a four percent across the board increase,
17 a modest increase towards a very large and probably un-
18 achievable ultimate goal, to assure the values of fair
19 treatment -- or help assure the values of fair treatment --
20 in an orderly dispute resolution, isn't going after that at
21 least as important as going after a rapid increase for the
22 institution that we've set up to defend those basic
23 principles?

24 Why not? Why not ask for it? Why not advocate
25 for it. There are other places. Thank you. I hope I

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1 can speak on your allocation formula later, please?

2 MR. EAGLIN: Thanks, Terry.

3 CHAIRMAN MENDEZ: Let me just, you're first and
4 Mola's second and you're third.

5 MR. BRANDE: I'd like to start as Terry did and
6 suggest the fact that I'm not going to comment on your pro-
7 posal, the reallocation of 305 should we end up there, does
8 not mean that we don't want to make extensive comments on that.
9 I'm purely speaking to the Eaglin motion for the moment.

10 CHAIRMAN MENDEZ: Let me tell you, you're only
11 going to speak once.

12 MR. BRANDE: Well, I have a very serious problem
13 with that, Mr. Mendez. You've made some colossal changes
14 that I think most of many of us in this room just learned
15 about, including abolition of the Reggie program when that
16 was and I had heard about it about 45 minutes ago.

17 Closing of regional offices, when I asked you a
18 question three weeks ago when you're 305 was voted, and
19 you said it was not anticipated, specifically not anticipated
20 that the regional offices would be closed as far as part
21 of that action, and the fact that you limit to one comment,
22 when we heard Dean Harvey for 25 minutes today, pontificating
23 about the crimes of NLADA is just terribly unfair. It's
24 terribly unfair, and I think frankly in terms of an orderly
25 procedure, if it makes sense I'll speak to Eaglin's motion

1 very briefly, and then I'll try very briefly as appropriate
2 when we get back to your motion, if it comes up, to address
3 it but for all the time you spent, you throw it down the
4 drain by suggesting that three minutes, and most of us
5 are willing to spend the night if we have to. I'm sure
6 you are too. This is the most serious decision you've yet
7 made by far.

8 More important than hearing Professor Cox, and
9 Van Osteen. I'm glad to hear them but this is the most
10 important decision this group is going to make.

11 So, I'd like to speak to Mr. Eaglin's motion
12 and I am going to raise my hand again when your motion
13 comes up. If you choose not to recognize me, I'll argue
14 about up to that point. That was my first minute. I'll
15 be one minute now.

16 And without speaking much to specifics, I too
17 supported the motion of 373 several weeks ago, and I'm
18 becoming more of a realist and as a result, I'm here to support
19 Mr. Eaglin's motion for 319. The thing that troubles me most
20 but I have not heard -- and I may be wrong by one -- I have
21 not heard one board person either today or at the prior
22 meeting when 305 was voted, say that they didn't think that
23 more money was needed for provision of Legal Services to
24 poor people.

25 MS. BERNSTEIN: I did.

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1 MR. BRANDE: Whether we a -- could I finish and
2 then, thank you. Whether we agree or disagree as to the
3 importance of the involvement of the private foreign
4 delivery, as you just suggested that's your hope for the
5 future. We have a disagreement. I believe that it's
6 Federal obligation should be much greater whether the private
7 part picks it up or not.

8 But the bottom line is that it doesn't exist right
9 now. And as a result, I believe (1) we have an obligation
10 to speak to the question of need for increased funding.
11 That's one.

12 (2) The thing that is most troubling to me by far,
13 more than the decision to freeze the overall budget, is
14 to hear some board persons say that they are sitting here
15 contemplating their obligation concerning the Federal
16 budget. I'm frankly stunned. I truly am stunned. The
17 obligation of the Congress of the United States is to
18 worry about the United States and its budget.

19 The obligation of the Board of Legal Services
20 Corporation is to insure that poor people in this country
21 are adequately represented in civil matters. If it turns
22 out that you and your sound judgment believe they're entitled
23 to 305 million on the merits, than vote for 305.

24 But please don't vote for \$305 million because you
25 think it's a fiscally responsible act as a citizen of the

1 and do, and it's been partly difficult because of the expense
2 problem and we don't get reimbursed and so I've had to
3 absorb some of this on my own, is to go out and talk with
4 different programs, directors, people, the staff attorneys
5 or whatever, some of which I've already done rather
6 extensively to try and get a better handle.

7 My reason to come right to grips with what
8 you're saying for the 305 recommendation is because the
9 I do think at this point that that does go to the question
10 of trying to deal with meeting our responsibilities under
11 the statute. Now, you may sit there and say, geez, you
12 know, I've been doing this for 10 years, and I and all of
13 my study can't figure out how in the world you can come
14 on for three months and have any way of making an honest
15 judgment about that, and all I can say is that you know,
16 I have to do the best I can with the limited time and
17 resources and whatever that are made available to us.

18 But I see the 305 figure as a figure that certainly
19 Congress at one particular point, i.e., last year, in its
20 determination thought was dealing with the question of
21 need granted they don't have -- and I agree with you by
22 the way -- they don't have the same responsibility
23 or their responsibility is different than ours. I mean
24 they do have to allocate in ways that we don't have to
25 allocate.

1 MS. BERNSTEIN: May I make a comment, Mr.
2 Chairman?

3 CHAIRMAN MENDEZ: You may have one real brief --
4 John why don't you, while she's making her comment, John,
5 will you please come forward?

6 MS. BERNSTEIN: The only response that I would make
7 is that you are also acting on an assumption that we are
8 trying to explore which is that programs that are funded
9 by the Legal Services Corporation are the only programs
10 that are delivering legal services to poor persons, and I
11 do not believe that is the case. There are private attorneys
12 that are doing it. There's lots pro bono activity that
13 never gets reported because it's just something that attorneys
14 believe is their personal responsibility.

15 And until we have some sort of an analysis of
16 what other non-LSC funded programs are delivering legal
17 services and the extent to that, then I don't think we can
18 rely on your 1.2 attorneys per 10,000.

19 MR. BRANDE: Do you want to raise it to 1.4,
20 Mrs. Bernstein?

21 MS. BERNSTEIN: I -- I don't want to debate. I'm
22 simply saying that that's an assumption on your part.

23 CHAIRMAN MENDEZ: The chair is going to exercise
24 it's prerogative and cut off both of you.

25 MR. MOLA: Mr. Chairman, I assume also that I'll

1 MS. BARNES: Yes it does.

2 MR. DURANT: Would you send us a copy of that.

3 MS. BARNES: I was going to say that right now
4 in Texas it's one attorney per 11,000 poor persons.

5 CHAIRMAN MENDEZ: I would like to see a copy of
6 that, too.

7 MR. DURANT: I think that every one -- would you
8 see that every member of the board gets a copy of that?

9 MS. BARNES: Sure.

10 MR. DURANT: Thank you.

11 MR. RHUDY: Property, Mr. Mendez. In 1981, the
12 Legal Services Corporation received \$321 million. To my
13 knowledge, there was no evidence that the Corporation at
14 that level at that time was over-funded. In fact, I think
15 that there was substantial evidence that the Corporation was
16 underfunded at that level.

17 Now, four years later, with the cost of living
18 approximately 20 to 25 percent higher than it was at that
19 point, although it's declining, approximately 20 to 25
20 percent higher than it was four years ago, with the number
21 of eligible clients approximately 15 percent higher than
22 it was four years ago, now we are operating at a funding
23 approximately 5 percent lower than in 1981.

24 There has been substantial discussion about how
25 we determine what the level of need for legal services is.

1 I understand that the Legal Services Corporation intends
2 to engage in a national needs study sometime in the
3 future. However, there have been -- I think it's useful
4 to look at what evidence has been gathered in the past.
5 Between 1968 and 1982, there's been approximately 21
6 need studies of a fairly substantial nature conducted across
7 the nation. Most of them of a localized nature either
8 on a county level or a state level, in one instance the
9 ABABF Study on a national level, although it was fairly
10 small sampling with slightly over 2,000 people.

11 The average finding of need -- most of these
12 studies were designed by sociologists and lawyers working
13 together -- was approximately two cases per year per low
14 income family of incidents of need of legal services.

15 There is a substantial range of studies. The art
16 of designing legal studies is a very inexact one. But the
17 level of those 21 studies is approximately 2 case per
18 family per year indicating approximately 20 million cases
19 of need for low income families across the United States
20 given the current poverty population of approximately 40
21 million people.

22 The current level of funding of Legal Services
23 Corporation and the number of cases that were handled by
24 Legal Services Corporation grantees last year was approxi-
25 mately 1.2 million cases. Other cases certainly were handled

1 CHAIRMAN MENDEZ: We're calling the Committee
2 back to order and --

3 MS. BERNSTEIN: I've just called the question.

4 MR. SMEGAL: I think I would like to speak for
5 a moment.

6 CHAIRMAN MENDEZ: Okay, one last comment from
7 Mr. Smegal.

8 MR. SMEGAL: I can understand the reluctance
9 of the majority of this Board on December 20 to change
10 from the only guidepost we had at that time which was
11 the prior years Fiscal Year 1985 funding allocation
12 by Congress of \$305 million. At that point, we were operat-
13 ing with essentially no information on performing our
14 responsibilities.

15 We heard this afternoon from Mr. Ferrera, who
16 had these responsibilities for a couple of years and
17 the most recent opportunity he had to consider the issue
18 of a funding request, his recessed board I believe
19 unanimously asked Congress for \$325 million last year.

20 We are now 2-1/2 months further down the road
21 from December 20, and we've heard in this Committee,
22 we've heard from essentially every element of our Legal
23 Service Corporation funded entities, and I think we've
24 heard good things and I think we've heard things that
25 should encourage us that there are programs out there

1 that deserve our continued funding, that deserve to be
2 supported the way we have indicated the way we want to
3 support the Field Programs. I agree with Mr. Mendez that
4 we should be delivering legal services at the local level
5 and I think the way we do it is to ask Congress for more
6 money to do it. And I think 319, whether we have priorities
7 as Mr. Mendez says, whether we have priorities as were
8 set out on December 20, I think that's a different issue.

9 I think the issue here is whether we ask Congress
10 for something we think is fair, something we think is
11 justified in view of what we've heard, and something that's
12 not even as much as they asked for last year.

13 CHAIRMAN MENDEZ: Is there any other questions
14 from the Board or comments from the Board? I will call
15 the Committee.

16 The motion is to recommend to the Board a budget
17 of \$319,030,000 which essentially is a 4.6 percent increase
18 for the field programs. Is that a fair statement of your
19 motion?

20 MR. EAGLIN: As characterized in that spread
21 sheet that we got back in December except that its CALR
22 line item would have to agree with what you said because
23 of the agreement, the settlement agreement after that
24 loss.

25 CHAIRMAN MENDEZ: Does the Committee understand

1 in appropriations. Adding the aspects of the budget that
2 year that went to National Support, State Support, Clearing
3 House and CALR -- CALR wasn't funded at that point -- there
4 was \$12.73 million that went to those support aspects.
5 That was 4.1 percent of the total Corporation budget.

6 At the 1986 request, when there was a 21 percent
7 cut in all of those items, we were going to be funding those
8 items at \$13.52 million, which is a 4.4 percent of the
9 total budget, which means that we would be increasing, even
10 if we cut them all 21 percent, we would be increasing
11 the allocations to support from 1980 by .3 percent.

12 Now, I didn't have the benefit of your figures
13 when this was computed for me. But the increase for the
14 allocation to support is greater now than it was then,
15 and I don't understand in terms of our priorities what
16 you have stated, and Mr. Wallace has stated, we just ain't
17 doin' it.

18 And I think we ought to continue with the cuts
19 for national and state support because otherwise we have
20 not shown any shift in priorities. There was a mass of
21 funding given out to these entities in 1981, and has
22 been continued through the appropriations riders in the
23 last couple of years, but as far as the dedication to
24 delivering legal services on the local level, we have a
25 worse record in front of us, in what you're suggesting,

1 we had a worse record in front of us in terms of the
2 original mark, than we did in 1980, and I don't understand
3 it.

4 Because I agree with you the money ought to be
5 going out to the field programs. And in fact, there's one
6 other thing that I want to add and that is that if you
7 really believe that we ought to be sending money out
8 to the Field Programs and taking into account what we
9 heard from the economists today, we should just put all of
10 the money into the field programs and let them choose.

11 By the way, the figures that I gave you do not
12 even take into account the money that goes from Field
13 DPrograms currently through joint ventures and other
14 programs that really would be categorized as support
15 rather than direct delivery of services.

16 And I will simply say that I agree with your
17 priorities but I don't think we're doing it.

18 CHAIRMAN MENDEZ: Are you making a motion?

19 MS. BERNSTEIN: I would move that we eliminate
20 the funding for National Support, State Support, Clearing
21 House and CALR and give that money proportionately to the
22 field programs to fill that cup up a little bit more,
23 and I don't know how much more would fill the cup on your
24 little chart, but we ought to be able to get to a little
25 bit higher dollar figure for more programs.

1 CHAIRMAN MENDEZ: Is there a second?

2 (No response.)

3 CHAIRMAN MENDEZ: Not hearing any, the motion
4 fails.

5 MR. EAGLIN: May I continue the comments on your
6 Motion, Mr. Chairman, or is someone else's dead?

7 MR. SMEGAL: That's right, we're back to the
8 motion.

9 CHAIRMAN MENDEZ: We're back to the main motion.

10 MR. EAGLIN: Okay, Mr. Chairman, as you know
11 from our conversation yesterday, your intent does help from
12 where we were before in that it does provide the increase to
13 the field programs, it reduces the decrease to the Native
14 American programs, but I can't support the motion because
15 it also cuts end programs and I see no justification for
16 some of those cuts.

17 Just for example, the Reggie program, and well,
18 the line items that exceed the 21.6 percent that was
19 imposed back in December, I don't see the basis for that,
20 so I'm put in a position where there are some things with
21 which I agree, and some that with which I disagree, so
22 I'm put in a position where I'll have to abstain, and so
23 rather than just say abstain, I want to let you know
24 why I have to do that, because it's not very informative for
25 me just to sit here and say, I abstain. I'd rather share

1 with you my comments on that.

2 CHAIRMAN MENDEZ: Anything further?

3 MR. SMEGAL: Yeah, I've got something. I'm back
4 on funding at the local level, Mr. Chairman. You've got
5 the basic Field Programs at 4.6 percent; we've now got the
6 State programs back at zero from minus 21.6 and the National
7 support at 10, rather than 21.6. I heard nothing, and
8 I took notes as you were speaking going down line by line,
9 for distinguishing first between the National and State
10 Support Centers, and second, between the concept of
11 delivering services at the local level.

12 And in my view, all three of those lines, the
13 basic field programs and the National Support and State
14 Support, as well as the Native American and the Migrant
15 programs all deliver at the local level, and yet we've
16 got disparity here, going from 21.6 minus to 4.6 plus.
17 on those five programs that deliver at the local level,
18 where you and I both have our concerns.

19 Other than to balance it out at \$305 million again,
20 is there any further explanation of why we would have
21 these disparities?

22 MS. BERNSTEIN: Tom, are you alleging that
23 the totality of the budget of the State Support Centers
24 and the National Support Centers are for direct delivery?
25 Because if you are, I'd like to revisit when we get to

1 the PAI Regs why they cannot involve themselves more with
2 the private attorney involvement.

3 MR. SMEGAL: First off, I think you used the word
4 totally, and certainly I'm not. Obviously there are support
5 centers and part of their function as we've been told for
6 2-1/2 months now is to support the field programs.

7 MS. BERNSTEIN: Okay, but that's not the allegation
8 you just said.

9 MR. SMEGAL: As co-counsel, that's a support
10 function.

11 MS. BERNSTEIN: Okay, then, are you saying that
12 the totality is in direct delivery or in co-counsel?

13 MR. SMEGAL: No, I think the Legal Services
14 Corporation Act mandates four different functions for
15 the support centers. It doesn't mandate the amount of
16 each that will be --

17 MS. BERNSTEIN: It doesn't say support centers,
18 it says for support, isn't that true.

19 MR. SMEGAL: Well, I don't know. You're a little
20 more familiar with the Act than I am. I will accept it
21 if it says support and doesn't say support centers. That
22 is not the point though. The point is they are delivering
23 legal services at the local level, much as the field programs
24 are in certain respects.

25 They are also doing something else. They are

1 doing an overview. They are doing exactly what they are
2 described as doing. National support, state support,
3 they have dual responsibilities, now whether that dual
4 responsibility is 100 percent of one or 100 percent of the
5 other, or something inbetween, varies with each one of
6 them.

7 We heard Mr. Bowman in here a week ago or two weeks
8 ago, telling us 100 percent of what he did for support.
9 We've heard others tell us about their litigation about
10 their direct client delivery of legal services.

11 MS. BERNSTEIN: Okay. Tom you have referred
12 several times to the DeMoss Survey which I have very low
13 regard for because of the way it was worded but let's
14 assume that that were scientifically accurate, that would
15 simply say that all of the programs would, if we gave them
16 all of the money, sign up for exactly the same menu that
17 predecessors of ours prescribed for them.

18 Are you afraid that they wouldn't do that?

19 MR. SMEGAL: That isn't the question before me.
20 It isn't my fear of DeMoss. DeMoss too is not the question
21 before us, Leanne.

22 MS. BERNSTEIN: Well the question is whether we
23 allocate the money directly to the field, or whether
24 we allocate the money from a higher authority that we make
25 the decisions for them.

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1 justification for cutting anyone. We're going to increase
2 one program 4.6 percent for doing that. And we're going
3 to cut somebody else 10 percent or?

4 MS. BERNSTEIN: All I'm saying, tom is that unless
5 they are totally delivering legal services, then you can't
6 justify the 4.6 percent increase for them on the same basis
7 which would be an inference we were supposed to draw from
8 your original comment.

9 MR. WALLACE: Mr. Cahirman, may I attempt to re-
10 spond to Mr. Smegal's observation as best I can, because
11 I was the one that said I'd like the reordering of
12 priorities and would try to tell you why with specific
13 regard to these matters.

14 I've listened to all the testimony of the
15 State Support Centers and from Regional Support and from
16 National Support Centers. They do to a certain extent
17 direct delivery and I am in favor of that. They do some
18 other things that I have some problems with.

19 I think State Support Centers, it seems to me,
20 are more obviously tied to the needs in the field. If
21 the program in Mississippi has some problems, if there's
22 a problem of statewide significance, you can call Jackson
23 and get it taken care of. It's not an issue-oriented
24 program; it's a geographically oriented program, and the
25 people within the geographical area have some opportunity

1 to let their concerns bubble up to the top.

2 That makes sense. There are some things that
3 they're doing that are not as high a priority, but I
4 wouldn't cut them; I'd freeze them. National supp

5 National Support Centers have not shown them-
6 selves to me exactly what it is they do and exactly what
7 it is they come from. They are issue-oriented programs.
8 I don't know how we picked these particular issues,
9 to emphasize. I'm not sure that they are the issues
10 I would have picked if I'd been funding them if they
11 came along.

12 One of the controversies before the Board is
13 that the last Board picked three new issues to emphasize
14 and may not have gone through all the proper procedures
15 to do it. I don't know what procedures were gone through
16 on the first fourteen issues we picked to emphasize.
17 We've got an issue oriented program at the top, and
18 then they're oriented to that issue and not as closely
19 attuned to the issues that bubble up from the bottom.

20 If you've got somebody at the bottom with an
21 issue that doesn't have a National Support Center to
22 support it, it can't call them up. It can get some
23 help from the State Support Center, calling the Food
24 Research Action Coalition, if I got all the initials
25 right, isn't necessarily the person you call if you

1 position on the PAI requirement with regard to the National,
2 I'll make it ahead of time -- is that I don't think it
3 should apply to the National. That I have definite feelings
4 about that PAI and the 12.5 percent with regard to
5 all of the other programs, but with regard to the National
6 I don't think so.

7 And because of that, I think that we wouldn't
8 be damaging those programs as much if we take the 10 percent
9 cut as well.

10 Now, I've responded and Mr. Roche has been leaning
11 forward, just like he's going to jump on us, and he's
12 had his hand up and everytime I look back there he's got
13 it. Mr. Roche would you please come forward?

14 MR. ROCHE: There is a lot to talk about but
15 I won't. You heard from us a number of times. I would
16 like to repeat for the record, as we have on several
17 occasions, that the really quite-well discussed and
18 considered position of Field Programs on the issue of 305
19 is that at 305 everything should stay the same. That
20 although, as Leanne said to Bob Sable, I guess at the
21 last Board meeting, you know, God didn't make the world
22 and it was perfect, I'm not sure that we want to go back
23 four days to 1980, and stop there.

24 There are a whole lot of reasons why the various
25 portions of the program, of the overall delivery system

1 are where they are, too lengthy to go into. You've heard
2 a lot of them.

3 We feel that 305 you should freeze. That's point
4 one.

5 Point two. And this is new, believe it or not.
6 In terms of allocation of basic field, if in fact you do
7 decide to adopt a budget that has a 4.6 percent increase
8 for basic field programs, rather than the distribution
9 formula, Mr. Mendez has suggested, we would advocate to you
10 a different one.

11 Interestingly enough, I'm delighted to see that
12 the one thing that the funding criteria committee seems
13 to have created that you all have adopted is the phrase
14 "fill up the cup." We give it a little different meaning,
15 though, than you all do.

16 The cup, the top of the cup, is at 1985 at \$13.57
17 per poor person, for inflation, adjusted for inflation,
18 \$14.06 in 1986, and the theory is that we need to get from
19 where we are now, and I could use more than this in the
20 glass of water, to the top of that cup, as it adjusts.
21 And the theory behind that is that nobody under the numbers
22 that I suggested is adequately funded to provide minimum
23 service.

24 Consequently, everybody ought to move in some
25 fashion towards the top of the cup, including folks that are

1 somewhat higher funded.

2 And consequently, what we have recommended, and
3 again recommend, is a slight variation of what Congress
4 has used. And that is that any money used to increase
5 basic field voer all be divided into thirds. I believe
6 the amount, the difference between '85 and '86 under your
7 recommendation is something like 11.3 or 4 or whatever.

8 We would ask you to divide that into three parts
9 which is something like \$3.76 million, and use the first
10 third of that to establish a new floor, the floor this
11 year being 780, whatever the \$3.76 million divided by all
12 those lower number lower-funded programs comes out to that
13 would become the new floor.

14 The next third would go to fill up the cup.
15 That is to say, you would take that \$3.76 million and
16 figure out on a pro rata basis, what it then takes everybody
17 who is at the new floor and between there and 13.57 or 14.06
18 to go a percentage of the way. I described that in an
19 addendum to a memorandum I sent you a couple weeks ago.
20 That's the pure fill up the cup.

21 And then the final third, would be used for a
22 small COLA for everybody. And the reason for all of this
23 is simple. At no funding, at freeze funding, you lose
24 people, you lose experienced legal services lawyers, you
25 lose experienced pro bono lawyers, you lose experienced

1 CHAIRMAN MENDEZ: Excuse me, I'm sorry, could
2 you say what that level -- I know the percentage I heard
3 you say but what dollar amount would that represent?

4 MS. BERNSTEIN: It was 12.73 million for national,
5 state, clearing house and CALR wasn't funded at that time.

6 MR. SMEGAL: Waht about the special allocations,
7 how much was that?

8 MS. BERNSTEIN: I wasn't -- I'm dealing with

9 CHAIRMAN MENDEZ: Let me give you sort of a
10 rough item, there's about a \$3 million difference, it would
11 be about \$3 million less than the level we are proposing.
12 \$15 would be 12 versus approximately \$15 million.
13 \$16 million. Alright, do we all, do we understand what
14 the motion is?

15 (Chorus of nods and ayes)

16 CHAIRMAN MENDEZ: Paul?

17 MR. EAGLIN: I vote against her motion.

18 MR. SMEGAL: No.

19 MR. WALLACE: No.

20 CHAIRMAN MENDEZ: No.

21 MS. BERNSTEIN: Yes.

22 MR. DURANT: No.

23 MR. VALOIS: No.

24 MS. BENOVIDEZ: No.

25 CHAIRMAN MENDEZ: Okay, motion fails. We are

1 got five programs here that deliver services at the local
2 level, and I haven't heard anything in two and a half months
3 shat said we should distinguish so drammmatically between
4 any of them to put one at 4.6 plus and another one at
5 21.6 minus, and it seems to me if we average them all
6 out at 3.8, we solve a lot of problems.

7 CHAIRMAN MENDEZ: The Chair will speak against
8 the proposed amendment. The Chair philosophically believes
9 that the Migrant programs are way over funded. That the
10 Native American Component is satisfactory at a zero percent
11 increase, and that State Support at a zero percent increase
12 is likewise and that National Support, we want to give
13 a clear indication to the field and to everyone else that
14 our direction of our philosophical bent is towards the
15 field and not to national type programs. That's the
16 Chair's position.

17 Any other discussion?

18 MR. WALLACE: I'd call the question on that Mr.
19 Chairman.

20 CHAIRMAN MENDEZ: All right. Mr. Eaglin?

21 MR. EAGLIN: I'll abstain, Mr. Chairman.

22 MR. SMEGAL: Yes.

23 MR. WALLACE: No.

24 MR. MENDEZ: No.

25 MS. BERNSTEIN: No.

1 MR. DURANT: No.

2 MR. VALOIS: No.

3 MS. BENOVIDEZ: Yes.

4 CHAIRMAN MENDEZ: Motion fails. We are now back
5 to the main motion. Any other amendments to the main motion?

6 Now, from the field -- I'm sorry -- it's Eric?
7 Dahlstrom?

8 MS. BERNSTEIN: Dahlstrom, yes.

9 MR. DAHLSTROM: Eric Dahlstrom for Four Rivers
10 Indian Legal Services. I'd just make three comments
11 on about three elements of the budget specifically, but fir
12 first with an introductory comment that we, the Native
13 American Programs, support the position of the field that
14 a zero budget increase that all functions of the delivery
15 of legal services should remain at zero as well. ~~And since~~
16 ~~you've recommended zero for Native~~
17 American programs, the way to clarify it I guess is to
18 average out to zero everybody else to receive the same
19 treatment you've suggested for Native American programs.
20 Aside from that basic position, I'd like to comment
21 specifically as an attorney practicing law on an Indian
22 reservation where I've practiced on several different
23 reservations over the last number of years, and to tell
24 you what basically the problem is with providing client
25 direct services in the face of your budget action.

1 First of all, your action on Native American
2 program budget based on a position which I don't understand
3 concerning previous grants to terminated and unrecognized
4 tribes, is befuddling. I do not understand the connection
5 between grants that were made several years ago for
6 terminated and unrecognized tribes and the public statement
7 that those individuals do need continued representation,
8 why that justifies no cost of living increase to the direct
9 delivery of legal services to Native Americans.

10 Secondly, you've eliminated the Reggie program
11 and the Staff attorneys that it provides to Native American
12 programs which over the last several years there's been
13 approximately eight field attorneys through the Reggie
14 program that have been provided to Indian programs so we
15 have got eight less attorneys providing services to Indian
16 country because of the Reggie program, aside from the
17 difficulty that you've now added to our difficulty of
18 recruiting qualified Indian attorneys to work in Indian
19 Country.

20 It's going to be very difficult to recruit Indian
21 attorneys, I can assure you, if there are going to be no
22 positions available within Indian country to recruit them.

23 Thirdly, I'd like to mention on National Support,
24 you talk about a geographic area that's available for
25 that's -- you distinguish between state support and national

1 support because of the fact that they have a geographic
2 basis. For Indian country, the geographic basis is a
3 national one. There is no state in most respects, no
4 state community of interest among Indian tribes, it's a
5 national one. And that focus and those services that
6 are typically provided to programs within a State by a
7 State Support Center, for Indian Programs are provided through
8 the Indian Law Support Center on a National Level, and so
9 that same focus, that same community of interest that you
10 recognize at the state level, for Indian programs, exists
11 on the national level because of the Federal nature of
12 our Indian programs.

13 MR. WALLACE: What we're doing as a 10 percent
14 on national support, I don't think means that every that
15 every national support center is going to get a 10 percent
16 cut. It may be redistributed. I'll bet you everybody in
17 this room can think of at least one national support center
18 they'd abolish altogether. And it probably wouldn't be
19 the same support center.

20 But I mean it doesn't mean that we're necessarily
21 going to cut the Native American Support Center 10 percent.
22 We may freeze it; we may push it up some. I mean, I don't
23 understand the motion on the floor to be that because
24 national support is being cut 10 percent, that every program
25 is going to be treated exactly alike any more than the

1 basic field programs are treated exactly alike under either
2 of the fill-up-the-cup schemes.

3 MR. DAHLSTROM: Okay, well I just make the point
4 that the rationale doesn't apply in all cases that was
5 used.

6 Finally, as to the rest of the National Support
7 Centers, as far as providing services in Indian Communities,
8 you basically have very small programs, very small components
9 who tend to rely more heavily than the larger programs do
10 on National Support Centers and on the non-Indian National
11 Support Centers.

12 And therefore you are making the direct delivery
13 of quality legal services from me, as an attorney, more
14 difficult by cutting back on the National Support effort
15 that I can plug into or private attorneys or everyone else
16 in Indian country.

17 CHAIRMAN MENDEZ: Mr. Valois?

18 MR. VALOIS: With your reference to the lack
19 of State identity or unity -- I've forgotten the term
20 you used -- among Indians, the Native Americans, doesn't that
21 really apply to Western tribes but not to Eastern tribes.
22 I mean, in my own state, there are 5 or 6 or 7 units but
23 they all look to the State first, maybe because they're
24 unrecognized but at least they are wholly within State
25 borders and that certainly so of the Seminoles and Cherokees,

1 in Georgia as well as North Carolina.

2 So what you're saying really applies to statewide.

3 MR. DAHLSTROM. Yeah, just let me respond. I think
4 that one thing I've learned in the field of Indian affairs
5 in my experience has been that generalizations are risky
6 and dangerous and that is that there is often there are times
7 in the Western states as well that we relate very well to
8 services provided at the State Support level. I didn't mean
9 to say there was no interest at the State level.

10 But even I think in the case of tribes that have
11 more of a special relationship with State governments
12 as opposed to Federal, which North Carolina I think is one
13 of the best examples of that, I think those tribes still
14 rely and still have a Federal connection among Indian
15 people generally.

16 MR. VALOIS: I think they'd like to have more of
17 a federal connection.

18 MR. DAHLSTROM: Probably more, that's right, but
19 I mean your point is well taken. I didn't mean to deemphasize
20 the fact that Indian programs relate on a different way
21 in different states to the State Support Centers.

22 MR. VALOIS: If I could now take a crack at
23 trying to explain to my understanding of the relationship
24 between the unrecognized tribes funding and the budget.
25 This is my understanding and not necessarily the one that

1 the Chairman's tried to explain to me.

2 It is my understanding that the evidence presently
3 is that the duration of an unrecognized grant, a grant for
4 the purpose of getting recognition, is approximately 2
5 years. We are looking, we are talking now about the 1986
6 budget. As I understand what he's saying, or at least my
7 understanding of that outline in the budget is, within a
8 time past and a time forward, before 1986, most of that money
9 should have achieved its purpose if what we heard today
10 is correct and it takes two years to process this petition.

11 And that money then as I understand it, gets
12 spread out among the general line. If I've done anything
13 to help explain it.

14 MR. DAHLSTROM: If that's the intent, I would
15 have to disagree with the purpose of it, but it certainly
16 is it helps to explain a rationale. I mean I disagree with
17 both the fact that experience has shown that two years is
18 sufficient, and also I disagree with the point that aside
19 from the recognition process which is one legal issue that
20 unrecognized tribes have, those individuals have a myriad
21 of other legal problems that also that are not currently
22 funded under any other any other of the Indian monies.

23 MR. VALOIS: That's not quite right, as Mr. Pierce
24 explained it to me, they get \$56,000 for the Lumbee River
25 Legal Services for an Indian Law Unit, which deals with

1 special needs of the Indian in unrecognized situations as
2 such to be dealing with the various state agencies or whatever.
3 And that money is specifically delegated to that unit.
4 as I understand it.

5 Within Lumbee River Legal Services, there are
6 104,000 clients eligible of which approximately 40,000
7 are non-recognized Indians. So we're not talking about
8 abolishing programs or even reducing it that the money is
9 still available for the Lumbees that happen to be within
10 a program headed by a Lumbee, and also happens to include
11 other people. That particular camp you may or may not
12 know is almost equally divided one third, one third, one
13 third.

14 MR. DAHLSTROM: I think you will find that Lumbee
15 is an exception in the sense that there was a recognition
16 grant and also a regular Native American program funding
17 for the same population. That is an exception. The
18 typical situation was an unrecognized group receives a grant
19 which was originally intended to be a three-year roll over
20 grant, and --

21 MR. VALOIS: What do you mean by "rollover"?

22 MR. DAHLSTROM: Well, it was to last for approxi-
23 mately three years, and then it would be used in a different
24 part of the country where there were other unrecognized
25 tribes.

1 That money became annualized. But if you take
2 away the this now annualized money to that unrecognized
3 tribe, there is no other Indian money available to to provide
4 direct services.

5 MR. VALOIS: As I understand the sense of what
6 we were told and what I have been told, the period that
7 it takes to do whatever you can do for recognition,
8 after the -- I mean, the genealogy studies and the ethnic
9 studies and so forth and so on, I mean they, as you know
10 have been going on with respect to the Lumbees since 1880,
11 or before 1880 when Sherman burned the Courthouse in
12 Blaton County, but there comes a point, I suppose, after
13 which the petition is either filed or it's not filed.

14 And it takes a couple of years, and it seems
15 to me that's what relates to the lapse of the for this
16 particular funding, that's my understanding.

17 MR. DAHLSTROM: Well, all I can say is that once
18 the petitoin is granted, then those individuals should
19 also receive a continuation of funding through Native
20 American because then they become a recognized tribe and
21 need regular funding.

22 So that their need doesn't go away.

23 CHAIRMAN MENDEZ: The Chair is going to have to
24 exercise its prerogative and cut the conversation.

25 Please state your name?

1 of attorneys, both in numbers there have been drastic
2 decreases in terms of numbers of staff attorneys serving
3 Indian clients, and also in terms of the numbers of years
4 of experience.

5 I think we calculated roughly about a month ago
6 and I think the numbers have gone from somewhere around
7 148 staff attorneys in Indian Legal Services programs in
8 1982, to around 108 today. And I think that's especially
9 pertinent with respect to the Reggie cuts. If Indian
10 programs lose eight attorneys, their effectively cutting
11 the number of staff attorneys serving Indians by somewhere
12 around 8 percent to 10 percent.

13 And that's especially significant in light of
14 the few numbers of attorneys serving Indians.

15 CHAIRMAN MENDEZ: The question I have for you
16 right now is how many -- he was the one that spoke about
17 the Reggies?

18 MR. MOORE: Yes sir.

19 CHAIRMAN MENDEZ: How many Reggies do you presently
20 have with you?

21 MR. DAHLSTROM: In my program?

22 CHAIRMAN MENDEZ: Yes.

23 MR. DAHLSTROM: One. Which is one-third of our
24 staff attorneys.

25 CHAIRMAN MENDEZ: How many Reggies are presently

1 that you're not going to cut their budget by 21 percent,
2 but if you're going to remove a Reggie attorney from that
3 state, you're going to cut their Indian staff attorney in
4 half.

5 The other comment that I'd like to direct to
6 Mr. Wallace is with respect to the work that we do.
7 When I first became an Indian Legal Services attorney, I
8 walked into an office that had one paperback training
9 handbook on Indian law. It was six years old at the time.
10 That was the extent of the resources.

11 I spend a significant amount of my time, and
12 my staff, working very closely with Indian Legal services
13 attorneys who have less than two years experience
14 practicing law, much less on Indian reservations.
15 We do we spend a significant percentage of our budget on
16 requests for assistance on training, on providing technical
17 support manuals. I'd venture to say that we're not engaged
18 in the business of social engineering and --

19 MR. WALLACE: I guess I know what I said that
20 brought that on but I hope I answered that with my comments
21 a minute ago. I hope when we get this line item that
22 we're going to instruct our staff to look around and give
23 us some recommendations about how to distribute it among
24 the support figures that we've got, and tell us whether
25 or not we need all the ones we've got.

1 To the extent your program -- to the extent any
2 program -- is geared toward providing services to folks
3 in the field, I like that. To the extent to which you get
4 away from that, I don't like it so much and that's what
5 I want to do and look at program by program and see which
6 ones are doing most of the first, and not so much of
7 the latter.

8 CHAIRMAN MENDEZ: The Chair exercises its
9 preforgative and -- the young man from North Carolina.
10 You're next. Please state your name.

11 MR. BARRETT: Yes. I'm Jim Barrett, and I
12 appreciate the opportunity to talk and I appreciate you all
13 and your time. I'm here on vacation and I just stopped
14 in to see what was happening. Found out you were gutting
15 the Reggie program, and I said well things are different
16 than I thought.

17 I'm a second year Reggie. I don't have anything
18 to gain if you cut your program. My job funding ends
19 in August. You've talked alot about direct services to
20 the poor. You're allocating the Reg services to the poor.

21 You're reallocating for direct services to the
22 poor. I don't know, but I think if you ask anybody in
23 the Legal Services Field Programs, what has helped direct
24 services to the poor, you probably couldn't find an answer
25 or anybody to say that it was more than the Reggie program.

1 The Reggie program is called the Community Lawyer
2 Program. It mandates that new attorneys go out into the
3 communities from behind their desks and address compelling
4 legal problems for the low income. There's no other
5 philosophical mandate like that in the Legal Services
6 Program.

7 It certainly meets the criteria set by the
8 Congress when it passed Legal Services Corporation Act.
9 And the program has had two effects, I think, and I'm just
10 one of them. But I've observed this among my peers,
11 there are only 100 each year. I think the program accomplishes
12 two things: it gets better qualified recruits to become
13 Legal Services attorneys. And I think it gets people who
14 are more committed to serving poor people.

15 How it does that is it pays them \$500 more than
16 the \$14,500 starting salary for a beginning attorney and
17 it pays them a little more prestige because they've
18 become all of a sudden a Reggie. Most people laugh when
19 they hear that you're a Reggie. But in the Legal Services
20 program, the people that have gone on from their careers
21 as Reggies, have distinguished themselves and so there is
22 a pride and esprit de corps that carries over from those two
23 years.

24 And I just plead with you that and in whatever
25 capacity you have on your committees that you not gut

1 the Reggie program, and certainly not the philosophy.
2 It needs to be run effectively and it needs to be run with
3 the goals that it was started. But please do not cut the
4 program.

5 CHAIRMAN MENDEZ: Thank you, Jim. We appreciate
6 it. Yes ma'am?

7 MS. STANEBROOK: I'm Judith Stanebrook from the
8 Union of Legal Services Corporation employees. Last
9 month, we received for the first time, some figures, showing
10 that if the Corporation continued at its current level
11 of spending next year, the Corporation would be spending
12 \$11.8 million and that therefore it was necessary to close
13 the Regional Offices in order to effectuate savings.

14 We sent you a memorandum which I don't believe
15 that some of you got. We sent it last Friday, but some
16 of you apparently hadn't gotten it, and I have distributed
17 it to you.

18 In which we showed that you would not in fact
19 save \$1.8 million by closing the Regional Offices. After
20 we submitted our memo, after we had prepared it, the
21 Corporation came up with another memo which in fact which
22 essentially agreed with our analysis of the figures.

23 We did not know what -- we came here or I came
24 here expecting that you would be again saying that you
25 would be proposing \$10 million. We think that we can

1 we can do the job. We're not sure because we haven't had
2 time to analyze the figures. With your \$10.7 million.

3 One of the reasons we think that is because
4 the Corporation, since 1983, has underspent its budget
5 by approximately \$2 million a year, and we don't have
6 any reason to think that anything should change. We haven't
7 heard any thing that would lead us to think that anything
8 should change. I'm talking about the Corporation's
9 internal operating budget.

10 The projections that you received I think that
11 projected the \$11.8 million were based on what the
12 Corporation had budgeted, not on what the Corporation had
13 actually spent. And so in some sense, we're talking
14 about mythology, or we were talking about mythology, and
15 I don't know what we're talking about at \$10.7 million,
16 but we don't think you're going to spend it.

17 And we think you can keep the Regional Offices
18 open. Now, I came here thinking that I was going to
19 discuss figures with you, but I understood that your
20 proposal is now that we should close the regional offices
21 for another reason, so that we can do more monitoring.
22 Is that, did I understand you correctly?

23 CHAIRMAN MENDEZ: Please continue.

24 MS. STAMEBROOK: I'm not aware that there has
25 ever been any discussion about the efficacy of monitoring

1 out of headquarters versus monitoring out of the Regional
2 Offices. And I would encourage you to study that whole
3 matter very thoroughly before you make a final decision on
4 it.

5 We believe that you can best serve programs
6 through Regional Offices. We don't think you can monitor
7 effectively out of headquarters.

8 MR. DURANT: Why?

9 MS. STAMEBROOK: I can go back to my office and
10 tomorrow at the full board meeting, I can show you how
11 much monitoring has been done out of headquarters versus
12 how much monitoring has been done out of the regional
13 Offices. How many reports have been produced as a result
14 of monitoring visits out of headquarters versus out
15 of regional offices. I think that I do not oppose the
16 concept of taking independent consultants.

17 With regional office people. I'm not saying
18 that we should not have independent consultants. I think
19 we should have independent consultants go on monitoring
20 visits conducted with at least one, maybe two, depending
21 on the size of the program, regional office people.

22 These are people who know the local programs,
23 who are supposed to be on top of everything that's happening
24 in the local program. I don't believe that once every
25 18 months or even once a year, that a total stranger

1 can go into a legal services program and effectively monitor
2 without any guidance from anybody who understands the
3 program.

4 That's my own philosophy, if we're talking about
5 philosophy, but I don't understand the philosophy that
6 says that you should centralize and that somehow you
7 will know more about what's going on inside of a local
8 program from a central location than you will from a
9 regional location.

10 And I would hope the Board would consider that
11 matter much more thoroughly than it has.

12 Thank you.

13 MR. BRANDE: I'd like to speak to a couple of
14 issues as briefly as I can. Mr. Mendez, you've used
15 the word "philosophy" a couple of times, and I'm going
16 to try not to speak philosophy because I have a feeling
17 that that's where we may get into a muddy area, but
18 speak about reality.

19 The first point I wanted to make was to speak
20 to the equal pain question. The notion that Terry Roche
21 spoke about is the PAG position that if there is to be
22 a freeze, it should be an across-the-board freeze.
23 I don't have any great philosophical underpinning for my
24 position, and our position is that we agree with that,
25 that if in fact there is a freeze, it should be a freeze

1 across the board.

2 The reasons are real. One, there's essential no
3 money, and even if I were to agree with some of the priority
4 decisions that you are attempting to make through your
5 amendment today, there is such little money that we're talking
6 about, and in an attempt to change the direction of some
7 of the delivery of services, some of the support, I just
8 think in the real world, it's just not there.

9 If you're talking about a \$20, \$40, \$50 million
10 increase, conceivably different percentages might be
11 a very wise idea and frankly, I probably agree with them.

12 Secondly, though, on a more real basis, I want
13 to talk about the funding formula question. One of the
14 things that very few people speak about here is the
15 salary of people who work in the programs and I think
16 Terry started to speak before about the question of people
17 leaving the programs.

18 I don't know what the current turnover rate is
19 in Legal Services. I know the last time that there was
20 a study done by the Corporation I believe in either '79
21 or '80, the average turnover rate amongst lawyers was
22 in the 33 percent range. That that means is that essentially
23 every three years, there is a new lawyer sitting in that
24 seat.

25 I, as a person who practiced legal services law

1 Last time you voted on the regional office
2 question, again, sorry to get back to it, but I did ask it
3 at the meeting, Mr. Mendez, when you last voted, if it
4 was envisioned that regional offices would be closed as
5 part of that \$10 million package, you said "no." Something
6 must have changed in the interim.

7 My assumption is that unless private meetings are
8 going on outside, and I'm sure they are not, that people
9 must have some questions as to why now it's appropriate
10 to close regional offices when it wasn't before. Bruce
11 Marson, I gave a letter to Mr. Durant before that came
12 up from Bruce Marson and I don't know if he's made copies
13 for you yet, speaking about the regional office question

14 If not, I'm sure they'll be plenty of time
15 to get it tonight and talk about it tomorrow. But essentially
16 a mistake has been made on the Regional Office question.
17 And I think people should admit it. I'm in a very strange
18 position. In light of the fact that there's still a
19 tension between -- because we really don't know you --
20 between the field and the Board, frankly I think that if
21 you spoke to most people who worked in programs, they'd
22 candidly tell you, good get the Regional Offices off our
23 backs, send them to Washington, we'll never see them,
24 we don't have to worry about being monitored and we can
25 do whatever the Hell we want including redistricting cases

1 in these programs of competent committed attorneys, but
2 equally importantly, it is absolutely viewed across the
3 board as a meaningful statement in support of bringing
4 significant numbers of minority lawyers into the programs.

5 When I first started working in South Bronx
6 Legal Services in 1974 with no Reggies in my office, by
7 the way, there were all white male lawyers, almost none
8 of us who spoke Spanish, by the way, and about half
9 of our clientele was unilingual and spanish. Almost all
10 the clerical and paralegal staff was black or hispanic
11 from the community and to say that we had problems relating
12 to the clients and the clients to us, despite our best
13 efforts, when it was sort of shipping in these hot
14 law school graduates who really don't have the ties to
15 the community.

16 I can't tell you how impossible it was and
17 while I think the situation at Legal Services has changed
18 dramatically, the perception of the Reggie program is the
19 centerpiece of that move towards a more representative
20 work force that does come from the communities that has
21 greater links and understanding of the communities'
22 problems is there.

23 Frankly, in my judgment, as serious as it is
24 to close the Reggie program in terms of dollars and
25 issues like that, it pales next to the statement that you're

1 making to the legal services community. The Reggie program
2 matters deeply to all of them and to me. And by closing
3 it down with what I frankly think at least in the public
4 forum, has been a minimal debate and I think that's
5 frankly giving you the benefit of a doubt, is just not
6 only a mistake but it is grossly premature and is going
7 to be viewed as an attack on the minority lawyer
8 legal services programs even if not one of you intend
9 it as such.

10 MR. WALLACE: Mr. Chairman, let me say with regard
11 to why I haven't spoken on Reggies or field offices
12 or regional offices today, this Committee spent about an
13 hour and a half two weeks ago talking about Reggies and I
14 think I said plenty at that time and listened to all the
15 testimony and I think my views came across pretty
16 carefully then.

17 The reason I haven't said anything about closing
18 field offices is I don't think we've got a motion before
19 us to close field offices. We've got the management
20 line is \$10.7 million. It's not too far from what we
21 actually spent this year. I just heard Ms. Stamebrook
22 say she thinks that the regional offices can be kept open
23 under that line, but the Chairman's views are that the
24 regional offices probably ought to be cut.

25 When somebody puts that motion before us, I'm

1 going to think about it real hard and decide what to do
2 but we're voting on a line item for corporation management
3 that looks reasonable to me, and if we can save money
4 closing field offices and get the job done, then let's
5 do it, if we can't we can't.

6 I don't think that that's the motion before this
7 committee today.

8 MR. BRANDE: Mr. Wallace, if I just may, one,
9 I thoroughly agree with your statement, however, I will
10 ask the same question, I asked a month ago, Mr. Mendez?
11 When you made your presentation a month or so ago, whenever
12 it was, you mentioned the regional office closings. I asked
13 you if that was part of the motion on the floor. You said
14 no.

15 When you presented you motion tonight --

16 CHAIRMAN MENDEZ: It's not it's not on the
17 Motion. It's an explanation of what I believe. It's not
18 part of the motion.

19 MR. BRANDE: As an individual board member?

20 CHAIRMAN MENDEZ: Oh, then my apologies. I thought
21 that the regional office closing issue was part of your
22 motion, if it's not then I withdraw -- I don't withdraw
23 the comments, but I withdraw the concern.

24 On the Reggie question, Mr. Wallace, when you
25 made your comments a week and a half or two weeks ago,

1 it wasn't proposed that we abolish the program. It was
2 proposed that we cut it 20 some percent which I consider
3 to be a serious problem but it pales next to abolition
4 so I think it is a different time.

5 MR. WALLACE: With all due respect to Mr. Roche,
6 his hand is on --

7 MR. ROCHE: I just have one factual piece.
8 The budget request includes a table showing projected
9 slots, and the projected slots -- it's in the Appendix --
10 and the projected slots for the regional offices except
11 Denver are all zeros.

12 MR. WALLACE: Oh, really?

13 MR. ROCHE: Yes. That's an appendix to your
14 budget nationally to Congress.

15 MR. WALLACE: I appreciate the information. I
16 didn't know that, and we'll be back here to talk about that
17 because I haven't made my decision on that and I don't
18 think the Board has.

19 I would call the question, Mr. Chairman?

20 CHAIRMAN MENDEZ: All right. Mr. Eaglin?

21 MR. EAGLIN: I abstain.

22 CHAIRMAN MENDEZ: Before I -- I'd better rephrase
23 the question. The motion on my to accept my revised
24 FY 86 mark and line item. Mr. Eaglin?

25 MR. EAGLIN: I abstain, Mr. Chairman.

1 CHAIRMAN MENDEZ: Mr. Smegal is absent. Mr.
2 Wallace?

3 MR. WALLACE: Aye.

4 CHAIRMAN MENDEZ: Mendez - Aye. Bernstein?

5 MS. BERNSTEIN: Aye.

6 CHAIRMAN MENDEZ: Durant?

7 MR. DURANT: Aye.

8 CHAIRMAN MENDEZ: Benovidez?

9 MS. BENOVIDEZ: Aye.

10 CHAIRMAN MENDEZ: The motion carries. Do I hear
11 a motion to adjourn?

12 MR. WALLACE: So moved.

13 MR. VALOIS: Second.

14 CHAIRMAN MENDEZ: All in favor?

15 (Chorus of ayes.)

16 CHAIRMAN MENDEZ: The meeting is adjourned.

17 (Whereupon, at 7:45 p.m., the meeting was adjourned,
18 to reconvene the following day, Friday, March 8, 1985,
19 at 8:30 a.m., at Legal Services Corporation.)
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REPORTER'S CERTIFICATE

DOCKET NUMBER:

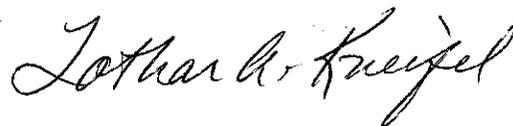
CASE TITLE: LEGAL SERVICES CORP. APPROPRIATIONS & AUDIT
COMMITTEE MTG.

HEARING DATE: MARCH 7, 1985

LOCATION: WASHINGTON, D.C.

I hereby certify that the proceedings and evidence herein are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before THE LEGAL SERVICES CORPORATION and that this is a true and correct transcript of the same.

Date: MARCH 19, 1985



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