

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

JOINT MEETING OF THE  
AUDIT & APPROPRIATIONS COMMITTEE  
AND THE  
PROVISION FOR THE DELIVERY OF LEGAL SERVICES COMMITTEE

9:45 a.m.  
Friday, November 4, 1994

Back Bay Hilton Hotel  
40 Dalton Street  
Washington Room  
Boston, Massachusetts

COMMITTEE MEMBERS PRESENT:

Hulett H. Askew, Chairperson  
Maria L. Mercado, Chairperson  
Douglas Eakley (ex officio)  
Thomas F. Smegal, Jr.  
LaVeeda M. Battle  
John G. Brooks  
Edna Fairbanks-Williams  
Ernestine P. Watlington  
Nancy H. Rogers

STAFF PRESENT:

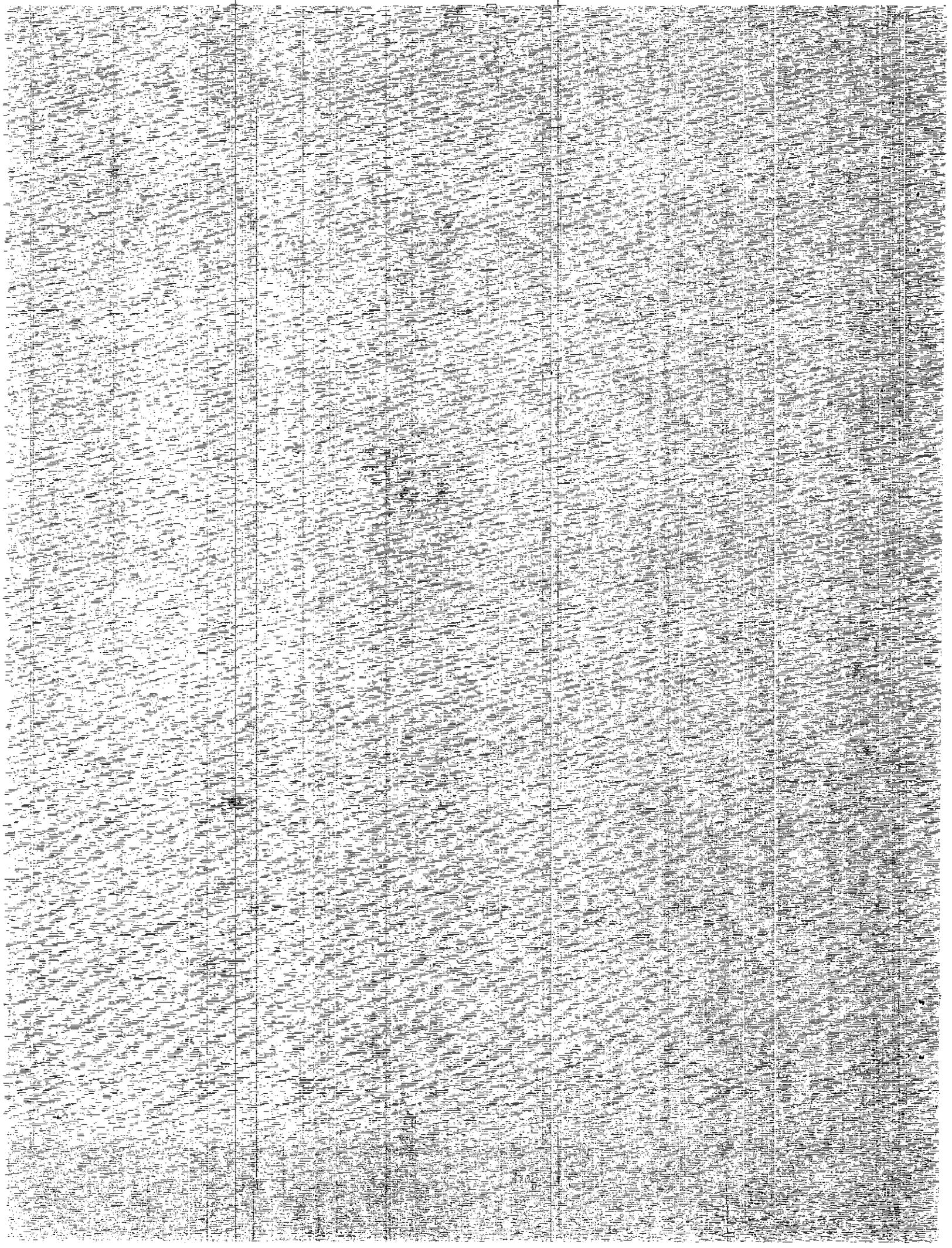
Alexander Forger, President  
Patricia Batie, Secretary  
Victor Fortuno, General Counsel  
Edouard Quatrevaux, Inspector General  
David Richardson, Treasurer & Comptroller  
*Martha Bergmark, Exec. Vice President*  
*Gerry Singen, Asst. to the President*

OTHERS:

*Harry Lavin*  
*Bristow Hardin*  
*Merceeria Ludgood*

*Larry Fox, ABA*  
*De Miller*  
*Andy Steinberg*

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C O N T E N T S

	PAGE
Approval of Agenda	3
Approval of Minutes of September 30, 1994, Meeting of the Audit and Appropriations Committee	3
Approval of Minutes of September 30, 1994, Meeting of the Provision for the Delivery of Legal Services Committee	4
President's Report	5
Consider and Act on Decisions Related to the Distribution of Fiscal Year 1995 Funds to National Support, State Support Regional Training Center and Migrant Line Items	8
Status Report on the Corporation's Fiscal Year 1994 Financial Audit and Preliminary Consolidated Operating Budget and Expenses Through September 30, 1994	68
Presentation by Larry Fox, Representative of the American Bar Association Section of Litigation, Regarding the Section's Interest in Supporting the Corporation's Work	84

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

1  
2 CHAIRPERSON ASKEW: We'll call this meeting to  
3 order. This is a joint meeting of the Legal Services  
4 Corporation Board Committees, the Audit and Appropriations  
5 Committee and the Provision for the Delivery of Legal  
6 Services Committee, the first time we've done this. And for  
7 purposes of this meeting, you can refer to me as Mr. Chair,  
8 and you can refer to Ms. Mercado as Ms. Chair.

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

9  
10 CHAIRPERSON ASKEW: The first item on the agenda is  
11 the approval of today's agenda. I assume any committee  
12 member can move and second these items of either of the two  
13 committees. Do I hear a motion that we approve today's  
14 agenda?

15 MS. ROGERS: I move.

16 MS. FAIRBANKS-WILLIAMS: Second.

17 CHAIRPERSON ASKEW: All those in favor?

18 (A chorus of ayes.)

19 CHAIRPERSON ASKEW: The agenda is approved.

20 A P P R O V A L O F M I N U T E S O F S E P T E M B E R 3 0 , 1 9 9 4

21 M E E T I N G O F T H E A U D I T A N D A P P R O P R I A T I O N S C O M M I T T E E

22 CHAIRPERSON ASKEW: Approval of the minutes of the

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1 September 30 meeting of the Audit Appropriations Committee.

2 Does anybody have any changes of those minutes?

3 CHAIRPERSON MERCADO: I was trying to look at  
4 -- no, I'm sorry.

5 CHAIRPERSON ASKEW: Do I hear a motion for approval  
6 of those minutes?

7 MR. SMEGAL: So moved.

8 CHAIRPERSON ASKEW: And a second?

9 MS. FAIRBANKS-WILLIAMS: Second.

10 CHAIRPERSON ASKEW: All those in favor?

11 (A chorus of ayes.)

12 CHAIRPERSON ASKEW: Opposed, nay?

13 (No response.)

14 CHAIRPERSON ASKEW: Those minutes are approved.

15 APPROVAL OF THE MINUTES OF THE SEPTEMBER 30, 1994

16 MEETING OF THE PROVISION FOR THE

17 DELIVERY OF LEGAL SERVICES COMMITTEE

18 CHAIRPERSON ASKEW: Now, the approval of the  
19 September 30 meeting of the Provision for the Delivery of  
20 Legal Services Committee.

21 MS. ROGERS: So moved.

22 CHAIRPERSON ASKEW: Changes or corrections?

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1 (No response.)

2 CHAIRPERSON ASKEW: There is a motion that the  
3 minutes be approved. Is there a second?

4 MS. FAIRBANKS-WILLIAMS: Second.

5 CHAIRPERSON ASKEW: All those in favor, aye?

6 (A chorus of ayes.)

7 CHAIRPERSON ASKEW: Those minutes are approved.

8 The next item on the agenda is a report from our president,  
9 Alex Forger. Mr. Forger.

10 PRESIDENT'S REPORT

11 PRESIDENT FORGER: Thank you, Mr. Chair and Ms.  
12 Chair. It is a great pleasure to be in Boston. Thank you,  
13 John Brooks, for having us here in your city. Our principal  
14 issue that we need to address today is allocation of certain  
15 items within budget lines of the '95 budget. As you know,  
16 tomorrow at the full board meeting we will be discussing  
17 issues of national and state support.

18 Because two of the line items that we discuss in  
19 '95 this morning in some measure relate to the allocation  
20 within the budget line of national and state, we will try to  
21 contain that discussion so that we can save tomorrow for the  
22 more basic questions that have been raised by Delivery

1 Working Group and others with respect to the numbers of  
2 factors going into consideration for budget '96 as to the  
3 relative priorities of national and state and how we should  
4 allocate our '96 budget moneys.

5           You've all received the paper that was prepared by  
6 the Delivery Working Group, which is simply a draft for our  
7 benefit. And that we would discuss tomorrow. Today, we have  
8 four items in respect of the '95 budget that we forecast at  
9 the last meeting of the board that would be the subject of  
10 discussion today.

11           The staff has made a recommendation with respect to  
12 the allocation within those budget lines. And that was sent  
13 out to you in our memo of October 28. It does not relate to  
14 whether we should put more or less within a particular budget  
15 line but rather how we should allocate funds that are now  
16 both in national, state support, migrants, and regional  
17 training lines.

18           The proposals being made by management are quite  
19 consistent with the views of the field in respect of these  
20 issues. And Andy Steinberg was saying coming in this morning  
21 that we had good collaboration with the field and our staff  
22 as to the method of an allocation.

1           With respect to national and state, the last word I  
2 will say there is that we propose to hold back initially some  
3 of the funding that would otherwise be distributed to the  
4 national and state support centers for the purpose of  
5 enabling us to add some funds to the analysis that will be  
6 going on and is now under way in the Delivery Working Group  
7 with respect to the issues of coordination, advocacy,  
8 efficiency, unmet needs, and the like in respect of both  
9 national and state support. That is sort of a preliminary to  
10 the more significant issue that we will need to address as we  
11 discuss FY '96.

12           And, indeed, '96 actually will be the year in which  
13 most of those judgments probably will have an impact. But  
14 for now, if Martha and -- John Tull and Martha Bergmark would  
15 come forward, Ms. Chair, if that is timely, to discuss the  
16 allocation proposed within those four budget lines that are  
17 set out in the memo of October 28.

18           CHAIRPERSON MERCADO: Yes. Just for purposes of  
19 not only the rest of the committee members but also the  
20 public, the board did set the budget items proposed for  
21 fiscal '95 with all the other line items as far as basic  
22 field and the rest of the items in the delivery of legal

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1 services at our last board meeting.

2 So that, consequently, the only three items that we  
3 had left were national support, state support, and regional  
4 training centers and the migrant line items, of which the  
5 Audit Appropriations Committee in conjunction with the  
6 Provisions Committee is going to recommend to the board as to  
7 how we ought to allocate that funding, and that is the  
8 purpose of this presentation.

9 And, of course, after John Tull and Martha Bergmark  
10 do their presentation, if there is anyone else in the  
11 audience that wants to provide their insight or  
12 recommendations, you know, please feel free to comment at  
13 that time.

14 CONSIDER AND ACT ON DECISIONS RELATED TO THE DISTRIBUTION  
15 OF FISCAL YEAR 1995 FUNDS TO NATIONAL SUPPORT, STATE SUPPORT,  
16 REGIONAL TRAINING CENTER AND MIGRANT LINE ITEMS

17 MR. TULL: Thank you, Madam and Mr. Chair. Can you  
18 hear all right?

19 CHAIRPERSON ASKEW: Come closer, John.

20 MR. TULL: Come closer? This is odd. We're so  
21 close and somehow not being able to hear each other. I will  
22 reach across the abyss of the technology here.

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1           What is before the committee today is a  
2 recommendation from the management which, as the President  
3 has already pointed out to the committee, is outlined in the  
4 memorandum which was provided to the committee. It's a  
5 memorandum from Mr. Forger dated October 28. What I would  
6 propose to do is just walk through and highlight portions of  
7 that, and then Martha and I will be pleased to answer any  
8 questions you have regarding the recommendation.

9           The recommendation that's before you pertains  
10 principally to the one issue which does need to be decided  
11 soon, and that is the question of the amount of moneys which  
12 will be available for distribution to programs immediately so  
13 that we can make the grants in the January 1 checks which  
14 will go out.

15           The moneys which Mr. Forger alluded to which is  
16 proposed be set aside, the presentation this afternoon that  
17 you will -- it isn't a presentation -- opportunity to see two  
18 support centers, and tomorrow the presentation with regard to  
19 national and state support will really address the issues  
20 that the moneys which will be set aside will be held out to  
21 address.

22           So the specific decision that the committee is

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1 being asked to make a recommendation to the board on is the  
2 question of the moneys which would be distributed out of the  
3 1995 fiscal year and available immediately for distribution  
4 to programs. And as Ms. Mercado pointed out, there are four  
5 line items which remain to be addressed by the board,  
6 national support, state support, regional training centers,  
7 and migrants.

8           The other line items were addressed in the last  
9 board meeting and so are taken care of in terms of decisions  
10 having been made which will enable us to make grants January  
11 1 and begin now to make the calculations as to what those  
12 grant levels will be for field programs and the other  
13 recipients.

14           The two areas in which there are -- and what is  
15 being proposed to the board is not a full distribution of the  
16 line items which are available for funding are national  
17 support and state support. The recommendation for  
18 distribution of funds in the grant checks which will go out,  
19 the grants which will be made at the end of this year for  
20 1995 is that for national support an amount which was  
21 equivalent to a 5 percent increase for each of the centers be  
22 approved for distribution.

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1           The total amount of money which is available in the  
2 line item is \$10,800,000, which is a 12.4 percent increase  
3 over the 1994 levels. Of that, what we propose is that  
4 \$474,031 be available for distribution, which is what a 5  
5 percent increase amounts to.

6           What would be held out would be an amount of  
7 \$845,353, which would be held out to address the purposes  
8 which Mr. Forger spoke to in his opening remarks,  
9 specifically to address the need for unmet needs, substantive  
10 needs which in the changes in the client community in the  
11 last decade have not been able to be addressed effectively,  
12 to address priority needs by allocating funds among existing  
13 centers, to address what has been a disparate allocation of  
14 funds among the centers that.

15           Because there is no formula, has not been a formula  
16 for funding to the centers and historically they receive  
17 their funds at different times, one of the concerns that the  
18 National Support Planning Process and the Delivery Working  
19 Group has been concerned about and has advised us to address  
20 and that the staff is also concerned about is to address the  
21 historical anomalies in allocations among the centers.

22           And the largest portion of funds would be available

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1 to do that based on criteria which will need to be developed  
2 which would reflect, among other things, the substantive  
3 areas that they serve and the priorities of those areas.

4 The second area would be unmet needs that no center  
5 now addresses, and an amount of funds would be available for  
6 addressing those. And the third would be to approve  
7 coordination among the national support centers.

8 With regard to all of these funds, the field  
9 processes have been going on with regard to some for some  
10 years and have come together in the Delivery Working Group  
11 with a very serious and thoughtful look at the concerns which  
12 have been raised in each of these three areas. And our  
13 intent would be to continue to work with the field processes  
14 to make a judgment as to how those funds should be expended.

15 And that's a process which is ongoing now but will  
16 need to continue. So there's no specific recommendation  
17 here with regard to those. And, as Mr. Forger said,  
18 tomorrow's discussions really are designed to begin to flesh  
19 out some of the concerns that those funds are designed to  
20 address.

21 CHAIRPERSON MERCADO: Mr. Tull, before you go any  
22 further, I just want to make sure and clarify something. On

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1 the memo where you have on page 2, where you have --

2 MS. BERGMARK: We can't hear you.

3 CHAIRPERSON MERCADO: I just want to make sure and  
4 clarify that when we're talking about the \$474,031 of the  
5 available funds to distribute pro rata that is from the new  
6 amount of money that we got for FY '95, because when you read  
7 this it makes it seem like that's the total amount that would  
8 be allocated. And we're actually talking about allocating  
9 the \$10,800,000 already pro rata.

10 MR. TULL: Correct. Yeah, the 474 is the increase  
11 and is the amount of the 5 percent increase. That's correct.

12 CHAIRPERSON MERCADO: Right, because at the top of  
13 that memo it also had \$1,319,284 for FY '95 funds is  
14 available for allocation. Well, that's only additional money  
15 that's available for allocation because we have already  
16 allocated it pro rata. I want to make sure that anyone  
17 picking up this document doesn't misread it, misinterpret it.

18 MR. TULL; Yes, that's correct. Thank you for  
19 pointing out that.

20 CHAIRPERSON ASKEW: Were you getting ready to go on  
21 to state support?

22 MR. TULL: Yes.

1 CHAIRPERSON ASKEW: Now, let's stop and see if  
2 there are any questions by board members, committee members  
3 about national support, at least in terms of what you've had  
4 to say, John. We'll clarify anything there before we go on  
5 to the next issue. Nancy.

6 MR. EAKLEY: Nancy. I'm just ex officio here.

7 CHAIRPERSON ASKEW: That's all right. We're all  
8 equal here.

9 MR. EAKLEY: I'll wait. I'll cede.

10 MS. ROGERS: I wonder if there's any opposition to  
11 this, and, if there is opposition, what the rationale of the  
12 opposition is to it.

13 MR. TULL: Well, if there is opposition, I suspect  
14 we'll find out. This recommendation is consistent with the  
15 recommendation that came from both the National Support  
16 Planning Process and the Delivery Working Group. There are  
17 some differences in the -- members of the Delivery Working  
18 Group are here as well as National Support, and if they care  
19 to speak to the specifics of the differences, they are not  
20 -- they are minor differences.

21 Certainly the thrust of the recommendation is  
22 consistent with the concerns that those two processes have

1 been seeking to address in the specifics of the  
2 recommendation.

3           And I would say that it really is a tribute, I  
4 think, to the concerns of those communities for the  
5 infrastructure that we're all focusing on that they have in  
6 their own processes come to a conclusion with this rather  
7 significant increase that was available in the national  
8 support line item that the national support centers through  
9 their process, and it was reflected in the Delivery Working  
10 Group, really stepped back and said that, rather than laying  
11 claim to all these funds for existing centers, that we urge  
12 you to use these funds in ways which will address the needs  
13 of support generally, and have not, as they certainly might  
14 have if they were acting only out of self-interest, have laid  
15 claim to all of it. And I think it's a tribute to them.

16           CHAIRPERSON ASKEW: Doug.

17           MR. EAKLEY: What will the process be for deciding  
18 on the non pro rata allocation of funds?

19           MR. TULL: Well, I think there's going to be two  
20 pieces of that. One is in the Delivery Working Group and the  
21 National Support Planning process deliberations. And  
22 particularly in the National Support Planning process

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1 deliberations, they came to a conclusion late in their  
2 process that they recognized the need for the non-pro rata  
3 distribution of funds among the centers but recognized also  
4 that that was a set of decisions which really the  
5 corporation, someone outside of their own circle needs to  
6 make, because they are all interested parties in it.

7 While they certainly have a concern and want to be  
8 consulted and participate in terms of the criteria that  
9 should be used, they recommended well before the end of last  
10 year that that decision, when the time came, and we're now at  
11 it, that those decisions be made by the corporation.

12 So I think there's two things that need to happen.  
13 One is we at the corporation need to begin to flesh out and  
14 develop the criteria that will be used for making those  
15 decisions, but do that in consultation with the Delivery  
16 Working Group and with the National Support community.

17 And how the criteria are shaped and what the  
18 criteria are will, to some degree, push the way the decision  
19 takes place, because this is not as easy a process as it is  
20 with making decisions among basic field programs where the  
21 decisions are basically based on population base and it's a  
22 matter of moving funds and making decisions based on shifting

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1 a formula.

2 What we are forced to deal with here are a set of  
3 criteria which really are much more substantive in nature and  
4 will need to be.

5 MR. EAKLEY: I'm still waiting to hear you  
6 articulate the word "board" in your answer, John. I will be  
7 less cryptic. We are starting tomorrow to talk a lot about  
8 the delivery system and how it should be configured and the  
9 relative roles that national support, state support, regional  
10 training centers, basic field and migrant farm worker and  
11 Native American programs play and, hopefully, technical  
12 assistance, and client involvement, and private attorney  
13 support and involvement will also play.

14 And clearly we are not going to be able to do all  
15 of that and come to a common conception of what this ideal  
16 configuration of a Legal Services delivery system looks like  
17 before we have to expend the discretionary funding that's  
18 available to us this year.

19 But we're starting it, and tomorrow we're starting  
20 with a paper that reminds us that the sense of the system  
21 should inform the discretionary allocations. And that paper  
22 also recommends that in terms of national support highest

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1 priority be given to the conduct and coordination of national  
2 advocacy. I share that.

3 And I also think, however, it's ultimately a board  
4 policy decision that needs to be made in terms of these types  
5 of adjustments. And I just want to just make sure that  
6 -- because I think that here especially -- or it's not  
7 especially, but here's a first example of the board being  
8 presented with a choice between addressing or redressing what  
9 you refer to as historical anomalies, which may or may not  
10 have to do with this board's vision of what the system ought  
11 to look like for the 1990s and the year 2000.

12 And, therefore, even though the amounts are small  
13 relative to what we will be hopefully seeking over time, it's  
14 a first attempt to build something towards a vision that we  
15 haven't yet fully reached, much less articulated for anybody.

16 MR. TULL: I think this particular set of issues,  
17 because it is the first opportunity that there has been,  
18 really, in the history of Legal Services, to some degree  
19 -- even during friendlier times this was not a set of issues  
20 which were quite before the community or the corporation the  
21 way they are now.

22 And because of really extraordinary complexity of

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1 what is involved in the set of questions which range from  
2 specific questions around what grants will go to what grantee  
3 in what amount for what purpose, range from questions at that  
4 level to very macro questions which I understand you to be  
5 speaking to, because this really has to do with the shaping  
6 of the delivery system in a very fundamental way.

7 And I think that we have precedents, certainly, as  
8 to what in the past have been decisions which have just been  
9 making decisions among grantees, and that's been done  
10 -- that's one of the functions of the corporation which goes  
11 on all the time and is done through a number of processes  
12 which take place at the staff level.

13 And the point at which the issues which are policy  
14 issues versus specific grant-making issues, the point where  
15 that line falls is much less clear in this area because of  
16 the complexity. And I think we will inevitably, as we work  
17 through this, be, first of all, needing to be in close touch  
18 in terms of what's happening and reporting to you all so that  
19 the right --

20 MR. EAKLEY: And, indeed, in fairness, I mean,  
21 tomorrow's presentation is going to be precisely that,  
22 attempting to flag the policy decisions implicit in the grant

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1 awards process in this area, and give the board a sense both  
2 of the field and of management's viewpoints on that so that  
3 we are better informed and can make better informed decisions  
4 as a consequence.

5 So we are cart before horse just a little bit, but  
6 we just don't have the luxury of getting this in total order  
7 before we leave office.

8 PRESIDENT FORGER: Madam Chair, could I ask a  
9 question? Just so I understand the Chair's point, on the  
10 three portions of the national that is to be distributed in  
11 the non pro rata fashion, would you think that management  
12 would have the discretion to make the judgment as to what  
13 those portions should be and then within those three  
14 categories to make a distribution?

15 I just want to make sure that it was whether you  
16 were seeking board approval for, one, the allocation among  
17 the three, and, two, the distribution within that or whether,  
18 from a process point of view, on '95 you were satisfied  
19 simply to have the board sign off on 845,353 being  
20 distributed as management may determine among these three  
21 areas.

22 MR. EAKLEY: Almost the latter. But not quite,

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1 Alex. I don't think the board should get into the specific  
2 grants awarding process. I think management's recommendation  
3 with respect to the allocation of discretionary funds makes  
4 sense, and, unless we hear something that's overwhelming and  
5 compelling, we should go with that recommendation.

6 But the distribution of the largest amount of those  
7 discretionary funds in a non-pro rata fashion touches  
8 centrally upon where we should be going with national  
9 support. And there is where I think that it would be very  
10 helpful, if not desirable, to make sure that the board and  
11 management have a common view of what ought to be done as we  
12 take albeit small discretionary funds and try to build  
13 towards -- are we going to build towards a vision or are we  
14 going to go back and rectify funding disparities in the past?

15 They may not be inconsistent. But I do think we  
16 ought to have a little discussion about that. And we're  
17 going to have that tomorrow. And I just want to make sure  
18 that there is -- I don't think we need a formally -- it  
19 doesn't need to be formalized. But the board needs to be  
20 consulted in the process. And this will help all of us, I  
21 think, identify the policies. And we also need to deal with  
22 the appropriate role.

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1           But I'm not suggesting that we get into it beyond  
2 the policy direction. But there is that in here. And I  
3 don't know. That's probably not a totally satisfactory  
4 answer because it was none of the above. But I don't know  
5 how better to answer it at this point. I think we'll have a  
6 better sense of the board's sense after our discussion  
7 tomorrow.

8           PRESIDENT FORGER: Sure. But I think with category  
9 one that you refer to, Doug, it's limited to the 16 existing  
10 centers. It isn't going outside of those or supplementing  
11 them. It's simply not across the board in a pro rata.

12           And if one believes that by reason of the need in a  
13 particular area, the numbers of cases that come up there, or  
14 the lack of resources to implement that important priority,  
15 that we should allocate \$1,000 more to one center than  
16 another, I mean, that's basically this decision.

17           MR. EAKLEY: Yeah. If the choice were spend the  
18 marginal dollar, marginal in an economic sense, not marginal  
19 as in what's happening to poor people in this country, but if  
20 the issue is do we spend the next dollar enhancing national  
21 advocacy or correcting historical anomalies, that is a  
22 clearcut policy decision. And I doubt if it's ever that

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1 clearcut.

2           But nevertheless if management were proposing to  
3 allocate everything to address historical anomalies and do  
4 nothing to enhance national advocacy, then, yeah, I think the  
5 board ought to be involved in that decision-making process,  
6 but only as it informs the policies implicit in the decision.

7           CHAIRPERSON ASKEW: LaVeeda.

8           MS. BATTLE: Yes. Just following what Doug is  
9 saying, in item 1, when you speak of high priority areas,  
10 what I hear Alex saying is high priority areas that have been  
11 identified by the centers that have not been well funded.  
12 And what I hear Doug saying is we're talking about high  
13 priority areas as a part of the vision as to where we need to  
14 be going.

15           MR. EAKLEY: Yeah, but I think that that's informed  
16 by management's decisions and recommendations first and  
17 foremost with input from the field. And I don't think we're  
18 going to have any -- there is no issue other than to identify  
19 that this is a very unique moment for this board. We haven't  
20 had any discretionary funds before. They are small.

21           And we haven't had an opportunity to have our own  
22 management look at these and say this is where we think we

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1 ought to be going. I'm just saying we should pause and make  
2 sure that we're all going in the same direction together.

3 MR. TULL: I think it's also true that as we move  
4 into the substance of what is behind this issue that you  
5 raise, what I think will be come clear is I think that these  
6 are not either-or choices. And certainly I think from  
7 management's standpoint and the board's standpoint that all  
8 of the decisions need to be driven by a sense of vision of  
9 where we're trying to move.

10 The reference to historical anomalies is not  
11 talking about just there are inequities and therefore we're  
12 going to put a dollar here because it's not fair.

13 MR. EAKLEY: I was just taking that out of context.  
14 I was just making a point.

15 MR. TULL: That all is a part of addressing a  
16 vision of an effective, healthy support system which can  
17 support the work that's done by advocates on behalf on the  
18 clients we serve. And that is all part of the same vision.

19 CHAIRPERSON ASKEW: Let me see if I can, John,  
20 clarify what this joint committee may be doing today and  
21 recommending to the board tomorrow under this first issue of  
22 national support. And it will be very similar to the next

1 three issues.

2 What we'll be recommending to the board if this  
3 ends up in the form of a motion is that the 474,000 is ready  
4 to be allocated January 1 as increases to the existing  
5 support centers. The 845,000 is being held back for further  
6 debate, discussion, and decision later. So we're not  
7 committing to any particular use of those funds at this  
8 stage. It's just that the board is saying we're going to  
9 hold those funds back.

10 So there will be much further discussion and debate  
11 beginning tomorrow about the use of those funds for the  
12 future. But we're not making that decision today or tomorrow  
13 if we pass a resolution adopting the staff recommendations on  
14 these; is that right?

15 MR. TULL: That's correct.

16 CHAIRPERSON ASKEW: Okay. But that's in addition  
17 to their regular funding, on top of their regular grants?

18 MR. TULL: Yes.

19 PRESIDENT FORGER: But is that coming back for a  
20 board decision, Mr. Chair?

21 CHAIRPERSON ASKEW: The 845,000. Well, in the  
22 context of the discussion you and Doug just had, I think

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1 that's where we're leaving that, that it's for further staff  
2 development and communication with the field. And as the  
3 board goes forward -- and perhaps Doug should articulate this  
4 rather than me as the chair, but as the board goes forward in  
5 its planning process for 1995, some of those issues will be  
6 debated and discussed as we create a mission or a vision for  
7 the next year.

8 MR. EAKLEY: I think it's more the direction and  
9 the policy of the direction, Alex, that I would feel more  
10 comfortable having further discussions on because whatever  
11 the direction of these discretionary expenditures is for this  
12 fiscal year should be reflective and, indeed, anticipate what  
13 we will be asking for next year and will be the first set of  
14 building blocks for a reconfigured base of national support  
15 within this overall delivery system.

16 I am not asking, and I don't suggest, and I think  
17 it would be a mistake to suggest that management bring back  
18 to the board specific numbers for specific grantees. I'm  
19 just looking for a report back from management with an  
20 opportunity for interaction with the board that says these  
21 are the issues as we see them. This is the role of national  
22 support as we see it. And we think that the discretionary

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1 funds should be invested in this way.

2 And I think it's important for management that we  
3 buy into that so that that becomes the basis for the next  
4 budget going forward.

5 PRESIDENT FORGER: My concern there, Doug, is that  
6 the issue of national-state support is such a massive one  
7 that it's going to take us some time to sort out those policy  
8 issues and make those judgments which are important issues  
9 and board-directed policy decisions.

10 There was an attempt this year with a limited  
11 amount of money to at least fund some further study on the  
12 coordination and to recognize that within the national  
13 network as it now exists there needs to be additional funds  
14 allocated perhaps to a few programs where that need, taking  
15 whatever the historical anomalies may be or whatever, that's  
16 needed.

17 And it was just a notion of why don't we do that  
18 little bit of discretion now while we're still awaiting the  
19 big picture as to national and state and where it goes?  
20 Otherwise, we just could have done this pro rata, avoided the  
21 issue, and said wait until we get a full discussion.

22 So while this in some measure may have a

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1 relationship ultimately to what happens with the big picture,  
2 it just struck me as being something that could be tended to  
3 without either forecasting or impeding in any way the larger  
4 policy issues. But if you want us to come back on these, you  
5 know, we can do that.

6 MR. EAKLEY: My anticipation is that after our  
7 discussion tomorrow -- I'd like to know what you're thinking  
8 about in this area. And it is a discretionary call. I don't  
9 think we need to know what the overall game plan is going to  
10 be with the whole system and the national support in order to  
11 say this is a commendable way to proceed this year with these  
12 funds and we're not going to debate this forever, because  
13 we're already into this fiscal year.

14 But, yes, I think -- I would like to see the board  
15 involved in the policy considerations that are implicit in  
16 the allocation of first discretionary funds.

17 CHAIRPERSON ASKEW: Martha.

18 MS. BERGMARK: I have a suggestion for how that  
19 might be approached. I mean, the three general areas that  
20 we've listed here are entirely consistent with what you're  
21 going to hear tomorrow about where we think we need to be  
22 headed in this area.

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1           If you as a board were to decide, well, gee, we  
2 have a number four, you know, we want to put on there, we  
3 think you missed the boat on one of these, that there would  
4 be -- that I would think we would consider instruction or  
5 input to say make that a part of your future plans, but that  
6 we need, I think, as Alex has pointed out, the flexibility to  
7 go forward barring, you know, some disagreement with the  
8 three major areas we've listed, or addition of a fourth or a  
9 fifth, or taking away one of them, or something like that, to  
10 use what really is a fairly small amount of money.

11           It is a first area of discretion, but it is, if  
12 we're going to get to some of these bigger issues and these  
13 complex issues, we need some flexibility to go forward. So I  
14 don't think there's any desire at all not to be forecasting  
15 where we're headed or what general areas we might be using it  
16 in, but leaving us with enough flexibility to go forward  
17 beginning literally next week to be planning for this money.  
18 Our fiscal year has already started, so it's a balance  
19 between those considerations.

20           MR. EAKLEY: I see that coming up. I mean, I don't  
21 think I'm unduly optimistic about where we're going to wind  
22 up at the end of our session tomorrow. We have a wonderful

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1 working draft that is itself informative. And I think that  
2 we just have not had an opportunity and will not until  
3 tomorrow even to discuss the directions preliminarily that  
4 national support and state support should be going. And I  
5 think that that discussion will help inform the necessary  
6 exercise of management's discretion.

7 CHAIRPERSON ASKEW: Nancy.

8 MS. ROGERS: It would help me at some point, and I  
9 don't know whether today or tomorrow is the right point, to  
10 have an explanation as to how you see training being done. I  
11 notice that in the working group at various points they see a  
12 role for the national centers, a role for the state centers.  
13 There is some discussion on the role of the regional centers.  
14 And there is some mention of a possible role for LSC. And  
15 moneys are being pulled from various pots.

16 And if you can tell me how you envision the whole  
17 thing happening, how delivery is going on now and how you see  
18 it being improved, that would help me a lot.

19 MS. BERGMARK: Okay. I think we're in a process to  
20 get there. I think there's been -- just to take training  
21 alone, it's something that I have a number of years of  
22 experience with trying to make happen. And we have a system

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1 that is somewhat fragmented in its approach to training. It  
2 doesn't have a coordinating capacity to take a look, even to  
3 begin to say how ought this to be as opposed to just keeping  
4 doing it the same way we've been doing.

5 So I think part of the answer to your question is  
6 built into the process that we need to engage in, that we're  
7 not read with a full picture to say this is precisely where  
8 we think the levels of training should happen.

9 But we are convinced that there needs to be, and  
10 that's in here in the coordination capacity both at the  
11 national level and the state level to say coordination  
12 capacity is necessary to begin to answer those questions, to  
13 determine at what level training is best delivered and what  
14 funding mechanism should be in place to have that happen.

15 MS. ROGERS: Is your concern that it is broken? We  
16 see mentions of that every so often. In some areas it's just  
17 not happening is what I'm reading between the lines, and in  
18 others it's just happening very effectively. Is that your  
19 sense of it?

20 MS. BERGMARK: Yes. I think there's a very mixed  
21 picture on training.

22 MR. TULL: And partly because there hasn't been the

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1 opportunity for coordination that is really needed to have  
2 those scarce dollars that go for that particular function be  
3 used in a way which really is related to a vision of what is  
4 trying to be accomplished, what issues need to be addressed  
5 in the community.

6 And that's one of the things -- there's many issues  
7 like that, that an effort to begin to put some funds into a  
8 capacity to coordinate support, and other type similar  
9 functions, having money available is a first step for being  
10 able to begin to make that more coherent and integrated.

11 MS. ROGERS: I have one more. Just in terms of  
12 time, I'm a little worried that we won't have the vision  
13 before it's time to commit those things that have to be  
14 committed for the fiscal '96 budget.

15 PRESIDENT FORGER: I'd just say on '96, Doug, my  
16 concern is that there may be an expectation that more will  
17 come out of tomorrow and December than seems likely to me.  
18 For '96, we have submitted to OMB a budget which makes the  
19 major line allocations of national, state, migrant, Native  
20 Americans, and then general support initiatives.

21 And the paper that we have from the delivery  
22 working group at least is terribly instructive to me and

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1 raises a number of the issues that the field thinks needs to  
2 have a lot of dialogue and thought about. I didn't view it  
3 as our being able to make a judgment right away as to a  
4 number of policy issues as to which way we're going to go on  
5 state versus national, and are we going to try to revamp all  
6 the national centers, and what's the coordination, and how do  
7 you get an integrated system.

8 But it was designed principally for the board to be  
9 able to say tomorrow, the allocation that's been made in '96  
10 with respect to national and state seems reasonable in light  
11 of what we know about it. We know that in '97 we will have  
12 had a lot more input in the probably implementing a lot of  
13 the policy decisions that are made.

14 We thought in the December meeting we would pick up  
15 the other issues, principal ones, so the board can say  
16 roughly that that looks okay or we'd rather make some  
17 adjustments.

18 And we were going to do sort of a quality cluster,  
19 if you'll forgive that phrase, with respect to training,  
20 technical support, recruitment, and the like as to get a  
21 board input, and also whether the board thought we should try  
22 to take on a new initiative such as the institutionalized, in

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1 light of all else that we do.

2 So, it was in part answered. And, Nancy, I think,  
3 on the training that's a major component of this paper and  
4 where should it be, should it be outside, should it be in,  
5 who has the responsibility for getting that.

6 I don't think management has a recommendation on  
7 that yet. I don't think the field has a final recommendation  
8 on that, either. So I viewed tomorrow as being sort of  
9 instructional and getting us into dialogue on the issues that  
10 are now before us without many, if any, recommendations at  
11 that point.

12 MR. EAKLEY: We're not in disagreement. I think  
13 what I would like to see happen this weekend is to have the  
14 board sufficiently conversant with the issues and  
15 knowledgeable about the direction that we have to be able to  
16 say that seems reasonable to us at this time.

17 And, by the way, let's plan for a strategy with a  
18 time line on it that gets us to the point where we have an  
19 even better sense of where the system -- I mean, you have to  
20 look at each component of the system before deciding what the  
21 ideal or better system should be.

22 That necessarily entails taking a look at each

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1 piece and the coming back and looking at how they fit  
2 together. We're not going to be there tomorrow, but we are  
3 going to hopefully learn a lot more and be able to make some  
4 reasoned choices or reactions to management's proposals. But  
5 that's all I'm suggesting, no more than that, Alex.

6 PRESIDENT FORGER: I didn't want to disappoint you.

7 CHAIRPERSON ASKEW: I know. I'd like to also,  
8 before we move on to state support, second John's  
9 commendation to the national support community, and the  
10 planning process they went through, and the way they went  
11 about doing what they did, and the results that they came up  
12 with. I think they are very helpful to the board.

13 It's a model, I think, of the way these things can  
14 work in the community and how helpful they can be to us as a  
15 board. And I think they should be very, very pleased with  
16 the effort they put into that and the outcome from it. And  
17 the results we see before us are very good. Did you want to  
18 say something?

19 CHAIRPERSON MERCADO: Yes. Although, again, just  
20 to echo Nancy's comments is that what I see around the corner  
21 in the next two or three, four months is that we're going to  
22 be going back up again on the Hill for FY '96.

1           And whether or not you think your process and your  
2 procedure allows you fully deliberate and discuss and  
3 prioritize how you want to handle national, state, migrant,  
4 regional support, you're going to have to do it, because I  
5 personally don't think we can go back up there again like we  
6 did last year without having set priorities of how it is that  
7 we want that funding done, and particularly how we want to  
8 get that done.

9           And so that means that committees are going to have  
10 to meet a lot more often than they have met before in the  
11 past to get those recommendations to us. And that's going to  
12 have to happen because otherwise I think the board has a duty  
13 and obligation to set some priorities on why it wants to get  
14 that funding done. And we are going to need to have that by  
15 FY '96, so that the discussion of how we prioritize both for  
16 FY '95 and FY '96 is very keyed now to get those serious  
17 decisions made.

18           While management has discretion to allocate the  
19 specifics of how that money will do, the board still has to  
20 have a general policy of how it will prioritize the funding  
21 on national advocacy or state advocacy in all those different  
22 areas, and in areas that haven't been met before as well.

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1           So we do need to, even though the process won't be  
2 as quickly as this meeting, hopefully by December we'll have  
3 a more narrowed priority of how we want that funding to look,  
4 especially for the FY '96 budget hearings.

5           CHAIRPERSON ASKEW: Okay. Do you want to go on to  
6 state support?

7           MR. TULL: Yes. We reversed the order in  
8 discussion of the way the recommendation appears before you  
9 in the October 28 memorandum. The recommendation with regard  
10 to approval of funds to distribute, which is paragraph 3 in  
11 the recommendation as it's before you in that document, is to  
12 distribute 788,046 -- somehow we have all these 031s, 046s at  
13 the end of our allocations, making it hard to say -- that we  
14 distribute that amount of funds to existing centers according  
15 to a formula which would raise the floor funding 50 percent  
16 to go toward raising floor funding and 50 percent to fill up  
17 the cup for those programs which are less well funded, but  
18 assuring that no support center receives less than a 2  
19 percent increase.

20           That amount of money is what is left over after  
21 what we propose as an allocation of funds which will be spent  
22 for two purposes and, again, with processes and decisions

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1 which need to be made before the actual distribution of those  
2 funds can happen.

3 The first would be 252,000 plus change for  
4 beginning state support units in the five territories which  
5 this year we have given planning grants out for, Puerto Rico,  
6 Micronesia, Guam, the Virgin Islands, and the District of  
7 Columbia. And those planning grants have gone out at various  
8 points in time during the last year based on the submissions  
9 we got from those territories.

10 So their planning processes need to end. We need  
11 to then get a proposal from each of them as to how those  
12 funds will be spent and so the actual start-up time for when  
13 each of those grants would be in place and be annualized.  
14 Funding will vary and certainly won't be a January 1st time,  
15 so that that -- the annualized amount -- the \$252,000 plus is  
16 an annualized amount.

17 The actual amount spent this year may be less than  
18 that. And the moneys which are not spent because of delays  
19 in start-up would be available for other state support means  
20 under what we would propose.

21 We would also propose holding out \$130,000 of the  
22 state support line item for the coordination and planning and

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1 addressing the broad advocacy needs that exist in that  
2 community or in that function.

3 MR. SMEGAL: Excuse me. How much has been given  
4 out this year? You indicate that there are some planning  
5 grants to those five?

6 MR. TULL: It was \$100,000.

7 MR. SMEGAL: Each?

8 MR. TULL: No, total. A total of \$100,000 was  
9 appropriated by Congress for planning grants in those five  
10 territories. So the grants went out in amounts of between  
11 \$15,000 and \$25,000 to those five territories.

12 MR. SMEGAL: So these are grants given to existing  
13 programs to expand what they're doing?

14 MR. TULL: Well, they're given to existing basic  
15 field programs to undertake a process for planning to carry  
16 out state support functions. At present, none of those  
17 programs or those territories have any state support  
18 functions or any capacity to carry it out, any funded  
19 capacity. Some do activities which might be called state  
20 support activities, but not with state support moneys.

21 MR. SMEGAL: So we directed \$100,000 at the request  
22 of Congress to do the planning. And now we're going to go

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1 all the way to \$250,000 to get them started?

2 MR. TULL: And the \$250,000 we propose as a first  
3 step toward their being able to have an annualized funding  
4 base for having a state support unit.

5 MR. SMEGAL: Is that a realistic number, divided by  
6 five, to get anything?

7 MR. TULL: Well, several of the programs are very  
8 -- are quite small. Guam is a small program. Micronesia is  
9 a relatively small program in funding, although it's a huge  
10 program in terms of its service area. Virgin Islands is a  
11 relatively small program although it has three offices and  
12 therefore has a need for the kinds of activities that are  
13 state support functions.

14 Puerto Rico is obviously a very large population  
15 base and a very large program with 32 offices. And were it  
16 funded at a floor level it would be a very significant amount  
17 of money. It would really consume most of the increase. And  
18 so, consistent with what we've done historically in the past  
19 when starting up a grant -- the experience of the corporation  
20 in the past has been it's better to start and build from a  
21 digestible base and to work toward a funding level which is  
22 consistent with what the long-term funding would be, although

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1 for some of these territories the population base is so small  
2 that the allocation they would get under the formula is never  
3 going to be very large, which is part of the problem that we  
4 have with inadequate funding.

5 MR. SMEGAL: How about the District of Columbia?

6 MS. BERGMARK: It's larger. The balancing that's  
7 going on here is between -- we have some very small state  
8 support grants already existing, so that the formula approach  
9 to this has been one of trying to bring state -- until two  
10 years ago, I guess, we had five states that had no state  
11 support grants at all.

12 So those came in a couple of years ago and have  
13 been now plugged into the formula to try to get every state  
14 up to some minimal level of state support funding capacity.  
15 So the balancing that's going on here is that, yes, that's a  
16 small amount of money when you divide it by five, but when  
17 you look, too, at distributing the rest of the state support  
18 money around the states and some of the critical needs that  
19 are there, it's a balancing that's gone on.

20 So it's not obviously everything those programs  
21 would need or want, I think, to provide state support. But  
22 we've got a situation in all 50 states where that's -- or in

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1 many of the 50 states where that's true.

2 MR. SMEGAL: And in the District of Columbia there  
3 isn't a state support. There's a planning -- there is money  
4 here for planning?

5 MS. BERGMARK: There's planning for them, yes.

6 MR. SMEGAL: So there's an overlap. Obviously, the  
7 District of Columbia program covers the whole District of  
8 Columbia as the "state program" would also.

9 MS. BERGMARK: Correct. That's right.

10 CHAIRPERSON ASKEW: There is the potential, I  
11 guess, in '95 that some of these grants would not be made,  
12 right, if the planning process does not become completed, or  
13 depending on the end result of that there's a possibility  
14 that some of these territories would not receive a grant in  
15 '95?

16 MR. TULL: Well, we certainly intend to give grants  
17 only when it's clear that the proposal which comes to us  
18 really will address the need for state support functions.

19 I think that one of the prices we're paying now  
20 with the wide discrepancy amongst these programs is that when  
21 grants were made early on when state support was created it  
22 happened so quickly that there wasn't the opportunity to make

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1 certain that in every state that it was set up in a way where  
2 there was some as close as you could come to an assurance  
3 that there was a really viable plan for making it work.

4 And we have an opportunity to make certain that we  
5 don't repeat that mistake. I would certainly hope that we  
6 would be able to get started in each of the territories based  
7 on an interchange with the programs and working with them to  
8 satisfy us and them that there is a capacity to carry out the  
9 functions. But the timing for when those grants will start  
10 will be a function of some certainty or assurance.

11 CHAIRPERSON ASKEW: And any funds that aren't  
12 allocated this year either because a grant is not made or  
13 because the grant is made late in the fiscal year, those  
14 funds remain in the state support line for allocation later  
15 for state support purposes.

16 MR. TULL: Correct. Yes.

17 CHAIRPERSON ASKEW: So they are not lost to state  
18 support, right?

19 MR. TULL: Correct.

20 CHAIRPERSON ASKEW: Doug?

21 MR. EAKLEY: I wasn't going to do this to you,  
22 John, but you touched on another question I had probably for

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1 a different meeting. But you mentioned start-up planning and  
2 core functions. Are we currently doing anything -- is the  
3 corporation currently doing anything to evaluate state and  
4 national support in terms of -- well, let's keep it with the  
5 state support and the seven core functions for state support.

6 Do we have a process for peer review of state  
7 support in contemplation as a next step with our  
8 operational --

9 MR. TULL: Yes. We are now working with the PEKA  
10 group and the planning process to develop performance  
11 measures which would be appropriate to both national support  
12 and state support. And we'll use those for a peer review  
13 process quite similar to the peer review process which is  
14 being used with basic field. We have not yet scheduled any  
15 of those because we're a few steps behind on the development  
16 of the measures.

17 But they have actually, again, because of the  
18 extraordinary amount of effort that has come from the field  
19 side of this process, we're actually much closer to having a  
20 set of performance measures in both those areas than I think  
21 a lot of people would have thought possible and should this  
22 year be able to begin those visits, although it will be later

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1 in the year, not at the first part.

2 CHAIRPERSON ASKEW: Any other questions about state  
3 support? John?

4 MR. BROOKS: I think it's implicit in what you've  
5 said, particularly in places like Guam, but this would not  
6 necessarily create a new entity, but what we're looking at is  
7 someone to perform the functions that need to be done.

8 MR. TULL: Correct.

9 MR. BROOKS: So that it might be the existing  
10 program in D.C., for example, that is a going concern there,  
11 so that it could be done within the existing organization.

12 MR. TULL: That's correct. The focus is on making  
13 certain the functions happen. And you'll hear tomorrow much  
14 more about what that means, that the term "functions" is a  
15 very loaded term in terms of what it carries with it or that  
16 state and national support carry out.

17 CHAIRPERSON ASKEW: Maria?

18 CHAIRPERSON MERCADO: Well, I think it also helps  
19 in the funding process. If we're not talking about creating  
20 additional bureaucracies, so to speak, and you can carry out  
21 those functions within some of the existing entities, then  
22 that's, at least as far as Congress is concerned, a more

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1 efficient use and effective use of the money if they can  
2 actually deliver more services in that area.

3 MR. TULL: That's certainly how we intend to  
4 approach it. And each of the territories happen to have  
5 either only one program which serves the entire territory or  
6 a very large program that serves most of it.

7 But certainly for those territories where there is  
8 a large program or smaller programs which also provide  
9 service to clients, part of what we will look for and have  
10 looked for in their planning grants is some assurance that  
11 the state support functions will be carried out in a way  
12 which benefits all of the service providers and therefore all  
13 of the clients that are being served by them.

14 CHAIRPERSON ASKEW: Okay. Thank you. Now,  
15 regional training centers?

16 MR. TULL: Regional training centers, the total  
17 amount of money which is the increase for regional training  
18 centers is \$75,000, which is a 9.4 percent. What we propose  
19 is that two-thirds of that, \$50,000, be distributed to the  
20 current training centers, which is a 6.3 percent increase in  
21 their funding, and that we hold out \$25,000 which would go  
22 for specific training purposes, that we would work with the

1 training centers and with the Delivery Working Group in  
2 identifying areas where training efforts should be focused,  
3 and that would make grants out of the \$25,000 to accomplish a  
4 targeted training purpose.

5 It's contemplated, I think, that those would go to  
6 training centers, but for specific training needs that are  
7 identified in our process, which has yet to happen.

8 CHAIRPERSON ASKEW: Question?

9 MS. ROGERS: I'm still troubled by not having  
10 myself much of a vision of how training should go forward.  
11 You know, when I imagine somebody doing a peer review of a  
12 state center, if training is not being delivered effectively  
13 in that state, should there be a bad review of the state  
14 center?

15 I don't know. Maybe it's not their responsibility.  
16 Maybe it's the regional training center's responsibility and  
17 they are not delivering effectively. Or maybe it's LSC's  
18 because we're not coordinating effectively between those  
19 entities.

20 And I guess I'm still, even though I know that  
21 developing and getting input on a sort of a semi-permanent  
22 training vision might take some time, I'm wondering if we

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1 shouldn't have at least a working vision about how training  
2 is going to be delivered so that they know who's responsible  
3 and so LSC can hold accountable someone if training is not  
4 being effectively delivered.

5 MS. BERGMARK: What might be helpful to you is to  
6 have some of the material that was developed in the united  
7 support project and by the NTCC, National Training  
8 Coordinating Council, materials that they've developed on the  
9 current situation in training. It's a patchwork situation.  
10 We do know about it. We know it's mixed, and we know more  
11 than that. We know quite a bit about what each regional  
12 training center carves out as its own responsibility for  
13 training.

14 We know that some programs, large urban programs  
15 primarily, do a lot of training of their own. We know that  
16 the National Legal Aid and Defender Association provides a  
17 set of national trainings. And there are materials on that  
18 which might be helpful to you.

19 I think where we are in the working group process  
20 is that training is part of the core functions of support,  
21 and there is also a notion there that it's helpful to have  
22 training delivered as locally as possible. You know, the

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1 more directly and locally, the better. And yet that  
2 sometimes can't happen so it needs to move to other levels to  
3 have that happen.

4 I think it might be helpful, though, to just get  
5 you those materials, which does not only describe what exists  
6 but also a sense of those folks' sense of a vision for where  
7 we should be headed.

8 MS. ROGERS: But it would help me to have your  
9 sense of a vision. I know that you could do it, and it would  
10 be very helpful to me to know that, because as we vote on  
11 these things, and I think we do have to vote for a regional  
12 training center line item in December -- is that right?

13 MS. BERGMARK: Mm-hmm.

14 MS. ROGERS: I don't really know how to vote at  
15 this point because I don't have a sense of whether the  
16 funding ought to go there, whether it ought to go to the  
17 national centers, whether LSC ought to be doing it.

18 MS. BERGMARK: Well, we'll commit to doing  
19 something on that in December. I think training is part of  
20 our sense of quality and so forth. So I think that would be  
21 helpful. We can do that.

22 CHAIRPERSON ASKEW: But in the meantime if you sent

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1 -- you may have already sent these materials. Or --

2 MS. BERGMARK: I think we probably have. But I  
3 will check back and see.

4 CHAIRPERSON ASKEW: Right. Any other questions on  
5 training?

6 (No response.)

7 CHAIRPERSON ASKEW: Migrant allocation, John.

8 MR. TULL: The last area is the migrant line item.  
9 And what we propose is that \$56,000 of the increase, which is  
10 an increase of a little over \$1 million, which is an 8.4  
11 percent increase over '94 levels, that of that \$56,000 be set  
12 aside to fund a new migrant component in Hawaii. Hawaii does  
13 have a migrant community. It was not included in the count.  
14 It has not been funded in the past and has made a compelling  
15 case both to the FCC and to us for a need for that money.

16 CHAIRPERSON ASKEW: That was simply an oversight in  
17 the past?

18 MR. TULL: You know, I don't know the history of  
19 why they were not included in the count. I don't know if  
20 they drew a circle around the United States and just missed  
21 Hawaii, or if there was some definitional -- or no one could  
22 believe that migrants could include a set of islands 2,000

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1 miles away.

2 MR. EAKLEY: Or that Victor Juliani hadn't gotten  
3 there yet.

4 MR. TULL: Actually, this did arise before Victor  
5 arose, although he has made certain we didn't forget, as you  
6 well know. I'm amazed that whoever did the study didn't  
7 include Hawaii for the opportunity to go out and to  
8 personally count all the migrants who are there for two or  
9 three years.

10 CHAIRPERSON MERCADO: Well, with all the sugar cane  
11 fields, you would have thought there would have been some.

12 MR. TULL: What is proposed for distribution in  
13 1995 would be the remainder of the funds, and according to  
14 the formula which would raise the funding floor -- half of it  
15 would go to raise the funding floor and half of it to fill up  
16 the cup for programs that are the least well funded.

17 It happens, as the recommendation points out in the  
18 text which follows the specifics of the recommendation, it  
19 happens that among migrant components, and migrant funding  
20 goes, with the exception of two programs, to basic field  
21 programs for a migrant component within the program. There's  
22 only two actual free-standing migrant programs in the

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1 country.

2 It happens that the disparity in migrant funding is  
3 the greatest of any of the funding that we give out, and it  
4 ranges from a little over \$5 per poor person to \$36 per poor  
5 person.

6 So under this recommendation, and it reflects the  
7 recommendation which came from the Funding Criteria Committee  
8 and from the field processes, a significant number of the  
9 components would not receive any funding increase for this  
10 year because when you raise the floor and fill up the cup  
11 there are so many which are way over the floor by a  
12 significant amount that the result of that is not an increase  
13 for them.

14 It's obviously one of those areas where hard  
15 choices have to be made because there's no way to not gore  
16 someone's ox given the fact there's not nearly enough money,  
17 and the field, in wrestling with that, made a recommendation  
18 which is reflected here.

19 CHAIRPERSON ASKEW: Okay. Any questions about  
20 migrant funding?

21 (No response.)

22 CHAIRPERSON ASKEW: Thank you. We now have the

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1 staff recommendation before us. Are there any other general  
2 questions about the staff's recommendation?

3 (No response.)

4 CHAIRPERSON ASKEW: Before we make a motion or take  
5 action, I should ask Andy Steinberg, who is here representing  
6 the Funding Criteria Committee, and anyone else from any of  
7 these communities that are here if they would like to address  
8 this recommendation to our committees. Andy?

9 MR. STEINBERG: I think that De is going to speak  
10 first.

11 CHAIRPERSON ASKEW: Okay.

12 MR. MILLER: Mr. Chair, I am De Miller from Legal  
13 Services of New Jersey, and with me are Merceria Ludgood from  
14 Legal Services Corporation of Alabama and Larry Lavin of  
15 National Health Law Program.

16 We are the three tri-shares of the Support Working  
17 Group. And each of us will comment very briefly to you on  
18 the variance, the very slight variance that there is between  
19 the support working group views on these dollar figures and  
20 the staff position. And as just a general characterization I  
21 should say that we are very close. We will highlight the  
22 areas in which we are not entirely in accord.

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1           At tomorrow's presentation by the three of us on  
2 behalf of the working group we'll go much more fully into our  
3 sense of a vision for support, what support needs to be doing  
4 at national, local -- state and local level, and the enormous  
5 -- our sense of the enormous unmet need, the gaps that really  
6 have to be addressed by the corporation to fulfill this  
7 vision.

8           But that's tomorrow's discussion, and we very much  
9 don't want to pull you into tomorrow's discussion today and a  
10 discussion of the numbers. So with that Larry will start off  
11 with the national support.

12           MR. LAVIN: The first thing I want to ask you to  
13 consider is that we're not talking about a small amount of  
14 money here. We're looking at something that represents a  
15 much needed increase for national support and which involves  
16 many clients' issues that are pressing at the moment. So as  
17 we consider setting aside and holding back I think it's  
18 important that the impression not be given that these are  
19 moneys that are not needed right now for real issues clients  
20 are facing.

21           We do believe, however, that there are three things  
22 that we need in the national support community. We need

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1 structure. We need flexibility. And we need the ability to  
2 build our institutions of support at the national level in a  
3 way where there are criteria and accountability.

4 We strongly believe that this year is going to  
5 develop the process that Doug raises the question about what  
6 it is. We, too, feel that we have to reach some consensus  
7 about what that process will be, to examine some very hard  
8 questions about what the needs are and what the needs for  
9 funding for them are.

10 We agree very much with the recommendation to hold  
11 back for the three purposes stated. We were more specific in  
12 both the National Support planning process and the Support  
13 Working Group about specific amounts that should be allocated  
14 for coordination.

15 And coordination for us is the beginning of the  
16 structure question. It's how we start to bring together the  
17 diverse approaches we have on substantive issues, to bring  
18 the kind of collaboration and support we need to make it  
19 effective throughout the system.

20 So we consider that to be extremely important  
21 coordinated advocacy. And we hope that in the goals that are  
22 adopted here for setting aside some funds for coordination,

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1 that we'll see the continuation of the work that we've begun  
2 in the united support process.

3 With respect to the category of unmet needs, that's  
4 the flexibility. We have current issues of clients' problems  
5 that just have to be addressed right now. It's not something  
6 that will wait for our institutional development. So we are  
7 very much in favor of that kind of flexibility in the system.

8 And finally the big question as to how we look at  
9 the largest amount of money, which would be set aside for  
10 -- it's been characterized in different ways, historic  
11 anomalies -- but really what we're talking about is the needs  
12 of clients at the moment for specific attention by centers,  
13 some of which are extremely underfunded.

14 We're talking about a range of funding of \$80,000,  
15 which supports one lawyer, to \$900,000, which supports about  
16 six lawyers. And we're talking about serious problems of  
17 income, housing, health.

18 So we hope that as we go through the very important  
19 process of the next year and hopefully providing your  
20 committee the support and explanation, the rationale it needs  
21 to convey to Congress the dramatic needs we have for an  
22 increased amount, and particularly now, and it may be our

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1 only opportunity to get the bump that we need in national  
2 support, that this process will proceed, but that we also  
3 will have maximum flexibility in the corporation to meet the  
4 needs that are identified.

5 MR. MILLER: With regard to state support, the  
6 staff recommendation regarding the funding to the territories  
7 and the staff recommendation with regard to money passing out  
8 by formula may begin to make critical adjustments that will  
9 allow capacity-building in the states that are furthest from  
10 where they need to be, those two sets of recommendations are  
11 entirely congruent with both the state support community's  
12 recommendations through NASU and the Support Working Group.  
13 There are no differences there.

14 There is a small difference in the amount that the  
15 corporation staff recommends to be withheld. They recommend  
16 130,000 for coordination. The Support Working Group at its  
17 meeting in October came in with a somewhat lower amount of  
18 \$85,000.

19 Subsequent discussions with staff of the  
20 corporation lead me to believe that we really just, I think,  
21 agree on the principle that we need a fully funded and  
22 supported staff person to be a coordinator for state support.

1 And we're really just now trying to discuss the details of  
2 function and cost. So I have a high level of confidence that  
3 we will be able to resolve that within that \$130,000 figure,  
4 maybe a little lower, maybe that much.

5 MS. LUDGOOD: The regional training centers offered  
6 to put \$5,000 on the table to help in this coordination  
7 effort. I suspect that they didn't felt that that was even  
8 \$5,000 available out of this new money of \$75,000. The staff  
9 has come in with \$25,000, which is, well, a lot more in their  
10 eyesight than the \$5,000 they intended.

11 But I think because all of the support entities  
12 were saying coordination is what we need, the regional  
13 training centers wanted to at least make some contribution to  
14 this effort, and that's where the \$5,000 comes from. And we  
15 just want to point that out.

16 I think one of the reasons the regional training  
17 center believes so strongly in the coordination effort is  
18 because they -- or whether there is some lack of clarity  
19 about their role in all of this and believes that if the  
20 coordination is done to develop the regional training centers  
21 we will emerge in that process.

22 CHAIRPERSON ASKEW: Any questions? Doug?

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1           MR. EAKLEY: Just one observation. I'll say it  
2 again tomorrow, because it will be appropriate tomorrow, too.  
3 But I think what we've seen is just an extraordinary effort  
4 by the delivery working groups and their chairs, but by a lot  
5 of people in a lot of areas, coupled with a great deal of  
6 work by our staff to bring together what is remarkable for  
7 this program, virtual consensus on discretionary spending.

8           We disagree in some margins, but I think that the  
9 fact that we are so close is reflective of the hard work that  
10 everyone has put into this. And it doesn't stop here. It  
11 only starts here. And it continues for tomorrow. But I'd  
12 just like to thank our three delivery working group chairs as  
13 well as management for bringing this to this point at this  
14 stage in the process.

15           CHAIRPERSON ASKEW: Yeah. I would also like to  
16 thank you for the paper that you sent out to us. If a board  
17 member hasn't had a chance to read it, I would encourage you  
18 to read it. It is very thoughtfully done and very  
19 comprehensive and very helpful to all of us, including me.  
20 And I very much appreciate the effort you put into that but  
21 also some of the time frames you worked under the last week  
22 to get this out to us.

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1 I felt it was extremely important that the board  
2 have access to this before we have tomorrow's discussion. It  
3 will frame that discussion, give us context for that that we  
4 didn't have before. And it's very, very helpful. I know  
5 Bristow and Alan Houseman contributed to this effort and  
6 deserve credit for it also. But this is really extremely  
7 well done and very helpful, and we owe you a debt of  
8 gratitude for helping us with that also. So, Maria, did you  
9 have something?

10 CHAIRPERSON MERCADO: Yes. I was just real  
11 curious. You had mentioned, just so that I look at the  
12 discrepancies here, the regional training, I think you had  
13 said \$5,000 was what the Delivery Working Group had  
14 recommended versus \$25,000.

15 MS. LUDGOOD: Right.

16 CHAIRPERSON MERCADO: And then on the state support  
17 \$85,000 versus \$130,000, because I was just looking at the  
18 figures here. If we look at the set-asides that we have, we  
19 have \$1,353,000 on set-asides that aren't sent specifically  
20 for pro rata allocation to the different programs, whether  
21 state, national, migrant or regional training centers.

22 And I guess part of what I need to see, I guess,

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1 from management is if we're coordinating state, national,  
2 regional training centers, what amount of that \$1,353,000  
3 will be for the coordination and what amount will be for the  
4 other initiatives? Maybe that's where part of your concern  
5 comes from. I'm not sure.

6 MR. MILLER; Management, I am sure, will express  
7 its sense of where they think they want to go on the  
8 national. The Support Working Group process did a lot of  
9 thinking about sort of a first stage of coordination at its  
10 October meeting around national support and was looking for  
11 -- identified some key areas. They are identified in the  
12 paper.

13 The provision, I think, of that for state support  
14 is to fund a position, a professional position and its  
15 supporting accoutrements that would sort of -- just to give  
16 you some kind of order of magnitude so we're not -- that's  
17 why the \$130,000 or a little more or a little less isn't so  
18 much a critical issue, because we're really in agreement on  
19 the notion that in year one for coordination of state support  
20 we need a professional staff person. I think there's  
21 provision of what's necessary at the national level as well.  
22 I'm sure we've reached that level of detail for regional.

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1 MS. BERGMARK: And on behalf of management I would  
2 simply add that we were focusing our recommendation to you  
3 for this meeting on the amounts of money that we were  
4 proposing to be distributed January 1 to existing programs.  
5 And that's consistent throughout each of the categories. So  
6 that for national support the amount to be distributed is the  
7 474,000. For state support it's the 252,000 for the  
8 territories and 788,000 for existing state support programs.

9 We were not ready yet -- we are certainly working  
10 with the working group on the amounts -- the sorts of things  
11 that should be done within the \$855,000 of national support  
12 money that's being held back. But we're not yet ready to  
13 come to you with a specific recommendation. And we are also  
14 looking for some flexibility to work on those issues as we go  
15 into it in the coming weeks.

16 CHAIRPERSON MERCADO: So that in effect what we're  
17 looking at, discretionary funds or set-aside funds in which  
18 management, with input from the board and from the field is  
19 looking at the \$1,250,000 as to how that's going to look,  
20 whether it's coordination or pro rata sharing and some of the  
21 historically funded programs, or however that is. It's not  
22 really specific at this point. I mean, I just wanted to make

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1 sure that I have that correct.

2 MR. MILLER: That's right.

3 CHAIRPERSON MERCADO: Okay.

4 PRESIDENT FORGER: For example, in national I don't  
5 know whether you indicated, Larry, you had a different  
6 opinion as to what would be set aside for coordination. I  
7 thought you indicted that, whereas we have not yet identified  
8 an amount.

9 MR. LAVIN: You haven't specified an amount. We  
10 had specified \$160,000 in the Olspock process, and that was  
11 accepted and endorsed by the Delivery Working Group Process.  
12 So we were very specific in the amount.

13 MR. EAKLEY: But you don't disagree with priority.

14 MR. LAVIN: Yeah. We haven't gotten to that.

15 MS. ROGERS: The smallest amount is to be allocated  
16 to coordination.

17 PRESIDENT FORGER: So we might do \$159,000 or  
18 \$161,000, and that wouldn't disturb the field, I don't  
19 suppose.

20 MR. LAVIN: No.

21 CHAIRPERSON MERCADO: As far as the unmet need for  
22 national support that you guys have any particular area or

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1 amount that you were looking at?

2 MR. LAVIN: In the Delivery Working Group process,  
3 they again reviewed the Olspock process, which is reported on  
4 in the paper that you should have received last week  
5 reexamining national support. And in that you will see that  
6 for unmet needs we immediately suggest 10 percent of any new  
7 moneys and the unexpended line item amount that's left in  
8 national support has been left over the last two years, which  
9 is an amount equal to about \$90,000.

10 So our recommendation was 10 percent of any new  
11 moneys plus that \$90,000 be set aside for the flexibility to  
12 meet unmet needs. And we also think an amount like that  
13 should be available each year for the corporation to have the  
14 flexibility in the national support structure to meet unmet  
15 needs.

16 CHAIRPERSON ASKEW: Let me make clear, is the  
17 Delivery Working Group process now completed?

18 MR. LAVIN: No.

19 CHAIRPERSON ASKEW: Okay. That's what I thought.  
20 Your recommendations are not final?

21 MR. LAVIN: Although they did endorse these  
22 recommendations which I have just spoken to you about.

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1                   CHAIRPERSON ASKEW: Right. You have another  
2 November meeting; is that right?

3                   MR. LAVIN: December 2 and 3.

4                   CHAIRPERSON ASKEW: Okay.

5                   MR. MILER; And we actually, as you'll hear  
6 tomorrow from our serious presentation, expect that there  
7 will be a number of issues that are going to require further  
8 work.

9                   But we focused on the key ones, really, in response  
10 to the concern expressed by Ms. Mercado earlier that our  
11 recommendations to you on the things that are most  
12 fundamental to the corporation both to make policy decisions  
13 about funding issues and also to get sort of the key steps  
14 taken that need to be begun to be taken, those things are  
15 what we're focusing on first.

16                   CHAIRPERSON ASKEW: Good. Okay. Any further  
17 questions?

18                   (No response.)

19                   CHAIRPERSON ASKEW: Thank you very much. Do any of  
20 the committee members want any further discussion of these  
21 items before we move to a motion and a vote on the staff  
22 recommendation?

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1 (No response.)

2 CHAIRPERSON ASKEW: Ms. Rogers?

3 MS. ROGERS: Mr. Chair, I move joint committee  
4 adoption of the staff recommendation that are represented by  
5 the boldface type in the October 28, 1994, memorandum from  
6 Alex Forger to our two committees.

7 MR. EAKLEY: Second.

8 CHAIRPERSON ASKEW: We have a second. Any  
9 discussion of that motion?

10 MR. EAKLEY: It was nicely done.

11 CHAIRPERSON MERCADO: I just wanted to make sure  
12 that the bolded part in the recommendation coincided with the  
13 body of what you are recommending.

14 PRESIDENT FORGER: It doesn't always.

15 CHAIRPERSON MERCADO: It doesn't always.

16 PRESIDENT FORGER: But it's close enough.

17 CHAIRPERSON MERCADO: Yeah, because there were some  
18 differences in the money allocated in the recommendation and  
19 the money in the body of it, but let's just say that the  
20 recommendations with the specific moneys allocated that John  
21 and Martha outlined.

22 CHAIRPERSON ASKEW: So we're only adopting the bold

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1 print, not the narrative discussion in the memo.

2 PRESIDENT FORGER: I think you're adopting the  
3 proposal for allocation of the funds in those four lines that  
4 are set forth in the memo.

5 MR. EAKLEY: That's correct.

6 PRESIDENT FORGER: Right.

7 CHAIRPERSON ASKEW: Any further discussion?

8 (No response.)

9 CHAIRPERSON ASKEW: All those in favor say aye.

10 (A chorus of ayes.)

11 CHAIRPERSON ASKEW: Any opposed?

12 (No response.)

13 CHAIRPERSON ASKEW: The motion passes. We will  
14 report that to the board tomorrow.

15 The next item on the agenda is the status report on  
16 the corporation's fiscal year 1994 financial audit  
17 preliminary COB and expenses through September 30. Madame  
18 Chair. Mr. Richardson.

19 CHAIRPERSON MERCADO: Just before you start, I just  
20 want to make sure that what we have is funds available for  
21 the 12-month period rather than the 11-month period; is that  
22 correct?

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1 MR. RICHARDSON: That's correct.

2 CHAIRPERSON MERCADO: So that was just a typo in  
3 the memo. This should be the end of fiscal year '94.

4 MR. SMEGAL: Are you talking about the November 1,  
5 11 and 12?

6 CHAIRPERSON MERCADO: Yes. I just wanted to make  
7 sure that that was the case from our accounting, because the  
8 accounting seems to be that way, that it did say 11-month  
9 period, the 12-month period. I'm sorry. You can't hear me?  
10 And I can't even hear myself. I'm sorry. Okay.

11 Mr. Richardson, if you will go ahead and make the  
12 presentation about the consolidated operating budget expenses  
13 and other funds available for the 12-month period ended  
14 September 30, 1994.

15 STATUS REPORT ON THE CORPORATION'S FISCAL YEAR 1994

16 FINANCIAL AUDIT AND PRELIMINARY CONSOLIDATED

17 OPERATING BUDGET AND EXPENSES THROUGH SEPTEMBER 30, 1994

18 MR. RICHARDSON: Okay. For the record, my name is  
19 David Richardson. I'm the corporation treasurer and  
20 controller. Before you in the November 1 memo that is  
21 addressed to the members of the board of directors are the  
22 documents for the 12-month period for the consolidated

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1 operating budget.

2 I need to call your attention to one item in the  
3 funds that are allocated. It does increase the budget.  
4 September 22 we received information that gave us an  
5 additional \$150,000 grant for special emergency needs in  
6 Florida and Georgia. The OMB allocated that money on  
7 September 22, and we were able to draw that money down from  
8 Treasury just this week and make the awards to the two  
9 programs to help aid in the emergency flood relief from that  
10 area.

11 CHAIRPERSON MERCADO: In this document, I didn't  
12 see where those were included. They are not, are they?  
13 \$150,000, where in the document that you have is that?

14 MR. RICHARDSON: Look at attachment B for 1A.

15 CHAIRPERSON MERCADO: Attachment B?

16 MR. RICHARDSON: You will see in the field programs  
17 there is an additional \$150,000, which increases the field  
18 programs budget to \$365,000 even.

19 CHAIRPERSON MERCADO: Okay. I see. Okay.

20 MR. RICHARDSON: And that does increase the revised  
21 budget for the year because of the additional appropriation  
22 to \$402,025,083. The expenses, the contracts that have been

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1 written through the month of September are \$400,324,225. So  
2 in the budget we have basically \$1.7 million remaining. And  
3 what you have in columns 6 and 7 are the designations of  
4 those moneys. The \$210 is that is designated is actually for  
5 -- 150 is for the special emergency needs, and an additional  
6 \$60,218 is the amount of moneys that is left from the U.S.  
7 Court of Veterans Appeals.

8 All of the grantees -- we have reported during the  
9 year that there have been some grantees that have been on  
10 short-term funding. All of those awards have been given this  
11 year. So there are no grantees that have not received their  
12 funding for the remainder of the year. That is in the  
13 annualized awards.

14 When you look at the board and the president and  
15 the inspector general designated funds, we have some grants  
16 that have just been made out of the contingency funds. In  
17 the basic field program there is one in particular.

18 And the law school money, because they are on a  
19 kind of a different cycle, there are \$675,000 basically that  
20 will be awarded at a later date once the grant documents are  
21 signed. And once that is done, then those will be expensed.  
22 But those amounts of money will be carried forward as

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1 designated into the next year.

2 Let me back up to the basic field. We still have a  
3 contingency of 58,000. The Native American, we have 47,900.  
4 And I did get word this week that there's a possibility that  
5 there will be a grant coming out of this line very shortly.  
6 There is basically \$1,200 in the law school moneys that has  
7 been allocated at this point.

8 The allocations that we made in September, we will  
9 come back to you in December with an actual allocation  
10 because, for instance, the law school money I do know is  
11 higher in the temporary budget that we did pass. It's higher  
12 because some of the grant awards that were made did come in  
13 last minute. They were expensed. So we will be adjusting  
14 when we do pass a final consolidated operating budget  
15 downward in these particular areas where the awards were  
16 made.

17 Within the support for delivery of legal  
18 assistance, again, we have no carry-over funds. The training  
19 money has been granted. And the other support, we have  
20 moneys that were available in the national and state support,  
21 and you'll see that we do have money awarded in both national  
22 and state support.

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1           There is a small contingency left in those lines  
2 also. This is for some of your planning grants that you just  
3 heard about. Some of them that are ongoing trickled over  
4 into October before they were made, so they are designated  
5 for next year's operations.

6           Within management and administration, we had a  
7 budget of \$10,665,000 in total for the operations of the  
8 administration, management and administration, \$10,304,000.  
9 We've spent \$10,042,000. And we had a remaining balance of  
10 262,000. That is significantly higher than we had reported  
11 to you in September of what it would be, but what has  
12 happened is that there were some training events that did not  
13 occur. They were shifted into October.

14           And the computer purchase that you approved  
15 \$340,000 for, at this point there's only been approximately  
16 270,000 spent, that again because the products, they were  
17 ordered, but they were not delivered until October. So the  
18 designation is to bring the money forward into fiscal year  
19 '95.

20           CHAIRPERSON MERCADO: Which line item is that  
21 under?

22           MR. RICHARDSON: What you see in column 7 under the

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1 comptroller administration, the 75,481, that is the amount  
2 for the computer purchase. In total, you see we still have  
3 186,000 that is not committed. I had reported that I felt it  
4 would be between 80 and 100 in September and, of course, it  
5 increased a little bit because of sliding of some trainings.

6 One of the areas of importance here within the  
7 human resources line, there's 33,000. We had set aside  
8 25,000 for the worker compensation. It ended up being a  
9 little less than \$8,000 this year. So that's the major  
10 portion of that item.

11 MR. SMEGAL: In column 2, the September budget  
12 revision, is that a rental reallocation?

13 MR. RICHARDSON: Column 2 for management  
14 administration? No, sir. This --

15 MR. SMEGAL: Ye, under management and  
16 administration, the vertical column number 2 which says  
17 September budget revisions.

18 MR. RICHARDSON: Right. That's the money that we  
19 asked ms. Mercado in September to approve some line item  
20 transfers for the updating of our communications and computer  
21 needs.

22 MR. SMEGAL: Oh, okay. And those are excess funds

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1 in each of these categories that were available?

2 MR. RICHARDSON: That's correct, sir.

3 MR. SMEGAL: Okay. Thanks.

4 MR. RICHARDSON: The reason that you have a little  
5 bit of overage, for instance, in my budget, the \$7,000, is  
6 because after we made the allocations we were fortunate  
7 enough to receive a lease at 400 Virginia Avenue the last  
8 week of September. There was a \$15,000 amount for the real  
9 estate commission. So it's more than offset it in the  
10 budget, of course. I call that to your attention. That's  
11 the reason that we do have an amount of shortage there.

12 The other lines within the board initiatives, I  
13 have detailed those within the document this month. You see  
14 that the competition initiative, the 260,000, there was  
15 71,000 spent this year. Basically, there's 189,000  
16 remaining.

17 The presidential search, the 85,000, we spent  
18 81,778, so there's \$3,322 of that money that we have left and  
19 available. This money we did move into management and  
20 administration, this \$192,000, to help support the temporary  
21 budget for management and administration next year.

22 And the other funds available, this is up

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1 significantly, mainly because of the recording of the rent  
2 receivable. As we did last year in recording a lease loss  
3 with the building which run through August of '95, since we  
4 were able to lease a portion at 400 Virginia Avenue, there's  
5 approximately \$250,000 that we accrue as income in '94 that  
6 we'll be receiving in '95. But that does affect the budget  
7 for this year and the moneys that are available. And that's  
8 the reason that this figure now is going to \$1,015,000.

9 MR. SMEGAL: Why wouldn't you include as a debit  
10 the real estate commissions rather than in your line under  
11 3A6? Why not net it out under miscellaneous income? I mean,  
12 why did you make that bookkeeping entry where you did?

13 MR. RICHARDSON: Only for full disclosure. In your  
14 prior term of award, that's exactly what we did. But so as  
15 not to confuse the issue, to bring everything before the  
16 board, instead of showing a \$230,000 net income, we show the  
17 240, 250, and the 15,000. That way we have more information  
18 coming to you.

19 It will be netted out when we do the final audit to  
20 the financial statements. The auditors will net it out, just  
21 like we report the grant recoveries separately. When you  
22 receive a financial statement, and we've spent \$390 million

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1 in grants, they will offset this 277 because it is in a  
2 significant and they collapse the two lines.

3 MR. SMEGAL: Are you doing the same thing with  
4 recovered attorneys' fees? Do they come out separately from  
5 Victor's line?

6 MR. RICHARDSON: We have reported them separately.  
7 Certainly in the 426 there was an amount of \$126,000 for  
8 attorneys' fees. And I have not talked with the auditors  
9 about that at this point, but I believe they will make that  
10 adjustment.

11 MR. SMEGAL: All right.

12 MR. RICHARDSON: It will not affect the bottom  
13 line, of course. One of the things that we have tried to do  
14 also is to provide in this month in a separate memo, and we  
15 just purposely addressed this one to Marie Luisa as chairman  
16 of the committee, is to give you preliminary financial  
17 statements. And what I have done is to give you a balance  
18 sheet and a statement of support revenue and expenses.

19 And you will see the significant changes within  
20 operations for the corporation. Last year we had --

21 CHAIRPERSON MERCADO: Excuse me, David. Just a  
22 minute. Are there copies for the rest of the board members

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1 on this?

2 CHAIRPERSON ASKEW: They should have been at their  
3 place.

4 MR. RICHARDSON: Yes. Yes, there was.

5 MR. RICHARDSON: There are additional copies right  
6 here. I just wanted to review this very quickly with you.  
7 And I know the time is short with everything that we have  
8 planned today. But I just wanted to bring to you the total  
9 assets and go over the fund balance, because you'll see that  
10 there are some significant changes.

11 The fund balance for September -- or total assets  
12 is \$69,567,000. The increase from the 61,582 that we had  
13 last year is in the form of cash. And the reason for that,  
14 of course, is our grant went up. Our grant went from 357  
15 million to 400 million. And now we have the addition of the  
16 two special emergency. So the total appropriation this year  
17 is \$400,650,000. So that \$8 million is directly attributed  
18 to the increase in appropriations.

19 The same thing with the liabilities. We have total  
20 current liabilities of \$66,700. Last year there were  
21 basically 61 million. The major increase in that, \$7  
22 million, is in the amount that is due to the grantees for the

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1 last quarter.

2 And you'll see that there is a reduction in the  
3 lease liability, and that's because of, of course, continuing  
4 to pay the lease payments, and we did allocate \$850 million  
5 of this year's appropriation to reduce that line.

6 CHAIRPERSON MERCADO: Thousand.

7 MR. RICHARDSON: 850,000. That's right. Within  
8 the deferred revenue, last year we had \$1,064,000 in short  
9 term grants, moneys that we had not earned yet. So therefore  
10 it is shown as a deferred revenue item. This year we have  
11 the 150,000, and that is the special emergency grants,  
12 because that money was not available to us until day before  
13 yesterday, even though the appropriation was approved.

14 The main significant item that I want to look at  
15 here and spend just a moment with was within the fund  
16 balance. In last year's financial statements you'll recall  
17 we had a deficit in the undesignated fund balance of \$260  
18 million. However, 20,000 of that --

19 MR. EAKLEY: Two million six.

20 MR. RICHARDSON: Two million six was allocated to  
21 -- was the undesignated. However, 20,000 of that money was  
22 designated for grantees. And we left that distinction, and

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1 the money is available through the carryover to the grantees.  
2 So that's the reason I've shown this at 2.58, because I  
3 wanted to bring that to your attention. That is the amount  
4 of the actual deficit that we have facing us coming into this  
5 year.

6 We have reduced that deficit to \$362,000 at this  
7 point. Now, that is made up of the \$848,000 that we set  
8 aside for the appropriation plus within the consolidated  
9 operating budget for the remaining funds we had \$1,586,000 of  
10 remaining unallocated funds. However, included in that was  
11 \$192,000 for field programs. So we have \$1,394,000 plus the  
12 848,000 that has gone to reduce our deficit.

13 Now, we have also set aside this year 745,000.  
14 That's because even though our deficit is shown as 362,000,  
15 we've allocated some money for the continued operations of  
16 '95. And that's the 250,000 for the rent. And we allocated  
17 the excess of the interest in revenues -- other revenues of  
18 175,000 to carry forward to help operations.

19 So with the 745,000 that we have set aside, we  
20 should be able to eliminate the deficit this year without a  
21 problem. And that was our goal, to go to a two-year budget  
22 deficit reduction plan.

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1 MR. SMEGAL: You were able to do that without using  
2 any of the M&A funding for fiscal year '95? Is that what you  
3 said?

4 MR. RICHARDSON: That's correct, sir.

5 MR. SMEGAL: So we're actually much better off than  
6 we anticipated we would be at this point.

7 MR. RICHARDSON: That's correct, sir.

8 MR. SMEGAL: Let's have a party.

9 CHAIRPERSON MERCADO: Well, there's definitely a  
10 lot of tightening of the belt, so to speak, this year. I  
11 know the comptroller's office and management has been working  
12 very diligently to make sure that we didn't have this deficit  
13 this year.

14 MR. RICHARDSON: If I might, within the financial  
15 statements we have made some allocations between the  
16 designated and undesignated. That may change slightly if  
17 there are additional awards given. We have established a  
18 cutoff, but there are some things that were in the works when  
19 we established the cutoff that may affect it a little bit on  
20 an audit purpose.

21 So you may have an item that is shown as  
22 undesignated at this point that may flip to designated when

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1 December comes around or January when you see the final  
2 financial statements. But that should be the very minor  
3 amounts. And I will point those out to you when we do get to  
4 that point and see those reports. If there are any  
5 questions, I'd be glad to answer them for you.

6 MS. FAIRBANKS-WILLIAMS: You're talking about the  
7 software that you went out to the community and things for  
8 them to do their grant things on. Has that all been bought  
9 and paid for?

10 MR. RICHARDSON: Yes, ma'am. It has.

11 MS. FAIRBANKS-WILLIAMS: Is it working any better  
12 in any other area than it is in mine?

13 MR. RICHARDSON: There have been some problems.  
14 Certainly we have three computer people to stay on the phone  
15 with grantees. We download system, updated files through our  
16 bulletin board. We do not go through Handsnet, but we have  
17 our own bulletin board.

18 We probably receive 20, 25 calls a day with some  
19 questions. Sometimes we have given grantees a high density  
20 disk and they need a low density disk. And we try to get  
21 those to them as quick as possible through the next day mail,  
22 or they can in some cases download it through the bulletin

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1 board and get a system than they can use.

2 And this will be reported, of course, in PAG and  
3 within our communicator. If anybody does have a problem with  
4 their software, they can contact myself or Eric Hagerstrom  
5 and Warren Gibson, and they work with the grantees all the  
6 time in trying to get this information and get it in a  
7 diskette, a form that we can use and provide some useful  
8 reports, fact book and so forth to you as a board and to the  
9 program.

10 MS. FAIRBANKS-WILLIAMS: Well, they have called. I  
11 think they finally sent a diskette in. We have murdered so  
12 many trees now that it's discouraging.

13 CHAIRPERSON MERCADO: If there aren't any other  
14 questions, we don't need to take action on this item other  
15 than just to submit it for the board's review.

16 MR. SMEGAL: I have another question of David.

17 CHAIRPERSON MERCADO: Yes.

18 MR. SMEGAL: The last page of your November 1  
19 preliminary fiscal year 1994 financial statements to Mary  
20 Luisa has as its last page the 11-month period ending August  
21 31.

22 MR. RICHARDSON: That is correct, sir.

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1 MR. SMEGAL: In that we've already gotten the 12-  
2 month, why is that here?

3 MR. RICHARDSON: Only for information purposes  
4 because, quite honestly, when I had put this together I  
5 wasn't sure I'd be able to get the 12-month financial  
6 statements completed, and since I had them both, I thought,  
7 well, I'll just give you an opportunity to look at them.

8 MR. SMEGAL: One memo was written early in the day,  
9 and the other one was written later.

10 MR. RICHARDSON: That's right.

11 MR. SMEGAL: All right. Thank you.

12 CHAIRPERSON MERCADO: Thank you, David.

13 CHAIRPERSON ASKEW: Okay. The last item on our  
14 agenda is item number 7. Larry, if you and John would come  
15 forward, let me introduce this item for you. Larry Fox is  
16 here to make a presentation to us. Larry is a lawyer in  
17 Philadelphia, a partner in the firm of Drinker, Biddle and  
18 Reed. Is that right, Larry?

19 MR. FOX: That's right.

20 CHAIRPERSON ASKEW: Got it right. He is the  
21 chairperson-elect of the ABA's Litigation Section, which  
22 -- am I right in saying that's the largest section of the

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1 ABA?

2 MR. FOX: It is.

3 CHAIRPERSON ASKEW: The largest section of the ABA.  
4 And Larry has also been very active on the Ethics Committee  
5 of the ABA. I'll ask him to introduce himself in a little  
6 more detail. But I should say that Larry was an original  
7 Heber Smith fellow coming out of law school a few years ago.  
8 So he has a history of legal services.

9 And Larry and I met in May at a Center for  
10 Professional Responsibility meeting and had a discussion  
11 about the Legal Services Corporation and better relations  
12 with the ABA, and Larry had some very creative ideas,  
13 especially coming from a litigation section.

14 Ultimately, I suggested that he meet with John, lay  
15 those ideas out. And I thought it would be very useful if  
16 the committee heard from Larry about what some of those ideas  
17 are and how we can build better working relationships with  
18 the ABA and its sections. So with that I'll turn it over to  
19 Larry.

20 PRESENTATION BY LARRY FOX, REPRESENTATIVE OF THE  
21 AMERICAN BAR ASSOCIATION SECTION OF LITIGATION,  
22 REGARDING THE SECTION'S INTEREST IN

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SUPPORTING THE CORPORATION'S WORK

MR. FOX: Thank you, Bucky. I am chair-elect of the Litigation Section. We are, in fact, the largest section. We have 65,000 members, 65,000 energetic litigators dotted across the country.

And as I thought about becoming chair of this section, I have been working non-stop ever since I left Legal Services to salve my guilt over leaving. I see Gary in the back here and know that he's never left and feel even guiltier about the fact that I've left for so long.

And I thought that one of the initiatives I could undertake to help me with this personal problem was to make a major initiative on behalf of the section of litigation with the Legal Services Corporation, since it was so dear and near to my heart. And I've been thinking and meeting with a number of the people in the section and others like Bucky and now John to see what it was we could do.

I must say sitting during your deliberations earlier today has been instructive and reminded me once again of your daunting responsibility, the extraordinary sums involved, and how little it is we can probably do to make a real contribution, certainly on the financial side. We don't

1 have the resources to help you with your nine-figure budget  
2 that should be a ten-figure budget, as far as I'm concerned.

3 But there are things we can do. And I am here to  
4 offer help but to most importantly say that I think we need  
5 you more than you need us. There are things we as a section  
6 of litigation of the ABA can do to help. But getting Legal  
7 Services lawyers involved in our activities is far more  
8 important to me than what we can do to help the Legal  
9 Services lawyers deliver services better.

10 The ABA is a wonderful organization. I love it  
11 dearly. And it represents all lawyers. But they are  
12 represented in different proportions depending on their  
13 wealth and where they are located and so on. And one of the  
14 great underrepresented groups, almost unrepresented groups,  
15 are Legal Services lawyers who, for various reasons, either  
16 don't belong to the ABA or if they do belong to the ABA  
17 cannot afford to participate in our programs. So that's one  
18 issue that we want to address and one thing we want to  
19 present to you.

20 I have a little memo which Doug, I think, has been  
21 kind enough to pass out which just spots some highlights.  
22 This is not a program yet. This is merely an initiative.

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1 And I apologize because my colleague, Kenny Frazier, was  
2 supposed to be here today. He has agreed to chair this  
3 effort if we find that John and the board and everybody else  
4 is as enthusiastic about it as we are. Unfortunately, he is  
5 vice president for public affairs at Merck, and he told me  
6 his boss called him and called him away to some secret  
7 mission.

8 But let me just highlight a couple of the things we  
9 think we can do. Obviously, we're not asking you to do  
10 anything today. I'm not asking for any money from your  
11 budget today. And I hope that some of these ideas will  
12 become real programs, and I also hope that you and your  
13 colleagues in the Legal Services Corporation will offer us  
14 ideas, because we don't have a monopoly on what your needs  
15 are or good thoughts that will help us.

16 First, the section of litigation sponsors a major  
17 free-standing CLE meeting. In my year it will be held over  
18 Martin Luther King weekend in Miami, actually in Bal Harbor  
19 for those who are scared to go to Miami. It's in Bal Harbor.  
20 It typically attracts about 800 lawyers.

21 It is my goal to have 100 Legal Services lawyers in  
22 attendance there, and for purposes of helping that happen I

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1 offer free tuition or virtually free tuition to those who can  
2 attend. We are looking for corporate sponsors or others to  
3 help underwrite full participation by those lawyers in not  
4 only the programs but the social events.

5 We have gotten substantially reduced hotel rooms  
6 prices which would make it much easier for those people to  
7 attend. And, much more important, John and I have started  
8 talking about how we can develop a program at that meeting  
9 that will provide those 100 or maybe 150 Legal Services  
10 lawyers a program that will be meaningful for them.

11 We hope to feature speakers who will be of interest  
12 to Legal Services lawyers. We hope to offer programs that  
13 will be of interest to them. And, most important, we want  
14 them to participate in our social events and meet our lawyers  
15 and have our lawyers meet them and work with them.

16 A second issue we've identified, lots of our  
17 members belong to law firms that have wonderful in-house  
18 training programs. For no cost or virtually no cost they  
19 could include a Legal Services lawyer or two or three or four  
20 in those programs. We have already done it in Philadelphia.  
21 Some other firms have done it. But it hasn't been encouraged  
22 and recognized in the way it could be.

1 I know training is a major and has to be a major  
2 priority for the Legal Services Corporation. We think this  
3 is one way a private-public partnership can work. The  
4 section of litigation has sponsored one NTA-style regional  
5 training program for Legal Services lawyers each year. We  
6 would like to expand that to four.

7 Again, we would like to find some funding -- we  
8 want to find the funding; we are not asking you for the  
9 funding -- so that we could put on four or five programs a  
10 year to really give a number of Legal Services lawyers a  
11 chance to participate in NTA-style activities.

12 Lobbying. We have 65,000 members. We think they  
13 can help you. I don't know that they can help you, but it's  
14 one area where the section of litigation has fallen down. We  
15 have not used our clout. We know Congressmen. I am very  
16 hopeful that come Tuesday morning I'm going to know a  
17 Congressman who's my brother. It may not happen. But we  
18 know Congressmen. We are well-connected. And we think we  
19 are a force. And we are supporters of Legal Services in a  
20 strong way. And we would like to help you that way.

21 I don't know how many of you know about the  
22 Philadelphia fellowship program. But that was an idea that

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1 we've developed in Philadelphia, largely developed at my law  
2 firm, I'm happy to say, that provides that law firms will  
3 hire new associates and in their first year they will work in  
4 a public place and in the second year they will come back to  
5 the law firm with a commitment that the law firm will make  
6 payment to them during the first year of half their salary  
7 and their health benefits and so on. And the second year  
8 they come back to the firm.

9           The first Philadelphia fellow is working not in a  
10 Legal Services program but in another not-for-profit setting  
11 from our law firm. It's an idea that I think is a win-win.  
12 We've run into a lot of resistance for it. But I'm hopeful  
13 that we can push it and push it nationally. And it is a way  
14 of adding additional personnel to Legal Services offices  
15 enthusiastic albeit new lawyers. I think it's a great idea.

16           MR. SMEGAL: How many firms are involved in  
17 Philadelphia?

18           MR. FOX: We now have three firm that are doing it.  
19 I was hopeful we would get 10. You know, Philadelphia law  
20 firms are like lemmings. If you get one, usually the rest  
21 will follow. For some reason, this one didn't work. But we  
22 do have three. And the same three have committed for next

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1 year. And we are hopeful that with the success of this and a  
2 lot of good publicity that we've gotten from it, that it's an  
3 idea that will expand.

4 MR. SMEGAL: Is there some difficulty in placing a  
5 lawyer in a --

6 MR. FOX: No. We run into two difficulties. One,  
7 all of these students are saddled with so much high loans  
8 that they were reluctant to take it on because they didn't  
9 understand how even at \$35,000 a year they were going to pay  
10 off some of these loans.

11 The second thing is, you know how you can always  
12 come up with an excuse why you're not going to give when you  
13 do charitable fundraising? Somebody always says, "I'm not  
14 going to support them because they didn't hire -- you know,  
15 they didn't accept my son into the law school class," or  
16 whatever. A lot of people came up with excuses.

17 "How are we going to handle the conflicts?" "What  
18 are we going to do? We're going to clear the conflicts of  
19 everything that the Legal Services program or the other  
20 program is doing?" And we have written a long memo which I  
21 think is pretty clear that you don't have the clear the  
22 conflicts. But people came up with excuses that I thought

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1 were just that, not reasons, but excuses.

2 MR. SMEGAL: So the way it's working in  
3 Philadelphia, there is some obligation on the part of the new  
4 associate to find the other half of his or her funding?

5 MR. FOX: No, no, no. The funding comes from the  
6 law firm. The only --

7 MR. SMEGAL: I thought you said the law firm paid  
8 half.

9 MR. FOX: The law firm pays half of a starting  
10 salary.

11 MR. SMEGAL: Starting salary.

12 MR. FOX: Which is \$35,000.

13 MR. SMEGAL: Where does the young lawyer get the  
14 other part of the income then?

15 MR. FOX: They don't.

16 MR. EAKLEY: It's still higher than the starting  
17 salary for most Legal Services lawyers, Tom.

18 MR. FOX: I think so. Quite a bit higher.

19 MR. SMEGAL: Why didn't you start off paying them  
20 -- well, the reason I'm asking these questions, in San  
21 Francisco we had a program like this. Pillsbury, Madison,  
22 and Sutro, for example, has historically hired lawyers, paid

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1 full salary, sent them off to the Public Defender's Office  
2 for a year, six months.

3 And there are other firms out there that do that.  
4 I'm just curious as to what -- so there wasn't any intention  
5 here that the lawyer who was getting half of a salary from  
6 your firm would somehow get a stipend from some Legal Service  
7 entity?

8 MR. FOX: No.

9 MR. SMEGAL: Oh, all right.

10 MR. FOX: The theory was that we would be paying  
11 and paying half of the starting salary, far more than these  
12 people would be making if they went into a public placement.

13 MR. SMEGAL: So half a loaf of French bread is  
14 better than no French bread.

15 MR. FOX: Than a full loaf of white bread.

16 MR. SMEGAL: Okay. Sorry, Larry, I didn't mean to  
17 interrupt.

18 MR. FOX: No. It's good. And people have asked  
19 lots of good questions about it. We are so thrilled with the  
20 way it's worked. Our placement person has, you know,  
21 appeared in the newspaper and has gone around trying to  
22 convince others that it is the greatest thing since sliced

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1 bread. It really costs the law firms nothing. That's right.  
2 I mean, we don't sit there and bow about it.

3 The only real cost to us is the health insurance  
4 and that kind of expenses. But for the law firm it's an easy  
5 -- I would have thought it was a no-brainer. But some law  
6 firms are reluctant. And then we had trouble finding  
7 students who really wanted to do it. But the students who  
8 are doing it are happy, and it's an idea that we can push  
9 forward with, I hope.

10 The last thing, of course, is what we're doing  
11 presently, which is LAP. The Legal Assistance Partnership  
12 project is something we are very proud of. It has placed an  
13 enormous number of private lawyers together with Legal  
14 Services lawyers in handling larger matters that the Legal  
15 Services program felt that they needed extra staff for. The  
16 results have been phenomena. The number of hours contributed  
17 through this program is absolutely amazing. We think it can  
18 be expanded.

19 We are meeting the needs. In other words, every  
20 time we get a call we are meeting the needs by placing a law  
21 firm with a Legal Services request. We think there are more  
22 requests that we could generate. John and I have talked

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1 about how we get the word out or convince people that if they  
2 work in a partnership with a private law firm they're not  
3 going to run with the ball or do something stupid.

4 As you've probably noted, I'm an old Legal Services  
5 hand. I remember a certain skepticism about what these  
6 private lawyers were going to do. But I think the track  
7 record of LAP cases has been fantastic. And we want to  
8 expand that. And we are open to your ideas.

9 And, as I told John before, I have told my  
10 colleagues at section of litigation, whatever we can do with  
11 you, we'll get far more out of it than you'll get out of it.  
12 And I look forward to a meaningful partnership arising from  
13 this. And I am open to questions.

14 CHAIRPERSON ASKEW: Thank you. Do we have any  
15 questions for Larry? Doug?

16 MR. EAKLEY: First, I want to thank you for your  
17 enthusiasm and your commitment, Larry. We have talked on the  
18 phone, but we really haven't had a chance to really  
19 intersect. And I'm glad we both had to come to Boston to do  
20 it. But nevertheless I would like to develop our capacity  
21 for follow-through the same way that you are doing this with  
22 Ken Frazier.

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1           We are working on a number of things that will be  
2 continuing to occupy us going forward, one of which is  
3 private attorney involvement. How do we maximize the  
4 wonderful working relationship we have with the private bar?  
5 How do we make better use of volunteers? How can lawyers  
6 working in their communities become advocates for the poor  
7 beyond the volunteer lawyering?

8           We had our first national conference on rural  
9 poverty in the spring, and one of the problems that was most  
10 confronted was a coverage issue. And it is very hard at  
11 times for people to find lawyers or for overtaxed Legal  
12 Services programs to find volunteer lawyers for that. And I  
13 think that closer working relationships between the organized  
14 bar and the Legal Services Corporation in general are  
15 something that the entire board and Legal Services community  
16 support.

17           But I think that this provides some very welcome  
18 opportunities for us to think about better ways to take  
19 greater advantage of your good will, moving through LAP in  
20 particular, but not limited to that.

21           Incidentally, Michael Tigar spent some time with us  
22 a few months ago. And I think he was one of the founders of

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1 LAP and urged us to take better advantage of and help develop  
2 LAP.

3 If Ann Bartley comes up with a wish list, what is  
4 that order? What is our point of interface? Is it through  
5 you, John? Will it be through OPS, through a support  
6 coordinator? Will we have a way of taking Larry's  
7 organization and helping make it available a little bit more  
8 readily to grantees?

9 MR. TULL: I think for the immediate short term  
10 Larry and I need to keep in contact. We've had conversations  
11 about what might be done on our part to help with some of the  
12 initiatives that he's outlined here. When we have an OPS  
13 director, given the fact that one of the responsibilities of  
14 he or she will be to oversee and work with some of the issues  
15 around expanding the use of private lawyers, it strikes me  
16 that it would be a logical transfer of contact to make at  
17 that point.

18 Certainly, one of the things I found interesting  
19 and exciting in talking to Larry was the degree to which  
20 there already are activities going on in the community and  
21 connections which will support what he talked about.

22 And the LAP project is one that we don't have a

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1 direct contact with but certainly are aware of it, and know  
2 the folks who run it, and are aware of the work that they do  
3 and the degree to which we are interfacing with programs.

4 That's one of the pieces of information that we  
5 have that is sort of -- and as we staff up and increase the  
6 number of staff who will work more actively with programs, I  
7 think those kinds of relationships will be more active in  
8 terms of our carrying out our role as really communicating  
9 what opportunities are out there.

10 CHAIRPERSON ASKEW: John?

11 MR. BROOKS: Is the LAP program strictly  
12 Philadelphia? Or is that an ABA program?

13 MR. FOX: No, it's an ABA program. It's a  
14 Litigation Section program. And it's administered by Ann  
15 Barker, whose salary we pay, and her expenses we pay. And  
16 she is a matchmaker. She, through various communication  
17 vehicles, newsletters and soon, lets Legal Services programs  
18 know of the availability through her of a match, and then she  
19 gets a request.

20 And I can tell you, having been the recipient of  
21 one of those requests, she won't let go until you say yes.  
22 Seven hundred thousand dollars and time later, we are still

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1 trapped. But that's what she does. At our most recent  
2 meeting, the analog of the Miami meeting was held in  
3 Cleveland in the fall -- we decided Cleveland in the winter  
4 was not a good choice. You can have your own deal with  
5 Cleveland in the fall.

6 But we had a big LAP exhibit. And it was a map of  
7 the United States. And she had a dot in there every time she  
8 had placed a case. And it literally covered the country.  
9 There have been a fair number of rural cases. Obviously,  
10 most of them are centered in the major cities. But they are  
11 all over the country.

12 MR. EAKLEY: Is she up on Handsnet?

13 MR. FOX: I don't know what that is. I don't know  
14 what OPS is. I don't know what Handsnet is. Sorry.

15 MR. EAKLEY: It's our Legal Services E-mail.

16 MR. FOX: Oh, I see.

17 MR. EAKLEY: Maybe we ought to create that  
18 capacity.

19 MR. FOX: Well, that sounds like an easy one.

20 MR. TULL: It well may be, because National Legal  
21 Aid Defenders Association has a staff person as well who is a  
22 LAP coordinator. I don't know what the relationship is with

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1 Ann in terms of their working agreement. But they are a part  
2 of Handsnet. And if they haven't worked that out, then I  
3 would be surprised.

4 MR. EAKLEY: I should also point out that Ken  
5 Frazier works in my home state.

6 MR. FOX: Now, regrettably. He is my former  
7 partner, by the way.

8 MR. BROOKS: Larry, to follow up on this a little  
9 bit, does Ann Barker do this directly from Chicago, or does  
10 she work through the Philadelphia entity, whether it's the  
11 bar association or whatever?

12 MR. FOX: She's actually free-standing in  
13 Tennessee. And she's got a telephone -- that's where you  
14 telephone her, in Tennessee.

15 MR. BROOKS; Well, I'm thinking of Boston, for  
16 instance. We have what we call LFRP, the Law Firm Resources  
17 Project, which sounds very much like the same thing, with its  
18 local recruiter, local Ann Barker who works locally there.  
19 And I was just wondering what the relationship was, if any,  
20 between the ABA and this LAP and the organizations such as  
21 they are. Maybe there aren't any others in the country, but  
22 I assume there are, as there are in Boston.

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1           MR. FOX: I don't know that. I just know we have  
2 a better acronym than you do.

3           MR. BROOKS: I guess what I'm leading up to is to  
4 be sure there's proper coordination between the ABA and  
5 whatever local networks exist, because they could complement  
6 each other, obviously.

7           MR. FOX: I think that's right. The whole idea of  
8 LAP was to supplement existing networks, existing resource  
9 allocation mechanisms. It's obviously filling a need. I  
10 don't know what the number of cases is, but it's in the  
11 hundreds. It's not double digits. It's triple digits now.

12           MR. EAKLEY: And they are big cases. CRLA is a  
13 major user of LAP, I know.

14           CHAIRPERSON ASKEW: Perhaps what I should do is get  
15 you a description of LAP and send it around, because NLADA is  
16 very actively involved. The Ford Foundation gave the initial  
17 grant to get it started, and it has been quite successful.  
18 The corporation really had no role in it in the beginning  
19 because it was at a start at a time when the corporation  
20 wouldn't have been expected to have a role in it. But that  
21 doesn't mean we can't have some role in it now.

22           We should get material out to you so you'll

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1 understand how it functions, because I think what it really  
2 needs is more cases. I think they've got a mechanism set up,  
3 the network set up, and the lawyers out there. What they  
4 don't have are enough cases coming from Legal Services  
5 programs to take advantage of the resources they have.

6 MR. EAKLEY: Why not either -- I mean, or perhaps a  
7 little space in our next regular newsletter to grantees, in  
8 the president's message or even giving -- in the president's  
9 message I suspect is the appropriate place, or maybe give Ann  
10 a little space for a little outreach through our still  
11 developing communications grid.

12 PRESIDENT FORGER: Our rates are reasonable.

13 CHAIRPERSON ASKEW: LAP got started because of the  
14 energy and vision of Michael Tigar. I think with Larry's  
15 energy and vision we have opportunities to do the same sort  
16 of thing, the difference being now it's the Legal Services  
17 Corporation that's interested in these things as opposed to  
18 when Michael got interested in this there wasn't a  
19 corporation that was interested.

20 So all of these ideas deserve a great deal more  
21 discussion and action by us and our staff, I think. And  
22 we're very appreciative that you're there and that you have

1 the interest and the commitment that you do. And we'll take  
2 advantage of those things to every extent possible. And I  
3 know you're going to stay in touch with John, or Ken will  
4 stay in touch with John about these things as we move  
5 forward. Maria?

6 CHAIRPERSON MERCADO: I think that the ABA  
7 definitely the Litigation Section should be complimented for  
8 all the work they are doing. But I am particularly going to  
9 request and require the support of the ABA with the budgetary  
10 process coming up and hopefully reauthorization coming up,  
11 because I think it does make a lot of difference when the  
12 people that are making the decisions on the Hill are talking  
13 to someone in their own back yard.

14 And that's probably one of the most effective ways  
15 that I think the Litigation Section can assist Legal Services  
16 ultimately in its funding and its reauthorization. So we  
17 thank you for already telling us that you're going to do  
18 that, but we really urge you to do it.

19 MR. FOX: Well, I think the important thing is -- I  
20 don't know whether you want us to support it to help you pass  
21 it or oppose it to help you pass it.

22 But assuming that the ABA has some credibility

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1 still, the important thing is not to just throw it up on the  
2 wall but to really figure out what it is you're doing. And  
3 my sense is that we've talked a lot about the ability of the  
4 ABA -- since we get taxed like a lobbying organization, we  
5 may as well be a lobbying organization -- to do an effective  
6 job other than through the staff.

7           The staff, I think, our staff, the ABA staff in  
8 Washington is terrific. But the kind of thing you're talking  
9 about we have not been particularly good at, although we say  
10 -- you know, in an earlier era from whence my admiration for  
11 the ABA grew, when they saved the Legal Services Corporation,  
12 I haven't had a good sense that we're organized well enough,  
13 but we could be.

14           MR. EAKLEY: Well, there's a proposal, as I  
15 understand it, that's being decided in a week or two that may  
16 help enhance the capacity of the ABA as advocate. And I  
17 don't know whether the litigation section chair-elect gets a  
18 chance to participate in that decision or support it or  
19 whatever. But it's something we've looked at with some  
20 interest.

21           MR. SMEGAL: Yeah. You're talking about the  
22 program that Justice Dana had suggested. I think it's coming

1 before the board. I haven't seen our agenda or the committee  
2 agendas for the week after next, but I think it's getting  
3 there. And that may move along.

4 I have another question, a little different one,  
5 Larry. You have long-term guilt. I have short-term guilt  
6 because I'm supposed to be liaisoning with SCLPSR this  
7 weekend while I'm here, and I'm not going to be there.

8 That's the ABA Standing Committee on, as you know,  
9 Lawyer Professional Service Responsibility. And I'm  
10 wondering -- with respect to some of these programs it almost  
11 looks like these are some of the things that standing  
12 committee should be involved in along with the Litigation  
13 Section. And I'm wondering if there is any coordination.

14 MR. FOX: Well, I think there is in the sense that  
15 -- I forget who's on SCLPSR. God, talk about acronyms. I  
16 don't know who's on SCLPSR, and I don't know who's on SCLAID.  
17 But those are the two organizations. And we've been in touch  
18 with both standing committees. And we have members on both  
19 standing committees. And David Weiner, who is our present  
20 chairman, was on SCLPSR, I think, until just last year.

21 And, yes. I mean, what the standing committees  
22 don't have, and, as you know, sections do, is numbers of

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1 people, and that's really what were talking about our ability  
2 to marshal the forces to do the good fight, it seems to me is  
3 what we bring to the table. I don't care where ideas  
4 originate and who invented them. I just want to see if we  
5 can't get some of our 65,000 members working on them.

6 The other thing is, you know, we put on these  
7 programs, and there's no reason -- you look at just the  
8 program we put on in Cleveland. Without regard to thinking  
9 about any Legal Services lawyer participating there, there  
10 would not have been a moment in the day when a Legal Services  
11 lawyer attending that program would not have had a valuable  
12 training experience, everything from Jim MacEleny talking  
13 about opening statements to a whole program on closing  
14 statements, and soon and so forth.

15 MR. FOX; Yes. I think that's very important,  
16 Larry, and I think that's the real key. The sections such as  
17 the Litigation Section with 65,000 have the resources. The  
18 standing committees are presidential appointments of nine to  
19 twelve, and, you know, they can do a lot of planning, but  
20 they don't have any troops out there to do anything. And  
21 this is a real key. Let's make sure that they are pushing it  
22 from their side of the ABA table.

1 CHAIRPERSON ASKEW: Alex, did you want to say  
2 something?

3 PRESIDENT FORGER: Yeah. On your lobbying,  
4 following up on Maria's issue, part of the initiative, I  
5 think, to be successful in getting support on the Hill is  
6 evidence of support for the program in their home  
7 communities. And we are seeking to assist those who are  
8 interested in putting together an educational campaign, and  
9 the local communities would welcome very much not only the  
10 private bar, in particular, the Litigation Section.

11 I wonder, do you have a network that can be  
12 mobilized or can identify people in states or in particular  
13 cities or counties? I don't know your organization of trial  
14 lawyers as to whether you have point people in each state and  
15 in each jurisdiction.

16 MR. FOX: We do have point people in the sense that  
17 we have such broad participation. We have leadership from  
18 almost every state in the union and almost every major city.  
19 And in that sense we have it. But we don't have it organized  
20 the way you're talking about.

21 PRESIDENT FORGER: It isn't a business structure.  
22 You don't have a --

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1 MR. FOX; No, we've used it that way. I mean, we  
2 have done that in the past. We have said, now we have to get  
3 organized to do X. Let's find, you know, the three people in  
4 Pennsylvania, and the person in Indiana, and the person in  
5 Idaho and whatever to do it. And so we have the capability  
6 of doing it.

7 If you have the program, we can identify the people  
8 for you in our leadership alone, which is a group of about  
9 200, between the committee chairs, the council members, and  
10 our task force members, and we could do that. We could do  
11 that. And those people are --

12 PRESIDENT FORGER: Okay. We can't lobby, but we  
13 would like to have you assist --

14 MR. FOX: No, I certainly wouldn't want you to do  
15 that.

16 PRESIDENT FORGER: -- in the educational campaign  
17 at the grass roots level.

18 MR. FOX: Be glad to do that.

19 PRESIDENT FORGER: Thanks.

20 CHAIRPERSON ASKEW: Any other questions?

21 (No response.)

22 CHAIRPERSON ASKEW: Well, thank you very much,

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1 Larry, for being here today and for what you're doing.

2 MR. FOX: Thank you. I appreciate it.

3 CHAIRPERSON ASKEW: We look forward to working with  
4 you.

5 That's the last item on our agenda. Does anyone  
6 else have any matters to bring before the committee?

7 (No response.)

8 CHAIRPERSON ASKEW: Any comments from the public?

9 (No response.)

10 CHAIRPERSON ASKEW: We've brought this train in on  
11 time, Madam Chair.

12 CHAIRPERSON MERCADO: Yes. How about that?

13 CHAIRPERSON ASKEW: Do I hear a motion that the two  
14 committees adjourn?

15 MS. FAIRBANKS-WILLIAMS: So moved.

16 CHAIRPERSON ASKEW: All those in favor?

17 (A chorus of ayes.)

18 CHAIRPERSON ASKEW: We stand adjourned.

19 (The meeting was adjourned at 12:05 p.m.)

20 \* \* \* \* \*

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