

LEGAL SERVICES CORPORATION

MEETING OF THE BOARD OF DIRECTORS

10 December 1977

Rosslyn Meeting Room B
Ramada Inn
1900 North Fort Myer Drive
Rosslyn, Virginia

The Board met, pursuant to adjournment at 9:00 a.m.,
the Honorable Roger C. Cramton, Chairman, presiding.

MEMBERS IN ATTENDANCE:

MR. CRAMTON	MR. SMITH
MR. BROUGHTON	MR. BREGER
MR. ORTIQUE	MR. MONTEJANO
MR. STOPHEL	MR. COOK

PRESENT:

Mr. Ehrlich	Mr. Bamberger
Mr. Jones	Mr. Hennigan
Ms. Daniel	Ms. Felter
Mr. Carter	Mr. Stead ^{well} man
Mr. Ezzell	Mr. Thomas

1 PRESENT (Continued):

2 Ms. Griffith

Mr. Butler

3 Mr. Melton

Mr. Thompson

4 Ms. Ellis

Mr. Yogus

5 Mr. Ritter

Mr. Houseman

6 Mr. Thompson

Ms. Vogt

7
8 ALSO PRESENT:

9 Mr. Veney

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P R O C E E D I N G S

9:15 a.m.

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3 MR. CRAMTON: The meeting will come to order. The
4 record will show that present are Directors Broughton, Breger,
5 Cook, Ortique, Smith, Cramton, President Ehrlich, and Mr.
6 Stophel. We are expecting Mr. Montejano very shortly. Mr.
7 Thurman had to leave the meeting yesterday and the records
8 should show that he left at the conclusion of the discussion of
9 the item about the role of the chairman, but prior to the dis-
10 cussion of the report of the Committee on Regulations. He
11 could not be present today.

12 Mr. Kutak's illness apparently prevents him from being
13 in attendance. Otherwise, we expect the word from Mr. Montejano
14 that everyone--

15 MR. BROUGHTON: Mr. Chairman, I did not know that Mr.
16 Kutak was ill.

17 MR. CRAMTON: I mentioned it yesterday, that we had
18 several calls that he had flu or something and didn't think
19 that he could make the meeting yesterday. Whether he is attempt-
20 ing to make the meeting in Miami that he was planning to attend
21 today or not, I don't know.

22 MR. BROUGHTON: I am glad to hear that it is nothing
23 more than that.

24 MR. COOK: That meeting in Miami will be much better
25 for his health.

1 MR. CRAMTON: A word on the tentative agenda of where
2 we are. We have one major item on 3A, Committee on Appropriat-
3 ions and Audit; that is the fiscal year 1979 budget requests
4 which we have to complete. Is that correct, Mr. Stophel?

5 MR. STOPHEL: Yes.

6 MR. CRAMTON: We have an item that needs to be insert-
7 ed which was not included in the agenda, a brief Report of the
8 Committee on Personnel now, if that has unanimous consent. Mr.
9 Smith has asked me that he would like to make a report on be-
10 half of that committee, and I would like to start with that if
11 that is agreeable with you.

12 Then we have the item 4A which was -- in fact, all of
13 the President's reports except for the report on the New York
14 City situation. We have Conflicts Between Poverty Groups within
15 the Same Community, Bilingual Assistance, Authorization Bill
16 Progress Report. I guess we have handled that. We have had the
17 report on 4C.

18 Then we will have Lease Negotiations. We have complet-
19 ed the specific item that Mr. Broughton had on our other busi-
20 ness. I know that there is a Mr. Loccrichio, who is a member
21 of the public, who has suggested that he wants a few minutes to
22 raise the matters related to car study and I will ask the Board
23 when we reach that point in terms of the Board's desire.

24 I would like to start with the Committee on Personnel
25 Report; then go to the budget items; then go down through the

1 Reports by the President; then other business. Is that agree-
2 able?

3 (No response.)

4 MR. CRAMTON: Mr. Smith.

5 REPORT OF THE PERSONNEL COMMITTEE

6 MR. SMITH: Mr. Chairman and members of the Board.

7 Since our last meeting, our Chairman has appointed the Committee
8 on Personnel as was authorized by the Board at the last meeting
9 and it consists of Mr. Ortique, Sam Thurman, and me.

10 We have consulted with the President on a couple of
11 matters that I would like to bring to your attention in the
12 form of a report.

13 One is the President's appointment of officers where
14 we now have the provision that the President appoints officers
15 from the Executive Vice President on down after consultation
16 with the Board and through the Committee on Personnel.

17 The President is reappointing E. Clinton Bamberger,
18 Jr. as Executive Vice President, and he had consulted not only
19 with the Committee, but had consulted with the whole Board, I
20 believe on one occasion at the time of our last meeting about
21 that appointment.

22 He also is appointing Stephen S. Walters, who is the
23 Deputy General Counsel to the position of Secretary replacing
24 Charles Jones, because he felt that in the structure it was
25 good to have somebody from the General Counsel's office as

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1 Secretary. He consulted on that matter also with Alice Daniels,
2 our General Counsel, and they both agreed that the proper person
3 to be appointed would not be the General Counsel herself, but
4 the Deputy Steve Walters. So Steve will be Secretary of our
5 Corporation.

6 As Treasurer, replacing Marlow Cook who has served
7 as Treasurer since the organization of our Board, and at the
8 time we didn't have staff, in fact, I think when Marlow became
9 Treasurer, but he is appointing Buck Hennigan as Treasurer of
10 the Board.

11 The officer position is open and I think we visited
12 briefly about that yesterday; at least, it was mentioned just
13 in general in the discussion that the position of Comptroller
14 is open. We have two Assistant Comptrollers who are filling
15 the position now and dividing the responsibilities a little, but
16 Fabio de la Torre, you will remember resigned and has taken a
17 job in Florida, so the President is going to begin a search for
18 someone to serve as Comptroller.

19 The other matter that the President has consulted with
20 us about is not about specific persons but about procedure being
21 followed in searching for two persons -- a Director of the Office
22 of Administration of the Corporation and a Director of the
23 Office Equal Opportunity. Those searches are underway by our
24 President. He has consulted with the Committee about the method
25 but not about the specific persons.

1 MR. BROUGHTON: A question.

2 MR. CRAMTON: Mr. Broughton.

3 MR. BROUGHTON: The two positions that you mentioned--
4 are they the positions that were formerly filled by Mr. White
5 and Mr. Rios?

6 MR. EHRLICH: Yes.

7 MR. SMITH: That is correct.

8 MR. STOPHEL: I would suggest that the Committee and
9 the President consider combining those two offices, in view of
10 the fact that our equal opportunity office was kind of off to
11 the side. It was not a line position at all, and I'm not sure
12 was anything but a catchall for all criticisms, perhaps from both
13 us and outsiders.

14 I think that ought to at least be considered by the
15 Committee and by the President in filling these positions that
16 the two perhaps be combined.

17 MR. SMITH: Perhaps President Ehrlich would like to
18 comment on that.

19 MR. EHRLICH: We have given that possibility some con-
20 sideration in light of your raising it. We will consider it
21 further and I will discuss it with the members of the Personnel
22 Committee. I do think the Office of Equal Opportunity is a
23 very important one. We would not want to give any sense that
24 it was other than a key position in the Corporation.

25 Since you have raised the point and others have as

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1 well, we will certainly give that consideration and I will con-
2 sult with the Committee.

3 MR. CRAMTON: I think the point -- I would put it a
4 little bit differently -- an organization is going to be effect-
5 ive in affirmative action if all the people who had operating
6 or line positions, from the President on down particularly the
7 heads of the operating units, take it very seriously in terms
8 of everything that they do.

9 The question is whether an organizational structure
10 that has a separate office that does not have this kind of line
11 responsibility, it will be as effective; or whether it some-
12 times leads to difficulty, the manufacture of paper work, an
13 attempt to create a job rather than be useful.

14 MR. EHRLICH: I understand your concern and at the
15 same time the job in fact relates as much or even probably more
16 to field programs, and the importance of insuring that there is
17 in fact adequate effort throughout field programs and within
18 the Corporation structure itself. The Office of Administration
19 in effect focuses pretty much exclusively on the Corporation's
20 internal structure.

21 That is another reason why it might well be difficult
22 to combine the two, but let's give it consideration and we will
23 work with the Committee.

24 I should say also that we will inform those members
25 of the Board who aren't here of this intention so that we can

1 consult with them so that they will have an opportunity to com-
2 ment as well.

3 MR. BROUGHTON: Mr. Chairman.

4 MR. CRAMTON: Mr. Broughton.

5 MR. ORTIQUE: Mr. Chairman. Excuse me, I'm sorry.

6 MR. BROUGHTON: First, I would like to refer to the
7 matter relating to the reappointment of Mr. Bamberger. My
8 concern, as one Board member, I was not consulted about that
9 and I don't know that I have to be under the bylaws that the
10 Board approved at its last meeting, to which I voted.

11 MR. CRAMTON: I don't think that is fully accurate,
12 Mel.

13 MR. BROUGHTON: It is as far as I am concerned. That's
14 as far as I can go.

15 MR. CRAMTON: It is my impression that at the last
16 meeting we had an executive session and discussed these matters
17 and the President discussed with all members of the Board in
18 the executive session some salary and staffing matters including
19 his intention to reappoint Mr. Bamberger.

20 MR. STOPHEL: I think that is true. It preceded our
21 discussion of the bylaw changes.

22 MR. CRAMTON: I think you are inadvertently in error
23 on that one.

24 MR. ORTIQUE: May I say that probably the question
25 of what constitutes consultation will eventually have to be

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1 discussed by this Board.

2 MR. BROUGHTON: That is the question that we raised
3 yesterday.

4 MR. ORTIQUE: I know.

5 MR. BROUGHTON: Could I ask one other question. Are
6 there any other salary changes involved in these appointments,
7 Mr. Smith?

8 MR. SMITH: I don't know.

9 MR. EHRLICH: Not in terms of the officers.

10 MR. CRAMTON: One question.

11 MR. BROUGHTON: As I understand it, that is the funct-
12 ion of the committee as set forth in the resolution.

13 MR. SMITH: The discussion here was to the effect that
14 Mr. Hennigan did have a change in salary, but it was not relative
15 to his appointment as an officer.

16 MR. EHRLICH: It came sometime prior to that.

17 MR. CRAMTON: In the summer.

18 MR. COOK: My only comment is that when Charlie Jones
19 lost his secretaryship and I lost my treasurership that the
20 Christmas wreath fell down off the wall over here.

21 MR. ORTIQUE: Mr. Chairman.

22 MR. CRAMTON: Mr. Ortique.

23 MR. ORTIQUE: As a member of the Committee, I will
24 have my opportunity to underscore the comments made by the
25 President. In my limited visits with the programs, I have

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1 become greatly disturbed about the failure on the part -- on my
2 view -- there is a failure on the part of program directors to
3 actively seek the talents of persons of minority groups in their
4 staff. That, to me, makes it very, very important that we have
5 and maintain an office that will be known as an Equal Employment
6 Opportunity Officer.

7 It is out there in the field where the problem exists
8 and I think that for a time we just need to have somebody who
9 will be looking at the efforts made by those people out there
10 in the field, to get qualified people who happen to be members
11 of the minority groups.

12 MR. CRAMTON: Mr. Smith.

13 MR. SMITH: Yes.

14 MR. CRAMTON: At some of our earlier meetings in which
15 we discussed the bylaws relating to officers and so on, it was
16 suggested that the bylaw list, which can be expanded by action
17 of the Board, ought to be reconsidered and that some of the
18 other principal, in fact, officers of the Corporation, however,
19 not technically on the bylaw list, ought to be included.

20 The suggestion was made that the General Counsel, for
21 example, should be. I would ask that the Committee give con-
22 sideration to that question and report back at the March meeting
23 as to whether and how that list which is fixed by the Board, of
24 the positions in which consultations required -- whether it
25 should be revised and if so, how.

1 MR. SMITH: Yes.

2 MR. CRAMTON: Is that agreeable?

3 (No response.)

4 MR. BROUGHTON: I have one other question on proced-
5 ures as far as this Committee is concerned. The resolution
6 that was adopted -- Mr. Chairman should appoint a Committee on
7 Personnel to comprise of three members of the Board in which
8 you have done. The Committee should advise the President and
9 report to the Board concerning personnel policies and the
10 appointment and compensation of officers. Now, does that mean
11 report to the Board in an executive session or report to the
12 Board in a public session or what guidelines, Mr. Smith, does
13 this committee operate under with respect to that or any other
14 areas?

15 MR. SMITH: Well, I think in the area of personnel,
16 it might well be that there would be some occasions when the
17 Committee would feel that maybe a report or a discussion before
18 conclusions are reached, for example, may be made in the execut-
19 ive session. But, I would say the general reporting would be
20 an open meeting. I just wouldn't want to say it would always
21 be an open meeting because I think dealing with specific person-
22 nel there will be times when the report might want to be made --

23 MR. BROUGHTON: Does that relate to salaries, too?

24 MR. SMITH: Yes.

25 MR. BROUGHTON: The reason I ask is that I raise the

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1 question about salaries of the staff and maybe I am misinter-
2 preting this, but as I understood from the Chairman, they were
3 matters that were considered to be confidential; therefore,
4 not a subject of discussion or report to the Board in the public
5 session.

6 I disagree with that because I think we are talking
7 about taxpayers funds and I think in talking about taxpayers
8 funds, I think it ought to be just as public as can be as the
9 salary schedules and scales are of officers of this Corporation
10 or anybody else who works for the Corporation. That is why I
11 raise the question.

12 I have raised it in the past and my advice has been
13 that this is confidential; therefore, the Board should not dis-
14 cuss it in open sessions.

15 MR. CRAMTON: Perhaps, I might add what I think is a
16 slightly different emphasis on that. It is not the advice of
17 the Chairman that you received, but I think the advice of the
18 Board on the basis of executive session discussions of this
19 issue. Salaries of specific individuals -- that there is good
20 reason to maintain confidentiality on them.

21 If the Board wants to change that policy, fine; but,
22 I did not feel that I could change it on my own.

23 MR. STOPHEL: I agree. We discussed this at our last
24 meeting, and at the time the salary list was handed out because
25 I recall each of us receiving that list, and at that time it

1 was discussed there was no reason to bring it up because there
2 were no changes to be made in what the President had done. If
3 at any time the Board decides to make a change, then I think
4 that all of our actions have to be reported in an open session.
5 That is the policy we follow.

6 MR. ORTIQUE: For the benefit of the public, Mr. Chair-
7 man, may I raise a question. Mr. President, if someone wanted
8 to get a copy of our salary schedules, could not they get it
9 under prohibition, if they wrote to us -- wrote to the Corporat-
10 ion and said that they wanted a list of the salaries of every-
11 body, could they not get it?

12 MR. EHRLICH: If a member of the public did this?

13 MR. ORTIQUE: Yes.

14 MR. EHRLICH: No, I don't think so.

15 MR. ORTIQUE: They could not. Suppose a member of
16 the Congress did it?

17 MR. EHRLICH: Of course, if a member of the Congress
18 did, we would send it to them and explain --

19 MR. CRAMTON: Without regard to the Committee member-
20 ship and authority.

21 MR. EHRLICH: I guess we haven't faced that issue.
22 We are accountable to Congress; we are responsible to Congress
23 and would share with Congress whatever information Congress
24 seeks. We have never been asked in terms of individual salaries;
25 although, perhaps there are some circumstances in which that

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1 could be an issue, although it hasn't come up. We have main-
2 tained the view, I think, in terms of individuals salaries as
3 in terms of the operations of the organization. It makes sense
4 that each individual salary is the business of that individual
5 and the corporation isn't in it.

6 MR. CRAMTON: There are several possibilities; one
7 is what many government agencies do; that is, list the positions,
8 General Counsel, Secretary, so on by organization structure
9 without any identification of individuals, and the salaries that
10 go with those positions.

11 Then, the other hand, is the list of the precise people
12 and the salaries and earnings that they have received. Those
13 are different questions. What I would like to suggest is that
14 this question as well as the policies that the Corporation should
15 follow in the future, relating to dissemination and publication
16 of the salary structure to members of the public, to individual
17 congressmen, to the congressional committees that fully have
18 authority to deal with us, should be considered by the Committee
19 of Personnel and that should report on that issue as well as at
20 the next meeting.

21 We have had a number of discussions about it. It gets
22 to be a problem that vexes a few Board members. Let's get it
23 out in the open, but let's do it on the basis of a committee re-
24 port. Is that satisfactory, Mr. Broughton?

25 MR. BROUGHTON: Well, Mr. Chairman, to me, no. I

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1 realize the majority of the members of the Board will disagree
2 with my position.

3 MR. CRAMTON: I don't know whether that is true or
4 not, but we could find out.

5 MR. BROUGHTON: My point is simply this. I made this
6 to you verbally and I made it in a letter some months ago.
7 Again, many of you have detected long ago, I have a great deal
8 to learn about the operations of the federal government, but
9 as I said to you in one telephone call in North Carolina, I
10 can get the salary scale of every public servant that works for
11 the state of North Carolina, who is paid by the taxpayers. I
12 see no reason what so ever, why we should play around with this.

13 Our staff, all of the employees receive salaries via
14 the taxpayers and Congress. I think we are making a serious
15 mistake to continue to say that we consider this as confidential;
16 if a member of Congress wants it, all right. Then turn around
17 and ask the Committee of Personnel to study the matter more. I
18 think we should say that this is public information. The public
19 is entitled to know it. We are dealing with taxpayer's funds
20 or not. My position is very strong that I see no reason, in
21 fact, I think we are obligated to make this available as public
22 information and I fail to see why it is not.

23 MR. CRAMTON: I do not personally conceive that an
24 individual member of Congress is entitled to the information
25 and then the members of the general public is not. I would

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1 distinguish very sharply between a formal request by Rep.
2 Kastenmeyer for example, in his capacity and acting as Chairman
3 of the Oversight Committee that deals with this agency. That
4 is the Congress in the President's language asking for informat-
5 ion relative to their function.

6 Congressman "X" not a member of that committee, just
7 writing a letter is in no better position than a member of the
8 general public in my view. If anyone sitting out in the audi-
9 ence wanted the information would be in just as good a position.

10 MR. BROUGHTON: You mean --

11 MR. CRAMTON: I at least agree with that part of your
12 plans.

13 MR. BROUGHTON: You mean that a member of the public--

14 MR. CRAMTON: What I am suggesting is that these
15 questions are complex and we ought to let the Committee discuss
16 them, consider them, and report on them at the next meeting.

17 MR. COOK: I don't think it is complex at all. It
18 is very simple. You are saying to me that a man is going to go
19 down our budget who is not a member of the committee that makes
20 a request of this Corporation for the salary list is not entitled
21 to receive it.

22 MR. CRAMTON: I think I would take that position.

23 MR. ORTIQUE: I don't agree with that.

24 MR. CRAMTON: Some considerations are very similar to
25 that of the inquiries of others.

1 MR. COOK: Under those circumstances, gee, I would
2 really like to before I go off this Board, make a request of
3 one of my former colleagues to ask for the entire salary list,
4 put it in the Congressional Records so we can have it reprinted
5 any time we wanted it. I just can't understand that theory.

6 MR. BROUGHTON: I can't either.

7 MR. COOK: I would like to make a motion that this
8 Board go on record right now and I would love somebody to second
9 it. That this Board go on record right now that if anybody
10 makes a request of any employees to the Legal Services Board or
11 the Corporation of the Legal Services that they be entitled to
12 receive the salary list and as a matter of fact this Board go
13 on record, recommending that we be included in the salary list
14 that is printed by the federal government along with every body's
15 salary list that is printed every six months by the Government
16 Printing Office.

17 MR. BROUGHTON: I second the motion.

18 MR. CRAMTON: You have heard the motion and it has
19 been seconded. Is there discussion?

20 MR. STOPHEL: I think it is way too broad and I am not
21 willing to go that far. We have in our material and we have
22 already just committed a listing of the number of positions by
23 salary range. I think there are many ways that this information
24 can be made public without names of individuals, and frankly,
25 I would go that far, but--

1 MR. COOK: Mr. Stophel, do you know that in your
2 Congressman's office that the young individual that comes in
3 is an intern. The young individual that delivers messages --
4 his salary received from the federal government is as a matter
5 of law published in a Bulletin that becomes a part of the perm-
6 anent record of the United States Government -- how much money
7 that person receives and if you request it, you are entitled to
8 be given that information.

9 MR. STOPHEL: Congress does a great deal of things
10 that I would not agree with.

11 MR. COOK: Do you think that there is a standard that
12 should be imposed on Congress that should not be imposed on the
13 Legal Services Corporation?

14 MR. SMITH: Mr. Chairman.

15 MR. CRAMTON: Mr. Smith.

16 MR. SMITH: I think that the analogy that Mel has
17 made and that Marlow has made -- Mel made it with the State of
18 North Carolina officials and now Marlow is making it in regard
19 to Congressman's offices and so on -- you are dealing with strict-
20 ly public positions and for this Corporation which is a quasi-
21 public corporation and very much distinguished, I think, from
22 just strictly a public agency, for good reason.

23 It is rather unique as we have known in our organizat-
24 ional efforts and all through our tenure on this Board that it
25 is unique and it isn't exactly analogous to great public offices

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1 and public board.

2 MR. BROUGHTON: That would be true, but where does the
3 money come from?

4 MR. COOK: The distinction in making a quasi-public
5 was for the sanctity of the operation of the Corporation, not
6 in salaries.

7 MR. SMITH: It is for many purposes.

8 MR. BREGER: I would be grateful to know what the
9 position is in regards to the government agencies in general.
10 Are their salaries published there?

11 MR. CRAMTON: We have two options. We can discuss
12 this issue at great length this morning and try to resolve it
13 or we can have a committee consideration of it and report which
14 would be considered at the next meeting. This is what I
15 suggested. Do you want to discuss it now? Are you prepared
16 to vote on the motion? If this motion fails, I assume the
17 Committee will respond to the Board interest in the subject and
18 will give consideration to the questions that are involved, and
19 will report back to the Board in March concerning the policies
20 that the Board should follow and the Corporation should follow,
21 concerning confidentiality and revelation and public discussion
22 of salaries.

23 We are talking about a motion that would change a
24 policy that this Board has established and has evolved over a
25 period of time after a great number of discussions, and I think

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1 it is appropriate to the Committee to look at it and see if we
2 are going to change it. It isn't a matter of continuing to
3 study something; it is a matter of we already have a policy on
4 it and it is a question on whether we are going to change it.

5 I don't believe in changing a policy on an impetuous
6 sudden motion in a meeting like this where it wasn't really a
7 matter that was up for discussion.

8 MR. BROUGHTON: Mr. Smith, when you say that -- my
9 comment is not impetuous and I don't understand all the cause
10 for -- and I don't recall when we ever established a clear cut
11 policy since this Corporation has been in existence about the
12 salaries of the staff might be made public.

13 Now, I was not at Window Rock; there was some salary
14 reports at that time. I wrote Mr. Hennigan a letter shortly
15 after Window Rock and asked him if I could see a copy of it.
16 I did not hear from him. I had a phone call from Mr. Bamberger
17 who did send it, but he talked about it being confidential and
18 that was puzzling to me; thereupon, I had some concern about the
19 levels and I communicated with the Chairman, and I believe this
20 is correct.

21 Then at the October meeting, we got into it again and
22 it was at that point that I was told by the Chairman that it is
23 not public information, to my great shock. I do not recall and
24 I may be in error, be it ever as a Board enunciated a policy
25 saying that the salary levels of the staff would not be available

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1 to any body, any taxpaying citizen who wants to see it. I am
2 not being impetuous when I say that.

3 MR. CRAMTON: You are just in error on that proposition
4 of it. The policy may be right or wrong; it may be that it
5 should be reconsidered, but at least at three meetings in
6 executive sessions, one prior to Window Rock in which I can't
7 fix the identification, at Window Rock when you weren't there,
8 and at the executive session at our last meeting in October,
9 these questions were considered. It was a very substantial
10 majority of the Board, and you heard to exceed that there was
11 a majority of the Board that did take the position that we have
12 policy for reasons that people thought were appropriate. In
13 general, if favored confidentiality in terms of the salaries
14 of individuals.

15 MR. BREGER: Can a policy of that sort, Mr. Chairman,
16 be set up at an executive session?

17 MR. CRAMTON: Yes, we can take any action at an
18 executive session.

19 MR. BREGER: A policy of that sort can be set up at
20 an executive session, and again, I have to confess a total lack
21 of understanding of what the executive sessions are all about.

22 MR. CRAMTON: Read the bylaws. We can take any action
23 in an executive session particularly with respect to personnel
24 policies.

25 MR. BREGER: Personnel individuals or policies about

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1 confidentiality?

2 MR. CRAMTON: Both.

3 MR. COOK: I wonder if you would allow me to amend
4 my motion.

5 MR. BREGER: Me?

6 MR. COOK: You seconded it.

7 MR. BREGER: No, Mr. Broughton did.

8 MR. COOK: Would you allow me to amend it?

9 MR. BROUGHTON: I support your amendment and I will
10 allow you to do it.

11 MR. COOK: I would move that the salaries of the
12 President of the Legal Services Corporation, the salary of the
13 Executive Vice President, the salary of the Secretary, the
14 Treasurer, Comptroller, the Budget Director, and the General
15 Counsel, be general information and that it be available to any
16 member of Congress and it be available to any member of the
17 public upon request.

18 MR. CRAMTON: Is that accepted by the seconder of the
19 initial motion?

20 MR. BROUGHTON: I don't think it goes far enough.

21 MR. BREGER: I will second it.

22 MR. BROUGHTON: He can second it first, then.

23 MR. CRAMTON: Is this a substitute motion that is be-
24 fore us?

25 MR. COOK: Yes.

1 MR. CRAMTON: Is there any discussion on that motion?

2 MR. ORTIQUE: Where is your Roberts Rules? Is there
3 permitted a substitute for a substitute?

4 MR. BREGER: Yes.

5 MR. COOK: Yes.

6 MR. ORTIQUE: I would offer a substitute motion that
7 all the salary schedules be available to the public. All of
8 them, upon written request.

9 MR. MONTEJANO: Second.

10 MR. BROUGHTON: Second.

11 MR. CRAMTON: In terms of names of specific individuals
12 or in terms of positions. Do you want a technical assistant
13 listed or do you want Joe Jones name and address?

14 MR. ORTIQUE: I think we ought to say Joe Jones and
15 Mary Roe and whoever. What ever the salary is it ought to be
16 said. It all ought to be known.

17 MR. EHRLICH: Mr. Cramton.

18 MR. CRAMTON: Mr. President.

19 MR. EHRLICH: There are substantial arguments for the
20 publishing of the specific salaries of each individual. There
21 are substantial arguments, I think, in favor of a variety of
22 other techniques to make salary information available in a
23 variety of kinds of ways. We do some of those ways now in the
24 budget by categories. You may conclude on the basis of analysis
25 of what goes on within our organization and what goes on within

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1 a variety of other organizations that are comparable to ours
2 that we should change the procedure we use.

3 I would urge you, however, before doing that to work
4 and to let us work through Committee on Personnel. Present
5 them with an analysis of the various options and the implications
6 of those options in terms of the individual human beings who
7 are in this Corporation now who you are talking about.

8 MR. COOK: Mr. President, what is it that we want to
9 hide?

10 MR. EHRLICH: I'm not saying that we want to hide any-
11 thing. I'm just saying in terms of most organizations that I
12 know that are corporations, they don't publish the salary sche-
13 dules of all -- everyone knows my own because that has been
14 made public. Other than that, they haven't been. I think there
15 are arguments in favor of it.

16 You may disagree on that, but I would urge you to dis-
17 agree on the basis of an analysis of the different--

18 MR. BROUGHTON: I disagree on the basis of the public's
19 right to know.

20 MR. EHRLICH: Excuse me. I would urge you to disagree
21 on the basis of an analysis of the different kinds of options
22 rather than deciding now, change it. You may well change it,
23 but it seems to me it would be sensible to look at the various
24 ways you can go, before doing it.

25 I think there are arguments the other way.

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1 MR. CRAMTON: I think the issues are fairly posed.
2 Either this question can be decided today or we can have the
3 Committee on Personnel look into it and report back. Is every-
4 one prepared for the question?

5 MR. BREGER: I still had a question that I would like
6 to ask. I have asked it but it has not been answered. What is
7 the position regarding federal agencies?

8 MR. CRAMTON: A comprehensive discussion and we would
9 have to go into what is a federal agency -- what do you mean,
10 the practices are different? That's one of the reasons for
11 studying it. That is one of the reasons to get a report, to find
12 out what Amtrack and Corporations --

13 MR. BREGER: I'm not talking about that.

14 MR. CRAMTON: And the ICC and so on.

15 MR. BREGER: The Department of Transportation.

16 MR. COOK: You can get them all.

17 MR. CRAMTON: Are you prepared for the question?

18 MR. STOPHEL: Are we voting on Mr. Ortique's motion
19 which is that all salary information be made public?

20 MR. BROUGHTON: Yes.

21 MR. COOK: Yes.

22 MR. STOPHEL: Are being made available upon written
23 request.

24 MR. ORTIQUE: Upon written request.

25 MR. CRAMTON: We are voting on Mr. Ortique's substitute

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1 that the entire salary structure be available on written request.

2 MR. BROUGHTON: By name and amount.

3 MR. CRAMTON: By name and amount. Are we ready for
4 the question?

5 (No response.)

6 MR. CRAMTON: All those in favor of the substitute,
7 please say aye.

8 (Ayes.)

9 MR. CRAMTON: Those opposed.

10 (Nays.)

11 MR. CRAMTON: Let's have a show of hands. Those in
12 favor, please show by raising your hand. Montejano, Ortique,
13 Cook, Breger, and Broughton.

14 Those opposed. Stophel, Cramton, and Smith and the
15 motion carries. This is now the substitute for Mr. Cook's
16 motion and now we have to vote on the adoption of the main
17 motion itself which is now the Ortique motion. It is my under-
18 standing that we voted to substitute Mr. Ortique's motion for
19 Mr. Cook's by a 5 to 3 vote and now we have to vote on the main
20 motion itself. Is there discussion?

21 (No response.)

22 MR. CRAMTON: Are you prepared for the question?

23 (No response.)

24 MR. CRAMTON: The General Counsel has asked to address
25 this question.

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1 MS. DANIEL: I think I can respond to Mr. Breger's
2 question. As I understand it, the policy of federal agencies
3 is to publish the GS level for particular positions, and that
4 level indicates a salary range, but they do not publish the
5 precise salary paid to the incumbent of that position at any
6 time.

7 I believe that our policy now is consistent with that
8 because we publish advertisements for all openings within the
9 Corporation and those always list salary level.

10 MR. ORTIQUE: Are you suggesting that we may be in
11 violation of some law regulation if we publish by name and
12 amount.

13 MS. DANIEL: No, Mr. Ortique, but this is just in
14 response to Mr. Breger's question as to what practice of feder-
15 al agencies and that is my understanding.

16 MR. STOPHEL: The salary of our chief executive offic-
17 er is set by statute so that is set. The rest of them are be-
18 low that, and I think we ought to do it by range rather than by
19 specific amount because it is going to be out of date the next
20 time you make a change.

21 MR. CRAMTON: Is there further discussion?

22 MR. COOK: Mr. Chairman, after all of this totally
23 out of regular order, I'd like to say to you that I don't think
24 it is necessary to vote on the Ortique motion at all. The
25 Ortique motion is substituted and it has passed. That is what

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1 has passed. As a matter of fact, it was a substitute for my
2 motion and so my motion is no longer up for consideration. The
3 only substitute that has passed by a vote of 5 to 3 is Mr. Ortigue's
4 and that is it.

5 All the strenuous conversation and the out of regular
6 order conversation may have had some effect; I have no idea,
7 but I think if you check your rules there is no need to have
8 another vote at all.

9 MR. CRAMTON: That is not my understanding.

10 MR. COOK: As a matter of fact, that is exactly what
11 you did yesterday and got into trouble.

12 MR. CRAMTON: That is not my understanding of the
13 parliamentary procedure or what the understanding of what people
14 were voting on. The question is whether Mr. Ortigue wanted to
15 substitute his motion for yours.

16 MR. COOK: And, he did.

17 MR. CRAMTON: That was substituted. Now, that is the
18 main motion that is pending on the floor and it has not been
19 adopted on the merits.

20 MR. COOK: Why would you vote on it again?

21 MR. BROUGHTON: That is the same thing we did yester-
22 day.

23 MR. COOK: Why don't you take a look in the book in
24 front of you.

25 MR. CRAMTON: The parliamentarian will advise me before

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1 I make a ruling.

(Whereupon, Ms. Daniel examined Roberts Rules of Order.)

2
3
4 MR. CRAMTON: What was the understanding of the
5 members of the Board? In fact, I indicated that we were vot-
6 ing on the substitute, on the adoption of the substitute.

7 MR. COOK: The substitute passed.

8 MR. CRAMTON: We were voting on the subject of the
9 substitute, not the passage of it.

10 MR. STOPHEL: He can't substitute just by making sub-
11 stitute motion.

12 MR. COOK: That was the pending motion before the
13 Board, and certainly he can. It is his motion.

14 MR. SMITH: The motion to substitute is an effective
15 motion to amend.

16 MR. COOK: Get back to the Kansas State Senate and
17 you know better than that. If a substitute motion passes, it
18 passes. That is the problem we had yesterday.

19 MR. CRAMTON: I am going to rule that it was my under-
20 standing and it was the understanding of the members of the
21 Board, that wholly apart from these parliamentary devices that
22 it was the understanding of everyone that the question is whether
23 to place the Cook motion with the Ortique motion and that is
24 what we have now done and the Ortique motion is now pending.
25 Are you ready for the vote on the merits of the Ortique motion?

1 (No response.)

2 MR. COOK: With the understanding that I reserve the
3 right to object. At this point, Mr. Chairman, I will not ob-
4 ject, but I would have to say to you that this is exactly what
5 got us into trouble yesterday. When you voted on the Glee,
6 Smith substitute, Glee Smith said there was no question about
7 the fact that when that passed, it passed.

8 Now, let's finish. You then made an explanation that
9 you were going to vote against a motion that had already been
10 in effect passed and on that one it tied and was defeated and
11 I must confess that the position that has been taken today is
12 totally contrary to the one that we took yesterday, and actively
13 in a gentlemanly fashion, when you came back and moved to re-
14 consider.

15 Now, there isn't any question about the fact that
16 Mr. Ortique -- there isn't any question about the fact that Mr.
17 Smith when the vote was taken on the Smith substitute and it
18 was passed that they absolutely were of the opinion that their
19 motion was passed. Mr. Smith is now saying that that is not the
20 case.

21 MR. SMITH: That isn't the case because they are not
22 exactly the same situation as yesterday. Yesterday, my motion
23 was a motion to amend the Senator Cook and it was accepted by
24 the maker of the principal motion.

25 MR. CRAMTON: The Chair has made a ruling. Is there

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1 an appeal from the ruling of the Chair?

2 MR. COOK: No.

3 MR. CRAMTON: Are you prepared for the vote on the
4 substitute motion?

5 MR. MONTEJANO: Yes.

6 MR. CRAMTON: Mr. Ortique, would you rephrase the
7 motion that is now pending.

8 MR. ORTIQUE: My motion is that --

9 MR. CRAMTON: Restate it.

10 MR. ORTIQUE: All the salaries, all the people who
11 work for the Corporation made available to the public upon
12 written request by name and amount.

13 MR. CRAMTON: Is that understood?

14 (No response.)

15 MR. CRAMTON: All those in favor of the motion, please
16 say aye.

17 (Ayes.)

18 MR. CRAMTON: Those opposed.

19 (Nays.)

20 MR. CRAMTON: Let's have a division. All those in
21 favor, please raise your hand. Montejano, Ortique, Cook,
22 Broughton, and Breger.

23 All those opposed. Stophel, Cramton, and Smith.

24 The motion carries.

25 The salaries are available if anyone wants them until

1 the Board decides otherwise. Does that complete the Report of
2 the Personnel Committee?

3 MR. SMITH: / The Report of the Personnel Committee was
4 completed sometime ago, Mr. Chairman.

5 MR. STOPHEL: Mr. Chairman.

6 MR. CRAMTON: Mr. Stophel, do you have a report for
7 the committee?

8 MR. STOPHEL: In view of our recent discussion, it
9 might be well to start with page 87 which lists the current and
10 projected salary ranges. Then, we'll go to the detail of the
11 budget which we started yesterday afternoon and have ^{void} ~~boarded~~
12 several times.

13 REPORT OF APPROPRIATIONS & AUDIT COMMITTEE

14 MR. STOPHEL: You will notice that the number of
15 personnel --

16 MR. CRAMTON: Can we have order, please.

17 MR. STOPHEL: The number of personnel of the Corporat-
18 ion itself, employees rejected by the staff is an increase of
19 58 of 241 to 299 in fiscal 1979, which of course, is beginning
20 October 1, 1978 and running through September 30, 1979.

21 The changes in those categories are shown there in
22 case any body is interested. As you will notice, there are no
23 changes above the \$30,000.00 level projected or proposed.

24 Yesterday, we were looking at a couple of charts and
25 I think that was exactly the wrong place to start because let's

1 go to the overview first and then go to the detail.

2 MR. BROUGHTON: Let me ask you this question, Mr.
3 Stophel, if I may, and then go on to page 87. This is not a
4 written request.

5 MR. STOPHEL: You are not a member of the public
6 any way.

7 MR. BROUGHTON: No sir, not now. But do you under-
8 stand that the increase in the additions to the head part of
9 staff -- the total which is 63 is keyed to the expanded budget
10 proposal. That is an anticipation of a vast increase in the
11 budget, we will say.

12 MR. STOPHEL: That is the basis for the increase
13 actually. In other words, the increase in the budget is a
14 factor of this increase, not on numbers of people, but on dollars.

15 MR. BROUGHTON: Right.

16 MR. STOPHEL: Because we were told that the increase
17 in the budget was a factor of the increase in personnel compen-
18 sation.

19 MR. BROUGHTON: The point is that the budget proposal
20 as is finally submitted by this Board or finally adopted by
21 Congress is not at the level that we had been discussing. Then
22 I understand that there would not be a need for 63 additional
23 people in headquarters.

24 MR. STOPHEL: This is not just headquarters; this is
25 our entire throughout the nine regions and the headquarters.

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1 MR. ORTIQUE: They still may be needed but we will
2 not be able to provide for it, because the money wouldn't be
3 there.

4 MR. STOPHEL: What we must keep in mind is this, that
5 we're now looking at that estimate based on an estimate. That
6 is the 1978 budget has not been spent yet; it has been adopted
7 as a budget. Nevertheless, this budget is built on that one
8 and is a factor of it; therefore, it is not necessarily a com-
9 pliment that there would necessarily be a direct correlation.
10 There should be some relation without question between the in-
11 crease in personnel and other increases of cost, not necessar-
12 ily in ratio.

13 MR. COOK: Glenn, this is very similar to what we
14 went through last year as you recall, Mel, and during the course
15 the consideration to various budget requests in the House and
16 in the Senate, that Buck was continually revising based on
17 estimates as the process went along, even to the extent that he
18 gave us what would have to be done as revisions of the budget
19 when we took a Senate amount, when we took a House amount, and
20 then ultimately on the Conference amount.

21 So these things always run in tandem. They always
22 will and to that extent whatever personnel requirements are call-
23 ed for they have to be trimmed along with everything else as
24 the process of volume go down.

25 MR. STOPHEL: Yes, if the number of lawyers in the

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1 expansion program were reduced in half, our travel might not be
2 reduced in half but it would be reduced by some factor because
3 a great deal of travel relates to the training of those lawyers,
4 the monitoring visits and that sort of thing in the evaluation
5 section.

6 I am sorry, Mr. President, go ahead.

7 MR. EHRLICH: You really do have to go through office
8 by office in terms of program support for example, much of the
9 increase is based on those who will come in '78 who will be
10 there and must be trained if we are going to have a quality
11 program.

12 Whatever happens in terms of increase in '79 -- in
13 other offices it is different so it really depends office by
14 office, but this is the best projection.

15 MR. BROUGHTON: I thought I understood, but I was just
16 trying to clarify that as we began. I thought that might be
17 a good place to do as you have the same situation throughout the
18 whole system.

19 MR. STOPHEL: Excuse me, as I think I said yesterday,
20 I would like for each Board member at your leisure when you re-
21 turn home, to read pages one through twenty-seven of this thing
22 and if you have questions about the narrative, please let the
23 staff know before this submission goes in in January. That is
24 if you have a problem about any statements there, let them
25 know. I don't think it is incumbent upon us today at this Board

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1 Meeting to review the narrative because I just don't think that
2 will accomplish a great deal line by line.

3 However, I do think we should go to page 37 which
4 begins the detailed explanation of the budget. Let me explain
5 what the committee did. As you will recall, at our October
6 session, we were given this in broad categories with a few basic
7 assumptions that were made including the cost of business adjust-
8 ment at 5 percent, including the cost variation study, includ-
9 ing the salary implementation -- salary increase implementation
10 -- and so forth.

11 At that time, we adopted in broad category. The day
12 before yesterday, your committee went through the budget, did
13 not take any action to increase or reduce the requests, but re-
14 viewed in some detail the questions in a hope that we and the
15 staff would be able to answer any questions that you have to-
16 day.

17 It is before us for a change, revision, or submission
18 as it is. On page 37 begins the detailed explanation and the
19 first heading is the Provision of Legal Assistance, as you will
20 see. You can tell whether you are talking about any Corporation
21 personnel by seeing in the second, in the second column under
22 each date the permanent position increment of this.

23 Now, this first division, the Provision of Legal
24 Assistance, includes both regional staff and the programs and
25 most of this money that you are seeing here, the request of

1 283 million, obviously, most of that is by contract to grantees.
2 We will come to that in a minute. What you are looking at here
3 is a broad category and then we will look at more detail on it.
4 I wanted to explain that.

5 Let's look at page 39 which is Field Services. The
6 makeup of the budget is basically that each of the categories
7 is then explained with the program information showing what it
8 is. You will see that under Field Services the request is
9 200,214,000 dollars which is an increase of 13 million dollars,
10 with an increase in our staff of 14 positions, and then these
11 are the local legal services Program, support centers, National
12 Clients Council, the Reginald Heber Smith attorney fellowship
13 program, and the Corporation's nine regional offices.

14 So this is a category that you can look at, you can
15 see the increase is 13 million dollars in that category.

16 Now, the next pages break that down and show you the
17 basic field programs which is an increase to 175 million; the
18 Native American is 3.9 and the Migrant Programs of 3.8 in round
19 figures.

20 From here, I think it would be helpful for Mr. Hennigan
21 to walk us through this budget. If you have a question at any
22 point as to the projected increase, how it was arrived at, the
23 division heads, and the representatives of the Comptroller's
24 Office who have the backup material, are here and can explain it
25 to us. Mr. Hennigan.

1 MR. HENNIGAN: Mr. Stophel asked Mr. Jones to gloss
2 some of the highlights of this section as he is directly re-
3 sponsible for it. We'd like to make one technical explanation
4 about the column labeled 1979 Base.

5 MR. ORTIQUE: What page, Mr. Hennigan?

6 MR. HENNIGAN: It starts at page 39.

7 MR. ORTIQUE: Thank you.

8 MR. HENNIGAN: You will notice that the 1978 estimate
9 is 151,003,000 and the base increase is to 187,143,000. The
10 reason for that is that we take the 1978 estimate for Field
11 Services and add to it the 1978 estimates for Program Improve-
12 ment, the inflation adjustments, competitive salary adjustments,
13 and also the funds for program expansion to arrive at the base
14 for 1979.

15 This is simply a way of saying that we divide 1978
16 into three parts -- field services, program improvement, and
17 program expansion. But, when you go to the annualized level
18 against which you project your field services needs for 1979,
19 you will have to combine all those funds together. Is that
20 principle generally clear?

21 MR. BROUGHTON: You say three items -- field services,
22 improvement and expansion. Is that right?

23 MR. HENNIGAN: Right. They are added together to form
24 the 1979 base for field services which is the way --

25 MR. BROUGHTON: The way that is, you have taken that

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1 Mr. Hennigan, as I understand it in how you are relating that
2 is what you consider a normal change not taking into account
3 anything beyond these three criteria.

4 MR. HENNIGAN: Yes. It simply says to think realistic-
5 ally of what you are going to need for field services in 1979.
6 You have to look at your total annualized commitment for those
7 programs before you start putting on any increase. That annual-
8 ized commitment is the combination of basic field services in
9 '78, program improvement in '78, and program expansion in '78,
10 and the sum of those is why the figure increases from 151,003
11 in the 1978 estimate to 187,143 in the 1979 base.

12 MR. BROUGHTON: And, that criteria takes into account
13 an inflationary factor, right?

14 MR. HENNIGAN: Yes, that is one of the factors that is
15 involved in the increase between the two figures.

16 MR. STOPHEL: Which was 5 percent in the '78 estimate.

17 MR. BROUGHTON: Right?

18 MR. HENNIGAN: This will become apparent when we
19 come to the program improvement and expansion section when you
20 will find that the base has nothing listed because it has been
21 added in here. We'll explain that when we come to it. Charles,
22 will you go ahead.

23 MR. JONES: I can be consistent with what Mr. Stophel
24 has suggested; I don't know how you want me to go. Do you have
25 any specific questions or do you want me to review specific

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1 parts?

2 MR. STOPHEL: I might suggest that on page 40, Charles,
3 you take the three basic compliments here which is basic field
4 programs. Tell us about how we plan to spend the 8.7 that is
5 there; and then the Native American Programs.

6 MR. JONES: All right. Basically, for 1979 as you
7 will all recall, assuming that we get the amount that we are
8 requesting from Congress, we complete the coverage for 29 million
9 people at the rate of \$7.00 per poor person.

10 You will also recall that in regard to the Native
11 Americans because of the census submission of undercount, we
12 have adopted the BIA figures, which led to some increase in
13 their numbers. We will complete them as well as the migrants
14 that we have discussed at lengths at previous board meetings.

15 MR. COOK: Charlie, you don't have your hand on that
16 migrant thing, do you?

17 MR. JONES: We have as best as we can, at this point.
18 I will say this. The study that we commissioned to be done,
19 contracted to be done has become a very popular document. We
20 were supplying it initially to those who asked for it, but the
21 requests were overwhelming so we have now sent it through the
22 clearing house. The clearing house will make it available to
23 interested people.

24 Reality is that no one had really attempted to come up
25 with anything that gave a realistic picture. We're fairly

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1 secure with what we have done. Methodology, thus far, we have-
2 n't had any grieving at the methodology. Now, the reality is
3 that perhaps we did undercome. We don't know, but given the
4 circumstances having to do with migrants and the fact that from
5 time to time they tend to withdraw from the migrant stream and
6 re-enter the stream.

7 I suspect that we have as good information as any
8 body has at this point and people certainly are relying upon it.

9 MR. COOK: I agree with that.

10 MR. JONES: But it is something that we will have to
11 look at and review. Hopefully, some other agencies that have
12 concerns; for instance, Migrant Health and Migrant Education
13 will begin to collect their own information so that we can have
14 an even more reliable source of data.

15 MR. COOK: Mr. Chairman, I really didn't mean to
16 digress on this from the figures, but I think the problem is
17 that any kind of recommendation you make to get a more realistic
18 number for budget purposes, you just impose another obligation
19 on the individual migrant worker, who, in turn, suffers as a
20 direct result of it in relation to the system that presently
21 exists. That is really a terribly tough problem.

22 MR. BROUGHTON: Could I ask a question on this. By
23 way of review as far as the item on migrant workers, and we had
24 a discussion on this at our July meeting.

25 MR. JONES: Yes.

1 MR. BROUGHTON: And, it was finally resolved at that
2 time as to a figure. This was something, as I recall, we were
3 really just getting into.

4 MR. JONES: We came up with a figure based upon--

5 MR. BROUGHTON: I should know this--

6 MR. JONES: That's all right. We made available to
7 you a copy of the report that was prepared by our consultant.
8 Based upon that report with the help of our Budget Officer and
9 the Planning Office, we came up with a projection of numbers by
10 states. Those numbers, keep in mind, have to be adjusted be-
11 cause you weren't talking about individuals who were in state
12 by their very definition for an entire twelve months.

13 So, through a process of factoring that out, we came
14 up with, for allocation purposes, a figure that we could use
15 which would permit the handling of the individuals who were in
16 those states for varying periods of time, and have begun the
17 process -- or will begin the process in 1978 of insuring that
18 those states that show -- and for our purposes we are talking
19 in units of 10,000 -- of migrants so that we can fund at the
20 rate of \$7.00 per each one of those.

21 Again, because we are talking about people who are
22 by their very definition moving from one place to another, that
23 is what we end up with. The total figure for the migrant -- I
24 don't have my finger on it. Do you remember what it is? I
25 think it is 999,000 or approximately 1 million.

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1 MR. BROUGHTON: That would extend coverage to how
2 many?

3 MR. JONES: I am sorry.

4 MR. BROUGHTON: I have it over here some where, but
5 I can't find it. The additional increase, as I understand it,
6 in this budget is around 1 million dollars.

7 MR. HENNIGAN: The increase for the migrant native
8 American programs appears under program expansion, because all
9 the new money going to them will in effect be going to new
10 programs, and we will be coming to that later, Mr. Broughton.

11 Here, under Field Services, you will notice that we
12 show an increase of only 8,691,000 for Basic Field Programs.
13 That is to complete access for the persons who have not yet
14 been reached in the 11 large cities which were discussed in
15 some length in July, and we made an upward adjustment.

16 We will be coming to the actual increases in 1979 for
17 migrants and native Americans when we come to Roman III which
18 is Program Expansion.

19 MR. BREGER: Sorry.

20 MR. CRAMTON: Mr. Breger.

21 MR. BREGER: I ought to know the answer to this but
22 I have forgotten. The inflation adjustment is 5 percent but we
23 have to apply that to our \$7.00 per poor person figure?

24 MR. HENNIGAN: Yes, in 1979, when we will have a min-
25 imum level of \$7.00, which is being built to for virtually all

1 programs, except the 11 large cities in the uncovered areas in
2 1978. That rate will then go to approximately \$7.35, or it
3 could go slightly higher if the Board sets a higher inflation
4 rate.

5 So, we will then speak of minimum access of the rate
6 of \$7.00 adjustment for inflation.

7 MR. BREGER: Right.

8 MR. ORTIQUE: Did you say the 11 large major cities--
9 is that the same as the largest programs?

10 MR. JONES: Largest programs?

11 MR. ORTIQUE: Because the Mississippi operation was
12 included in that eleven, they are still there.

13 MR. JONES: As well as the Georgia State one. They
14 are not the largest cities; they are the 11 largest programs.

15 MR. ORTIQUE: I just wanted to be sure that we were
16 talking about the same programs.

17 MR. STOPHEL: This program does bring those up suppos-
18 edly to the \$7.00 level.

19 MR. ORTIQUE: Just one other question. I recall at
20 Window Rock of the Board expressing its concern about the
21 expansion of the native American programs, and what are we talk-
22 ing about in terms of personnel -- increase in personnel?

23 MR. JONES: For the expansion, as Buck pointed out,
24 it's on page 53.

25 MR. CRAMTON: Can we leave them until we get there,

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1 Mr. Ortigue?

2 MR. ORTIQUE: Fine.

3 MR. CRAMTON: We will go through it.

4 MR. STOPHEL: What we are doing now here is under
5 field programs we are basically looking at those programs that
6 are in existence and are receiving basic increases. We are
7 going to come to the expansion money in a minute.

8 MR. ORTIQUE: All right. That's fine.

9 MR. JONES: Now --

10 MR. STOPHEL: Support Centers is on page 43, and it
11 is one third of the programs we are looking at.

12 MR. JONES: As has been indicated, the Support Centers
13 are mentioned on page 43 under B. The 1978 estimated funding
14 level is 4,600,000. Their 1979 base is 4,816,000. The explan-
15 ation is basically --

16 MR. STOPHEL: The inflation adjustment plus an increase
17 of which was -- a calculated increase put into the budget.

18 MR. JONES: The relevant factor, I gather at this
19 point is the increase we are budgeting for -- estimated increase
20 is 1,000,000 dollars for Support Activities. As I had indicated
21 to the Audit and Appropriation Committee, there is a committee
22 that is presently formed; that is, looking at support needs,
23 generally and also in its broadest sense including the support
24 provided by individual programs, joint activities within states
25 as well as by the National Support Centers.

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1 MR. CRAMTON: What is the makeup of that Committee?

2 MR. JONES: The Committee has representatives from
3 the Corporation. I am on the Committee and Mr. Carter is on
4 the Committee; Alan Houseman is on the Committee. Then, rep-
5 resentatives from the Support Centers -- I forget their exact
6 number -- about four of them. That is where the committee is
7 now at this point in time.

8 It may be, and one of the recommendations that we are
9 going to look at very carefully, is whether or not representa-
10 tives -- it may be difficult to find exactly how one goes about
11 getting these people -- representatives of local or field
12 service programs, as well as representatives of State Support
13 Centers to be added to the committee since we want to look at
14 the entire kind of thing.

15 Simultaneously, within the Corporation, however, there
16 is a Task Force that have field service people on it, that have
17 a representative from the community on it, as well as the others
18 that I mentioned.

19 MR. CRAMTON: One suggestion that I would make just
20 for the consideration of the President and the staff to see --
21 you might consider asking a Board member or a committee to
22 designate a Board member to attend these Task Force committee
23 meetings, if they really are fairly important Ongoing enterprise.
24 I know I have attended some of the Task Force and Advisory
25 Committee meetings in the recruitment area and have found them

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1 very, very useful in terms of getting a feeling for what is
2 going on in planning. It is one way to keep the Board informed
3 because that one individual can then become a liason to the
4 Board and to the committee.

5 It's a useful device and maybe a member of the
6 committee on the Provision of Legal Services would be interested
7 in attending these Task Force meetings and being in a position
8 to report to that committee.

9 MR. STOPHEL: Are you at a point where you feel --
10 we have shown about a 20 percent increase in these programs --
11 are you at a point where you feel more than the cost of business
12 adjustment is indicated in this area?

13 MR. JONES: Well, one of the things that we are also
14 doing is that we have received a draft of a study of resource
15 needs. We got a sample of attorneys in programs as well as
16 paralegals in programs. That report is being put in final
17 form for us.

18 As you can see, these represent basically several
19 subsistent law areas and specific groupings like the elderly,
20 and migrants, and so forth. What we want to do is have some
21 flexibility to respond to the perceived needs of paralegals
22 and attorneys within programs.

23 Clearly, we would have to have money available for
24 an inflation increase, but it may be that we will want to talk
25 about some reformation, additions of various support activities,

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1 as well.

2 MR. EHRLICH: We have seen, though, a substantial
3 increase in the call for local programs around the country for
4 help as those programs have increased, in number and in number
5 of attorneys, particularly new attorneys that needed specialized
6 assistance. They, in turn, have substantially increased the
7 demands for support centers.

8 MR. STOPHEL: I wanted to be sure that we were broad-
9 ening this category here beyond the 13 support centers, I guess
10 was the point I was making. We are not planning even at this
11 point to put another million dollars even in those programs
12 necessarily. We are saying for the support activities that is
13 of the type used by these people.

14 MR. JONES: When I referred before, even before the
15 Task Force that came about as a result of the discussion at the
16 Board's last meeting, the group that I had mentioned first was
17 meeting to talk about long term needs. That got into the entire
18 picture of support.

19 You know, we are in 1977 applying for 1979; we have
20 to plan for tremendous growth programs and how we are going to
21 be able to apply the support for those programs. Obviously,
22 all of those factors that were discussed led to this amount.

23 It may be, very frankly, that given the growth to the
24 number of programs that it is inadequate to be what it ought to
25 be. That is why it is essential to look at the Corporation's

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1 entire support activities.

2 MR. ORTIQUE: All of our support activities now are
3 free standing, not under some foreign umbrella so to speak any
4 more. By that I mean university connections.

5 MR. JONES: That's right. Now part of that are not

6 MR. STOPHEL: The Reginald Heber Smith program is a
7 separate program. Are there questions on the Support Centers?

8 MR. BREGER: I am just wondering if any consideration
9 is being given as to where support needs might lie that are not
10 being presently met. That is to say the 13 support centers are
11 developed through a process of historical creation, and I am
12 wondering whether we are satisfied that we are now providing
13 support in all the areas of specialized need, or whether there
14 are areas of specialized need where we are not providing support,
15 and if so, what consideration have we given to that problem.

16 MR. JONES: That was a survey to which I referred
17 earlier. We have surveyed a representative sample of attorneys
18 and paralegals to get some notion of where people see the need
19 for support, and as soon as that report is available in final
20 form we will make it available to the Committee as well. Then,
21 review it in terms of how well we are meeting the support needs,
22 but as I indicated, my judgement is that it is a larger issue
23 than just the National Support Centers. It goes to corporation
24 support on the whole, because we didn't focus just on the 13
25 centers; we talked about what resources people felt they needed

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1 to do their job.

2 Resources was defined broadly enough to encompass
3 adequate libraries within programs, pleading banks as well as
4 subsistent law help and other types of help. As soon as we get
5 that we will have some ability to make some judgements.

6 MR. COOK: The other real answer to that is innovation
7 comes as a result of demand and demands have got to made of
8 these respective centers in relation to getting off of a status
9 quo, if that is the case of a particular center. Otherwise,
10 we are in kind of a never, never land of saying that we think
11 this is a problem and then you find yourself expending funds
12 when in effect you really don't have the demand for it. Some
13 of the demand really has to come from the client community.

14 MR. STOPHEL: Some of us feel that we need to get
15 away from national centers and get to regional more or to state.
16 We are doing some work. We have five statewide centers so to
17 speak, support groups, and personally, I think this is the way
18 we need to go to get more localized because more than likely
19 you will be able to get prompt and active participation with
20 your attorneys, the more localized we make the support centers.
21 That's at least one subject that I think this Task Force will
22 address also.

23 MR. ORTIQUE: I certainly hope that they will look on
24 the other side, because in my limited travels and meeting with
25 various support centers, I find that the national projections of

1 those centers are very helpful. I would hope that the Task
2 Force, however, would look at in addition to all the other things
3 that you are looking at, just make sure that we are not duplicat-
4 ing efforts. I think that that ought to be an ongoing situation
5 because I have some questions about what some support centers
6 are doing, solely on the basis of history as opposed to demand.

7 I think that really is where the key is -- is what is
8 the demand for the services that these support centers are
9 rendering.

10 MR. CRAMTON: Are we up to page 45 now?

11 MR. BROUGHTON: I was going to say this. I recall
12 a statement from the young man here from Wisconsin about support
13 centers and the Judicare Program in rural counties. His response
14 was that they were not used to a considerable extent by the
15 program that he was in charge of, the Judicare Program. I
16 don't know how extensive that is. I've heard it both ways and
17 I've heard people out in the field say that they did not call on
18 the support center, but I've also heard that the support center
19 have tended to be supportive within the areas that they are
20 located which may be the point that Mr. Stophel is speaking
21 about.

22 MR. STOPHEL: Well, my experience around programs
23 and personal experience in the program -- the use of a support
24 center is a factor of several things that the director of the
25 program to do with the use of a support center. The type of

1 cases that you will hear varying percentages of the types of
2 cases we heard yesterday of a 55 percent domestic relations.
3 When you start a new program the tendency is to have 80 or 90
4 percent domestic relations. You have to get away from that;
5 that is a real struggle sometimes to do that.

6 You don't need a support center if you are dealing
7 with that, but it is when you get into the more technical areas
8 is when you do need the assistance of the support centers or
9 some other mechanism that we would establish.

10 MR. JONES: You do know as an ongoing function, the
11 regional staff monitors every program of the support centers,
12 and in addition to that as they go into field programs they
13 talk to the attorneys in the field program as to their use of
14 the support, so that we have some ability to get to the issue
15 of demand. In addition to that, we have done a survey to see
16 if there are areas that need special attention as well.

17 It is an issue that we are concerned with and it is
18 one that we look at continually and I think Mr. Stophel is
19 right in terms of the demand varying.

20 MR. COOK: Charlie, as long as the survey is from
21 those who are in need of the support.

22 MR. JONES: That is exactly what it is.

23 MR. COOK: Because it shouldn't be our regional people.

24 MR. JONES: No, no. The survey that we have commis-
25 sioned and are completing now is a representative sample of

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1 attorneys in programs as well as paralegals in programs. It
2 doesn't have anything to do with regional staff. What I was
3 saying was that when regional staff monitored support centers,
4 they look at records in terms of numbers of requests, and when
5 they monitor their programs, they talk to programs about their
6 uses of support centers. Two different ideas, both going to
7 demand.

8 MR. BREGER: Then, they also would ask them, for
9 example, are there areas where you --

10 MR. JONES: Indeed.

11 MR. BREGER: Let's say Handicapped Utility Law where
12 you feel the need for expertise--

13 MR. JONES: I don't know whether they point out those
14 particular areas, but they certainly ask are there areas where
15 you need support.

16 MR. BREGER: Right.

17 MR. COOK: It would seem to me that in an evaluation
18 of a local program, I would be of a significance with a major
19 case load, etc. -- if the first thing that an individual in
20 charge would say, "I have to tell you something. I used two of
21 these and as far as I am concerned the rest of the 13 you can
22 get rid of tomorrow." That would ring one whale of a bell in
23 my head.

24 MR. JONES: Sure.

25 MR. COOK: Then I would want to see if this was the

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1 case all over the country and what is the significance of taking
2 a look at this thing and saying that you guys are on a short
3 leash. Do you feel this way?

4 MR. ORTIQUE: Yes, except that I would be concerned,
5 Senator, that the very nature of a program -- for instance, when
6 Mel mentions a Judicare Program -- I think that the nature of
7 a Judicare Program would dictate less use of a support center
8 than a field--

9 MR. COOK: Almost a total nonuse.

10 MR. CRAMTON: I wonder to what extent this discussion
11 is really going to the 1 million dollar increase in the budget
12 and whether we ought to really -- I mean, I am willing to spend
13 all day here, but to a certain extent I think we ought to
14 address ourselves to the issues raised by the budget requests.

15 MR. COOK: You are right.

16 MR. CRAMTON: It is true in talking about budget issues
17 tends to get you into more general policies.

18 MR. ORTIQUE: I would just like to remind the staff
19 of the concerns that the Board has in terms of protecting what
20 we are doing. That is really why we raised that kind of ques-
21 tion.

22 MR. STOPHEL: This is why we are going into it. I
23 think that our committee has done some of the same philosophiz-
24 ing as we come to these. We expect some of it, but if we can
25 move forward because there are some areas here where this Board

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1 has direct responsibility more so than through contracts, if
2 you might classify it that way.

3 MR. BROUGHTON: We did not go to the extent but we
4 left a lot in the hope that the Board would have many questions
5 about all of this as we go through it.

6 MR. STOPHEL: We, as a Committee, do not wish to cut
7 off any Board member asking any question at any time.

8 On pages 45 and 46 are two special programs that we
9 have funded -- the National Clients Council and the Reginald
10 Heber Smith Fellowship Program which is now under contract with
11 Howard University.

12 You will recall at our earlier meeting in allocating
13 the 1978 budget we did reduce the request by the staff on this
14 program. The request for increase at this point for the 1979
15 estimate is 1.3 million dollars. That is from a base of 5.1 to
16 6.4. There is an explanation that a good bit of the increase
17 is expected to expand the activities to include a larger pro-
18 portion of the experienced attorneys and managing attorneys
19 rather than just recent graduates.

20 Are there any questions on National Clients Council
21 or the Regi Program?

22 MR. BROUGHTON: What is the purpose of the expansion
23 there?

24 MR. JONES: With National Clients Council?

25 MR. BROUGHTON: Yes.

1 MR. JONES: As we expand our work with local programs
2 we in effect as you will recall, the regulation requires that
3 there be participation of clients. This is an organization of
4 clients. It goes to the entire purpose of the National Clients
5 Council which the purpose is to work with groups in their own
6 area of client representation on local boards, and it is insur-
7 ing that there client input into those local boards.

8 It is very difficult to be able to assess amounts be-
9 cause we don't have any nice formula like \$7.00 per poor person.
10 I'm told by Mr. Veney constantly that the increase is too
11 modest, but it does represent some of the recognition of the
12 fact that we are increasing the number of programs and increas-
13 ing the demands on the services of the National Clients Council.

14 MR. BROUGHTON: Mr. Chairman, I am still concerned
15 and puzzled about the work of the National Clients Council, and
16 I raised this question perhaps at the July meeting, and how that
17 is separate and apart from anything we are doing in an exclus-
18 ive way.

19 MR. CRAMTON: Mr. President.

20 MR. EHRLICH: I can speak. Briefly, we do have an
21 executive director of the National Clients Council here if the
22 Board wants to hear from him. I will say --

23 MR. BROUGHTON: I am personally very fond of Mr. Veney
24 and I raise this question having said that.

25 MR. EHRLICH: I know that.

1 Convince him in terms of sound and effective legal
2 services in the ways that have been indicated by the Board, it
3 is absolutely essential to have active National Clients Council
4 which can help in the process of providing insights to new
5 Board members, to our clients throughout the country, and local
6 programs to insure that the priority setting process adequately
7 reflects the needs for people in those programs, that clients
8 are involved and involved actively in every step and in every
9 process of the programs activities.

10 The Clients Council does an enormous amount through
11 the National Headquarters, through the regional offices, and
12 on the local level. The kind of efforts the Corporation can't
13 do directly. It would not be appropriate; it would not be
14 persuasive or believed if we were running the kinds of efforts
15 the National Clients Council does. Not only because we don't
16 have the insight and expertise, but because it ought to be
17 absolutely a separate entity.

18 I think over the past years when you look at the
19 extent of client involvement, it isn't nearly enough and I think
20 everybody will agree with that, but it is far more than it used
21 to be. In my view, most of the credit goes to the National
22 Clients Council and it is a very important effort for us to main-
23 tain in the interest and sound and effective efficient legal
24 services that serve poor people that don't simply do what lawyers
25 want it to do in a particular program.

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1 MR. BROUGHTON: You mean it is a monitoring type
2 program that we do not do in any other area?

3 MR. EHRLICH: Well, monitoring in fairness is too
4 narrow.

5 MR. BROUGHTON: I ask this question really different.
6 I've heard other Board members not at a meeting necessarily, but
7 during lunch or breakfast, wondering the same thing.

8 MR. EHRLICH: Monitoring is too narrow because the
9 important thing is to help the program do what the clients want
10 it to do. That's why there are 320 of them around the country
11 are there, and the Clients Council is keyed to being sure that
12 they do in fact do what is wanted by the client community.

13 MR. ORTIQUE: May I make a couple of comments, Mr.
14 Chairman.

15 MR. CRAMTON: Mr. Ortique.

16 MR. ORTIQUE: Two things, Mel, that I don't think get
17 enough emphasis -- one is the credibility point that you were
18 making, Mr. President, and that is that I think it is impossible
19 for the Corporation to do the things that the Client Council
20 does and there be creditability out there in the field that we are
21 really doing those things. I just don't think that that can
22 happen.

23 MR. BROUGHTON: You mean the question of objectivity?

24 MR. ORTIQUE: That included. The other is that I know
25 for a fact that since the existence of the National Clients

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1 Council, the presidents of the American Bar Association and
2 the National Bar Association have felt quite strongly that they
3 are an arm that they can look to justify what we are doing in
4 terms of their constituency. That is the American Bar president
5 says "Well, I have messages from the National Clients Council
6 that this is right; this is wrong." In turn, that is interpret-
7 ed to the American Bar Association standing committee on legal
8 air and indigent defendants.

9 That, of course, gives a credence to our operation
10 through constituencies in the American Bar Association. It is
11 really a two way street. Lots of times we think it is just
12 going in one direction for the National Clients Council, but I
13 found that it has those other aspects. I think it is very
14 valuable to us as a Board.

15 MR. STOPHEL: What criteria do we use to this as a
16 17 percent increase to give that much increase?

17 MR. JONES: Basically, I indicated to you previously
18 the difficulty we have in doing it, because we don't have the
19 formula, but we are trying to keep up with the increases that
20 have occurred with regard to our programs starting with a budget
21 that like all the other budgets, was frozen during the time that
22 -- during the four years before the corporation came into exist-
23 ence.

24 There is one increasing demand to our programs. The
25 Corporation has indicated the programs that they have to go

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1 through a priority setting process, because even when we achieve
2 our minimum access goals, we are still going to have scarce
3 funds.

4 One thing that has increasingly been made of the
5 Clients Council is that they help with that priority process.
6 In many communities where programs are being set up that they
7 go into those communities and talk to clients and explain to
8 them what Legal Services are about and the importance of parti-
9 cipating in the Legal Services activities.

10 They have been involved in that activity and as we
11 talked before about the difficulty in insuring that the repre-
12 sentation provided for these clients by people who serve on the
13 Board has to do with insuring that you start from a fairly firm
14 base or rather broad base within a local community. They have
15 been particularly helpful in doing that.

16 To be very honest with you, I don't have any good
17 formula but I look at their activity and what they propose to
18 do. I look at the expansion we are anticipating and come up
19 with a figure.

20 MR. CRAMTON: Mr. Stophel, I guess my reaction is
21 that this increase bothers me an awful lot less than some of the
22 others, because we know the total program is expanding very
23 much in size. We have more recipients. Even the programs where
24 they have expanded in geographic areas creates much more problems
25 in terms of accountability of clients and organizing the clients

1 over a much larger geographic area to participate effectively
2 in Board meetings. It seems to me that if you compare this to
3 the increase in the training program in terms -- which is geared
4 to the increases in the numbers of lawyers and paralegals in
5 the program, the increases here are minute by comparison in
6 terms of percentage and I guess I am surprised that Mr. Veney
7 isn't jumping up and shouting and screaming that we have been
8 just terribly unfair to the client community and to their train-
9 ing program and to the policy and principle of accountability
10 to the clients which runs through the statute and even in our
11 regulations.

12 If we have a feeling that the National Clients
13 Council is doing a good job and doing an effective job in bring-
14 ing the clients into programs, the increase is very modest in
15 terms of the tremendous expansion of the program nationwide.

16 MR. BREGER: I have to agree with the Chairman here.
17 It seems to me that I don't know enough to evaluate the Clients
18 Council although every report is that it is doing excellent
19 work. But there has to be some mechanism for client accounta-
20 bility. The clients start out at square zero, but we expand
21 into an area where we already have the lawyers there. It is
22 easy to set up a Board of Directors. You go to people involved
23 in law firms; it is harder to get the clients organized and
24 involved and this sort of increase is certainly in the range of
25 acceptability in a situation where you have to go out in a sense

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1 develop a client infrastructure in areas where there are new
2 programs being set up.

3 MR. BROUGHTON: Are you saying that they provide as
4 I understand it services that are not provided in any other
5 area of the Corporation.

6 MR. EHRLICH: Yes.

7 MR. BROUGHTON: It is related in part to advising
8 clients of the fact that they have a place to go.

9 MR. ORTIQUE: That is one important area.

10 MR. STOPHEL: The next item there is the Reginald
11 Heber Smith Program. Does anyone have a question relative to
12 this increase. There have been suggestions that we not identify
13 the contractor in the budget submission in the view that we are
14 in an ongoing study of that program with the possibility of it
15 being handled differently. I think the Committee suggested
16 that

17 MR. MONTEJANO: I make a brief reference, Charles, to
18 the bilingual study and an apparent need to do more in the bi-
19 lingual area. I'm not talking about the minority, but the
20 bilingual area. Chinese mentions one and clearly Spanish is
21 obvious.

22 Of the 1.3 million, specifically how much has been
23 allocated to insure that the bilingual needs across the nation
24 are met through this program?

25 MR. JONES: Through the Reggie Program?

1 MR. MONTEJANO: Yes.

2 MR. JONES: Why don't we let Dick come up.

3 MR. HENNIGAN: Mr. Carter administers that program
4 and it is located in this section of the budget because the
5 major effect of it is to put attorneys in to field programs, but
6 from another point of view it is essentially recruiting program.

7 MR. CARTER: I am sorry, I didn't hear all the quest-
8 ion.

9 MR. MONTEJANO: The specific question was of the 1.3
10 million increase, specifically how much has been allocated to
11 insure that the bilingual needs across the nation are met
12 through this program?

13 MR. CARTER: Let me tell you how the Reggies are
14 chosen, how the allocations are made. I think that might help
15 understand because it isn't a specific part of the budget that
16 is allocated for that.

17 It would go through a two-step process in choosing
18 the allocations of the Reggies. First, there is a proposal
19 that must come to the regional office and our office from the
20 field programs. They must propose the type of person they want,
21 why they want fellowship for that particular recruitment and
22 those specific proposals then go to the regional office. The
23 regional office makes recommendations to our office as to the
24 efficacy of the proposal, the needs of the program. And many
25 of those proposals, particularly this year, are for Spanish

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1 speaking attorneys.

2 We have, in fact, a significant increase -- I am sorry
3 I don't have the exact number -- a significant increase in the
4 number of proposals for Spanish speaking attorneys and a signi-
5 ficant increase, especially significant when you consider that
6 the last few years it hasn't been done, for experienced
7 attorneys this year -- in the allocations for this year, not
8 the coming year but for this year.

9 All of the Spanish speaking requests were granted
10 since those allocations were made and the Reggie Program were
11 recruiting for those positions now.

12 MR. STOPHEL: When do they do their recruitings?

13 MR. CARTER: They begin their recruiting the first
14 of September when the law schools open. They go through two
15 steps really. One is a recruitment step which they have done
16 partially in conjunction with our new recruitment office this
17 fall. We have conducted some recruitment forms this fall, a
18 very large one in Atlanta, where we had over 300 candidates.
19 There was something like 1500 interviews conducted over one
20 weekend in Atlanta. That has been the largest of what we have
21 tried to do.

22 We've also done one in Washington in conjunction with
23 the minority student organization and one in Buffalo recently.
24 The one in Atlanta was quite large. It covered something like
25 over 75 separate legal services programs that came there to

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1 interview and the Reggie Program participated in that. They
2 conduct smaller versions of that, much smaller versions of
3 that going around to law schools--

4 MR. BROUGHTON: Mr. Carter, could you talk a little
5 bit louder, please.

6 MR. CARTER: Certainly. They conduct smaller versions
7 of that going around to law schools in the fall and then after
8 the applications are in and the allocations have been made by
9 our office so that they know exactly what the programs want
10 them to look for, such as the Spanish speaking attorneys or
11 experienced attorneys or sometimes even more specialized re-
12 quests.

13 We've had some requests this year to find Chinese
14 speaking attorneys or oriental attorneys. Then the actual
15 recruitment and interviewing and the selection of the candidates
16 is matched with the requests for fellows from the field pro-
17 grams.

18 MR. STOPHEL: Are they set up to make these grants
19 like November and December. I know if we wait until January or
20 February or March that all the good ones are gone out of the
21 May class.

22 MR. CARTER: Yes, that has been a problem in the past.
23 Of course, as you all know the Reggie program is under review
24 now by the Corporation as the Board requested in the last meet-
25 ing. We changed the schedule this year. The schedule for the

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1 recruiting and the selection this year. In the past the
2 allocations have been made through the regional offices as
3 late as the spring. This year we moved that up to October 31
4 so that all the allocations were made to the Reggie Program to
5 know what was requested by the field and what had been approved
6 by our office for the field by October 31.

7 Hopefully, this year, and I have to be frank. I don't
8 know if we can do it; I don't know if they can do it, but it is
9 new for them to do it on this stepped up schedule. Hopefully,
10 this year the actual selections and announcement of fellowship
11 will be made much earlier.

12 What we are targeting for is a date in January so that
13 it is done fairly soon after the Christmas holidays. Now, I
14 want to say that I am not sure that that will happen. I want
15 to be very frank about it because that is a difficult task to
16 do and they have not been geared to do that kind of a task be-
17 fore. The actual selections in the past have been made as late
18 as March, which does present a problem.

19 There was an article in Washington Post recently about
20 how selections are made by law firms, that many of the candidates
21 have made their selections by the Christmas holidays.

22 MR. BROUGHTON: Mr. Carter, may I ask one brief
23 question, please.

24 MR. CARTER: Yes.

25 MR. BROUGHTON: What is the administrative cost of this

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1 program?

2 MR. CARTER: The administrative cost is approximately
3 \$500,000.00, a little over \$500,000.00. That is the entire
4 administrative cost including the salaries of the recruiters
5 and the bookkeeper and so forth.

6 MR. BROUGHTON: For that amount, what does Howard
7 University supply?

8 MR. CARTER: Howard University supplies the bookkeep-
9 ing facilities, keeping track of the books, the print outs, the
10 payment for all the Reggies. You see, the salaries are paid
11 through the Reggie Program not directly by the Corporation or
12 the local program.

13 MR. BROUGHTON: The amount we set up -- the entire
14 amount is turned over to Howard University and they take it from
15 there.

16 MR. CARTER: That is right.

17 MR. BROUGHTON: Turn over whatever the figure is at
18 any given time and we transfer those funds to how and how it
19 operates from that point on.

20 MR. CARTER: That is right. We require a reporting.
21 There is a reporting that has been set up since the program came
22 into my office that requires, first of all, a monthly check and
23 then a quarterly report. One of the problems that we had been
24 concerned about and the Reggie Program as opposed to Howard had
25 been concerned about was that there was no way of knowing whether

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1 not a Reggie was still on board and checks might be paid to a
2 program, even though the Reggie might have resigned until some-
3 how the process caught up with it.

4 Now we have instituted, last year with the help of
5 the Comptroller's Office, particularly Mr. Thompson of that
6 office, worked with the Howard people in setting up a regular
7 reporting back system so that checks do not go out until it is
8 ascertained that the person is still on board.

9 MR. BROUGHTON: The selection process and once an
10 interested graduate and experienced attorney has indicated help
11 and expresses a desire to go and enter the program is picked,
12 it is completely funded -- I mean his entire expenses, tuition
13 and so forth is paid out of his fellowship allotment check.

14 MR. CARTER: His tuition? No. The fellowship is for
15 a person who is an employee working in a program, not a student.
16 The fellowship takes effect after the person has graduated.

17 MR. BROUGHTON: I said that, I thought.

18 MR. COOK: You said to pay for his tuition.

19 MR. CARTER: I am sorry.

20 MR. COOK: I am sorry.

21 MR. STOPHEL: It pays his salary after he goes with
22 the program. One of our earlier problems with this was that
23 they were sent to the programs before they were licensed to
24 practice.

25 MR. BROUGHTON: I meant salary.

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1 MR. STOPHEL: He is paid a salary basically and his
2 fringes at a little higher level than the intake rate of the
3 program, generally.

4 MR. CARTER: I would like to comment on that because
5 that has been true in the past. There has been no doubt about
6 that. It sometimes has been a sore spot with local programming
7 people.

8 What we are finding now is that no longer is nearly
9 as much the case. In fact, when we did study to project salaries
10 for next year, we found that in many parts of the country if
11 we are going to make the salaries flexible with what the beginn-
12 ing salary is in a particular part of the country, if we didn't
13 make them flexible they would be lower rather than higher.

14 In fact, as much as a little over \$2,000 difference
15 is what we found.

16 MR. BREGER: What is the starting salary now?

17 MR. CARTER: The starting salary now is a little over
18 \$13,000.00.

19 MR. BROUGHTON: How much?

20 MR. CARTER: Now, that has been in the past year, Sir.
21 What we are doing this year is instituting the flexible salaries
22 schedule. You may recall, we talked about that at the July
23 Board meeting. This is to make the salary commensurate with
24 what the beginning salary is in a local program, so if the
25 beginning salary in Rapid City, South Dakota is significantly

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1 different from the beginning salary in New York City, the be-
2 ginning salary of the Reggie assigned to that program is com-
3 mensurate with the beginning salary in that area.

4 MR. STOPHEL: When you say commensurate, do you mean
5 bring it up to that level?

6 MR. CARTER: That is right.

7 MR. STOPHEL: You would not bring it over.

8 MR. CARTER: That is right, but it may also bring it
9 down.

10 MR. CRAMTON: Mr. Smith has been whispering to me and
11 he has to leave to attend a meeting in Kansas. He has to leave
12 this meeting about 11:30, about 35 minutes, and he, I think,
13 would like to make a request before he leaves. Mr. Smith.

14 MR. SMITH: Mr. Chairman, at the risk of shunning
15 you aside one more time for a slight delay, I would like to
16 ask the unanimous to take up a matter that we discussed at length
17 yesterday, and I think was postponed by a motion by Mel, the
18 conflicts between poverty group in the same community. I had
19 some very strong feelings about the matter as I expressed yes-
20 erday and other members of the Board also had some very strong
21 feeling about it. I would appreciate having consent to take
22 that up now, at this point so that I might involve myself in
23 that discussion.

24 MR. CRAMTON: Is it the unanimous consent of the Board
25 to switch so that Mr. Smith can participate in this discussion?

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1 MR. STOPHEL: Yes. DO I have a choice?

2 (Laughter.)

3 MR. BROUGHTON: I will do that provided Mr. Smith will
4 leave me his proxy with respect to certain matters.

5 (Laughter.)

6 MR. CRAMTON: We do not recognize proxy votes as Mr.
7 Broughton knows.

8 MR. BROUGHTON: I am afraid I am well aware of that.

9 (Laughter.)

10 DISCUSSION ON CONFLICTS BETWEEN POVERTY GROUPS

11 MR. CRAMTON: I may have to be clarified in terms of
12 the situation. As I understand it, you either made a motion
13 or about to make a motion and I do not recall whether we do have
14 a motion on the floor that has been seconded, but I suggest
15 that someone make a motion if they wish. Then we can discuss
16 that motion.

17 MR. BROUGHTON: I don't recall that I made a motion,
18 but I may have. Either by motion or suggestion -- let me see
19 if I can put it in the form of a motion. That was rather than
20 follow the suggestion of Mr. Smith that this New York matter be
21 held with presumably a continuous staff contact, that a commit-
22 tee of the Board since it appears in order for that to be a
23 resolution there will have to be some change in the structure,
24 that a special committee of the Board be set up as a fact find-
25 ing committee to go into the situation.

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1 I make the motion for the reason I feel that the
2 situation there as I understand it to be and this is not entire-
3 ly from our Marshall and I know Marshall feels deeply and he
4 is very much involved in it, and I am concerned from his stand-
5 point. But I am more concerned and Marshall is, too, from the
6 overall standpoint of this Board in a situation which has been
7 in existence for a long, long time.

8 MR. CRAMTON: What is the motion?

9 MR. BROUGHTON: That you appoint a committee of the
10 Board to work with the staff to seek a resolution of this
11 matter. The reason I ask --

12 MR. CRAMTON: And to report back to the Board.

13 MR. BROUGHTON: Now, the reason I ask that the Board
14 involvement, Mr. Chairman, is not an attempt to undermind any
15 staff activity in this, but I feel from what I understand and
16 the presentation that has been made here from the people direct-
17 ly involved in New York and the times we have discussed it, I
18 feel this way that it will show to the people out there who
19 rightly or wrongly are concerned that the Board has been in-
20 different to this.

21 MR. CRAMTON: Is there a second for the motion.

22 MR. BREGER: I second it.

23 MR. CRAMTON: The motion of Mr. Broughton has been
24 seconded by Mr. Breger. Is there discussion?

25 MR. ORTIQUE: Mr. Chairman.

1 MR. CRAMTON: Mr. Ortigue.

2 MR. ORTIQUE: I, too, have great concerns about the
3 situation, Mel, it seems that I suggested over a year ago that
4 this matter should be resolved. I'm not sure -- I am concerned
5 for two reasons at this juncture that we ought not establish
6 a Board committee. One is the one that you alluded to that the
7 staff is working in the area; secondly, I gather that the letter
8 that we got from the gentleman --

9 MR. BROUGHTON: Mr. Abrams.

10 MR. ORTIQUE: The other statement that there was work
11 going on.

12 MR. EHRLICH: The regional director.

13 MR. ORTIQUE: Yes. The regional director that there
14 was enthusiasm for the moves that were being made. My even
15 greater concern is that with the announcement yesterday -- the
16 public announcement that we will be getting five new Board
17 members would say to me that we ought to at least have some
18 involvement of those five new members.

19 I don't see why we would impose any Board investigation
20 at this time with five new members of the Board coming on, and
21 I would suspect prior to our next meeting I would urge us to
22 permit our staff to move forward. Because as I see it, we have
23 to develop structure to deal with this problem.

24 I think that staff is in a much better position to
25 deal with that type of situation, particularly I would hope that

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1 the involvement of our General Counsel, involvement of persons
2 -- staff people who know the situation well who understand and
3 appreciate the various relationships between those Boards be-
4 cause I suspect that a part of this, at least a part of this
5 will come back to haunt this Board in terms of organizations
6 wanting to have separate and distinctive little operations
7 that they consider independent of any observation control of the
8 CALS people.

9 I know for sure that Marty Thompson, in my view I am
10 convinced that Marty Thompson was the type of individual who
11 had the broad interest of all of the poor people at heart, and
12 I would urge that we get our staff people who understand the
13 problem, who have worked with it for a long period of time,
14 and that we continue to let them operate until our March meeting
15 and we have another report and we see where we ought to go at
16 that time.

17 For those two reasons I would urge that we not support
18 the motion.

19 MR. BROUGHTON: I would like to respond to one thing
20 you said. I don't think this is the kind of thing that we should
21 wait until need be; I think we have to continue to work with
22 this Corporation regardless of when new members may come aboard
23 and I think those of us who are not going off are perhaps in a
24 better position to evaluate things that we have been hearing
25 about that they might be hearing about the first time when they

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1 come on the Board. I don't agree with that part of your
2 response.

3 This Committee does not have to be directed toward
4 the New York situation. Because I think we are going to have
5 this elsewhere. We may already have it elsewhere. I would
6 just hate for us and the staff situation as I understand it,
7 relates to one meeting that they had up there in October and
8 they are sitting across the table, but I think where this Board
9 is being hurt, as I understand it, it is a feeling that the
10 Board has not concerned itself in the position. This is not
11 done to undermine the staff, but if you want to call it a
12 committee that could look into this situation if it crops up
13 elsewhere, but I think it is a basic problem that we need to
14 attack and I don't think we'll do it if we defer it particularly
15 when we are not going to meet for another ninety days.

16 MR. CRAMTON: Mr. Breger; then Mr. Smith.

17 MR. BREGER: I want to say first that Revius has been
18 one of the earliest people to be concerned about this question.

19 MR. BROUGHTON: No question about it.

20 MR. BREGER: And, one of the people who more than any-
21 one else has kept us I know two years ago and a year and a half
22 ago on our toes in asking for reports on this situation. I
23 know that he has been concerned about our reaching an equitable
24 solution in this area.

25 I guess I support this motion for a number of reasons

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1 and some of them may be different assessments of the facts;
2 others may be judgement calls that I have.

3 First of all, I know yesterday Tom pointed out to us
4 that he hoped we would be an active Board until the new members
5 were confirmed and took over. I take it that being a fully
6 active Board means that we do the sorts of things that Boards
7 should do should they decide that this is a matter for us to
8 involve ourselves in.

9 In connection with that, it is clear that the problems
10 here are not simple ones and not going to be solved between one
11 Board meeting and the next. But if we wait, if we put it off
12 for another ninety days, is this going to mean more and more
13 delay before we begin to grapple not with the rights and wrongs
14 of a particular area, but rather with the basic policy issues
15 of how we organize the program to insure legal services for all
16 poor people where there is a conflict between poverty groups
17 and particularly where we have a situation that one group is
18 a bereft of legal services.

19 Now, I know some people -- the Chairman suggested that
20 that was impurely incorrect. Mr. Abrams and Mr. Lewin seem to
21 have put forward views that it is not only a conceptual problem,
22 a problem in legal ethics, but also a practical problem.

23 (Music interrupts meeting.)

24 MR. BROUGHTON: I call for the question right now.

25 (Laughter.)

1 MR. BREGER: Can we call a recess?

2 MR. CRAMTON: I don't know if we are going to be able
3 to do any better later. I think we better struggle ahead as
4 best we can. Meanwhile, we will have someone see if they can
5 eliminate the music.

6 MR. BREGER: As I have said, the heavens have also
7 spoke on this. They're factual problems not related to the blame
8 of any party but getting a grip on what our options are to deal-
9 ing with these thoughts and problems and what our options are
10 consistent with our basic philosophy of the high quality of
11 legal services. Again, not knocking the staff at all, but this
12 has been a matter where we have had repeated concern and request
13 for a written report.

14 It seems to me that it is a matter where there is a
15 perceived feeling by many poor people that there is not a con-
16 cern in this area and a Board involvement on the policy issue,
17 I think would go a great deal to remedy that concern and also
18 to be frank about it, it would be a great deal of a highlighting
19 of the fact that this is a high priority of a Board issue and
20 moving us along much more quickly toward reaching the option,
21 a paper that I am talking about.

22 I know you could say and people have said that if we
23 actively involve ourselves in thinking about this issue, in
24 thinking about the problem of conflicts of interest between
25 poverty groups in a particular community, then the parties

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1 involved will stop talking and correlative to that the view
2 that if we do nothing the parties involved will reach amicable
3 solutions.

4 First of all, the activity of the parties involved
5 have been really, as Mel has said, limited to one meeting.
6 Second of all and more important, there is only a certain a-
7 mount that they can do even with the best will in the world;
8 because, as I tried to suggest yesterday, the issues go to
9 national questions about national policy of conflicts of inter-
10 est.

11 The local individuals here can not take it upon them-
12 selves to meet those national questions and if they did so, if
13 they took it upon themselves to meet those national questions,
14 at least many of the lawyers involved might be failing in their
15 ethical responsibility to zealously represent those clients who
16 they are presently representing, so that we even have possible
17 ethical constraints against the party involved solving this
18 question about national input.

19 It is really based on the fact that there is only so
20 much that the parties can do themselves; that the parties are
21 meeting is not going to solve the problem and that our not act-
22 ing on this is going to mean yet another ninety days delay, and
23 yet another symbolic suggestion of a lack of concern that I
24 think that this Board should set up a special committee to deal
25 with this question, work with the staff to develop the option

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1 papers that I think are necessary to solve the problem.

2 MR. CRAMTON: Mr. Smith was next.

3 MR. SMITH: Mr. Chairman, for the sake of brevity for
4 one thing, I will just adopt the statements made by Revius be-
5 cause I agree wholeheartedly with everything he said about this
6 situation. There are a couple of additional comments I would
7 like to make though.

8 One is that I don't think it is a fair categorization
9 to say that by letting the staff work proceed and getting a
10 further report in March, that we are putting off or delaying.
11 I think a couple of people have mentioned that by not taking
12 some specific action today, we are putting off. I think that
13 is not a fair statement at all because I do think we are saying
14 the staff has been working on it; they do have the parties com-
15 municating which is a breakthrough. They are gathering the
16 information; they are proceeding as a staff should proceed.

17 For us to say that we don't want to take any action
18 today; therefore, we are putting off is an unfair implication.
19 I think of our not appointing a committee or hiring an outside
20 contractor, neither one of which I think we should do.

21 I don't think we are putting it off and I don't think
22 we can be said to be ill-sensitive to the gravity and severity
23 of the situation. I think we are saying that we know the staff
24 is very much concerned about it; the staff is proceeding and we
25 want them to go ahead with the investigation in their work and

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1 let us then have an opportunity to evaluate that work and per-
2 haps act upon some suggestion that they will have for us by the
3 time of the March meeting.

4 So, for those reasons I think it would be a serious
5 precedent to interject the Board into a staff function at this
6 time. I think it would be incorrect to interject the Board in-
7 to that staff function; I think we should wait for the staff
8 report and then take action upon it as the staff report might
9 indicate.

10 MR. CRAMTON: I have Mr. Cook, Mr. Ortique, and Mr.
11 Stophel who have not spoken on it. Mr. Cook. Then we will go
12 to Mr. Ortique and then on to Mr. Breger.

13 MR. COOK: Mr. President, as a zealous enthusiast to
14 resolve the problem, Mel has given me all kinds of problems.
15 Also as a member who will be replaced before the March meeting,
16 I have a great deal of problem, Mel, with a committee of the
17 Board.

18 First of all, I think it's in essence a forerunner of
19 opening the door to demands by all groups throughout the United
20 States who have a competing problem to have that problem faced
21 directly by the Board. We can't accept this one and reject all
22 the rest. I suspect we would try to evaluate those and say that
23 one had a higher priority than the other.

24 Strangely enough, I almost totally agreed with Glee
25 until he got to the point where he said that it might not be

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1 necessary for a contract by the Corporation to pick an outside
2 facility to evaluate, not the New York situation because that
3 is another problem you give me with your motion.

4 But the real problem, as it will be considered by this
5 Board in the future, that is the competing legal significance
6 of poverty groups within a given community via any community
7 throughout the United States.

8 I think having somehow or the other dealt on the periph-
9 ery of this problem for almost two years, or even longer, that
10 the idea of a study by somebody and presented to the Board,
11 would relieve everybody. Glee, I have to believe that in a way
12 it would almost relieve some of our staff who are working on
13 this and who do have particular strong feelings and have a right
14 to those strong feelings. I think in a way it would resolve
15 their problems.

16 I do have to say, Marshall, in all due respect, it is
17 an issue that you should be given total and complete credit for
18 bringing to the Board. But I would also caution all Board mem-
19 bers now and in the future that to bring a matter to the Board
20 that deals with an area that you are deeply involved in yourself,
21 that you should do so cautiously, and I think you have. I am
22 the only guy on this Board that periodically get uncautious and
23 for that I guess I would apologize.

24 I just hate to see the Board get itself in a position
25 where it is going to be on demand as a result of a policy that

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1 this Board itself establishes. We have the resources, gentle-
2 men, to have this evaluated. The real choice that we honestly
3 have in my mind is not in the direction that you propose to go,
4 Mel, but in the direction of whether we are now satisfied with
5 an inhouse evaluation or whether the inhouse evaluation is
6 objectionable enough to the Board that it would be willing to
7 acquire an independent contractor to evaluate the situation as
8 it exists, but with a strong admonition that the evaluation be
9 geared to the conflicting poverty program positions and not the
10 position as it has now grown out of proportion in New York City.

11 With that, oddly enough, I can not support your motion
12 because I would hate to see or to place a burden on future
13 Board members that all of a sudden are going to have to hold
14 hearings all over the country because a precedent has been
15 established, that somehow or the other once you established
16 you will find very difficult to remove.

17 MR. CRAMTON: Mr. Ortique, then Mr. Stophel.

18 I would like to remind people that Mr. Smith has
19 fourteen more minutes.

20 MR. ORTIQUE: I find your comments brilliant, Senator
21 Cook, and I agree with you. I think you have placed them very
22 cogently before this Board, and I would now yield to Mr.
23 Stophel.

24 MR. STOPHEL: I yield to anybody.

25 MR. CRAMTON: Why don't you state your views.

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1 MR. STOPHEL: I will briefly, I guess. I wrote down
2 four things. We are a parttime Board. We have difficulty gett-
3 ing the whole Board here for a meeting. We have difficulty
4 getting people to attend committee meetings as it is. I just
5 don't see setting up another committee.

6 I would say let the regulations committee have this.
7 They are the ones that told us to have group representation.
8 Then they'll come back and say we don't have group representat-
9 ion; that is a simplistic answer, but it sure is an answer.

10 Give it to the regulations committee. Let them come
11 back with regulations that will solve the problem if there is
12 a solution. I just hesitate for us to go out and have hearings
13 as a representative of the Board, even although we do on our
14 various subjects that the committees are set up for.

15 The third thing that scares me to death is you haven't
16 said who will be on the committee, and he just might appoint me
17 to it. I don't want to go up there.

18 MR. BREGER: There is no suggestion that there would
19 have to be any committee that would look into this would have to
20 be a new committee. It could replicate an old committee, so the
21 regulation committee could be a reasonable possibility, and no
22 suggestion that all the committee need do with anything more
23 than hire a consultant or have to arrange for an outside con-
24 tractor. Present, the staff report that we are talking about
25 and certainly Mr. Grajales has no greater brief, but the staff

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1 report is merely a narrative of the meeting that went on Octo-
2 ber 6. It is not a written report on the situation and on
3 option possibilities.

4 No requirement, in fact I would shrink back on such a
5 requirement, that either the staff report or an outside consult-
6 ant report or Board involvement would require hearings. I
7 think that would be unwise for reasons that you, yourself, sug-
8 gest.

9 MR. CRAMTON: We have had extensive discussion of
10 this.

11 MR. BROUGHTON: I have one other comment to make.
12 Revius's proposal is to set up a Board committee. We've heard
13 quite a bit about the work of the National Clients Council.
14 Suppose we ask a representative of the National Clients Council
15 or a representative of the ABA.

16 MR. ORTIQUE: It may be very possible, Mel, that the
17 staff that is doing the studying will suggest that possibility
18 or one of the others. All that I am saying is just seems to me
19 that it is premature for us to say that because we are going to
20 be viewed as being indifferent, which I can't possibly under-
21 stand how it can be viewed as being indifferent at this point
22 since we have spent so much time on this subject.

23 MR. BROUGHTON: Yes, but we haven't moved on it. That
24 is what bothers me.

25 MR. ORTIQUE: Well, I just want to see what the staff

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1 is going to say to us. If their backs are against the wall, I
2 would be one of the first to say, "Look, the problem is still
3 not resolved. Let's do something else." But, I don't want to
4 undermine this situation at this juncture. That's my point.

5 MR. BREGER: Is there a staff report being prepared?

6 MR. ORTIQUE: I am sure they intend to give us a
7 report. Do they not?

8 MR. EHRLICH: Exactly.

9 MR. ORTIQUE: Oh, sure they are going to give us a
10 report.

11 MR. EHRLICH: If I could just go on, I think Senator
12 Cook's suggestion is a good one, and we certainly and will pro-
13 ceed to -- because I think a number of Board members would be
14 interested in designing a look with an outside consultant on
15 the issues generally of conflicts among poverty groups, not
16 focused as I think he wisely suggested on the New York situation,
17 but rather on the situation around the country.

18 You have the report on the basis of what our regional
19 people heard, and we'll be in touch with the regulations commit-
20 tee concerning the design of it and others if they are interest-
21 ed.

22 In the interim though, I think it is very important
23 to recognize that that effort which is going on now in New York
24 and will go on in terms of each of the four concerns including
25 the need for representation which may well be, as that report

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1 suggested, through the Board of Legal Assistance for the Jewish
2 poor in New York City taking on cases that MFY can't handle.

3 MR. BROUGHTON: Mr. Chairman, I've viewed this dis-
4 cussion and with the agreement of Mr. Breger, I will withdraw
5 the motion I made. I would like to make this motion and see
6 if this will flop. I may not even get a second for it.

7 I make this as background because we are not meeting
8 for another ninety days. That has been established. That the
9 staff furnish the Board an interim report on its work no later
10 than February 1, and that the matter also be referred to the
11 General Counsel and to the regulations committee for an immedi-
12 ate examination by that office and by the regulations committee
13 dealing with whether there is a subsequent change that we could
14 make -- bylaws, regulations, what have you -- that would help
15 deal with this issue

16 MR. STOPHEL: I second that motion.

17 MR. SMITH: Mr. Chairman.

18 MR. CRAMTON: Mr. Smith.

19 MR. SMITH: Since I spoke against the other motion,
20 I would only say briefly that I see no problem with that and I
21 have no objection.

22 MR. BROUGHTON: I was getting ready to wish you a
23 Merry Christmas because I thought you were going to vote with
24 me.

25 MR. SMITH: I was just going to suggest that I was

1 going to vote with you, but I don't think it is necessary to
2 put that sort of thing in the form of a motion because the
3 staff has always been very agreeable with any request for any
4 interim reports.

5 MR. BROUGHTON: Maybe it is cosmetic, Mr. Smith, but
6 I think this will help us with the people in New York.

7 MR. ORTIQUE: It puts us on the record that the Board
8 is not indifferent.

9 MR. BROUGHTON: The staff understands and I think it
10 will help us with the people in New York.

11 MR. JONES: May I ask a question because I am not sure
12 that I understand. The interim report, I take it, goes to the
13 situation in New York with regard to the matters that we have
14 previously discussed. The other part of the motion goes to the
15 overall resolution of conflicts wherever they might be. Is
16 that correct?

17 MR. BROUGHTON: Sure. Right.

18 MR. ORTIQUE: That is the way I understand it.

19 MR. MONTEJANO: My understanding is that a report
20 coming up from the staff -- interim report -- would also in-
21 clude specific recommendations as to how that issue in New York
22 got to be resolved. That is my understanding. Is that correct
23 Mr. Broughton?

24 MR. ORTIQUE: Well, if they're at that point -- but
25 also don't you want the legal counsel to give us some suggest-

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1 ions about subsequent change?

2 MR. COOK: He has asked for that.

3 MR. CRAMTON: It seems to me the wrong people are
4 being mentioned, the wrong committees. The General Counsel is
5 very able, but it does seem to me that this is a question of
6 how you go about resolving disputes among segments of the client
7 community. This is a question of which Mr. Jones' office and
8 I would think other offices something that is more substantial
9 to contribute. I also think it's the provision of Legal Services
10 Committee, not the committee on regulations.

11 For the life of me, I don't understand how this issue
12 is going to be dealt with in terms of drafting a bylaw, or draft-
13 ing regulations. It may ultimately come to that.

14 MR. BROUGHTON: I am not suggesting it can be, but I
15 am suggesting that --

16 MR. CRAMTON: I would like a little more -- the
17 President has said that he is going to report at the March meet-
18 ing in any event on progress on the New York situation. There
19 is a separate concern about apparently the development of more
20 facts about the incidence of the conflict problem, about the
21 methods on which conflict situations might be resolved, and the
22 President said he is perfectly willing to retain an outside
23 consultant to look into that situation.

24 I guess there is so much confusion about what would
25 be done and who would do what and what it would contain that I

1 am disturbed about the motion.

2 MR. ORTIQUE: Mr. Chairman, I think Mel's point is
3 where ever the problems are, let's identify them and somebody
4 give us some options. Isn't that really -- so that we have
5 named the wrong office or we have named the wrong committees --

6 MR. CRAMTON: Let's have the staff do it. Let's ask
7 the President by the next Board meeting to give a report on the
8 New York situation.

9 MR. ORTIQUE: He says before that.

10 MR. BROUGHTON: And the President tell us what officers
11 within the Corporation he is going to rely on and have a report
12 by no later than February 1.

13 MR. CRAMTON: Why not say by the next Board meeting.
14 If he hires an outside consultant it might be of substantial
15 time.

16 MR. BROUGHTON: Ninety days is going to pass before
17 another meeting. I think it would help the people in New York
18 to know that we are not setting up a timetable that takes us
19 another ninety days.

20 MR. CRAMTON: Then the interim report would merely
21 report the steps that the President has taken and the steps that
22 he is going to take.

23 MR. BROUGHTON: And that a report will be forthcoming
24 later.

25 MR. BREGER: One point of information. The interim

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1 report would not merely be a narrative describing the activity
2 in New York, but it would also be as you put it, a report on
3 what steps the President has or is accomplished; what the steps
4 the staff has or is accomplished regarding this conceptual
5 problem and at that point--

6 MR. BROUGHTON: And at that point the President draw-
7 ing on what resources he can draw on has reached a point where
8 he has a solution to recommend. Put that in there.

9 MR. ORTIQUE: I call for the previous question, Mr.
10 Chairman.

11 MR. CRAMTON: Are you prepared for the vote on the
12 motion.

13 (No response.)

14 MR. CRAMTON: Those in favor, please say aye.

15 (Ayes.)

16 MR. CRAMTON: Those opposed.

17 (No response.)

18 MR. CRAMTON: The motion is carried. I don't think
19 I heard from Mr. Cook.

20 MR. COOK: I said aye.

21 MR. CRAMTON: Very well.

22 MR. ORTIQUE: I heard him.

23 MR. CRAMTON: Does the President fully understand what
24 he is expected to do?

25 MR. EHRLICH: The President thinks he fully understands.

1 MR. BROUGHTON: Mr. Smith, we appreciate your person-
2 al comment.

3 MR. CRAMTON: Glee, thank you very much.

4 MR. SMITH: Thank you all.

5 (Mr. Smith leaves the meeting.)

6 MR. CRAMTON: Mr. Stophel, we are now returning to
7 the budget, and as I understand it that completes the item on
8 conflicts between groups in the same community.

9 MR. STOPHEL: Very good.

10 CONTINUATION OF REPORT OF
11 APPROPRIATIONS & AUDIT COMMITTEE

12 MR. STOPHEL: We were discussing the Reginald Heber
13 Smith Fellowship Program and Mr. Carter had just explained to
14 us something of the expansion plans of their present activities.
15 I had announced that the committee had suggested that we not
16 refer to the contractors with any implication that it would
17 continue that way, but that it be stated in terms of the fact
18 that this has been the contractor for a number of years for this
19 program.

20 I think Mr. Montejano had something else to ask about
21 this.

22 MR. MONTEJANO: Yes, thank you. The Reggie Program
23 as indicated here is a vehicle for minority attorney recruitment.
24 Now, I think when we get down to the client, I'm not sure the
25 client really cares whether the attorney is minority or not. I

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1 think the client is more interested in whether or not that
2 attorney has a bilingual capability of that client does not have
3 a bilingual capability.

4 I suggest that possibly the program emphasize the bi-
5 lingual aspect rather than the minority aspect. Now, I fully
6 support the minority aspect from the standpoint of affirmative
7 action programs, but I frankly feel that the real need that we
8 have in this program is one of bilingual rather than minority
9 need. I think there is a tremendous distinction there with a
10 great difference.

11 I would like to see over all a possible modification
12 of the direction of the program so that it is in fact in prin-
13 ciple and in operation a bilingual program to meet the needs of
14 the Spanish speaking, Native American, and I've seen some reports
15 on the bilingual study, and there is an obvious need for attor-
16 ney. We have non-attorney people doing it sometimes, but we
17 are obviously lacking horribly in many, many areas in the
18 attorney capability to speak a second language.

19 Now, I would like to see this program become a bi-
20 lingual program rather than a minority program overall, number
21 one. Number two, in the interim that we allocate specific
22 monies and slots for bilingual positions. I know that for
23 Alaska we have 27 attorneys; none of them apparently have any
24 capability in the Native American language.

25 I see the report throughout on Spanish, Chinese, and

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1 all the rest where it is being done by translators, somewhere
2 somehow but not the attorneys. I know the great difficulty that
3 a client faces if there is not an attorney who can speak and
4 understand the language. Having the secretary doing it, frank-
5 ly, is not really fair to the client.

6 I would like to see the thrust change the direction
7 of the entire program and in the interim this year right now
8 a specific line item in this program to insure that we will
9 have the bilingual slots available in the various languages,
10 rather than just saying minority recruitment.

11 MR. CRAMTON: One of the problems of which you suggest,
12 Rudy, suggested by the Alaska example. There are almost more
13 dialects and languages -- I am sure there are more dialects and
14 languages almost in our Legal Services attorneys in Alaska and
15 particularly if you exclude the ones in the Anchorage area.

16 The truth of the matter is that not only some of the
17 dialects and languages are not intelligible to a person who
18 knows one, but that there is severe resistance from the part of
19 the client if you have the wrong dialect. It is almost worse
20 than not having anything at all.

21 Can we really impose in a situation in which you have
22 a very small number of attorneys in scattered offices in small
23 communities up in Alaska, which means three or four attorneys
24 in an office in which the large number of different dialects,
25 a notion that a substantial push in the resources of the program

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1 go to a hiring a resource in terms of attorneys that may not
2 even exist.

3 MR. MONTEJANO: Well, for openers then, why don't we
4 just stick with Spanish? I don't think you get any other dia-
5 lects in Spanish that would make the client uncomfortable.

6 For openers, we begin on that and work in the others
7 eventually.

8 MR. CARTER: Let me just comment on that, if I may.
9 I want to make it clear, I want to assure you that when the
10 needs are spelled out for the allocations, the needs that I was
11 talking about with regard to Spanish-speaking, not with regard
12 to whether or not they were Spanish surname attorneys. Those
13 needs were expressed, too, in relation to client population of
14 a program -- Spanish surname and black attorneys -- But the
15 needs in terms of the significant increase was in terms of
16 Spanish-speaking which is what the mandate is for the Reggie
17 Program to find regardless of whom those attorneys may be.

18 MR. MONTEJANO: I understand that but I would like to
19 put that up front as the most important aspect of this program
20 so when we say the program has been the major national recruit-
21 ing effort of the minority attorneys and Legal Services programs.

22 Rather than saying minority attorneys, I think I'd
23 rather say bilingual attorneys. That's where my place is,
24 gentlemen.

25 MR. CARTER: That could probably be said safely.

1 Especially looking at the allocations this year because a large
2 number requested it.

3 MR. ORTIQUE: Oh, no.

4 MR. CRAMTON: Isn't the question of the objectives
5 in the Reginald Heber Smith Program and the criteria for select-
6 ions -- some of things that are inevitably come up in terms of
7 the consultant study and evaluation.

8 The question is whether the objective of the Reggie
9 Program is principally the hiring of "minority attorneys" or
10 whether it is the hiring of the best qualified attorneys and
11 that may include some bilingual and minority people because of
12 the backgrounds that they have and their ability to communicate
13 with the client population, whether that is the question.

14 Whether it is a program that is administered in terms
15 of a racial quota or whether it is a program that is administered
16 of qualifications that individuals have, in part because of
17 their language background, because of their ability to communi-
18 cate with clients in particular situations.

19 It seems to me that that is premature to discuss at
20 this time because it is really part of the questions that are
21 inevitably going to be surfaced as part of the Reginald Heber
22 Smith evaluation.

23 MR. STOPHEL: The point that he is making is the same
24 point that I have made several times. That is the characterizat-
25 ion of a program in your budget request sometimes locks you in

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1 to what you do and that is why I have kept harping on this sub-
2 ject and I think is what Rudy is saying at this point. The
3 way we characterize it in this budget request to Congress may
4 lock us in to what we do, in fact when it comes along in '79.

5 MR. COOK: Mr. Chairman.

6 MR. CRAMTON: Mr. Cook.

7 MR. COOK: Mr. Chairman. Rudy, we are talking about
8 communication. We are really talking about communication.
9 There are some here who have talked about who favors Reggie and
10 who does not favor Reggie. The beautiful part of the Reggie
11 Program is that it is a recruitment program after the fact based
12 on need.

13 I think this is the admonition. The admonition is
14 what is the need for the Reggie Program within its recruitment
15 capabilities. The need comes from the client community. The
16 need comes from in the nature of requests on bilingual communi-
17 cative concept.

18 Now, Rudy, if you are talking about fulfilling slots,
19 I think you could probably overcome the law when you say that
20 you are recruiting on the basis of capabilities, i.e., who can
21 speak Spanish, who can speak Chinese, who can speak some place
22 else. The need is so great in the field that if you say all
23 right, this communicative group needs a particular number of
24 slots, then those slots may well go vacant.

25 The rest of the client community who is in need is

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1 going to suffer. That is my problem. I understand what you
2 are saying, but I just wish you would say that the Reginald
3 Heber Smith Program is a legal assistance recruitment program.

4 MR. MONTEJANO: Based on need.

5 MR. COOK: Based on need. You see, what we are really
6 talking about is requests to fill positions and a crying need
7 to fill positions.

8 MR. MONTEJANO: I don't think that we disagree on that.

9 MR. COOK: Good.

10 MR. ORTIQUE: I think we all want to say the same
11 thing, Rudy. I mentioned yesterday about my lunch with a gentle-
12 man, who said the same thing. You will not have a sound pro-
13 gram in Michonesia until you get some people who have the back-
14 ground and the culture and the language. That problem is I
15 would love to say, "Fine. I want to allocate two slots to make
16 sure we cover that, but I understand that you have some cultural
17 problems there."

18 I would not want us to try to allocate -- I think that
19 what you are really saying and what I am saying is, "Look. The
20 need for high quality people who are going to serve the client
21 community is important." And, a part of that need is somebody
22 who is able to communicate.

23 I recall having received an appointment to represent
24 a person who could only speak Spanish. I can't speak Spanish,
25 unfortunately. The court said that they would pay an interpreter

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1 and I said, "Your Honor, it seems to me that I must have the
2 assistance of an attorney who speaks Spanish if you don't want
3 to appoint the attorney." The judge had some problem with the
4 use of the Spanish-speaking attorney.

5 I move that a person who spoke Spanish could not have
6 the feeling that an attorney would have in that interpretation
7 to the court and we insisted that that need be met. I fully
8 realize that that is what you are talking about. I don't want
9 us to de-emphasize the need that those clients out there feel
10 that they need the minority attorney. But that need includes
11 bilingual capability, cultural understanding, sensitiveness,
12 all those things that you speak about, Rudy. I agree with you.
13 I would just hope the admonition of Senator Cook that we don't
14 allocate slots at this time.

15 MR. STOPHEL: I am encouraged by what Mr. Carter told
16 us today about the way the allocations are being handled now
17 which I think is different. I hope it gives a new direction
18 to the program.

19 MR. ORTIQUE: It does.

20 MR. STOPHEL: Which in my view is desperately needed.
21 Gentlemen, we have finished item one.

22 MR. COOK: Before we go on, can I take a minute. You
23 are going to change the language in the explanation.

24 MR. CARTER: We will do that.

25 MR. STOPHEL: Yes.

1 MR. COOK: Please.

2 MR. CARTER: I made a note of it.

3 MR. COOK: Good. Fine.

4 MR. STOPHEL: We have finished Roman I of eight Roman
5 Numerals, and we are going to move now to Program Improvement
6 which is Roman II beginning on page 48. The first is the Cost
7 of Business Adjustment which is at the bottom of the page which
8 yesterday we discussed the staff recommendations at this 5.0
9 percent cost be increased to 5.5 percent and that we use the
10 million dollar error, which had been made in calculation to
11 cover this increase, and that would make that increase 9.9,
12 almost 10 million as a Cost of Business Adjustment.

13 Second, is the Special Needs which is basically a
14 discretionary.

15 MR. CRAMTON: Mr. Stophel, we do have a member of the
16 public here who has come a long way. He is interested in cost
17 matters, and while we are on the discussion of Cost of Business
18 Adjustment--

19 MR. STOPHEL: He wants to talk about Cost Variation,
20 doesn't he? That is one of the items under this category.

21 MR. CRAMTON: I understand.

22 MR. STOPHEL: Not the other.

23 MR. CRAMTON: Let's wait until we get to Cost Variat-
24 ion.

25 MR. STOPHEL: Cost of Business no. 2 is Special Needs

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1 which is 1.5 million. If you have read any of the subjects
2 here, you will see what that is suppose to cover.

3 Then, the Reserve for Special Adjustments is no. 3.
4 Four, is Cost Variation Adjustment and no. 5 is Discretionary
5 Adjustments which covers the competitive salary adjustments and
6 the rural telephone and travel costs adjustments. Those subjects
7 are now open for discussion.

8 As the Chairman has indicated, you may want to first
9 hear from the gentleman who wanted to speak on the Cost Variat-
10 ion Study.

11 MR. CRAMTON: Mr. Loccricchio, please come up and sit
12 at the table and you can share the mike.

13 MR. LOCCRICCHIO: Thank you Mr. Cramton. I would like
14 to thank the members of the Board for allowing me this time.

15 I am here to represent the Region Nine Project Direct-
16 ors, who have also been in consultation with region directors
17 from Region Eight and Region One.

18 There is a great concern and I think the concern gets
19 evidenced by the project directors in Region Nine asking me to
20 come from Hawaii to address the Board on this topic. Let me
21 just give you a quick background.

22 UNIDENTIFIED SPEAKER: Some of us would have preferred
23 to go to Hawaii to hold our meeting in which case you would not
24 have had to travel so far, but that was not possible.

25 MR. LOCCRICCHIO: In the future, I hope we can arrange

1 that.

2 Let me just give you a quick background. For three
3 budget years now, we have been hearing about the Cost Study, and
4 we are now told that the Cost Study will be available for fiscal
5 year '79. In our region that has meant -- the fact that the
6 Cost Study was not done -- has meant that our clients have been
7 denied about 3.5 million dollars worth of services that we would
8 have had.

9 Our concern is on a regional level and on a national
10 level. The amount in the proposed budget, and I realize a
11 couple of things and I want to make it clear that I do under-
12 stand this. The amount is a projected amount; it is an estimate.
13 It is figured on a basis of 5 percent.

14 Now, there has been some talk in the field and some
15 concern in the field that that 5 percent is seen as a cap.
16 That if the Cost Study shows -- the Cost Variation Study --
17 shows the actual cost of doing business in Alaska, Hawaii,
18 Micronesia, the northwest part of the country is in fact higher,
19 the 5 percent figure used here will be very, very restrictive.

20 The concern comes to us from observing the last Con-
21 gressional budget process, especially on the Senate side with
22 Senator Hollings. I happened to be there. Our Senator was
23 thinking of switching to supporting a 175 million dollar appro-
24 priation instead of the larger one and the clients in Hawaii
25 raised the fund to get the Senator to change his mind.

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1 At that meeting what we saw--

2 MR. BREGER: That sounds very bad.

3 MR. LOCCRICCHIO: Well, it isn't. It was not
4 appropriation money; it was fund raising activities.

5 MR. EHRLICH: To send a representative to discuss it.

6 MR. LOCCRICCHIO: Thank you for clarifying that. The
7 concern was that Senator Hollings, the night before that vote,
8 met with Tom Ehrlich to have Mr. Ehrlich explain the formula
9 that was used to come up with the budget request for fiscal
10 year '78. There were three people from the Legal Services
11 Movement in the room the next day when that discussion was held
12 when Senator Hollings reported on his meeting with Mr. Ehrlich
13 -- myself, a client from Hawaii and Tom Ehrlich.

14 The frightening thing about that meeting in the Senate
15 Appropriations Room was Senator Hollings' great concern about
16 the formula. He felt that there were literally millions of
17 dollars unaccounted for in the formula that Mr. Ehrlich used to
18 explain the situation.

19 My concern is the basis for this whole budget if again
20 using that same formula, if the Cost Study -- and the Cost Study
21 is not just affecting places like where the costs are very high,
22 but being locked in the 2 for 10,000 and \$7.00 per poor person
23 figure, again is the basis. We have already seen Senator
24 Hollings' reaction to that. That is being carried out now with
25 a GAO Study of twenty programs, etc. Frankly saying that he

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1 just doesn't believe that.

2 The situation is one that is so much worse. If the
3 Cost Study were done then it would prove why we are glad it is
4 going to be done independently. We want to make sure of a
5 couple of things and that is why we have come before you, and
6 not gone through the usual channels on this.

7 One, we are starting to get worried that the Study
8 may not be completed prior to fiscal '79, and more important
9 prior to the time that the presentation is going to be made to
10 Congress. We would ask the Board of Directors here to make
11 certain that the RFP, the Request for Proposal, has a date cer-
12 tain on it; that the costs that the Corporation ask Congress
13 for are actual costs based on what that study shows.

14 We think in our region, just from looking at costs in
15 our region, that it will show on a region-wide basis, and we're
16 not talking about just Alaska, Hawaii, and Micronesia. We're
17 talking about a 15 percent increase in the costs.

18 If those kinds of figures are presented to Congress
19 based on a thorough Cost Study, then this budget stands a much
20 better chance. The failure to do this for the last two years,
21 which means three budget years, has had this effect in Region
22 Nine and in other places in the country. In effect our clients
23 are getting less services because it cost more.

24 We would also ask that in the RFP another situation
25 tried to be addressed and we not wait for 1981 for this situation

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1 which we have been told by corporation staff that we are going
2 to have to wait.

3 In those cases where the count of clients is in hor-
4 rendous error based on the '69 census data, we would ask that
5 the RFP be included to determine in the cost information where
6 the client count is 50 percent or over in error, which means a
7 horrendous situation. Fifty percent or over, that adjustments
8 be made to programs with that kind of situation can be shown.

9 We're not talking about 10, 20, 30, 40 percent; we're
10 talking about 50 percent and over. We feel in our region that
11 those situations do exist, that welfare statistics, etc. show
12 100 percent more poor in an area than the '69 census show.

13 Again, going into Congress with that kind of informat-
14 ion will assist in pushing this budget through.

15 Our concerns also is coming from a highly rural region.
16 The rural aspects of the Cost Study are extremely important, and
17 again, if the Study is going to continue into '79, we want to
18 make certain that the '79 budget is the last year we are told
19 it is coming and it doesn't come. For us, it has been the so-
20 lution for some very serious problems.

21 I was just listening to the discussion on trying to
22 hire cultural attorneys for areas such as ours. We can't even
23 begin to compete. Right now, our figures are -- our clients
24 with actual number of poor and the fact that the Cost Study is
25 not going on -- are getting two dollars and something per client.

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1 Now, those kinds of situations from the Corporation
2 have to resolve. We can't be told it is going to be further
3 down the line we told after the '76, '77, '78 budgets. What
4 we are asking the Corporation is to ask the staff for a date
5 certain that this will be completed, that the 50 percent error
6 rate in counting clients be looked at by the independent organ-
7 ization, and that this be done as soon as possible. Any
8 questions?

9 MR. STOPHEL: Why is your situation unique on the use
10 of the '70 census?

11 MR. LOCCRICCHIO: Well, what we have seen in Hawaii,
12 for example, the '70 census says there are 77,000 poor people.
13 Hawaii has 180,000 poor people on welfare. It says that our
14 state population has more than doubled since that time and a
15 high concentration of that group has been poor.

16 We also see that in the northwest section of the
17 country. When we ask the staff and we bring in the '75 census
18 data that was done in our state which literally hundreds of
19 thousands of dollars were spent for, and we met with Buck and
20 said, "Here is this data." The response was that it would have
21 to wait until 1981 before we can really do anything about that.

22 The situation that our clients face and other clients
23 where there have been huge population increases and huge poverty
24 population increases, is that you spread the surfaces much thin-
25 ner, much less.

1 Back before the Corporation when this policy was adopt-
2 ed by OEO for places like Alaska and Hawaii, the Corporation
3 allows you to set your eligibility standards in Alaska 25 per-
4 cent higher and in Hawaii 15 percent higher, which is a recog-
5 nition on one side, that it costs more to be poor in places
6 like that.

7 MR. BREGER: I am sorry. Fifteen percent over the
8 125 percent?

9 MR. LOCCRICCHIO: No. It is 125 percent in Alaska
10 and 115 percent in Hawaii.

11 MR. STOPHEL: No. Our figure is 125 percent.

12 MR. BREGER: Okay.

13 MR. LOCCRICCHIO: Okay.

14 MR. STOPHEL: You do realize though that we have 9
15 million people who have absolutely no service.

16 MR. LOCCRICCHIO: My point is that when you go in to
17 Congress this year without that using the basis of the 2 for
18 10,000 and \$7.00, without the added weight that this study will
19 give you showing that here is what it really costs, the \$7.00
20 figure was an estimate that doesn't have real basis and this
21 Board knows that very, very well.

22 MR. STOPHEL: You told us last year that.

23 MR. COOK: I was going to say, Glenn, it is one thing
24 to say -- it's one thing to admit that there is nine million
25 people that we are not representing at all, but it is another

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1 thing to have to say that you are trying to reach a \$7.00 level
2 when, in fact, it is two dollars and something. Those are just
3 boldfaced problems.

4 MR. STOPHEL: I think there are many other areas
5 though than these three regions that could say exactly the same
6 thing.

7 MR. COOK: No question about that.

8 MR. JONES: The problem with the census data and the
9 problem that Tony is faced with is that many states do a mid-
10 year census study -- or a mid census study every five years
11 and you don't get a breakdown within those states.

12 We fund a few statewide programs, but the substantial
13 number of programs that we fund are within the particular com-
14 munity. We do not have any statistics for those particular
15 communities. The other thing, too, that one must keep in mind
16 with these state functions is that they all go to funding prin-
17 ciples. The name of the game is to show a population and to
18 increase the dollar allocation.

19 We saw one when we were doing the migrant thing that
20 Texas had prepared that as far as we could determine had no
21 reasonable relationship to what we had with that to a variety
22 of other things. I am not saying that is the reality with
23 Hawaii, but the minute you begin to change census data, you have
24 a responsibility to insure that you do it in an even handed
25 manner and that you do it across the country. Even if you use

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1 Tony's 50 percent thing, I don't know where that would get you
2 for some community that may be buried in one of the states for
3 which there is nothing available, but which you have a gross
4 figure for the entire state.

5 In addition to that, it seems to me that the thing
6 that you talked about at the Audit and Appropriation Committee,
7 this other survey that was done recently which indicates that
8 there was some movement in terms of the overall gross figures,
9 it seems to me further complicates it.

10 MR. STOPHEL: I think that is what we are going to
11 be coming up with.

12 MR. ORTIQUE: Aren't you saying 100 percent as opposed
13 to 50 percent.

14 MR. JONES: I understood what he said.

15 MR. LOCCRICCHIO: I am saying that at some point in
16 the response that we have gotten from Charles when we brought
17 this up, it is a difficult situation for the Corporation unless
18 you do something nationwide. Unless you look at the overall
19 impact of this, we can't really pick out this program or this
20 region or this situation.

21 What I am saying that in your request for proposal
22 that you put out on the Cost Study, if you take a look at the
23 horrendous error rates, and say that that is why we have come
24 up with a flagrant one like 50 percent, and say we must do some-
25 thing about those situations because the bottom line is those

1 clients in those areas are getting less services than clients
2 in other areas where we will apply it across the board at \$7.00.
3 It becomes a means.

4 MR. CRAMTON: The President wants to speak and then
5 Mr. Hennigan.

6 MR. EHRLICH: Two issues in terms of the overall
7 problem which, of course, is I am sure you all realize is allo-
8 cating limited resources when there isn't enough to go around
9 and how to do it as fairly as one can.

10 One, deals with the census issues which Mr. Jones just
11 addressed has been a problem we've talked about a good many
12 times and I feel we'll deal with again.

13 Second, deals with the Cost Variation Study that Buck
14 Hennigan I think has quite carefully designed and developed,
15 and I would like to ask him to explain what it is and why it is
16 and what we are doing.

17 MR. COOK: Buck, before you get to that, Mr. Chairman,
18 may I--

19 MR. CRAMTON: Mr. Cook.

20 MR. COOK: Charles, the thing that bothers me about it
21 I think, and I hope it bothers some other members of the Board
22 as we look to this budget and look to the next one, is that the
23 budget we just finished and gotten a review on -- let's take
24 our travel in that budget was 1,500,000 dollars or \$125,000 a
25 month traveling and all kinds of programs. That amount for

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1 1978 is \$3,241,000. For 1979 it is \$7,090,000. Now, I think
2 my problem is that you said you understand these problems, but
3 we have to wait for 1981 or we have to wait for something else;
4 yet, I'm afraid what we are doing is we're coming to the point
5 where we are creating a fantastic bureaucracy right here. It's
6 going to watch its budget going up and up.

7 MR. JONES: You do understand, Senator Cook, that a
8 good portion of that travel is for training.

9 MR. COOK: I understand all of that except that we
10 have to make those evaluations in here because they are not
11 made, but we find them out as we review these budgets.

12 MR. JONES: I don't mean that training. I mean bring-
13 ing the people who are going to be trained to a central location
14 is about \$5,000,000.

15 MR. COOK: I understand that. My point of it is that
16 we are recognizing the problems here and we are resolving them
17 as a budget matter, and we are recognizing that he has a problem
18 there and elsewhere in the country, but we are resolving those
19 problems at a much slower rate, is my only point.

20 The cost of administration, management administration
21 in 1978 is going to 5.2 million and in 1979 it is going to
22 8,112,000. I have a notion that our increases at other levels
23 are not going up at the same rate. That is the problems that
24 we have to be resolving. That is the only point I want to make
25 and I just want to caution you, as I told Tom yesterday at lunch

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1 when I looked at that budget going from 205 to 304 million, you
2 are going to get your PhD in bureaucracy pretty fast. I am
3 afraid that everyone at the field level says, "What in the
4 world is happening?"

5 MR. CRAMTON: Mr. Hennigan, do you want to explain
6 the Cost Study?

7 MR. HENNIGAN: Yes sir. I would like to make a dis-
8 tinction first. The Cost Variation Study does not deal with
9 a larger issue that Mr. Loccrichio presented. That is the
10 question of the count of poor people upon which allocations are
11 based. That consideration is totally outside the Cost Variation
12 Study as it is now planned.

13 What the Cost Variation Study does address is the fact
14 given a fixed sum of money, say \$100,000, you probably will be
15 unable to purchase in Boston as many attorneys, paralegals,
16 square feet of offices, legal pads, and the like, that you will
17 for example in a rural area of Texas. There are measurable
18 differences in the cost of buying the market basket of legal
19 needs to run a local program.

20 MR. CRAMTON: You mean it is not going to consider
21 the compensating increases in costs as telephone charges and
22 there will be more long distance, and so on.

23 MR. HENNIGAN: Those considerations will be studied,
24 Sir, but the basic hypothesis is that there are variations and
25 that they are measurable.

1 MR. CRAMTON: But I'm sure they go in both directions.

2 MR. HENNIGAN: They can go in both directions.

3 MR. CRAMTON: Some things will be cheaper and some
4 things will be more expensive, because you have a different
5 package of resources that you have to use.

6 MR. HENNIGAN: Since you raised the question directly,
7 Mr. Chairman, travel has been excluded from this study because
8 it is such a function of geographical variables independent of
9 region of the country.

10 MR. CRAMTON: That seems to me is a very serious
11 problem.

12 MR. HENNIGAN: Yes. It is a very serious problem. In
13 certain aspects, the telephone costs also have been eliminated
14 because they seem to be not so much a function of geography or
15 community size, but often of program size.

16 MR. CRAMTON: In this part of your question of the
17 managability of study and being able to do it recognizing its
18 limitations.

19 MR. MONTEJANO: If you take out those two variables,
20 where do you come back to the formula?

21 MR. HENNIGAN: As I tried to make the distinction in
22 the beginning, Mr. Montejano, the Cost Variation Study does not
23 address directly the numbers of poor people served by a program
24 which is the basis in which the Corporation currently makes its
25 allocations. It simply addresses the question of what are the

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1 variations of the prices of lawyers, attorneys, paralegals,
2 office space, certain legal materials in different areas of
3 the country and between urban and rural communities, generally.

4 MR. MONTEJANO: What do we have when we finish that
5 narrow study then? How does that help Tony and his problems?

6 MR. HENNIGAN: I am going to have to come around to
7 that because as I said, the study does not address one of the
8 major issues he raised.

9 What the study does address is just the differences
10 in an effect hanging out the shingle -- the differences in cost
11 to hang out the shingle for a local legal services office.

12 Eighty percent of the cost of running a single office
13 we know are in personnel costs. So in effect, the study is
14 really measuring largely salary differences in different parts
15 of the country and between urban and rural communities. When
16 the study is completed, we hope to develop an index or set of
17 indexes probably, which will suggest for example, and again,
18 Mr. Chairman, I want to use this hypothetically, that if you
19 are operating a program in Boston, your grant would be multiplied
20 by 1.03. If you were operating one in rural Texas, your grant
21 may be multiplied by .97.

22 In other words, adjusting that it costs 103 percent
23 of some base figure to do the same job in Boston, where it only
24 takes 97 percent to do the same job in a rural area of Texas.

25 MR. MONTEJANO: Does that multiplying factor include

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1 the transportation and telephone costs?

2 MR. HENNIGAN: No, the travel and certain telephone
3 costs are going to have to be dealt with on an ad hoc basis
4 as we look at each program. A prime consideration there is
5 the efficiency with which the program operates. Are the travel
6 costs really necessary or have they simply developed habits of
7 doing business of driving long distances when perhaps retaining
8 counsel at the location of the federal courthouse to file
9 motions may be more efficient. We have to address questions of
10 that kind.

11 MR. CRAMTON: I guess the question that troubles me
12 over time is are we going to work constantly year by year by
13 year to improve formulae that get much more discriminating and
14 fine in terms of the number of poor people in each geographical
15 area were eligible for service and then make all the punting
16 decisions on the basis of that. It seems to me that kind of
17 pressure that we tend to be moving into and the kind of push
18 that Mr. Loccrichio would seem to be supporting.

19 Or are we at some point going to ask a much more dif-
20 ficult, much more equalitative and subjective question of how
21 can money be best used by individual programs in which the num-
22 ber of poor people, even if we could more accurately determine
23 it, is always changing it. As unemployment goes up and down
24 and as costs go up and down, and so on, in terms of the cultural
25 conditions that existed in a particular area and in terms of

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1 their desire for legal services, the litigiousness that varies
2 from one community to another, episodic problems that may be
3 related to high unemployment right now in the Buffalo area in
4 which Mr. Breger is temporarily residing.

5 MR. BREGER: I might not be able to get back.

6 MR. CRAMTON: And the ability of programs to deliver
7 legal services most effectively in a given local community. I
8 want us to start thinking in those terms rather than constantly
9 in terms of the improvement of mechanical formulae which elim-
10 inate discretion, which eliminate a quality of judgment of pro-
11 gram, which don't get into the variation and creation of stand-
12 ards.

13 MR. HENNIGAN: Mr. Chairman, that is why I said I
14 tried to distinguish what this says. It only deals with what
15 will be a constant problem, regardless of the sophistication
16 of the allocation formula. That there are known variations
17 around the country. The problem is can you within the relative-
18 ly narrow field of legal services, measure those in a way that
19 you can slightly vary whatever the formula is by which you make
20 grant allocations to local programs.

21 This is really a very narrow study, although technical-
22 ly it is very complex.

23 MR. EHRLICH: The broader question is yes, simultane-
24 ously we are trying to move forward on what is admittedly a much
25 more difficult cluster of issues.

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1 MR. MONTEJANO; My broader but more specific question
2 is when a result is going to be completed so we can give some
3 additional support to the field.

4 MR. CRAMTON: It is going to be an endless task, but
5 Mr. Loccricchio wanted to make a further comment in response to
6 mine.

7 MR. LOCCRICCHIO: Okay, in response to your comment,
8 what the Cost Study does is moves us in the first direction.
9 It moves us in nothing else--

10 MR. CRAMTON: In finding the formulae?

11 MR. LOCCRICCHIO: Yes. The problem there as you heard
12 the figure, 80 percent is personnel. Eighty percent is not
13 personnel because we can not in places like Alaska, Hawaii,
14 Micronesia, because the travel and telephone costs are so high
15 in rural California and rural parts of the country, that you
16 don't start out with that supposition. If it is going to be
17 handled some other way, again we have to know what that is.

18 This Board recognize several months ago on the tele-
19 phone and travel and Congress was also concerned about that.
20 We still at this point -- the field has not benefited at all
21 from the Board's decision to try to compensate the programs.

22 MR. ORTIQUE: What do you mean you haven't benefited
23 at all?

24 MR. CRAMTON: The money has not been delivered.

25 MR. STOPHEL: You just asked for it.

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1 MR. HENNIGAN: I would like to comment on the progress
2 of these studies and also the Corporation's own obligation to
3 generate certain data that either a contractor would need to
4 assist in adjusting grants or that we would need ourselves to
5 make those decisions.

6 First, on the Cost Variation Study, it was first
7 raised as an active commitment of the Corporation, I believe,
8 in the spring or summer of 1976. We ran a feasibility study
9 in the fall of 1976. We prepared a model proposal which I
10 believe was available early in 1977. We had been negotiating
11 for the past year with the PAG Funding and Criteria Committee
12 and a selective PAG Advisory Committee on all the detailed terms
13 of this study and I believe at this moment that we have their
14 support for the terms of the request for proposal.

15 Frankly, I am not in a position in terms of commitments
16 to them, you know, to open to some of the considerations that
17 Mr. Loccricchio is raising because, although we are well aware
18 of them, we do not think that we can contain all of them in this
19 study at this time.

20 Our hope is to have the contract let about January 15,
21 the coming year. The study should be completed in August, al-
22 though I think the general outcomes will be clear in June which
23 will be about the time we should be considering the final figure
24 on the 1979 appropriation.

25 The position I have taken is since we are really not

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1 sure of the range of variation, and certainly when you consider
2 Alaska and Hawaii, the upward end of it can be very high. But
3 speaking for the mainland area, my feeling is it will probably
4 run from a .95 to a 1.05, a 10 point spread on an index.

5 Consequently, in trying to make an estimate for the
6 budget with which we are going to Congress, I took assuming
7 that we are going to have a "hold-harmless" but no one will
8 suffer negatively this year and this was discussed with the
9 Appropriation and Audit Committee before the October meeting,
10 that we would probably need about 2½ percent of the total field
11 funding base which is approximately \$200,000,000 in 1979. There-
12 fore, I put in \$5,000,000 which I feel that I can depend as an
13 approximation.

14 Now, what the index will suggest as we begin to look
15 at the first results of the study in June, I am not sure. But
16 my feeling is that if you find the variation is where I expect
17 it will be, plus or minus 5 percent, but the few programs are
18 at the extremes, then you deal with the extreme separately.
19 You don't try to make your index fit that.

20 I feel that this in my own mind is the only reasonable
21 way to approach the non-contiguous areas. They simply are not
22 in the same kind of market or the same kind of cost base as the
23 mainland states.

24 MR. CRAMTON: This might fall under special needs,
25 for example, discretionary funds or if the pot in this category

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1 is not large enough.

2 MR. HENNIGAN: That is right. But this is an issue
3 of how to handle them. It is apart from whatever form of our
4 allocation formula is. Mr. Loccricchio has raised a large
5 series of very complex questions or needs which you, yourself,
6 accounted for, Mr. Chairman, which I feel are critical as we
7 move towards 1980. In fact, much of the year will be dedicated
8 to that, but I do not want to interject those types of consider-
9 ations into the Cost Variation Study.

10 MR. CRAMTON: There is difficulty in not getting under
11 way as it is. Mr. Cook has been very patient.

12 MR. COOK: Go ahead.

13 MR. ORTIQUE: Mr. Chairman.

14 MR. CRAMTON: Mr. Ortique.

15 MR. ORTIQUE: When will you be able to deliver the
16 funds? You said that quickly they have just asked for them,
17 but it seems to me that those funds for unusual travel and tele-
18 phone calls are critical.

19 MR. CRAMTON: I think it is Mr. Hennigan's.

20 MR. HENNIGAN: That is a separate issue, Mr. Ortique.
21 As I tried to explain, all travel and most telephone is out of
22 this study. We will not have until mid-January accurate data
23 on how the grantees are actually using money, what data that we
24 can analyze systematically.

25 We will have the '77 data on computers about mid-

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1 January. We should have the '78 forecast of the program on
2 computers about mid-February, which will allow us to gauge some
3 sense as to whether the increased funding has been relieving
4 certain pressures in their budgets.

5 We will by analyzing that data be able to identify
6 those rural programs which appear to differ significantly from
7 the amount that most other programs have to allocate to those
8 purposes. Based on that we can then begin to look at them one
9 by one and determine whether adjustments are in order.

10 In the brief that we presented to the committee and
11 the Board on this subject in July, we pointed out that we did
12 not expect to be able to make any of these adjustments and we
13 would rather wait in the fiscal year, because I think there is
14 a difficult measurement problem and also some very difficult
15 equity problems, and finally as I suggested earlier some ques-
16 tions of program efficiency.

17 I don't think on its face you can say because their
18 costs are high that they are managing well.

19 MR. CRAMTON: Could I ask the Board or suggest to the
20 Board that we have been at work a long time and we have now done
21 13 pages from 37 to 50 and there are 27 more to go. I am pre-
22 pared to stay here until my last opportunity to go home which
23 is about 4:00 this afternoon. I don't know what the travel
24 plans of other Board members are. At some point, we may run
25 out of a quorum. I think Mr. Stophel hopes that we can approve

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1 some kind of a budget today.

2 MR. STOPHEL: Well, actually if the Board took no
3 action on the budget, it would stand as it is because we adopted
4 the budget requests at an earlier meeting. This is the detail
5 of it. If we want to make any changes, we must do it today.

6 MR. CRAMTON: May I just suggest that we have a number
7 of things to talk about.

8 MR. COOK: I wonder in light of expeditiously moving
9 ahead, that if we really raised the questions that we intend
10 to raise about items rather than take them up. If there is no
11 particular discussion about an item, then I think we ought to
12 just not even be concerned about them. We have gone over this
13 whole budget and it seems to me that what we really ought to do
14 is say are there items in here that anybody wishes to raise a
15 question about.

16 MR. CRAMTON: I look at two ways. The budget is a
17 very useful vehicle to raise and ventilate very general questions
18 about the policy direction of the Corporation and to some extent
19 we are doing that in Mr. Loccricchio's comments and Mr. Hennigan
20 and Mr. Jones' comments on formulae and cost variations and so
21 on. It is very informative and useful.

22 On the other hand, we do have to make some decisions
23 on the budget and we need to have an opportunity to go down
24 through it and consider items that Board members may be more
25 concerned about.

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1 MR. ORTIQUE: Mr. Chairman, I insist that I want to
2 know if it is possible to give an answer to that. These adjust-
3 ments are very, very important and I really don't want to try
4 to help Tony. Tony, we're good friends but I am afraid that
5 any remarks that we make might cause your state legislature to
6 cut down the amount of the assistance that they give you. That
7 is why I really don't want to draw on your program.

8 But I know that there are these serious problems where
9 the number of people on welfare increased and the programs can
10 not give them service because they need some additional money.
11 I want to know when can they expect to get some more money to
12 do the job that has to be done.

13 Just one minute, Charles. In this area and some other
14 areas the cost of rent -- paying rent and taking out of the
15 pockets of poor people is just horrendous. A couple with a \$400
16 allocation on welfare sounds like a lot of money, paying \$300
17 of that money for rent of some rat infested apartment causes
18 me to believe that those programs need some assistance in order
19 to do something about it.

20 MR. JONES: Clearly they do and certainly our recommend-
21 ation with regard to the fiscal year 1978-79 budget that the
22 cost of doing business increase go up by .5 percent is a recog-
23 nition of that. But it is important to recognize that I get
24 calls from all over the country. The northeast tells me because
25 of a loss of business, their numbers of poor people are increas-

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1 ing. The south tells me that a lot of people are moving back
2 to the south; therefore their numbers are increasing.

3 Indeed, if all of these people are correct, I suspect
4 our 29 may be near 58 million. The difficulty that we have at
5 this point is twofold. One, the amount of the appropriation
6 that Congress will make available to us; and secondly, we have
7 to have data that we can use nationwide that supports these
8 statements.

9 It is important to remember also that we get so caught
10 up in the 2 per 10,000 and \$7.00 per poor person, there is no
11 way that I know or that I suggest to anyone in this room knows,
12 that would tell you how to serve a poor person for \$7.00. We
13 are dealing with a figure that we use for appropriations.

14 Programs are not representing all of the poor people
15 in their areas at \$7.00 or at some lesser figure. The reality
16 is that they serve the number of poor people that they can with
17 the money that is made available.

18 So it is important as you think about these issues to
19 keep in mind that it is an allocation formula. Now, Tony may
20 be right. I don't have any reason to doubt that the number of
21 poor people in the area that he serves has risen.

22 It basically then comes back to a priority problem.
23 How can you get most services out there as efficiently as pos-
24 sible to the greatest number of people?

25 You are absolutely right. I have that concern and I

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1 don't know that we will ever be able get there, and that is
2 why Roger's question becomes all the more important. We have
3 to look at, one, we are on a fairly limited amount. Although,
4 I said yesterday I am optimistic, I am not optimistic that the
5 Congress will ever give us enough to serve all of the poor
6 people who have legal problems.

7 So that is going to be a continuing problem for us.

8 MR. ORTIQUE: I am not being critical.

9 MR. JONES: I understand.

10 MR. ORTIQUE: I wonder about these people who are out
11 there really suffering and some little help would come to them
12 if we could get those adjustments up.

13 MR. CRAMTON: The reporter has to have a break to
14 change his reel and why don't we take a five minute stretch.
15 We plan to continue right on because some Board members have to
16 leave around 2:00 p.m.. We'll just go ahead and get finished
17 with everything we can before we lose a quorum. I hope that we
18 can address ourselves as specifically to items on the budget.

19 As I understand, this discussion is related to should
20 the Cost Variation Adjustment be reduced upward or downward from
21 the 5 million dollars that is in the budget. Now, I'm not sure
22 how much of this discussion is in fact related to that discussion.

23 MR. HENNIGAN: Mr. Chairman, as I mentioned to Mr.
24 Stophel, we plan to give the Appropriations and Audit Committee
25 a full report not only on the Cost Variation Study, but on the

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1 progress and developing criteria for other adjustments that have
2 been mentioned here.

3 MR. CRAMTON: I, myself, think that it is such an
4 important subject, I think it would be useful and also a very
5 interesting kind of discussion for the new Board members to
6 have, and I wonder whether it isn't something that the staff
7 could put together some thinking on what is going on in terms
8 of the formulae and their improvement over time and substitute
9 efforts to go to different ways to allocating funds.

10 At least have a report and discussion on that question
11 at the March meeting.

12 MR. LOCCRICCHIO: The only comment that I would like
13 to make is the most telling thing that has been said in this
14 discussion is that this Board said in 1976 that they were con-
15 cerned and that concern got expressed to the field. We have
16 been waiting since then and now the first dollar figure that
17 you get is one that is relatively limited to 5 percent.

18 One of the great dangers in coming from Hawaii is that
19 we use Hawaii as an example. We are talking about areas all
20 over this country where the costs are much higher than 5 percent.
21 They exclude Hawaii and Alaska. You have to have those figures
22 before you go into Congress. That is the important thing. We
23 want assurances from you that there will be a date certain and
24 that you will have those figures to help you.

25 We want to see that 305 million dollars. We have been

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1 waiting very patiently and very quietly while the areas of the
2 country that were going totally unserved got some help. That
3 frustration level now, waiting three budget years, has reached
4 its maximum point.

5 MR. STOPHEL: We are not there yet.

6 MR. CRAMTON: I think the reporter is running out of
7 tape.

8 MR. STOPHEL: In the subject of how do we get the
9 funds out. One of our problems in Audit Appropriations has
10 been an adversity perhaps to across the board increases because
11 they do not recognize exactly what you are talking about. But
12 every time we mention that, ears go up, hands go out and we
13 become bad boys because we are trying to make things discretion-
14 ary and on some basis it is other than across the board. We
15 face this problem with your group. The PAG group always comes
16 in and gives us exactly the reverse of what you are just now
17 saying.

18 MR. LOCCRICCHIO: On the Cost Study -- I know Buck
19 made a reference to PAG in the Cost Study -- that the PAG was
20 the delaying factor.

21 MR. HENNIGAN: I did not say that.

22 MR. LOCCRICCHIO: I want to make it very clear to this
23 Board that that has not been the case on the Cost Study. It
24 has not been a priority in the staff and that is our concern,
25 because in '76 you said go ahead. If there was anything else

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1 you said to the staff go ahead in 1976 and get an answer that
2 we will get to it in '79, it shows a question of priority.

3 We're asking you to look at this in priority terms.
4 It is causing really serious problems out in the field and we
5 really want assurances that something is going to be done and
6 in a significant way to help all of us all over the country get
7 the kind of money we need.

8 MR. STOPHEL: Given the fact that we are where we are
9 where we are today, does the time factor that Mr. Hennigan has
10 outlined seem reasonable to you?

11 MR. LOCCRICCHIO: No. I think what you have to do is
12 you have to request in the RFP earlier dates. Make your pre-
13 sentation to Congress, you are going to have to have these
14 figures, at least the preliminary ones. The stress should be
15 on push.

16 MR. CRAMTON: I am going to suggest -- I suggested to
17 the President that this item be discussed and all question of
18 formulae and other approaches and report on the Cost Variation
19 Study at the March meeting and wonder if we can't push ahead
20 perhaps after a break on the rest of the budget.

21 MR. HENNIGAN: May I make one point for the record.
22 There is no way that I can professionally commit the Corporation
23 to complete this study to provide what Mr. Loccricchio asked
24 for the Congress this spring. There is a major step where the
25 Corporation has to supply data. I simply can not meet that

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1 timetable.

2 MR. CRAMTON: I think that is the fact of life right
3 now.

4 Let's take a short recess. We'll reconvene probably
5 at 12:30, five minutes.

6 (Short recess taken.)

7 MR. CRAMTON: We will now continue the inquisition of
8 the staff.

9 MR. STOPHEL: I will follow Mr. Cook's suggestion
10 which I thought was appropriate and deal with broad categories
11 and ask some questions on any specific item on it. We're under
12 Program Improvement, which includes the five items under the
13 broad categories of the Cost of Business Adjustment, The Special
14 Needs of the Budget, Special Adjustments Reserve, Cost Variation
15 Adjustment, and Discretionary Adjustments.

16 Are there any questions on those matters. They cover
17 pages 48 through 52.

18 (No response.)

19 MR. STOPHEL: If not, we will move to Program Expans-
20 ion where a great deal of the new money is, obviously. \$49
21 million dollars is proposed to go into this section. The detail
22 information is on pages 53 and 54. Are there any questions
23 concerning how this was arrived at?

24 MR. BREGER: This figure is not for new programs only.
25 It is for expanding areas of old programs. Is that correct?

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1 MR. STOPHEL: That is correct.

2 MR. HENNIGAN: We expand either way; we either add
3 territory to an existing program or the obvious second case, we
4 go to an area where there is nothing and begin to build one,
5 which in turn can add territory to expansion.

6 MR. STOPHEL: Are there questions relative to this?

7 MR. BROUGHTON: What page are you on?

8 MR. COOK: Pages 53 and 54.

9 MR. CRAMTON: It might be wise on the explanation of
10 page 53 to make it clear that there is a kind of scientific qual-
11 ity to that on the basis of the proportionate number of poor per-
12 sons as if it were scientific and that we know these are guesses
13 based upon the somewhat aging figures which a lot of changes
14 have taken place. Why don't we just say on the basis of esti-
15 mates of the proportionate number. That's really all they are,
16 just estimates.

17 MR. STOPHEL: Thank you.

18 MR. BROUGHTON: How many additional new programs are
19 we talking about here?

20 MR. JONES: It is very hard to be able to guess even be-
21 cause some of expansion will occur through existing programs as
22 Mr. Breger pointed out. Some of them will be brand new programs.

23 In your state for instance, there is now a statewide
24 program that excludes three existing programs -- Durham,
25 Mecklenberg, and one other one that escapes me. It is conceiv-

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1 able that the new expansion in North Carolina will be through
2 the statewide program. It is just very difficult to know and
3 it largely depends upon what kind of developmental activities
4 will take place prior to 1979.

5 We hope, however, because this ought to be the last
6 of it assuming we get our requests, that we have a pretty good
7 idea of where we will go in the latter part of 1978 so there
8 won't be any delay in starting the programs.

9 MR. BROUGHTON: If we engage in such rapid expansion
10 as I understand will be called for in this budget an item that
11 is set in there which is a substantial increase, are we talking
12 about the expansion programs, and I understand what you say that
13 you can not define the number at this point, but are we talking
14 about programs that would be primarily in the realm of what is
15 the predominant method at this point of delivery that is the
16 so called staff attorney system.

17 MR. JONES: You use the word predominant and I can
18 therefore answer affirmatively.

19 MR. BROUGHTON: Well, that is as I understand it, most
20 of our programs -- the vast majority of our programs now in
21 existence --

22 MR. JONES: Are, indeed.

23 MR. BROUGHTON: Are in the staff attorney system. My
24 question is whether or not the expansion money that is requested
25 here would or would not go into the expansion of existing

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1 program staff attorney or new programs which would be primarily
2 staff attorney programs?

3 MR. JONES: The majority of it probably will. I am
4 sure that there will be some non-staff attorney programs that
5 will be funded. There have been. There are, indeed, some that
6 have been recommended for 1978 and we have funded some through
7 the delivery system study in 1978. But, yes, the majority will
8 be.

9 MR. BROUGHTON: That is one of the things that gives
10 me concern about this budget and the vast increase we are talk-
11 ing about. That is, it seems to me in some respects what benefit
12 we will get from the alternate delivery study and the results
13 of that when they finally end. It seems to me that more and
14 more we fill staff attorney programs the more difficult it is
15 going to be for us, if the study concludes that, to get into
16 other alternate particularly Judicare.

17 I was very much impressed the young man here from
18 upper state Wisconsin about the programs going on up there and
19 the involvement of the party involved in that area.

20 MR. BREGER: I believe it was Minnesota.

21 MR. BROUGHTON: Yes, Minnesota.

22 MR. JONES: It is interesting that you would mention
23 that one. The regional office has taken a very close look at
24 that program. As he mentioned it was funded at a relatively
25 low rate compared to the other delivery system projects and

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1 they are seriously considering the possibility of using some of
2 the 1978 expansion money in that particular program.

3 MR. STOPHEL: It would appear then in the rural areas
4 we're finding as I gather that either something other than
5 staff program or a component of the staff program with something
6 else is more likely to be the way we will go.

7 MR. JONES: I don't want to prejudge delivery system.

8 MR. STOPHEL: I understand that.

9 MR. JONES: But certainly our experience thus far
10 has suggested that some combinations work well in some areas.
11 Clearly, if you were impressed by Mr. Sheide--

12 MR. STOPHEL: I was impressed by --

13 MR. JONES: I understand. He is an impressive young
14 man with a lot of experience with that kind of delivery so that
15 all those factors become important, but we would like to have
16 a look at the delivery system as well.

17 MR. STOPHEL: Do you have a question, Mr. Cook?

18 MR. COOK: I find a little problem with what you are
19 saying. We can't hold the existing system at a freezing level
20 until you determine whether there is another system that is
21 going to take its place.

22 The government quite frequently goes contrary to what
23 you have said. The committee the other day very enthusiastically
24 by a majority larger than I thought they would vote, at least in
25 the committee level, decided to throw out the entire food stamp

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1 program and go to a cash program. Now, that is a program that
2 has to be a multi-billion dollar program. They have decided
3 to move into another direction.

4 I think it is the commitment of the Board to back
5 an alternate delivery system and make its recommendation to
6 Congress and then a determination based on the recommendation
7 of this Board when ever that may occur. Now, whether Congress
8 is going to decide on whether a whole new program is required
9 or whether a whole new program is not required, but in the
10 meantime I have serious reservations about saying that some
11 how or the other we should seek some level of which, I know not
12 where you get it, and say that we shouldn't get any bigger than
13 this because we want to see what an alternate delivery system
14 will provide.

15 Then, that really in effect -- you take the situation
16 in Hawaii and Alaska and Micronesia and you multiply it over
17 and over and over again. And, it is to that extent that I don't
18 know how we get to what you are saying.

19 Certainly, it has always been my position that we hear
20 the requests and that when the requests have been approved by
21 us as a Committee and presented to the Board, we really in our
22 own minds can conclude that we can justify these increases and
23 we can move forward with them.

24 Some day you might not be able to justify this kind
25 of system at all, but when you say you can't justify it, then

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1 you make a strong recommendation as to what the alternative
2 is, but you don't fail to buy gasoline or fail to put miles on
3 the speedometer as a result of the wait for the new automobile
4 to come out. I guess that is really what I am trying to say.

5 MR. STOPHEL: Okay. Are we finished with the expans-
6 ion? This is an areas where it is almost entirely grant and
7 again we don't have details the way we will on some of these
8 later things.

9 The next major category is Demonstration Projects and
10 Evaluation. This is a three segment item. The first being our
11 Delivery System Study Grants and the second being the Information
12 Systems and the third being Evaluation.

13 Under Delivery System Study Grants you will note that
14 there is no change in the requested appropriation from the '78
15 estimate or the '79 base and no change in permanent positions.
16 This is the refunding of the 38 demonstration projects, I be-
17 lieve.

18 The second portion of the request is on page 56, the
19 Information System and it does include an increase which Mr.
20 Jones can report to us briefly if anyone has a question.

21 Then the third is Evaluation, which again, is primar-
22 ily a part of which is inhouse evaluation by our regional staff.

23 MR. BREGER: Mr. Stophel.

24 MR. STOPHEL: Mr. Breger.

25 MR. BREGER: I am not sure if it is possible to break

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1 these figures out, but of the amount that we are putting into
2 the demonstration projects, how much of that 6.9 million, I
3 guess, is for service as opposed to our alternative delivery
4 study?

5 MR. STOPHEL: The system study grants are 3,534,000.

6 MR. BREGER: Well, then I am totally confused.

7 MR. CRAMTON: Although that gives a lot of service,
8 too.

9 MR. STOPHEL: In the middle of page 55.

10 MR. BREGER: Okay. How much of that is for service
11 as opposed to the study aspect?

12 MR. STOPHEL: Mr. Jones, do you want to respond?

13 MR. JONES: That is the cost of running the grants.

14 I am not sure I understand your question.

15 MR. ORTIQUE: How much goes to this other organization
16 as opposed to what is in this. That is what he is getting at.

17 MR. JONES: The 3,534,000 are the actual grants.

18 MR. BREGER: Okay.

19 MR. JONES: Okay.

20 MR. STOPHEL: The evaluation is 1,700,000 and is
21 separate on page 57.

22 MR. BREGER: Okay. So the whole 3½ million is going
23 for a service.

24 MR. JONES: That is for 38 programs. The cost of
25 running those 38 programs.

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1 MR. BREGER: Thank you.

2 MR. JONES: Just to clarify the record, we have sev-
3 eral contractors in connection with the delivery system study.
4 Urban Institute for whom Mr. Vogt works is one, and we have
5 Applicant Associates and we have Group-Ops. We mentioned them
6 yesterday in our presentation.

7 MR. BROUGHTON: What is our status with our contract
8 with Urban Institute?

9 MR. EHRLICH: As I reported to the Board at the last
10 meeting, the one year contract terminated the end of November,
11 during November -- I can't remember the exact date. I indicated
12 then my plan to continue with funds that were still available
13 from that contract amount, the employment of Mr. Vogt and for
14 a year from that time as well as one additional person to com-
15 plete the study of management information systems and you have
16 that with the material that you received from this meeting as
17 well as to do other efforts in regard to the delivery system
18 study.

19 MR. BROUGHTON: What is the fee that we pay the
20 Urban Institute for the renewal period?

21 MR. EHRLICH: I can find it for you shortly. I don't
22 have the figure in my head right now. I gave it to you at the
23 last meeting and I don't think I have the material here but I
24 will have it for you shortly.

25 MR. CRAMTON: He was discussing the renewal on it if

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1 we made commitment on it.

2 MR. BROUGHTON: Well, I am sorry.

3 MR. STOPHEL: Are there other questions under that
4 category?

5 (No response.)

6 MR. STOPHEL: If not, the next is Roman V, Program
7 Development and Experimentation. Here you need to note some-
8 thing that we discussed briefly yesterday and that is in work-
9 ing up this budget request document, staff had assumed not in
10 any way prejudging what the Board was going to do, but assumed
11 that we might allocate a million dollars of Investment Income
12 under this category. Therefore, you have a request for an
13 appropriation of a million dollars and Investment Income use
14 of a million dollars.

15 On the action of the Board yesterday, was that we ear-
16 marked the entire balance of unallocated funds for what would
17 probably fall under this category -- Program Development and
18 Experimentation.

19 There is a feeling that I have had that perhaps if we
20 are going to put a special amount of Investment Income into this
21 category, a request for a million dollar appropriation in that
22 category may be inappropriate because I am not sure we can
23 justify spending 5 million dollars for Program Development and
24 Experimentation.

25 I believe my view would be that we in thinking about

1 this forward allocation of that 4 million dollars, that we
2 should probably spread it among the three years that we are
3 looking at -- '79, '80, and '81, and not put in here that we
4 anticipate spending the entire 4 million dollars in 1979 fiscal
5 year.

6 If we wanted to do that, then we could request no
7 appropriation in this section and use the million dollars as a
8 first year increment and then we could spread the other 3
9 million dollars in the next two budget years. We could go a
10 million, a million, and then 2 million if we wanted, or some-
11 thing similar to that.

12 The Committee has no recommendation on it. I guess
13 in order to make the change I guess my motion would be that we
14 delete the appropriation request in this section. That we
15 allocate 1 million dollars of the investment income to this
16 section which will have the effect of delaying the allocation
17 of the additional 3 million dollars to the two subsequent years,
18 but would reduce our budget request from 304 million to 303
19 million. I make that in the form of a motion in order to get
20 it on the floor, Mr. Chairman.

21 MR. CRAMTON: Is there a second?

22 (No response.)

23 MR. BROUGHTON: I will second it.

24 MR. CRAMTON: Mr. Stophel has moved and Mr. Broughton
25 has seconded the motion to delete the 1 million dollars and

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1 reduce the appropriation request by that amount. Is there any
2 discussion?

3 MR. BREGER: I would like to get the view of the staff
4 on that.

5 MR. MONTEJANO: I do, too.

6 MR. CRAMTON: Mr. President.

7 MR. STOPHEL: Mr. Hennigan just pointed out that the
8 staff had estimated or allocated a million dollars to the '78
9 budget year in this presentation. I would go along with that
10 and then a million dollars in '79 which would leave 2 million
11 dollars in 1980.

12 I guess the reason I made this suggestion -- there
13 are other uses and I will point out one that was suggested.
14 I'll let Mr. Hennigan explain it to you; it deals with some
15 programs may need a special adjustment.

16 MR. HENNIGAN: We presented to the Appropriations and
17 Audit Committee in a memorandum explaining that certain joint
18 venture training and litigation units that were established
19 among groups of field programs during fiscal year 1977 with the
20 so-called Special Needs funds, have presented a problem with
21 those programs that are below \$7.00 per capita and due to go up
22 to \$7.00.

23 They have to absorb their share of this joint venture
24 unit under the present formula as they rise to \$7.00. Whereas
25 programs that are in the joint venture arrangements that are

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1 already above \$7.00 are not suffering that impact. We are
2 considering the advisability of taking these joint ventures out
3 from the per capita funding and putting them into the same kind
4 of funding that we now have for National Support Centers which
5 is pretty much on a year to year inflation adjustment, plus a
6 specific increase basis.

7 We are not certain yet whether this is the best for
8 us to do; whether all the joint venture efforts involved should
9 be considered at the time and we'll not have a report until
10 March.

11 The only recommendation that I could give to Mr.
12 Stophel at this point was that it might be desirable to consider
13 leaving this money in basic field programs as a hedge against
14 that happening, but we would need additional money if we take
15 them out of per capita funding.

16 I can not say exactly the amount we will need or whe-
17 ther that will even be the final recommendation, but we would
18 mention it specifically in the budget request as a reserve for
19 that purpose.

20 MR. BREGER: Is an example of that sort of joint ven-
21 ture the Taxes Legal Service Center?

22 MR. JONES: GULP in greater upper state New York as
23 well, and various others like that.

24 MR. ORTIQUE: I don't know whether it takes longer,
25 Mr. Chairman, to go through the process of a substitute motion

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1 or to vote on this one and then--

2 MR. STOPHEL: Why don't we just vote it down, if you
3 want to.

4 MR. CRAMTON: Okay. That is the best way.

5 MR. ORTIQUE: I call the previous question.

6 MR. BREGER: It would still be helpful to me to get
7 the views of the President and staff on this.

8 MR. EHRLICH: Mr. Stophel and I, and I think the whole
9 committee here in a day-long session discussed this issue and
10 given the pressing needs throughout the country for more legal
11 services, it won't come as any surprise that I am not in favor
12 of reducing the budget request as a practical matter for reasons
13 Senator Cook and others have pointed out. It may not have an
14 actual impact, so if you ask my druthers I prefer to leave it
15 there for the reasons Mr. Hennigan suggested.

16 On the other hand, I don't think it will in the long
17 term seriously alter what happens if you take the course Mr.
18 Stophel is suggesting.

19 MR. CRAMTON: Are you prepared for the question?

20 (No response.)

21 MR. CRAMTON: All those in favor of Mr. Stophel's
22 motion, please say aye.

23 (Ayes.)

24 MR. CRAMTON: Those opposed.

25 (Nays.)

1 MR. CRAMTON: Let's have a show of hand. All those
2 in favor, please raise your hands. Stophel, Cramton, Broughton.

3 Those opposed. Breger, Cook, Montejano, Ortique and
4 the motion fails.

5 MR. ORTIQUE: I now move, Mr. Chairman, that we would
6 hold the million dollars in the budget for the purposes that
7 Mr. Hennigan has expressed.

8 MR. CRAMTON: So it would be switched to Field Programs
9 and then designated as a reserve to meet the contingencies that
10 he outlined.

11 MR. ORTIQUE: Yes.

12 MR. CRAMTON: All right. Is there a second for that
13 motion?

14 MR. BREGER: I second it.

15 MR. CRAMTON: Mr. Breger has seconded the motion. Are
16 you prepared to vote on the motion?

17 (No response.)

18 MR. CRAMTON: Those in favor, please say aye.

19 (Ayes.)

20 MR. CRAMTON: Those opposed.

21 (Nays.)

22 MR. CRAMTON: I did not say no, but you did so we will
23 have a division. All those in favor, please raise your hand.
24 Stophel, Montejano, Cramton, Ortique, Cook and Breger.

25 Those opposed. Mr. Broughton is his lonely self on

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1 this motion.

2 MR. STOPHEL: As I mentioned yesterday when the Board
3 passed that motion relative to the 4 million dollars, we did
4 not specifically allocate the amount for the years. I think
5 it would be advisable, highly advisable to do so. If you just
6 left it the way it is, I think the 4 million dollars would have
7 to appear in the '79 request with perhaps some in the '78 re-
8 quest.

9 The recommendation of the staff is that we allocate
10 a million to '78, a million to '79, and the balance to remain
11 unallocated because it may spent in two years, or three years
12 or whatever.

13 Although I was not in favor of allocating at all,
14 given the facts of life, I would move that we allocate in accord-
15 ance with the staff recommendation.

16 MR. ORTIQUE: I second the motion.

17 MR. HENNIGAN: I am sorry. I should have communicated
18 this earlier. The persons who have submitted the paper yester-
19 day on the allocation have a slightly different formula in mind
20 for allocating the money. Are you firmly committed on the one
21 we're on or do you want me to mention it?

22 MR. STOPHEL: We are going to have reallocations later
23 anyway after we get into the fiscal '78 year. I think we can
24 do it as a matter of form. What we are dealing with right now
25 is the request to Congress.

1 MR. HENNIGAN: Right. It isn't that different.

2 MR. CRAMTON: Maybe, we ought to conform to it so it
3 changes as little as possible.

4 MR. STOPHEL: What was the suggestion?

5 MR. HENNIGAN: \$1,250,000 in '78, \$2,000,000 in '79
6 and the balance unallocated into '80, recognizing, of course,
7 that the Board may choose the money back and forth within those.
8 The reason was tactical to show as much of the money as firmly
9 committed as possible before the request is submitted to Con-
10 gress.

11 The other method would show a fair amount awaiting
12 allocation designation by the Board of Directors.

13 MR. STOPHEL: As I recall, in our resolution basically
14 whatever allocation is made has to come right from the Board
15 anyway.

16 MR. HENNIGAN: In specific instances anyway.

17 MR. STOPHEL: Under those terms, I would substitute
18 his allocation for the one I had in the resolution.

19 MR. CRAMTON: Is that acceptable to the seconder?

20 MR. MONTEJANO: Yes.

21 MR. HENNIGAN: I apologize for not bringing it up
22 earlier.

23 MR. CRAMTON: You have heard the motion and it has
24 been seconded.

25 MR. STOPHEL: Would you repeat the motion, please.

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1 MR. CRAMTON: The motion is to indicate in the budget
2 submission the allocation that is outlined by Mr. Hennigan of
3 the Investment Income, I think was \$1,250,000 for '78.

4 MR. HENNIGAN: Yes sir. \$2,000,000 for 1979.

5 MR. CRAMTON: And the balance unallocated.

6 MR. HENNIGAN: An estimated \$750,000 allocated.

7 MR. CRAMTON: All those in favor of the motion, please
8 say aye.

9 (Ayes.)

10 MR. CRAMTON: Those opposed.

11 (No response.)

12 MR. CRAMTON: The record will show that the amended
13 motion was unanimously carried.

14 MR. STOPHEL: In the program support area, Roman VI
15 which begins on page 59, we have several aspects of this in-
16 cluding training, which is on page 60 and does include a number
17 of our own personnel -- an increase of 50 percent in personnel
18 from 10 to 15. A substantial increase in dollars, that in
19 Management Training and Assistance on page 62, a similar increase.

20 Recruitment on page 64 and Program Materials on page
21 66; and last, Program Management on page 68.

22 Would any member like to address questions to the
23 staff.

24 MR. COOK: Buck, there is one thing I want to ask you
25 about Supporting Activities relative to the increase in permanent

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1 positions. I refer you back to pages 85 and 86, which is a
2 breakdown of the Current and Projected Staff Positions. I
3 don't mean to accuse anyone of making the chart looking the best
4 they can make it look, but I start off by seeing Executive
5 Office an increase of 11, Equal Opportunity 4, Budget and
6 Planning 7, General Counsel is 8 and then Field Services Head-
7 quarters is 18.

8 MR. HENNIGAN: Those are not increases, Senator; those
9 are the totals at the end of 1979. The increase above the '78
10 level is in the column next to that.

11 MR. COOK: Excuse me, an increase of 18.

12 MR. HENNIGAN: Yes sir.

13 MR. COOK: All right. Then we go to the next page
14 after we get through the Field Services and Regional Offices,
15 then we get to the next page and we show Administration, Govern-
16 ment Relations, Public Affairs, Research, Program Support.
17 Administration shows an increase and I thought I just read off
18 Administration, Executive Office, Budget and Planning, General
19 Counsel.

20 MR. HENNIGAN: That is the Corporation's Office of
21 Administration set up currently by Mr. Thomas, Senator. It is
22 one of the divisions in the Corporation's Headquarters.

23 MR. COOK: May I just say that it would be far easier
24 and it would not subject itself to any degree of criticism, if
25 you just put in the home office increase so to speak, and then

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1 put your regional offices either last or first, because at least
2 I just think it makes a little bit clearer and it breaks things
3 up.

4 MR. HENNIGAN: We can divide. We'll have headquarters,
5 total, and then the divisions and then the Regional Offices,
6 total.

7 MR. COOK: That is right. I must confess, it makes
8 it a little neater.

9 MR. HENNIGAN: We did the mindless thing we usually
10 do and used last year's display.

11 (Laughter.)

12 MR. COOK: It might have worked last year, too. You
13 can't ever tell.

14 MR. HENNIGAN: I think this will be better.

15 MR. STOPHEL: The 7 saddest words are we have never
16 done it that way before.

17 Are there any questions on these categories? These
18 are the ones that you had questions concerning the specific
19 line items which are reflected on pages 28 and 29 under these
20 specific areas. If you do have questions concerning them, the
21 factoring, of course, runs some of these expenses out of ratio
22 as has been mentioned before.

23 MR. BROUGHTON: Are you back where now?

24 MR. COOK: 59 on pages 28 and 29.

25 MR. STOPHEL: This refers back to page 29.

1 You will notice that we are appropriating under Re-
2 cruitment \$2,079,000 and that under Recruitment also we have
3 allocated \$486,000 in the '79 budget from Investment Income,
4 which was a part of the \$1,090,000 that we allocated at the
5 October meeting.

6 This recruitment effort is -- we keep pushing in our
7 Committee toward being sure that we are well coordinated in our
8 recruitment effort with the Reggie Program, what ever its ulti-
9 mate design would be. Are there other questions on that sub-
10 ject?

11 MR. BREGER: Forgive me, I might have missed something
12 but recruitment incentives -- is that the recruitment program?

13 MR. COOK: Where are you?

14 MR. BREGER: Page 28. Under Object Class. You refer
15 to Recruitment Incentives or is that the Loan Forgiveness pro-
16 gram?

17 MR. STOPHEL: Dick, do you want to respond to this?

18 MR. CARTER: Most of the Recruitment Incentives that
19 were left in after the Board had considered at the previous
20 meeting leaving only a loan payment plan as a possible use of
21 investment income, is a summer intern program.

22 The summer intern program would increase in '79 assum-
23 ing, of course, that we find that it is worthwhile to increase
24 it in '79, but we have budgeted it to increase it in '79.

25 So, most of the incentive is the payment for the

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1 summer program.

2 MR. BREGER: These are not really for the Corporation,
3 but for all--

4 MR. CARTER: These are for Field Programs, not for
5 the Corporation at all. They're not for Headquarters at all, but
6 for the Field Programs.

7 I might add, as I in fact explained to the Committee
8 we may in fact not come out exclusively with the summer intern
9 program because some Field Programs have said that with their
10 proximity to law schools they would prefer externs during the
11 year. We may divide that in some way. We have made no final
12 decision on how many will be one way or the other.

13 MR. HENNIGAN: I think I can clarify that the
14 \$2,079,000 total for 1979, \$486,000 is for the loan repayment,
15 \$14,011 for the recruitment incentive Mr. Carter just mentioned.
16 That leaves a balance of \$182,000 for all the overhead that re-
17 lates to those operations.

18 MR. CARTER: We increased the staff by only one person.

19 MR. STOPHEL: The next major category is Research
20 Institute. Mr. Houseman is here, if you have any questions on
21 that. The increase in personnel is two. I believe that is
22 actually an equivalent of two, if I'm not incorrect. It is an
23 equivalent of two full time because most of the fellows are
24 part time.

25 MR. BREGER: Where are you?

1 MR. COOK: Pages 69 through 73.

2 MR. STOPHEL: One question that was discussed briefly,
3 Alan, had to deal with Practice Manuals which has been suggested
4 is something that we ought to do more of and whether this ought
5 to be moved out of Mr. Carter's area into the Research Institute.
6 Do you have any comment on the ability of the Research Institute
7 to do substantive or law office administration manuals of that
8 type of thing?

9 MR. HOUSEMAN: Well--

10 MR. STOPHEL: Is it a proper function of the Research
11 Institute?

12 MR. HOUSEMAN: There are two questions on that, I
13 think. We could not supervise and do what I think would be the
14 necessary supervision without additional staff to do any manuals
15 -- substantive manuals. We could fund the development of some
16 manuals which there is much more to it then just funding the
17 development of such manuals.

18 I would not want to get involved at all with law office
19 administration manuals or anything like that. I think I would
20 only have interest in substantive manuals.

21 However, this year, Dick and I and some others in the
22 Corporation have met and I think worked out a procedure in a
23 process by which working both between the Institute and the
24 Program Support and Field Services on manuals will be produced,
25 and the input and the concerns that I have reflected--

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1 MR. STOPHEL: Okay.

2 (Music interrupts meeting.)

3 MR. HOUSEMAN: I think the money is in Program Support
4 and I think we have worked out an arrangement where the input
5 that would be necessary from the Institute now is taken care of,
6 and that the arrangement that we have worked out is a good one.
7 I would prefer to keep the manuals in Program Support and the
8 working committee that we have in that arrangement to continue.

9 We do have input into it; I have some involvement with
10 -- we have put a little bit of some money from meetings out of
11 the Institute's budget into it, and I think that is appropriate
12 and where it belongs in Program Support.

13 MR. STOPHEL: Okay. Are there questions of Mr. House-
14 man on the Research Institute?

15 MR. BROUGHTON: Yes, I still have a lot of concern
16 about the work there as related to other work including Support
17 Centers and I read this as a project being undertaken and then
18 we have certain Support Centers which specialize in certain
19 subjects. It is puzzling to me and maybe confusing is a better
20 word to reach in conclusion other than whether we don't have a
21 lot of implications.

22 I realize this has become a vast organization. Maybe
23 trying to do too much too fast, and when you do that I guess you
24 are going to have some duplications. I see as a member of a
25 committee how many contracts with individuals -- some that come

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1 in for a few days and some that come in for long on the program
2 and so forth. All this bothers me; I just don't understand it
3 and that is why it bothers me, but it does.

4 I see the work of the Support Centers. We're asking
5 for additional funding for the Support Centers that specialize
6 in seven areas of the law and is there not duplication? I don't
7 see how it can escape from being.

8 MR. EHRLICH: It might be helpful if I recall for the
9 Board the basic distinction in the statute and in our operation
10 between the work of the Support Centers and the work of the
11 Research Institutes. Support Centers do work on particular
12 areas of the law; they do it in behalf of identifiable clients.

13 The Research Institute is charged with doing scholarly
14 research on substantive problems, and I think if you review the
15 work in the past year, they have done it, in fact an extraordin-
16 ary able job in analyzing a number of key areas of substantive
17 law.

18 Work, of course, from time to time with particular
19 people in Support Centers who are specialists. Support Centers
20 are limited to work in behalf of identifiable clients. Research
21 Institute has used its resources to promote important and very
22 much needed research that would not be done and could not be
23 done under the statute on areas of the law that relate to poor
24 people.

25 MR. BREGER: I would like to add on that point that

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1 I don't know anything about the actual contractual arrangements
2 but I have been really amazed at the quality of the people who
3 the Research Institute have been able to secure to do work for
4 us. I think that is certainly very impressive. If the caliber
5 of the people that have brought in on a short-term basis who
6 we may not have been able to get a hold of if we had to go
7 through the long-term arrangements of the Support Centers.

8 MR. EHRLICH: We would certainly be pleased after the
9 meeting to review the work of any particular individual or
10 individuals that any member might want to see.

11 MR. STOPHEL: Are there other questions on that? The
12 last item on the budget is--

13 MR. CRAMTON: I would like to raise one brief question.
14 I think there is a question of the time as to whether one of
15 the major functions of the Research Institute, particularly once
16 the particular delivery study is done, should not be to concen-
17 trate on the research on the Legal Services Program itself and
18 the delivery of legal services rather than to do the general
19 poverty law problem.

20 I say that in part because our resources may be too
21 scarce to do both well, and second, there are a lot of other
22 organizations that are concerned about substantive policy law --
23 poverty law in question, and they tend to be a little more
24 political in orientation ineffably, whereas we can be experts
25 and perhaps be more effective and be given more credence in what

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1 we have to say about research and studies on legal service
2 systems and delivery and lawyer confidence.

3 MR. STOPHEL: I agree with that.

4 MR. CRAMTON: And, research in that direction. Those
5 judgements have not really been made as yet; in fact the orien-
6 tation of the Research Institute is really in the other direct-
7 ion now. It is focused on broader poverty law problems and not
8 so much research on legal services itself.

9 MR. STOPHEL: Okay. The last category is Management
10 and Administration which is on page 74, and has been indicated
11 before it is broken down in more line item detail and on page
12 28 as far as line items are concerned, and you will notice that
13 the increase which has been referred to before is on the base
14 of 5.2 million to 8.1 million with an increase of 22 in person-
15 nel. Are there questions relative to this section?

16 MR. COOK: Mr. Chairman, the only thing that I want
17 to say is a group of lawyers that the General Counsel's office
18 has maintained a high reputation that we lawyers want it to
19 maintain and that is that our budget is higher than the Admin-
20 istrative Office.

21 (Laughter.)

22 MR. COOK: We feel that is essential and we feel that
23 is the way it ought to be. I notice that the General Counsel's
24 office is \$417,000 and that the President's office is \$399,000
25 and that is the way it ought to be.

1 MR. EHRLICH: The President concurs in that.

2 MR. STOPHEL: We lawyers should maintain that kind of
3 ratio because of our importance.

4 MR. BROUGHTON: Would you also like to comment that the
5 appropriation for the Board is the only item that is not changed
6 or gone up.

7 MR. STOPHEL: There are no amounts shown under the
8 subcategories under this because there will be shifting but there
9 are projected increases in personnel allocations here.

10 Well, Mr. Chairman, the only motion that was made
11 during this budget review -- well, it did make a change with
12 the categories but no change in the total budget. Unless there
13 are questions, I would like to say as Chairman of this Committee
14 in presenting this that I appreciate all the staff members who
15 have had to spend their Saturday here with us because we didn't
16 get to our budget on yesterday.

17 I appreciate their willingness to come down and answer
18 whatever questions the Board has relative to the budget items.

19 MR. CRAMTON: Mr. Chairman, I wonder if we could go
20 back now to pages 28 and 29.

21 MR. STOPHEL: I would be glad to go back.

22 MR. BROUGHTON: Are you at the point to go back to
23 that now?

24 MR. STOPHEL: Yes. That is where we are. Management
25 and Administration is a part of page 28. Are you going to make

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1 MR. CRAMTON: Are you going to make a motion at some
2 point?

3 MR. STOPHEL: Since there has been no change, we've
4 already adopted the budget in broad category. The only thing
5 I can see that if there were to be a change, then there would
6 be a motion appropriate. I made such a motion earlier and it
7 failed.

8 MR. CRAMTON: Mr. Broughton.

9 MR. BROUGHTON: One comment I would like to make is
10 this was mounted before when we met in the October meeting and
11 that is the question of the Reginald Heber Smith Program be
12 given an additional amount and the Board discussed it at that
13 time and took no action.

14 Since that time the Board has agreed to have that
15 whole program evaluated and I understand presently has someone
16 working on that now.

17 I think in view of the tremendous increase that has
18 been given and is available and the tremendous increase that has
19 been sought in this budget for training through the area of
20 Corporation, that I would like to move that the Smith program
21 request remain the same as it was last year, and that the addit-
22 ional amount be deleted.

23 MR. CRAMTON: Is there a second?

24 MR. COOK: Where are we? Do you mean the increase of
25 a \$1,303,000?

1 MR. BROUGHTON: Yes.

2 MR. COOK: That is on page 46.

3 MR. CRAMTON: We decided last time to put it on the
4 budget, subject to the possibility that if the evaluation--

5 MR. BROUGHTON: At that time--

6 MR. CRAMTON: It has been suggested that that change
7 be immediately effective.

8 MR. BROUGHTON: At that time the budget request was
9 discussed with the Board, I think at least and I so stated that
10 it was my feeling that until we saw a fleshing out of the
11 various items that this did not permit any one Board member to
12 support \$304,000,000 and the Board went to bed so to speak in
13 so far as submission to Congress, and subject to the fleshing
14 out process this did not commit us to that figure. At least
15 that was my understanding.

16 MR. STOPHEL: I think you know my feelings about this
17 program. The only conflict I am having is in recognizing that
18 the likelihood of us receiving \$305,000,000 is so remote as to
19 be negligible, and that we do have another opportunity to review
20 actual allocations of funds when we come along.

21 I think there is -- the only danger in leaving it in
22 there the way it is, is that some member of a committee somewhere
23 may say that this is one item you don't change. We get some of
24 this kind of language from time to time, but I think that overall
25 I would suggest that we leave it in at this time with the under-

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1 standing that we are going to go through a reallocation in the
2 spring after we have received this report on the program.

3 MR. COOK: May I add one thing--

4 MR. CRAMTON: I think the motion failed for want of a
5 second. Mr. Broughton made a motion and I have been patiently
6 waiting for a second or some explanation of what it is we were
7 talking about. I think now we know what we are talking about.
8 Unless it is seconded, I am going to rule that he has failed for
9 want of a second.

10 (No response.)

11 MR. CRAMTON: The motion has failed for want of a
12 second.

13 MR. BROUGHTON: I have a general observation to make,
14 some of which have already been made before by others. I am
15 very much concerned about some of these tremendous increases
16 we have if you go to page 28. I think some of these vast per-
17 centage increases if we submit them to the Congress in this
18 form, I think we are going to be subjected -- I yield to Mr.
19 Cook on who grills who.

20 I understand -- I asked a question about the inde-
21 pendent consultant projects and this is a fetish with me as you
22 know by now. It bothers me that everything related to this
23 so much of it contends to be studied and studied and studied,
24 and I go back two years ago before Mr. Everett came aboard, we're
25 getting into the Polikoff Study on Support Centers and I had

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1 come across copies of consultant reports, an analysis that was
2 made of all the Support Centers just two years before this.

3 I asked Mr. Corbett and he acknowledged that what I
4 had was a correct copy. A study that cost thousands of dollars
5 just two years before and I asked Mr. Corbett what happened to
6 the study and he said it was put on a shelf and two or three
7 Congressmen may have inquired about it.

8 I'm not relating us to the old days but here we are
9 talking about going from \$399,000 to \$704,000 in that area there.
10 We have almost doubled and we're going on many other items in
11 here that the decisions are just staggering to me.

12 I realize that some of them are related to whether or
13 not funds that are paying for expansion of some programs, but
14 Marlow raised the question about are we subjecting to a build up
15 of a big bureaucracy and is that necessary. Maybe, it is.

16 A lot of things have bothered that I have not mentioned,
17 for example these contracts that I have been through that I got
18 yesterday, the latest batch. There is a contract here for
19 employment of photography in Washington to go out all over the
20 country to take pictures of particular programs. This contract
21 is and this is very minor, of course; this contract calls for
22 payment of \$3500, \$250 per day, plus expenses, and he is to take
23 pictures in certain designated programs and bring them back here
24 to be considered and used in the Annual Report. Small amount,
25 but with the \$3500 and travel, go all the way from New York to

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1 the west coast \$8,000 to \$10,000. Small drop. I have this
2 query; couldn't this be done just as well by somebody in the
3 local program could take some pictures and send them in here.
4 You have another man going out all over the country to conduct
5 interviews and then he comes back and he is paid for his time
6 and writing up the interview. I apologize for nitpicking, but
7 this is the kind of thing that I think that is not healthy in
8 trying to run an organization that is concerned with the poor
9 and trying to get as much money as possible down to the poor.

10 I'm just concerned that we build up a big office in
11 Washington and I express that very sincerely.

12 MR. COOK: May I, Mr. Chairman?

13 MR. CRAMTON: Mr. Cook.

14 MR. COOK: I couldn't agree with Mel more on any of
15 these things. First of all, we're not the best liked item that
16 the Congress of the United States votes on. There are many
17 people in this room who have watched this program just get the
18 daylight's kicked out of it, and a lot of people in this room
19 work mighty darn hard to ressurect it and get it back on the
20 track.

21 It is those kind of misuses that as little as they
22 seem, that are going to get you right back into trouble. You
23 can say what you want to. There was a big article in Thursday's
24 newspaper in the Washington Post, a 22 billion dollar program
25 to help the poor and we still have 26 million poor in the United

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1 States.

2 Items that they have talked about in the story --
3 research, study grants. This is a community where you will have
4 somebody come in your door every day that wants to sell you a
5 service. It is very interesting; it's just like I said the
6 other day on the insurance question, Glenn. Let's not have
7 a national insurance program for fire or for theft or for flood
8 because then you will have an insurance agency in the District
9 of Columbia that will be pounding on your door telling you that
10 they have to give you a program so that they can bid on it.

11 It is very interesting to note that the guy who takes
12 the pictures is of Falls Church, Virginia and the guy who does
13 something else is from something, something communications in
14 Arlington or Alexandria, and the world all comes here to make
15 a living off money that is appropriated by Congress because it
16 is easy to convince somebody in Washington that you ought to
17 have something done.

18 You make your Annual Report and you send it to your
19 field offices, and you send it to members of Congress and that
20 is as far as it goes. That's as far as it goes..

21 All right. Let's take an analysis of everybody in
22 Congress the next time when you have spent \$50,000 or \$20,000
23 or \$30,000 just to make out an Annual Report. Let's just send
24 a brief little summation to every member of Congress and say,
25 "Please vote yes or no whether you read the Annual Report of the

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1 Legal Services Corporation."

2 Now, maybe they all fib and say they read it. But,
3 I really have to tell you, you are here to provide legal service
4 for poor people in the United States. I know as a result of
5 what you are doing that you have to have a great big PR program
6 to sell yourselves. That I agree on.

7 But I do believe that we misuse it and I do believe
8 that everyone stands in line. Like when we were talking about
9 what to do with the 4 million. You could see some faces in the
10 audience out there yesterday that just didn't want anything done
11 about that other than what had been proposed because they already
12 had some ideas in their mind of how they could get some of that
13 money or how they could do a report or how they could do a study
14 and how they could get paid for it.

15 That is something you have to be very cautious about.
16 You have to be very cautious about it, but I would remind every-
17 body in this room that yesterday the joint committee between the
18 House and the Senate agreed to raise the taxes of everybody in
19 the United States by the biggest chunk of money that it was ever
20 raised in the history of this nation -- 200 billion dollars over
21 the next 10 years in social security taxes.

22 The President of the United States in the spring will
23 make a recommendation that income tax cuts be made so that that
24 will be reflected in relation to the increase in social security
25 and that means for general fund revenue next year, you are going

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1 to be down a big whopping chunk of money. Now, the only people
2 who are not going to pay one iota of attention to the fact that
3 there will be a whale of a lot less revenue next year than there
4 was this year are the people who are preparing their budgets
5 to submit to Congress saying, "We need this money."

6 Everybody is going to take a proportionate big wallop
7 next year in relation to what they want. I am not saying that
8 these things are wrong. All I am saying is for gosh sakes be
9 careful. Clint, you know this as well as I do. We've had a
10 program that we watched just absolutely get scuttled and we
11 revitalized it.

12 A whale of a lot of people in this room have a whale
13 of a lot more to do then revitalizing it than I ever did or ever
14 will. But now that it is back on the track, treat it gently
15 and treat it the way it has to be treated because it is a ser-
16 vice that is absolutely essential in this country and it is
17 just a service that has got to be continued.

18 If you misuse it, in the name of a little contract
19 here or a little contract there, or an extra little flourish
20 here or an extra little flourish there, it's those crazy little
21 things that catch you.

22 I just honestly have to say it.

23 MR. ORTIQUE: Good speech. Good speech.

24 MR. COOK: Get out.

25 MR. EHRLICH: Those are sound warnings, Senator Cook.

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1 and we have tried to be careful in the past and we will try to
2 be even more careful in the future, Mr. Broughton. We do have
3 a biased against the consultants. We use them only when the
4 service seems essential and the result seems better service at
5 a lower cost if we do it that way as opposed to somebody on the
6 staff.

7 MR. BROUGHTON: I get the impression, Tom, that John
8 Q down there has to think about that if he is to keep his doors
9 open. It's unfair to think that gee, they have all the money
10 we need and we can spend it this way or we can travel all over
11 the country; we can have meetings and so forth.

12 MR. EHRLICH: It's very fair.

13 MR. BROUGHTON: There is too much of that. We consult
14 too many things and study too many things.

15 MR. EHRLICH: I'd like to add only one point and it's
16 dangerous to single out any of it, in any case, one office in
17 the Corporation because they all do in my view an extraordinary
18 job, but one that really has over the past year produced in be-
19 half of Legal Services for the poor, they have done an extra-
20 ordinary amount of effort is the Office of Public Affairs.

21 I, myself, think last year's Annual Report was read,
22 at least a lot of Congress people told us they specifically read
23 it. Indeed, people all over the country did. The basic docu-
24 ment explains what Legal Services is about and one can see there
25 what we are trying to do and I think it is an impressive record.

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1 Let's recognize the warnings that you gave and we'll
2 try to pay attention to them. I appreciate them.

3 MR. CRAMTON: The dangers of what you have been talk-
4 ing about are illustrated by the fact I think that both Mr.
5 Broughton and Mr. Cook during the course of these meetings, have
6 done further studies on these Corporations including the hiring
7 independent consultants to carry them out. If no one has made
8 any motions and so on relating to this proposed budget, or if
9 we have completed the report of the --

10 MR. COOK: Mr. Chairman.

11 MR. CRAMTON: Mr. Cook.

12 MR. COOK: That's an awful remark to make.

13 MR. CRAMTON: I apologize. I withdraw that. We would
14 all like to do more things and do them better and also do them
15 for less money.

16 Mr. Veney is trying to get our attention. Mr. Veney.

17 MR. VENEY: I am just very pleased that this year,
18 unlike last year, that the community is in real agreement with
19 the Board in terms of the amount of money that is being requested.
20 I only wanted to make one observation; that is, that you con-
21 sider one other item before you finish on the budget subject.

22 One of the observations that Senator Cook on the
23 Annual Report was a most useful document. I don't know how
24 many Senators and Congressmen read it, but I do know a great
25 many staff persons because in conjunction with the reauthorizat-

1 ion and the appropriation. I know it was one of the basic
2 documents used by the Action for Legal Rights and others to form
3 the congressional status.

4 I also know that the Client Council distributed a
5 great many and I can't even tell you how many, can't even
6 estimate it. But as we do this in two local programs, one, that
7 is we try to explain what Legal Services is and we do that
8 through the distribution of the Annual Report.

9 In reviewing this with attorney members of boards, as
10 we attempt to make several points we distributed a number of
11 copies of attorney members in the training process. So I think
12 the Annual Report has a wider distribution and greater use than
13 you would normally think, although I do not in any way want to
14 say that the cautions you made were not cautions that are very
15 appropriate.

16 MR. COOK: I am not saying that we shouldn't have an
17 Annual Report.

18 MR. BROUGHTON: I'm not, either.

19 MR. COOK: There is no need of having an Annual Report
20 that tries to compete with ITT and Bell Telephone because I don't
21 believe they ought to have the big tax deductions that they get
22 for putting it out. I'm opposed to it and I just don't think
23 it is right and I think it is a cost to the stockholders and
24 taxpayers that is unnecessary. I think it is wrong to try to
25 compete with it.

1 MR. VENEY: It certainly wasn't to humilitate you but
2 it was just an observation to let you know the wide spread use
3 the report and its value.

4 I am somewhat concerned that your budget does not
5 allow for any evaluation on the evaluation of the demonstration
6 projects. I know that there is a request for a million dollars
7 in evaluation and if you read that section you will find what
8 there is being discussed, there is a million dollar increase in
9 your mind, capability not. A million dollar in evaluating
10 capability and I think there is an essential difference between
11 monitoring and evaluation and I would hope that the approval of
12 the budget as submitted does not foreclose or indicate the
13 Board's position that the Corporation should not in fact both
14 be monitoring and evaluating programs.

15 MR. ORTIQUE: Let me comment on that if I may.

16 MR. CRAMTON: Mr. Ortique.

17 MR. ORTIQUE: I made a comment yesterday and I certain-
18 ly have every reason to believe that it will be followed through
19 and that is as frequently as I am here, I will be wanting to
20 know what are we doing about those standards and where is the
21 money that is going to be appropriated for that.

22 I just believe strongly that until we get into that
23 type of situation, Mr. Veney, we are not really going to have
24 what I consider a real evaluation. This business of sending a
25 team from within to go out and do an evaluation where it may be

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1 honest and sincere and all that sort of thing. If they don't
2 have something to check off and actually say that this is the
3 standard that has been established and ask them how they come
4 up to that standard as opposed to your looking good in a certain
5 section of the country. I really don't think we'll be them.

6 You can rest assured that I for one will be raising
7 those questions continuously.

8 MR. CRAMTON: Mr. Cook.

9 MR. COOK: Mr. Chairman, there was only one other
10 comment that I want to make relative to any of those kind of
11 reports. This is just a suggestion. There are a lot of people
12 throughout the United States particularly in the rural areas
13 that are not one bit pleased with Legal Services and don't like
14 the Legal Services office down on Main Street or next to the
15 bank or over in the Courthouse or anything else.

16 I remember doing an evaluation of Culebra for the
17 Congress of the United States and the fact that the Navy was
18 told to get out by the citizens of Culebra and do you know who
19 was the biggest advocate of getting them out? It was the local
20 fellow at the filling station. You know why? Because the Navy
21 never bought any fuel off of them and all I can tell you is
22 that if you are sending somebody out from Washington to take
23 pictures all over the United States, why don't you tell the local
24 offices to hire a local photographer and take three or four
25 pictures and go on and send them in rather than do it, because

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1 you know what? You made a friend in that community, believe it
2 or not.

3 Now, you may think that is foolish, but it is the
4 truth and it doesn't hurt.

5 MR. BREGER: I just want to add one point to the
6 Annual Report. I had an unfortunate experience of looking
7 through a whole bunch of annual reports of government agencies
8 and this is by far the best that I have seen.

9 MR. BROUGHTON: I didn't say that it wasn't. I think
10 it can be good and be cheaper. I criticized the Annual Report
11 but I didn't mean to beat a dog to death on that, but I just
12 brought it up with my concern about a lot of consultants reports
13 that we seem to get into and where do they end up. Just up on
14 the shelf.

15 MR. CRAMTON: Does the Committee on Appropriation and
16 Audit have anything further to furnish us?

17 MR. STOPHEL: No. I believe we have spent two and
18 one half days trying to get our report completed and we are
19 completed.

20 MR. CRAMTON: As I understand it, we now move to item
21 4 on the agenda. We have finished item 4a, Conflicts between
22 Poverty Groups within the Same Community. These are reports by
23 the President. We now have three reports -- Bilingual Assistance,
24 another we have completed is the Authorization Bill Progress
25 Report so that is out of the way, and then Lease Negotiations.

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1 Mr. President.

2 REPORT OF THE PRESIDENT
3 BILINGUAL ASSISTANCE

4 MR. EHRLICH: You have the memorandum from the Charles
5 Jones on our bilingual efforts. You also have available to you
6 if you wish, two members I know have it already, the several
7 thousand page document detailing the analysis each program and
8 where each of the 36 languages covered by Legal Services is or
9 is not spoken.

10 MR. BREGER: It was a very helpful document, Mr.
11 President and the evenings I spent going through it were very
12 rewarding, in fact it was more than what I expected and was
13 very responsive to my concerns.

14 MR. EHRLICH: Thank you.

15 MR. MONTEJANO: That report was well done. I think
16 it underscores the fact that the Corporation is aware of the
17 problem and is becoming more aware of the problem. I guess the
18 only real question becomes how much money do we put into the
19 area of bilingual assistance.

20 I would like to have the staff start thinking for the
21 next budget request that possibly we could consider line item
22 request for specifically bilingual. I don't mean to limit it
23 to just Spanish -- bilingual as it applies throughout the whole
24 country. We're moving in this area and I am very happy with it.
25 Thank you.

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1 MR. CRAMTON: Does that complete the report on that
2 item?

3 MR. EHRLICH: Yes.

4 MR. CRAMTON: The next item is Lease Negotiations
5 concerning space in the Woodward Building. Mr. President.

6 LEASE NEGOTIATIONS

7 MR. EHRLICH: Briefly, you have a copy of the draft
8 lease to be submitted to our current and prospective landlord,
9 Mr. Gerstenfeld. I hope all of you have had a chance to at
10 least glance through it, particularly the ad hoc committee on
11 facilities, so if one or more questions might arise that we
12 would be able to consult with you about the importance of one
13 or more provisions in it.

14 MR. CRAMTON: What is likely to happen if the provis-
15 ions are unacceptable to the landlord?

16 MR. EHRLICH: If we were not able to reach an agree-
17 ment on an acceptable lease with our landlord, then of course
18 we would be back to the position of looking for space elsewhere.
19 We hope and I know the Board hopes, too, that we will be able
20 to work out a satisfactory one.

21 MR. ORTIQUE: And take another shot at finding a
22 building.

23 MR. EHRLICH: But if that does not occur, then we
24 will need to go back to a consideration of leasing elsewhere or
25 conceivably purchasing a building.

1 MR. CRAMTON: Does that complete the report of the
2 President?

3 MR. EHRLICH: Yes.

4 MR. CRAMTON: We'll go in to other business. As far
5 as I know the only other business that was added to the agenda
6 unless the other Board members have something is the discussion
7 of future meeting dates.

8 OTHER BUSINESS

9 MR. CRAMTON: I had suggested to the President that
10 he try to be in touch with Board members to set aside some dates
11 very soon for Committee meetings to be held in February. My
12 assumption is that we will have five new Board members by the
13 7th of February or thereabouts, and about the middle of Febru-
14 ary or a week or two prior to the March Board meeting, it seems
15 to me that all of the four committees of the Board ought to
16 meet in their reconstituted form.

17 Some of them will clearly have reports that will have to
18 be prepared for the March meeting. In any event, it seems to
19 me a very desirable way to introduce new Board members to the
20 ongoing business of the Board in particular areas.

21 We have scheduled the March 2 and 3 meeting and we have
22 already decided earlier that that meeting would be held in Wash-
23 ington, D.C. We have two tentative dates after that and I think
24 we should firm them out and make sure that all Board members
25 have them on their calendar. They are May 4 and 5, as I under-

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1 stand it and July 6 and 7.

2 We have not fixed locations. I assume that we will
3 want the July meeting because it comes only a week before the
4 statutory terms of six other Board members will expire, to be
5 in Washington, but the May meeting, May 4 and 5, my own pre-
6 ference would be to make that our meeting that we hold outside
7 of Washington and to try to think of the areas of the country
8 in which we have not held a meeting.

9 Again, I would raise the question that we have not
10 held a meeting in the Northeastern part of the United States
11 and I would wonder about Ithica, Boston, or some place in the
12 northeastern United States. May is a very pleasant time up
13 there. We have not met in the Pacific Northwest; we have not
14 met in the great heart land of the United States, so I would
15 suggest Chicago as a possibility. We would see different people
16 from programs -- Chicago or Omaha.

17 MR. BREGER: Omaha.

18 MR. CRAMTON: We don't need to think always in terms
19 of --

20 MR. ORTIQUE: We might as well go to Cattanooga.

21 MR. STOPHEL: I agree with thus making the May meeting
22 rather than March or July out of the city, and I guess it depends
23 on where people want us. I think Mr. Montejano may want us in
24 California.

25 MR. COOK: You can meet in Plains, Georgia in July.

1 MR. MONTEJANO: I have no vested interest; however,
2 I think it is awfully important for the Board and the staff to
3 meet outside of Washington for two reasons.

4 I think it is good for the people in various areas to
5 see the Board and staff in operation and I think it is also
6 healthy to have the Board and the staff hear views other than
7 those from the Washington establishment.

8 We simply out on the West coast don't feel that the
9 sun rises and sets in Washington, maybe in Sacramento but not
10 Washington. We think it is awfully important that the Board
11 meet elsewhere, frankly, as much as possible, and although this
12 goes contrary to some thinking, but if not the Board, then
13 some of the Committees ought to meet elsewhere as much as possi-
14 ble. I believe it is awfully important.

15 People, especially when we are so far away -- 3,000
16 miles away -- we are just too far away from Washington and I
17 think Washington is too far away from us and sometimes we don't
18 think the way you do and you don't think the way we do, but we
19 would like to have you people come out once in a while and find
20 out what the world is really like.

21 I suggest California next May, possibly San Diego
22 would be a good place. There are other good places, of course.
23 I would like you to take the invitation.

24 MR. COOK: I would suggest that you extend an invitat-
25 ion to Governor Brown to come before the Board and discuss

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1 consulting contracts.

2 MR. CRAMTON: Do we want to leave it open in terms of
3 May, because it is important to start making lead time if we
4 are going to go places and I would think we ought to map out
5 some possibilities that the staff could start making commitments
6 on.

7 We've heard several possibilities; one, the northeast,
8 one is California, one is the midwest. First, is there general
9 consensus among Board members that there is no good reasons not
10 to meet outside of Washington in May, in fact there are a lot
11 of reasons for it. Is there a consensus in favor of holding the
12 May meeting outside Washington?

13 MR. STOPHEL: I hope we can make it definite that
14 time in such a way that we don't have to take the entire staff.
15 I know it is an inconvenience for them to have to travel and go
16 with us and so forth and to take an entire entourage is not
17 really necessary.

18 Maybe we could structure our thinking that we really
19 need that in March and July and do the other things--

20 MR. CRAMTON: But they may be able to tie in with
21 regional meetings.

22 MR. STOPHEL: If they can, fine.

23 MR. CRAMTON: What about the three possibilities
24 that have been mentioned?

25 MR. BROUGHTON: If we can't meet in New Orleans then

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1 I vote for San Diego.

2 MR. STOPHEL: We are not going to meet in New Orleans.

3 MR. ORTIQUE: You just don't have any--

4 MR. CRAMTON: We have already met in New Orleans.

5 MR. ORTIQUE: I understand that.

6 MR. CRAMTON: Are there any other suggestions or ideas
7 or would somebody make a motion.

8 MR. ORTIQUE: I move that the May Board meeting be in
9 San Diego.

10 MR. MONTEJANO: I second.

11 MR. CRAMTON: Is there any discussion?

12 MR. STOPHEL: I am wondering if we ought just to say
13 the west coast and let the staff work up what is the most con-
14 venient place where more people would -- of course, you can't
15 go anywhere without being totally accessible to a lot of people,
16 so I don't object to San Diego.

17 MR. CRAMTON: There is a pending motion. All those
18 in favor, please say aye.

19 (Ayes.)

20 MR. CRAMTON: Those opposed.

21 (No response.)

22 MR. CRAMTON: Some Board members are apparently not
23 voting, but all those who voted favor the San Diego alternative,
24 so we will meet on those three dates -- March 2 and 3, May 4 and
25 5, July 6 and 7. Washington, D.C. for the March and July datings

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1 and San Diego for the May 4 and 5 meeting, unless the staff
2 can not find a suitable place to meet on those days, in which
3 case they will return with another west coast possibility.

4 We've had some difficulty about whether our meetings
5 are going to be two or three days. What we would like the
6 Board members to do is save the two days and then at a time that
7 is closer to the Board meeting make a judgment about whether the
8 one day will be required or two days and so on, so that Board
9 members can plan their travel and personal schedules.

10 For the time being, let's plan on it being two days
11 subject to the possibility that closer in hand when we will have
12 more of a notion about how much business we have to carry on,
13 whether there is a possibility that it might be a one day meet-
14 ing, or one of them might have a different format.

15 MR. STOPHEL: Mr. Chairman, just before we adjourn I
16 think it is appropriate that those of us who will be on the
17 Board another six months say a formal farewell to those who have
18 now had their successors nominated, at least we understand that
19 is true and to say to them that our lives are richer and the
20 program is richer for their having served so well during their
21 tenure of service on this Board.

22 MR. CRAMTON: Here! Here!

23 (Applause.)

24 MR. BROUGHTON: Mr. Chairman.

25 MR. CRAMTON: Is this other business?

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1 MR. BROUGHTON: I suggest that the President or some-
2 body perhaps as a part of the minutes of this meeting draw some
3 appropriate resolution which we name by name those who are
4 apparently not going to be with us much longer.

5 MR. CRAMTON: I think we can take Mr. Stophel's
6 language in the form of a resolution and which was moved and
7 seconded and which has been unanimously adopted with great en-
8 thusiasm and acclamation.

9 Is there other business? If not, we stand adjourned
10 until the March meeting.

11 (Whereupon, at 2:00 p.m., the meeting was adjourned.)
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C E R T I F I C A T E

This is to certify that the attached proceedings before the Legal Services Corporation, Meeting of the Board of Directors, Saturday, 10 December 1977, in the Rosslyn Meeting Room B, Ramada Inn, 1900 North Fort Myer Drive, Rosslyn, Virginia, were held as herein appears, and that this is the original transcript thereof.



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Reporter

