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LEGAL SERVICES CORPORATION

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MEETING OF THE BORAD OF DIRECTORS

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FRIDAY, DECEMBER 4, 1981

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Legal Services Corporation  
8th Floor Conference Room 2 & 3  
733 15th Street, N.W.  
Washington, D. C.

The above-entitled meeting was convened, pursuant to notice, at 9:30 a.m., F. William McCalpin, Chairperson presiding.

MEMBERS PRESENT:

- F. WILLIAM McCALPIN           CHAIRPERSON
- DAN J. BRADLEY
- STEVEN ENCELBERG
- CECILIA ESQUER
- RICHARD TRUDELL
- JOSEPHINE WORTHY
- RAMONA SHUMP
- ROBERT KUTACK
- HOWARD SACKS
- HILLARY RODHAM
- MICHAEL KANTOR
- REVIUS ORTIQUE

STAFF PRESENT:

- MARY BOURDETTE
- CHARLES RITTER
- ANTONE G. SINGSEN
- BEA MOULTON
- ALAN HOUSEMAN
- ALFREDA HARVEY

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P R O C E E D I N G S

(9:30 a.m.)

1  
2  
3 MR. McCALPIN: Ladies and gentlemen, let us come  
4 to order, please.

5 We have the pleasure of the attendance of each member  
6 of the Board as we belatedly begin this meeting. I would  
7 like to blame our late start on Mickey Kantor, but the  
8 truth is that I overslept.

9 It is a pleasure to welcome all of you to this  
10 December meeting of the Board of the Directors of the Legal  
11 Services Corporation.

12 We have several items of significance on our  
13 agenda today, and we will, at the end of the agenda, be  
14 favored with a presentation by members of the staff, which  
15 I am sure will be of great interest to all concerned.

16 I am also advised that after the adjournment of  
17 the meeting, examples of various materials will be avail-  
18 able for observation by Members of the Board, and other  
19 interested persons, I guess down in the offices, or up  
20 here? Downstairs in the offices of the Corporation.

21 The first item on the agenda is the adoption  
22 of the agenda as contained in the materials, which were  
23 distributed prior to this meeting.

## 1. ADOPTION OF AGENDA

24  
25 MR. ORTIQUE: I move the adoption, Mr. Chairman.

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1 MS. WORTHY : Second.

2 MR. McCALPIN: The adoption of our agenda has  
3 been moved and seconded. Is there any discussion?

4 (No response.)

5 MR. McCALPIN: All in favor -- Oh, I'm sorry,  
6 Ms. Shump.

7 MS. SHUMP: I have a question about the minutes.

8 MR. McCALPIN: About the what?

9 MS. SHUMP: About the minutes.

10 MR. McCALPIN: That will be the next thing.

11 All in favor of the motion, please signify by  
12 saying aye?

13 (Ayes.)

14 MR. McCALPIN: Any opposed, the like sign?

15 (No response.)

16 MR. McCALPIN: The agenda is approved.

17 Now, the next order of business is the approval  
18 of the minutes.

19 2. APPROVAL OF MINUTES OF OCTOBER 2, 1981 MEETING

20 MR. McCALPIN: I will recognize Ms. Shump.

21 MS. SHUMP: Bill, I'm concerned that the minutes  
22 do not reflect the approval of the Board of the different  
23 percentages for the proposed cuts for fiscal 1982, and I  
24 am just wondering, you know, if this was just omitted by  
25 accident or if we just considered the acceptance of the

1 whole budget as inclusive of those percentages, or what?

2           There is a great concern especially, you know,  
3 from the native American community, the migrant community,  
4 and I'm sure, that the clients generally are concerned  
5 about what will happen since it looks as though we are going  
6 to end up with less than the 241 budget that we had --  
7 well, that we had approved the percentages based on. And  
8 I just wondered if someone could give me some information  
9 as to the reason for the omission of the percentages in  
10 the minutes.

11           MR. McCALPIN: It is my understanding that the  
12 approval of the budget carried with it the approval of  
13 both principals on which we had agreed, but I'll ask either  
14 the Chairman of Audit and Appropriation, or the President  
15 of the Corporation if he differs from that in any respect.

16           MR. BRADLEY: No, that is clearly the case.  
17 The detailed minutes and the discussions of the last meet-  
18 ing were, in fact, the official minutes of that meeting  
19 and they clearly explain those percentages, the 25 percent  
20 and the 12-1/2 percent, and so forth.

21           The consolidating operating budget that you  
22 adopted incorporates, by your reference, prevented these  
23 from being summarized in these minutes, but that is, in  
24 fact, the authorization and the allocation of the 241 that  
25 this Board has made.

1 MS. SHUMP: Okay. That was the allocation for  
2 the 241.

3 Does that also mean that those particular  
4 percentages for those three programs that we designated  
5 as having special needs, does that also mean that those  
6 percentages remain in the event that we go from 241 to  
7 200?

8 MR. BRADLEY: That is a decision that this Board  
9 will have to make at that time.

10 MS. SHUMP: Okay

11 MR. McCALPIN: But it is my judgment that we  
12 approved a budget at a level of 241. Should the appropria-  
13 tion be 200, we would have to come back and consider an  
14 entirely new budget.

15 MS. SHUMP: Okay. But there was a memo sent out  
16 by Gerry Singsen that stated that if there was a certain  
17 percent percentage cut to the field in general, that these  
18 programs would only be cut supposedly by half of that  
19 percent.

20 Do you recall that?

21 MR. McCALPIN: I remember that principle; I don't  
22 recall the memorandum specifically, but we certainly  
23 agreed on certain percentages, but I think that if  
24 \$200 million is the number, we start from scratch in look-  
25 ing at a budget.

1 MS. SHUMP: If we have time.

2 MR. McCALPIN: I have one or two questions to  
3 raise. It is my recollection -- Hillary, you can probably  
4 straighten me out. I had the feeling that there is a  
5 requirement that at the close -- at the end of an Executive  
6 Session, the president is required to announce whether or  
7 not any action was taken in the Executive Session, and at  
8 least in substance what it was. I thought we raised that  
9 issue the last time, but these minutes do not reflect that  
10 I made any announcement as to action in the Executive  
11 Session. Is that not a requirement?

12 MR. BRADLEY: That is not required by the bylaws.

13 MS. RODHAM: We've always done it; I thought it  
14 was required.

15 MR. McCALPIN: And I thought that I did make such  
16 an announcement after the close of the Executive Session.

17 MS. RODHAM: I thought you had said, "I should  
18 do this, and so I am going to tell you that we didn't do  
19 anything."

20 MR. McCALPIN: No, we did. We adopted a  
21 resolution related to indemnification in the Executive  
22 Session.

23 Have we not ordinarily included in the minutes  
24 an announcement of the action taken in the Executive  
25 Session?

1 MR. BRADLEY: We certainly have not in the last  
2 two Executive Session meetings of this Board. We did, in  
3 fact, by resolution vote, both attended by certain  
4 employees of the Corporation. I mean, clearly, I don't  
5 think there's any objection to doing so, and we can prepare  
6 on an addendum to the minutes if you want to.

7 MS. RODHAM: I think it should be part of the  
8 official record.

9 MR. McCALPIN: Absolutely, I do to, and, frankly,  
10 I thought that I raised the same issue at the last meeting  
11 and that the minutes of the meeting before last were going  
12 to reflect the action taken in Executive Session at that  
13 time. I agree completely. I think any action taken ought  
14 to be reflected in the minutes.

15 MR. ORTIQUE: Especially that action.

16 MR. McCALPIN: Secondly, and of very much less  
17 concern, I assume that if there is a typographical error  
18 here, it is only here, and it wouldn't appear any place  
19 else. But Appendix A, "property" has an extra letter in  
20 it.

21 Well, with those comments, and I do think, Dan,  
22 that we ought to amend these minutes to reflect the action  
23 taken.

24 MR. BRADLEY: We will do that.

25 MR. McCALPIN: Then the Chair will entertain any

1 motion?

2 MS. SHUMP: I so move.

3 MS. RODHAM: I'll second.

4 MR. McCALPIN: Oh, I thought it might fail for  
5 want of a second.

6 All in favor of the motion, please signify by  
7 saying aye.

8 (Ayes.)

9 MR. McCALPIN: Any opposed, a like sign.

10 (No response.)

11 MR. McCALPIN: The minutes are approved.

12 3. REPORT ON CONGRESSIONAL ACTIVITY ON FY1982  
13 APPROPRIATION AND REAUTHORIZATION OF LEGAL SERVICES  
14 CORPORATION ACT, PRESENTED BY MARY BOURDETTE, DIRECTOR  
15 OFFICE OF GOVERNMENT RELATIONS

16 MR. McCALPIN: Item 3 on the agenda, report on  
17 Congressional activity on FY 1982 appropriation and re-  
18 authorization of Legal Services Corporation Act.

19 Dan, do you want to introduce that, or will Mary  
20 start?

21 MR. BRADLEY: Mary Bourdette will give that.

22 MR. McCALPIN: Mary Bourdette.

23 MS. BOURDETTE: Thank you.

24 Well, let me start with the appropriation process,  
25 which has been incredibly long and inconclusive this year.  
Every time we win a good victory, it seems like they change  
the rules, or change the course, and we have to start

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1 over again.

2 No one would certainly say we've been involved  
3 in an orderly or rational process, but we have been  
4 involved.

5 With that, let me just briefly go over the  
6 appropriation process, and where we are in it now; where  
7 we have been, and where we might be in the weeks ahead.

8 As you know, funding for all the Federal projects  
9 and agencies are included in 13 appropriation bills.  
10 The scheme or the plan was that Congress would pass all of  
11 those bills before the end of the fiscal year, September  
12 30th each year, but this year, September 30th came, and  
13 not one of them had been passed by both Houses, much less  
14 sent to the President for signature. So, Congress passed  
15 its first continuing resolution, and it provided interim  
16 funding for projects and agencies, and more or less  
17 extended the date until November 20th on the theory that  
18 maybe Congress might, in fact, do its work by that time  
19 and pass some of the appropriation bills.

20 As you probably read in the paper, November 20th  
21 came and still only one appropriation bill, that funding  
22 Congress itself, was passed, and, therefore, another  
23 continuing resolution was necessary, and Congress did pass  
24 one. Unfortunately, at the last minute, the President  
25 decided to veto it, and they had to work through the night

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1 and pass another continuing resolution extending funding  
2 for agencies of the Federal Government until December 15th.

3 So, where does that leave us in this process?

4 Well, as you know, we're in the State Justice  
5 Bill, that is one of the 13 appropriation bills, and the  
6 State Justice Bill passed the House many months ago, I be-  
7 lieve, in June, and it contained the \$241 million appropria-  
8 tion for us. There was an attempt on the House floor to  
9 delete all our fundings and that was overwhelmingly  
10 defeated by more than two to one, and that the House  
11 endorsed our \$241 million appropriation level.

12 Then the State Justice Bill was sent over to the  
13 Senate, to Senator Weicker's subcommittee, and they, again,  
14 recommended \$241 million, and, again, there were attempts  
15 to cut that back to \$100 million. They were defeated. And  
16 then they sent the bill to the full Senate Appropriations  
17 Committee, and, once again, endorsed 241 with a vote, a  
18 specific vote in the subcommittee.

19 And then the State Justice Bill was sent to the  
20 Senate Floor. We had several days of excitement on the  
21 Senate floor. There was a lot of debate about Legal  
22 Services, which always seems to surface every time we get  
23 near the floor or a committee, and there were virtually two  
24 days of debate on us. It was the first time that we have  
25 been dealt with directly on a bill dealing with us on the

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1 Senate.

2 There were a number of proposals offered. There  
3 was, again, an amendment to delete all our funds by  
4 Senator Denton of Alabama, and that was quite handily  
5 defeated.

6 Another amendment was offered to just cut us back  
7 to \$100 million. That was defeated. And two more amend-  
8 ments dealing -- trying to add further restrictions on our  
9 funds were defeated. So, after many, many votes in the  
10 Senate this year, we've won every single one of them by  
11 good margins. We have good support on both sides of the  
12 aisle, and the Committee recommendation of \$241 million  
13 was then adopted by the full Senate on Friday the 13th,  
14 and we had a nice party thinking that maybe we were a  
15 little further along in our process, in our appropriation  
16 process.

17 But Monday morning when they resumed considera-  
18 tion of the State Justice Bill, the school prayer issue  
19 surfaced and the bill got bogged down in a filibuster by  
20 Senator Weicker, the manager of the bill, who was, in fact,  
21 filibustering the bill.

22 With respect to a filibuster, it's either --  
23 you can have a cloture petition, which probably would have  
24 been successful on that filibuster, or you can simply lay  
25 the bill aside for another day, and that is what they have

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1 done with the State Justice Bill; so, it never achieved  
2 final passage in the Senate. It could be rescheduled at  
3 any point, but as of right now it is simply laid aside in  
4 the Senate.

5 So, where do we get our funds as a result of  
6 that?

7 Well, we were included in the first continuing  
8 resolution, the one that went to November 20th at \$241  
9 million, and, once again, in the second continuing resolu-  
10 tion, we were funded at the \$241 million level.

11 So, up until December 14th, at least, we certainly  
12 have \$241 million at some prorated amount.

13 What will happen after December 15th it has  
14 always been difficult to predict what is going to happen  
15 in Congress this year, but I think there is at least two  
16 possible scenarios, one more likely than another.

17 One is that the State Justice Bill will be  
18 resurrected and passed by the Senate and then conferenced  
19 and sent to the President.

20 If that happened, our \$241 million would certainly  
21 be secure since both Houses have voted that amount, and  
22 they could not change that in conference.

23 Most people in Washington think that, while a  
24 possibility, unlikely. There are other issues that could  
25 lead to filibusters, continued filibuster on that bill,

1 the busing issue, that's one. So, I think while it is  
2 possible the State Justice Bill will move, it is possible  
3 some compromises will be made to move that bill. I think  
4 it is unlikely.

5 I think the more likely scenario is that we will  
6 be included in another continuing resolution. Hopefully,  
7 a continuing resolution that goes for the duration of the  
8 fiscal year as the one passed year.

9 You may have read about it in the paper this  
10 morning, we understand there's been agreement on that  
11 continuing resolution between the White House and the  
12 Republican leaders in the House and the Senate. It is a  
13 continuing resolution that, we understand, is going to look  
14 much like the one that was vetoed, but it will make deeper  
15 cuts. I understand it to be \$4 billion in cuts, and, in  
16 most cases, that will mean a 4 percent across the board  
17 cut in most programs.

18 It is our understanding though, from good sources,  
19 that while this has not surfaced in print yet, that this  
20 Republican continuing resolution includes us at a \$241  
21 million level. We have strong support on both the  
22 Appropriations Committees and among lots of members of  
23 Congress in the Republican party as well as the Democratic  
24 party.

25 We've had so many votes in the House and the

1 Senate this year that have validated the \$241 million level  
2 that I think that the intent of Congress is quite clear,  
3 and, as I say, it is our understanding that we are exempt  
4 from cuts that are in the Republican version of the  
5 continuing resolution at \$241 million.

6 We were, also, at \$241 million in the continuing  
7 resolution that was vetoed. They also exempted us from  
8 the 2 percent cut that was included in that continuing  
9 resolution.

10 So, we feel while it is difficult to predict,  
11 we understand the Democrats in the House have not been  
12 participants at all in this new round of continuing resolu-  
13 tions discussions, but we do feel fairly certain that what-  
14 ever happens in the next few days, that a \$241 million  
15 appropriation for Legal Services is a very, very good  
16 possibility.

17 We will keep you informed, obviously. Hopefully,  
18 it will happen before the 15th. Maybe they will even do  
19 it by the 11th, and get out of here when they had planned  
20 to leave on December 11th. I'm sure everybody will be  
21 happy about that.

22 In addition to the money though, the issue  
23 of restrictions is an issue with respect fo our appropria-  
24 tion process, you know, that in past years we've had sub-  
25 stantive riders on the appropriation bill, and this year

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1 was no different.

2 In the House appropriation bill, they simply  
3 included by reference all those restrictions that were  
4 adopted the House in our authorization bill. When it went  
5 to the senate, they took a slightly different course.  
6 They, rather than adopting all those restrictions, they  
7 adopted four which they felt were necessary to the  
8 supporters of the bill necessary to those who wanted 241,  
9 but who felt that further restrictions on our activities  
10 were necessary.

11 So, the Senate restrictions are those dealing  
12 with class actions lobbying alien representation and the  
13 composition of local governing boards.

14 So, if the State Justice Bill proceeds further,  
15 the issues of restrictions would have to be dealt with in  
16 conference, but, again, if we're going to be dealt with  
17 in a continuing resolution rather than in the State Justice  
18 Bill, there is another attack on the restrictions as well.

19 The continuing resolution has included in the  
20 past the two continuing resolutions as well as the one that  
21 was vetoed.

22 The 1981 appropriation riders, rather than the  
23 new restrictions adopted by the House or the Senate, and,  
24 again, without being certain, we feel fairly confident  
25 that the new continuing resolution will again take this

1 course and we will, therefore, have a \$241 million  
2 appropriation with the four riders that were attached  
3 to last year's appropriation bill, the alien, homosexuality  
4 rider, the one on publicity and propoganda, and one dealing  
5 with minimum assess. So, that issue will be resolved,  
6 hopefully, within the next few weeks, and, again, will  
7 maybe be resolved differently depending on which course is  
8 adopted by the Congress.

9 That brings us basically to the authorization  
10 process, which is also stalled. After the House passed  
11 the bill in June, or whatever it was, the Senate Labor and  
12 Human Resources Committee also voted out an authorization  
13 bill, but it has never been scheduled for Senate debate.

14 We are hopeful that Senator Baker will decide  
15 next year to schedule the bill. It does lay over after  
16 the recess. This is all one Congress and, therefore,  
17 legislation stays alive from one year to the next. So,  
18 we would be hopeful that next year the authorization will  
19 be taken up in the Senate. You will recall that the  
20 authorization level in the House as \$241 million, and in  
21 the Senate, so far anyway, the bill that is pending, it's  
22 \$100 million. So, we can also be fairly certain that the  
23 authorization level for '83 will be a high of \$241 million  
24 or a low of \$100 million, but I feel pretty good that we  
25 could again achieve the \$241 million authorization.

1           So, that's where we are in Congress. As I say,  
2 it's been a long year. It's been a difficult year. We  
3 haven't lost any battles. We win an awful lot of them  
4 but it doesn't seem like we get too far, but we are here  
5 and we do have our money, and programs are operating, and  
6 it was certainly not by magic or luck that we got to where  
7 we are today. A lot of people all across the country did  
8 an awful lot of work.

9           I think the legal services community ought to be  
10 proud of the image that it projected. I think that  
11 certainly we are politically more healthy now than we were  
12 even last year even though we had money. I think the  
13 gains in the House and the Senate have been tremendous in  
14 terms of people who were, at one point, opposed to the  
15 program having been convinced that its of value.

16           Certainly, the American Bar Association, in their  
17 day on Capitol Hill, will long be remembered by many people  
18 on the Hill. I don't think a day goes by over there when  
19 Dan and I are over there that someone doesn't stop us and  
20 indicate being amazed that all these bar leaders from  
21 all across the country actually showed up in Washington,  
22 at their own expense, to visit members on behalf of the  
23 legal services program. It certainly helped us, but I  
24 think it increased the image of the ABA on the Hill as  
25 well.

1 I'd say, while an inconclusive year, it's been a  
2 very good one, and it came out a lot better than I think  
3 any of us would have expected, but it is going to be a long  
4 battle ahead, and I hope we will all stay involved in it  
5 somehow or other.

6 MR. McCALPIN: Thank you very much, Mary. I  
7 think we all agree with you that as we set here now, a  
8 year later, we are probably in better shape than many of  
9 us thought possible a year ago. I don't think, however,  
10 that we can take any great comfort from that because as you  
11 have indicated that while we have won some skirmishes and  
12 some battles, the war is far from over. And I think that  
13 next year, in my judgment, will, in many respects, be  
14 an even more difficult year than the past year if for no  
15 other reason than the difficulty in sustaining the momentum  
16 which has been generated this year over a protracted  
17 period of time and under circumstances which will be  
18 different in several quarters.

19 I think it is going to be necessary for all of  
20 us to stay close to the situation one way or another, and  
21 it will be more difficult to do that next year than this.

22 Does any member of the Board have any question  
23 or comment with respect to the legislative report?

24 Professor Sacks.

25 MR. SACKS: Informal or maybe a formal vote of

1 thanks to Mary and her colleagues for the arduous work and  
2 hours of labor in waiting around in draft committee reports  
3 and standing in the halls.

4 MR. McCALPIN: To say nothing of spending all  
5 day Saturday there while they hassled through -- and Sunday,  
6 too, I can't remember -- a continuing resolution. Well,  
7 I have down here on my yellow pad exactly that, but, I'd  
8 certainly entertain any comment or action that you may wish  
9 to propose.

10 MR. SACKS: If you have in mind some official  
11 action, I'll defer. I just want to say personally that we  
12 are terribly appreciative in this thing. I think I speak  
13 for 20-odd million poor people.

14 MS. BOURDETTE: Thank you.

15 MR. SACKS: It's been noble work.

16 MR. BRADLEY: I think it is important, Bill, for  
17 the Board Members to also understand -- you remember at the  
18 last Board Meeting on October 2nd, you approved a budget  
19 mark of \$241 million, which we took shortly after that  
20 meeting from the Board to Mr. Stockman at OMB. We have  
21 been unofficially informed by Mr. Stockman's staff that the  
22 budget document, the President's budget message to the  
23 Congress next year is in its final preparation, but it  
24 does in fact renew last year's recommendation to the  
25 Congress that there be no funding for the Corporation

1 and that any funds for Legal Services once again be provided  
2 through the block grant issue.

3           What that basically means in terms of the dynamic  
4 of the Congress next year, if we follow through on what  
5 Mary just enumerated, assuming that we operate under the  
6 continuing resolution, the Congress, the next session,  
7 -- next year's session of the 97th Congress will be dealing  
8 not only with our pending authorization bill, not only  
9 possibly with the pending continuing resolution, although  
10 if we get the continuing resolution for the remaining fiscal  
11 year, that whole process, appropriation process will probably  
12 be avoided. But, at the same time, that we're still working  
13 on the authorization and Congress is considering the  
14 President's budget request, someone from the Corporation,  
15 the staff and the Chairman of the Board, or someone will  
16 be testifying before various committees of Congress probably  
17 about next March in renewing our request for the continua-  
18 tion of the program at the same time the Administration  
19 will renew its efforts to eliminate us.

20           How that plays out next year, I think it is too  
21 early to tell. I think I could probably make a pretty  
22 good argument that next year, being an off year election,  
23 Congressional election, that a lot of things take on sort  
24 of a different characteristic during a Congressional year  
25 and not being the cause of the fantastic ground work that

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1 was established this year, and Congress clearly must face  
2 that issue on the floor of the House and and the Senate  
3 about the abolition of the Corporation and the block grant.

4 I think that the residual fall out of those  
5 victories will probably help us measurably in the early  
6 session of the next Congress in trying to once again  
7 reject and defeat that recommendation. I think -- we've  
8 got to keep in mind that the members of the appropriation  
9 committees of the two bodies has been squarely debated and  
10 considered, and overwhelmingly rejected it, those  
11 individuals will be back in the same positions they were  
12 in this year. We have absolutely no reason to believe, I  
13 think, that the Congress will give it any more serious  
14 consideration, and the only possible, I think, factor --  
15 and it is hard to factor in -- is that possibly by the  
16 time the Congress is considering this, the different  
17 representatives from the Corporation, who are present on  
18 the Hill testifying, you know, in support of the budget  
19 request that this Board has already adopted, are testifying  
20 either favorably or unfavorably to the President's  
21 recommendation.

22 How that will play out, I don't know. I hope  
23 that the bottom line, as far as I'm concerned, regardless  
24 of what the position of the representatives of this  
25 Corporation argue for in the appropriation committees,

1 I feel fairly secure that those two committees regardless  
2 of any recommendations from the Administration, and  
3 regardless of any active effort on the part the Board  
4 Members or the staff would continue the funding for the  
5 independent corporation and reject the block grant proposal,  
6 although that is just speculative on my part, but I feel  
7 fairly comfortable in my analysis of those issues.

8 MR. McCALPIN: Does anybody have any further  
9 comment or question while Mary is here? Of course, she  
10 won't go far. We can get a question to you if we want.

11 Mary certainly, as Howard as indicated, we  
12 recognize the valiant efforts, the untiring efforts that  
13 you and Dan, and I think I'll say more about that as we  
14 come to a close of this meeting, but we are indeed deeply  
15 grateful to all who have participated in this effort.

16 MS. BOURDETTE: Thank you. We will provide  
17 an end of the year report by the 15th when Congress finally  
18 resolves the funding issue.

19 Thank you.

20 MR. McCALPIN: I would like to raise, with some  
21 apology, for no advanced warning what I think is a related  
22 question of interest and concern, and I'd like to ask  
23 Dan and Clint if this doesn't trespass on what you're going  
24 to do this afternoon -- at the end of the program, and  
25 any representatives from the field, to give us some idea

1 of the effect of all of this legislative activity up until  
2 now on the actual operation within the field. Certainly,  
3 I have heard informally stories about programs closing  
4 offices, cutting off intake, if not laying off personnel,  
5 at least not filling vacancies. On the other side, I have  
6 heard that even in advance of the implementation of any  
7 policy action by this Board, there are new initiatives  
8 in a number of programs around the country to make contact  
9 with and secure cooperative action with the private bar.  
10 So, I think it would not be out of order if some of you  
11 who are more deeply involved could give us some idea  
12 of the current state of affairs of programs in the field  
13 against the back drop of this legislative activity that  
14 Mary has just reported.

15 MR. BRADLEY: Bill, I leave it to your judgment,  
16 the Board's judgment. Clearly, the presentation that we  
17 that we plan to make to you immediately after lunch is  
18 exactly consistent with your request.

19 MR. McCALPIN: Okay.

20 MR. BRADLEY: Whether or not you want to do it  
21 now --

22 MR. McCALPIN: No, no, I did not. Of course,  
23 I'm not completely familiar with what's going to happen  
24 under that agenda item, and I only would raise this now if  
25 it were now if it were not going to be covered then.

1 MR. BRADLEY: It definitely is.

2 MR. McCALPIN: But I think that is a matter of  
3 concern to all of us, and I'm glad you will be addressing  
4 it in that presentation.

5 4. ACCEPTANCE OF FY 1981 AUDIT REPORT OF LEGAL  
6 SERVICES CORPORATION  
7 PRESENTED BY MR. STEVEN ENGELBERG

8 MR. McCALPIN: The next item on the agenda is  
9 the acceptance of the FY 1981 audit report of the Legal  
10 Services Corporation.

11 I'll call on the Chairman of Audit Appropriations,  
12 Mr. Engelberg.

13 MR. ENGELBERG: I have met with Price Waterhouse  
14 people on at least two with Dan, and basically they  
15 presented the report. As in the past, they were very  
16 complimentary about the entire --

17 MS. RODHAM: Could you speak up, please, Steve?

18 MR. ENGELBERG: -- They presented their report.  
19 and assured me that everything was in order. I specifically  
20 asked the question as to whether or not there was any  
21 auditing problems reflected by the fairly substantial cut-  
22 back in the staff. And they were quite sure there were  
23 no such problems, and, essentially, I think that there  
24 feeling was that the controller's office was fairly lean  
25 to begin with, and really, I guess, relatively speaking  
did not suffer a great deal of staff cutbacks.

1           In any event, there was certainly nothing out  
2 of order. They were very complimentary about Charles  
3 and his colleagues, as in the past, and certainly as far  
4 as I can tell, we had no fears on that score unless  
5 Bradley plans a trip, a European trip.

6           MR. BRADLEY: Charles is here to answer any questions --  
7 Charles Ritter -- answer any questions that you might have.

8           Now that the report has been formally delivered  
9 and presented to us by Price Waterhouse, we don't  
10 need any action from the Board in terms of -- what we must  
11 now do since it's been presented to us. We will transmit  
12 copies to OMB, the Controller General and all the relevant  
13 Congressional oversight committees on the Hill. That's  
14 our normal procedure, and the report that you have in your  
15 hand will, in fact, --

16           MR. ORTIQUE: The audience have indicated that  
17 they can't hear you.

18           MR. BRADLEY: -- and the report will, of course,  
19 be reproduced, as it always is, in the annual report of  
20 the Corporation with Tim Ayers and his staff are now in  
21 the process of preparing.

22           I met with the auditors for over an hour. Gerry  
23 almost met with them, and I all I can do is just reiterate  
24 what Steve indicated, the auditors were extremely  
25 complimentary of the professionalism of Charles and his

1 staff, and, in fact, complimented the Board for having such  
2 a highly professional and highly competent audit and  
3 accounting staff. And all I can tell you from my experience  
4 here, I may worry about a lot of things in the management  
5 of this Corporation, but the one thing that I very seldom  
6 every worry about is the performance of Charles and his  
7 staff. They do an incredibly outstanding job under very  
8 tiring circumstances.

9 MS. RODHAM: I think that is directly related to  
10 our political success and the support that we have because  
11 if there had ever been anything amiss in the financial  
12 management of the Corporation, it would have been in 10  
13 point high headlines all over the country, and I think in  
14 large measure the way the Corporation has handled its  
15 money, and the fact that as a quasi-Federal entity we  
16 subject ourselves to an audit by one of the leading  
17 accounting firms, has given us the kind of credibility  
18 that has opened doors to permit us to talk about serving  
19 poor people that we wouldn't have had otherwise, and I  
20 think it is not only that they have done a good job, I  
21 think it is inextricably linked to the kind of standing  
22 that the Corporation has, and the work that it  
23 has been able to do.

24 MR. McCALPIN: Charles, do you have any comments  
25 or portions of the audit report to which you would

1 particularly like to draw the Board's attention?

2 MR. RITTER: The only comment that I have  
3 is that while I appreciate all the good words that have  
4 been said about the controller's office, I think it is  
5 really a corporation-wide effort that goes into putting  
6 this document together. So, I would like to thank the  
7 entire staff of Legal Services Corporation.

8 MR. McCALPIN: Gerry, do you have any comments?

9 MR. SINGSEN: Everything that I wanted to say,  
10 and I didn't expect anybody to have questions, because  
11 the report is so clean and direct. I came up because I  
12 wanted to say some things about Charles and his staff,  
13 particularly in the context of the reductions, and they  
14 have all been said; so, I won't repeat them.

15 MR. McCALPIN: Does any member of the Board have  
16 any comment with respect to the audit report?

17 (No response.)

18 MR. McCALPIN: Well, no action is required. The  
19 report will be received, and, as the president says, it  
20 will be transmitted to the appropriate Governmental agencies  
21 and included in the annual report of the Corporation,  
22 which will be forthcoming.

23 Mr. Engelberg.

24 MR. ENGELBERG: A point of information. Do we  
25 normally routinely send these reports to all members of the

1 Congress?

2 MR. BRADLEY: No. We don't send it to each  
3 individual member of Congress. We officially file it with  
4 all of the relevant oversight committees, the appropriations,  
5 the authorization committees, and I think the Government  
6 operations committees that have basic oversight into all  
7 Federal audits, Chairman Brook's committee.

8 We send the annual report to all members of  
9 Congress and the annual report contains that; so, I don't  
10 think it is necessarily advantageous.

11 MR. McCALPIN: Are there any other comments with  
12 respect to the annual financial statement?

13 (No response.)

14 MR. McCALPIN: If not, we will go to the next  
15 item which relates to the consolidated operating budget  
16 for fiscal 1982. Each of us received, after we got here,  
17 a memorandum concerning that item to which I would now  
18 direct your attention and call on Dan or Gerry to initiate  
19 the subject.

20 MR. BRADLEY: Gerry is going to make the  
21 presentation.

22 5. ADOPTION OF CONSOLIDATED OPERATING BUDGET FOR FY 1982  
23 PRESENTED BY ANTONE G. SINGSEN, V.P. FINANCE MANAGEMENT

24 MR. SINGSEN: As usual, you have in front of  
25 you a number of tables with reports on last year, this  
year, and eventually, on next year.

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1           Let me start with Tables I and II, which are the  
2 final expense report for fiscal year 1981, which ended  
3 September 30, 1981.

4           Perhaps it is no surprise since our previous  
5 discussion of the third quarter budget report took place  
6 in September in committee, and, indeed, on October 2nd  
7 at the Board, that the report of the year end, September  
8 30, greatly resembles the information that we projected  
9 at the time of the third quarter report.

10           The information presented here in column seven  
11 is the final statement of expenses for the year, and the  
12 expenses tied, of course, to the audit statement that you  
13 have just received. Here, however, they are distributed  
14 by our budget categories, our management purposes budget,  
15 the consolidated operating budget.

16           In the eighth column, you see the unexpended  
17 balances, and just to remind you how these are actually  
18 derived, they do not reflect -- well, let me say it  
19 differently. They reflect expenses on an accounting  
20 basis. For example, when we have a contract outstanding  
21 for personal services that runs from September to December,  
22 only the personal services received and paid for in  
23 September are expensed as part of the 1981 fiscal year.  
24 The rest are expensed in 1982 so that some of the unexpended  
25 balances, as you already know from what we're going to

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1 discuss later in the commitments are, in fact, fully  
2 committed.

3 In addition, you have in the unexpended balances,  
4 items such as grants that we had not made at the turn of  
5 the fiscal year, but for which money in the 1981 fiscal  
6 year was set aside. That, for example, is what you see  
7 in the field programs line, the \$666,000 that's there  
8 as an unexpended balance.

9 For the purposes of Table I and Table II,  
10 and I'd suggest to you that Table II is, as usual, slightly  
11 better for analytical purposes since it presents in a  
12 higher level of detail what has taken place. I say again  
13 that you basically will see the pattern that you saw in  
14 September and October. There's nothing here, I think,  
15 which is significantly different from what we anticipated.

16 There is one thing I'll say to you now, and it  
17 will become relevant again later. In the third quarter  
18 statements, we had projected the expenses that would be  
19 incurred for severance pay and for final vacation pay outs  
20 on behalf of staff that were being laid off.

21 We had put those expenses for reporting purposes  
22 in the third quarter all against the line of the Division  
23 of Administration, in the Management and Administration  
24 budget.

25 For accounting purposes at the year end, those

1 expenses are distributed throughout the budget wherever  
2 there is staff, and lined up against that specific staff  
3 budget.

4           What that does because those were not, of course,  
5 expenses that we originally budgeted, and we did not  
6 attempt to allocate out unit by unit in the third quarter  
7 when we knew we were going to incur the expenses is that  
8 the predictions of surpluses, specific numbers throughout  
9 all of the operating divisions, the final results are  
10 lower because of that distribution, and the prediction in  
11 the Division of Administration that we made, which was  
12 that there would be a small deficit, turns out on the  
13 books to be a substantial surplus because those expenses  
14 are no longer reported against that division.

15           That's the major switch in terms of the reported  
16 information from the third quarter.

17           Now, if there are specific questions about the  
18 expenditure pattern at year end, I would think that this  
19 is the time to ask them, otherwise, I would move to Table  
20 III, which is the statement of commitments to discuss what  
21 is presented there, which comparable to the unexpended  
22 balances column which produces the information in the  
23 first column in Table III.

24           So, let me stop for a second, and ask whether  
25 there are questions about the expenditure pattern in Tables

1 I and II?

2 (No response.)

3 MR. McCALPIN: It is unfortunate that Members of  
4 the Board did not have more than a few hours' opportunity,  
5 and, in some cases, less than an hour to look at this, but  
6 it may be that somebody had a chance last night to look at  
7 it and have some questions.

8 Are there any questions?

9 (No response.)

10 MR. McCALPIN: Well, I think you can go ahead,  
11 and if any questions occur, they may come back later.

12 MR. SINGSEN: I do apologize, of course, and as  
13 I indicated in the memo sent out last week, we closed the  
14 audit. We produced the tables as quickly as we could,  
15 but timing is always short here, and it was, again, this  
16 year.

17 Table III presents the balance column; that is,  
18 the same financial information present in the unexpended  
19 balances in Table II and I. The commitments against those  
20 balances and the remaining funds not committed. And, as  
21 you know, from having looked at its bottom line. There is  
22 only \$204,000 at the turn of the fiscal year uncommitted.  
23 All of that is invested income.

24 We fully expensed our appropriated funds during  
25 1981 if you include the commitments which we made.

1 Now, let me discuss the commitments in several  
2 broad categories so that it is clear what they are.  
3 Again, they are not legal expenses at the turn of the fiscal  
4 year. That is why they are not part of the '81 expense  
5 column.

6 In the commitments area, you've got perhaps five  
7 separate items to be aware of. First, you have the \$586,000,  
8 which appears under commitments, column 2, in row one 1A  
9 field programs. By and large what you are looking at there,  
10 as I mentioned earlier, are grants which are going to be  
11 made, or have by now been made. I think it is important  
12 to realize that a great many of the commitments reflect  
13 activity in October and November, and now, completed  
14 activity.

15 For example, there were a couple of counties in  
16 Florida, a couple of counties in Louisiana where decisions  
17 needed to be made for expansion grants. We finally placed,  
18 in very difficult circumstances, a grantee providing service.

19 We have held some money for the start up costs  
20 of those grants at the turn of the fiscal year. We had  
21 several grantees who were defunded during the year, and  
22 there is some money here that relates to the costs of the  
23 new grantee getting started in the area where they former  
24 grantee has been closed.

25 Those are the kinds of commitments you see in

1 the \$586,000. The third kind that is there is month-to-  
2 month grantees. Grantees where there is a problem of one  
3 kind or another, either technical and administrative or  
4 operations, which caused us not to make an annual grant.  
5 An annual grant, of course, commits all of the money at the  
6 time of the signature. When we go month-to-month, the  
7 money is not technically expensed until actually sent; so,  
8 that month-to-month grantees, of which there are several  
9 here, in the \$586,000. You're seeing the last couple of  
10 months of their money in this.

11 The special programs money is the last couple  
12 of the months on the National Client Council's grant.  
13 Again, they're receiving money for administrative reasons  
14 on a month-to-month basis so that the last couple of months,  
15 now paid out, are recorded there as a commitment, not  
16 expense.

17 The \$147,000 in technological improvements,  
18 which is the third item there, includes \$100,000, which is  
19 contracted with Information Resources Management Associates,  
20 the group that is packaging the software on the multi-use  
21 system, and helping us in the distribution and marketing  
22 basically of that system around the country, which is  
23 doing extremely well by the way, and that money, the \$100,000  
24 portion of the \$147,000 was fully committed by contract,  
25 but the work really literally was beginning at the last

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1 day of the fiscal year, and so the expenses against the  
2 \$100,000 had not begun. The \$47,000 has to do with the  
3 indexing of the clearinghouse data base and the tying in of  
4 that indexed system to long line access for computer  
5 assisted legal research.

6 The \$93,000 is primarily contracts where work is  
7 going on to help field programs with retrenchment, develop-  
8 ment of additional materials and the provision of training  
9 working with programs at regional meetings around the  
10 country on the continuing process of reductions in staff,  
11 the continuing process of closing offices and taking  
12 account of the 25 percent reduction.

13 That's the first grouping, if you will, of  
14 commitments.

15 The second commitment that I draw your attention  
16 to is the \$950,000 in Category II, the support budget for  
17 National Clearinghouse. That is, of course, the money  
18 that we made the decision about on October 2nd. October  
19 2nd fell in this fiscal year; so, we carried the money  
20 over before the signed the agreement committing and  
21 expensing the funds. By about the 4th of October that  
22 money was expensed. For these purposes, it is a commit-  
23 ment.

24 Then, the third group, which you see in this  
25 list, appears in three places, and it has to do with the

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1 basic closing out of our activities. The activities of  
2 the Office of Program Support. The activities of the  
3 Research Institute, the recruitment unit. The activities  
4 of a substantial portion of the staff, the regional  
5 offices and headquarters, all of this work that we have  
6 brought to a close as the result of our 43, 44 percent  
7 cut of the Corporation's direct expense budget.

8 And what we have here is the costs, and they  
9 appear in three places. In the Office of Program Support,  
10 in the Office of Field Services, and in the Management  
11 and Administration line, and I will explain why it is in  
12 three places.

13 Four, the final production of training modules,  
14 the final production of research manuals, the final  
15 production of video tapes to go along with the training  
16 modules, and to be used with them, and for the staff,  
17 staff that has been laid off, but whose contracts, whose  
18 time with us was extended past October 1. They are not  
19 part of what we're able to do in '82. And we held money  
20 to cover their final month, two months, in some cases,  
21 three months of activity to finish the production.

22 You will be hearing more about that this after-  
23 noon in the presentation of what we've accomplished in  
24 this past year with some discussion about these modules  
25 and manuals, and research materials, and retrenchment

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1 materials, and training for programs, and the like. And  
2 I think you will find that it was well worth the effort  
3 carried over for a couple of months into this year to  
4 complete all the commitments that we had made to produce  
5 the materials that we had designed for in 1980 and 1981,  
6 and had to bring to very fast conclusions, but bring them  
7 to conclusions we did.

8           The money is in three places because there are  
9 three different units involved in this final production.  
10 The Office of Program Support, of course, has been  
11 responsible for, and continues to be responsible for  
12 finishing the work on the training modules.

13           The Training Resource Center, which was formerly  
14 part of the Office of Program Support, was transferred  
15 during the year into the Office of Information Management,  
16 and that's where the management and administration portion  
17 of these expenses comes from because they are responsible  
18 for the final production and distribution of the training  
19 manuals that we've been producing.

20           The Office of Field Services is, of course, now  
21 our only operation division, and it is there that the staff  
22 costs for the close out are posted.

23           In addition, in this list of commitment, you  
24 have two other items. First, you have an item of nearly  
25 \$300,000, a reserve which we notified you about in the

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1 third quarter against Unemployment Insurance claims which  
2 are beginning to come in from employees that were RIFed  
3 and which will continue to come in until those employees  
4 have succeeded in finding other jobs. So, that is a  
5 substantial amount out of the 797.

6 Finally, in the Office of Field Services, and a  
7 small amount, I think, in the Office of Program Support,  
8 and a small amount in Management and Administration, you  
9 have the more traditional types of commitments. The  
10 small contracts, the finished piece of work, four more  
11 concluding visits in our Financial Management Improvement  
12 Program before for a lack of money. We've closed that  
13 program for the time being, those kinds of commitments.

14 Commitments we've made to programs to assist  
15 them with technical assistance, some kind of expert going  
16 to help the program with a particular problem. A total  
17 of that amount in all of those columns is about \$300,000.

18 The bottom item here, available investment in-  
19 come, you see \$98,000. That is contracted money, the  
20 final tail of the QUIP activity which was actually trans-  
21 ferred from Management into the Research Institute,  
22 contracted to a final piece of rural delivery research,  
23 and that's contracted now, it's spent now, I believe, and  
24 that's the end of all of that effort.

25 Those are the commitments. As you can see,

1 the specific commitments don't line up specifically against  
2 balances forward, and there are a couple of reasons for  
3 that, the reasons having to do with, primarily, getting  
4 the production completed at the end of the year carrying  
5 over into the first couple of months of this fiscal year  
6 before it was done.

7 The \$330,000 item, year end adjustments, is  
8 itemized for you in a note to Tables I and II, and it has  
9 to do with different types of recoveries and returns during  
10 the course of the year. Four or five different sources  
11 are noted there. There are moneys that we put out last  
12 year, the year before that were not completely required by  
13 the contractor or the grantee, and were recovered by us  
14 for use again, which are allocated here against expenses,  
15 in fact, which they are primarily related to for the final  
16 production of manuals and modules, and for the final close-  
17 out production cost.

18 Now, what happens with this table is that the  
19 commitments column moves over into a comparable column  
20 in the 1982 consolidated operating budget, which you will  
21 find in Tables, I guess it's, V and VI, which we'll come to  
22 in a second.

23 But why don't I stop here for a minute to see if  
24 there are questions about the commitments.

25 Alfreda Harvey, a Corporation budget analyst, who

1 is, as you are all very aware now, the person who actually  
2 understand everything that we do, and makes sure that we do  
3 it right, is here and if we need to go into great detail,  
4 I think can probably help us considerably.

5 So, let me stop on the commitments for a minute  
6 before moving on to the '82 consolidated operating budget.

7 MR. McCALPIN: I would only direct the Board's  
8 attention to the upper right-hand corner of Table III, and  
9 note that it was apparently prepared on Thanksgiving Day.

10 MR. SINGSEN: I wish I could tell you it was a  
11 mistake.

12 (Laughter.)

13 MR. SIGNSEN: Are there questions about the  
14 commitments table?

15 (No response.)

16 MR. SINGSEN: Table IV is a statement of funds  
17 available. It is shorter than it has been. A number of  
18 our tables are getting shorter. The funds, I think, we've  
19 talked about already with two exceptions. The first is  
20 that you see a line, grant and contract recoveries and  
21 returns. We had the same \$50,000 item posted in last  
22 year's budget, allocated as part of the COB. We offset  
23 the actual recoveries and returns against that \$50,000  
24 first, and the \$330,000 that we were discussing before was  
25 recoveries in this past year in addition to the \$50,000

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1 we originally budgeted. That will not happen again, but  
2 we will have a \$50,000, or thereabouts kind of recovery  
3 just on small amounts coming back in little ways during  
4 1982.

5           The item we haven't talked about yet is the  
6 estimated investment income. You'll see and estimate there  
7 of about \$55,000. That's through December 31. In fact,  
8 as always, we anticipate that we will earn considerably  
9 more investment income than that, but we haven't made any  
10 formal estimate of that as funds available at this time.  
11 We don't have that money in hand yet, but we do have the  
12 capacity, and we certainly anticipate that there could be  
13 another \$100,000, \$150,000 even earned without any great  
14 surprise during this year.

15           MR. McCALPIN: Did I understand you to say that  
16 that figure is estimated to December 31, '81, or is that  
17 the --

18           MR. SINGSEN: Yes.

19           MR. McCALPIN: -- at the moment, that's an annual  
20 figure, isn't it?

21           MR. SINGSEN: The statement --

22           MR. McCALPIN: That is what you have incorporated  
23 in the budget for the year?

24           MR. SINGSEN: -- yes, I'm sorry.

25           If you look at the last table in this group,

1 which is on page 21, the summary of investment income and  
2 related allocations, we have a projected investment income  
3 item here through December 31, 1981.

4 MR. McCALPIN: Of \$64,000?

5 MR. SINGSEN: Yes. I would actually have to ask  
6 Charles to explain the distinction between the 64 -- or  
7 Alfreda -- and the 55. There is one, but the estimate in  
8 terms of actual funds available, we did not choose to  
9 create an investment income statement that projected against  
10 the uncertainty of our financial status beyond the money  
11 in hand at the time the schedule was prepared, and the  
12 actual investment that we could project as noted in this  
13 schedule. We clearly will earn other interest unless we  
14 have no further funds. We always have a float; we're able  
15 to invest it.

16 MR. McCALPIN: Are there any questions about  
17 Table IV?

18 (No response.)

19 MR. SINGSEN: Table V is addition. It is the  
20 product of the budget adopted on October 2nd for the \$241  
21 million appropriation. It's actually the sum, not the  
22 product, and the commitments column, which is the one time  
23 committed column three in Table V. Additions one time is  
24 there. I think, for old time sake, there are no additions  
25 one time unless we choose to do something with the out-

1 standing investment income, which is not part of the budget  
2 at the moment.

3 The additions, investment in other income are  
4 just two items. The \$98,000, to finish rural delivery,  
5 and the \$50,000 estimated grant recoveries and returns,  
6 which we've lined up against the area where we are managing  
7 all of our grant activities and contract activities now,  
8 the Office of Field Services.

9 You add across, it produces the proposed 1982  
10 budget.

11 And it is Table V, which is the first table in  
12 the presentation that calls for action when we've completed  
13 the presentation, because it is the right-hand column that  
14 we would propose to you adoption of as the budget for 1982.

15 MR. KUTACK: Are there any differences between  
16 Table V and what we agreed to at the last Board meeting?

17 MR. SINGSEN: It is my impression, but I'll ask  
18 Alfreda to tell me if there's been any technical change.  
19 That column two is the same as the October 2 budget  
20 adopted. Now, there may be -- are there adjustments?

21 MS. HARVEY: The only adjustment is for the  
22 actual final computation of the base. There was a minor  
23 shift between the field programs and the national and  
24 state support. The total is the same. There is a minor  
25 shift between the categories when we determine the final

1 base.

2 MR. SINGSEN: To be more specific, our computer  
3 could handle only a couple of digits, four, I think,  
4 decimals, and we had to make a rounding decision, and it  
5 meant a few thousand dollars up in two lines and a few  
6 thousand dollars done on another line so that there was a  
7 shift.

8 MR. ENGELBERG: Mr. Chairman.

9 MR. McCALPIN: Yes, Mr. Engelberg.

10 MR. ENGELBERG: I would like at this point, with-  
11 out cutting off discussion, to move that that Board adopt  
12 the consolidated operating budget for fiscal year '82 as  
13 presented in Table V on page 16 to supplement the Board's

14 MS. ESQUER: I second the motion.

15 MR. McCALPIN: All right. I think that we'll let  
16 Gerry continue his explanation as part of the discussion  
17 of the pending motion.

18 MR. SINGSEN: There is really almost nothing left  
19 to say. Let me just say that Table VI is the worksheet  
20 for the consolidated operating budget, which provides  
21 the higher level of detail, line items by line item.  
22 You could, for example, trace the couple thousand dollars  
23 that moved between, whatever it was, basic field and  
24 national support, or state support and native Americans,  
25 however, that happened with the rounding, and provides you

1 more detail in terms of the commitment line items and their  
2 placement, but I don't think there is anything more to say  
3 about it. We've already gone through that list. So, I  
4 would conclude on that statement in terms of 1982.

5 MR. BRADLEY: I think though before, Bill, we  
6 move to a vote on that issue, I think that we should  
7 put on the table the fact that the staff has discussed,  
8 and is making no recommendations to the Board for the  
9 allocation of the unallocated investment income, and you  
10 may want to go into some presentation there, because I  
11 think that will impact in terms if the Board decides to  
12 allocate that, what's the consequences, and why we feel like  
13 we should be -- we should stay outside of the budget as  
14 as unallocated reserve?

15 MR. SINGSEN: There is, as you've seen from the  
16 statement of funds available about a quarter of a million  
17 dollars, not part of the budget, which we are not proposing  
18 to bring into the budget at this time and allocate to a  
19 specific purpose. We certainly considered doing that. I  
20 think a couple of things have held us back. One, it is a  
21 very small amount of money, and we have been working very  
22 hard to make sure that the top priority tasks of right now  
23 were being addressed with the funds that we had, and in  
24 looking at that \$250,000, while certainly there are uses  
25 that would be sensible, we're conscious of the time of

1 change that we're in. The uncertainty about what the  
2 demands on this corporation are going to be in the next  
3 months, and it is our conclusion that we are wiser not  
4 trying to allocate that money at this moment. Certainly,  
5 there are many possibilities that are worthwhile. We're  
6 cutting across the country. There's no question that we  
7 could use a quarter of a million dollars. The problem, if  
8 anything, is that it is such a small amount that realis-  
9 tically we don't feel that it makes sense to try and deal  
10 with little piecemeal adjustments with the very great  
11 uncertainty about what may happen tomorrow, the next week,  
12 the week after.

13           It is also our conclusion that it is better to  
14 leave this money outside the budget so that when it comes  
15 time to allocate this money for a specific purpose, it will  
16 be a decision being made by the Board of Directors after  
17 careful deliberation. We feel that this money, the invest-  
18 ment income fund, has always been handled in this fashion  
19 as specifically subject to separate and special types of  
20 Board consideration, and that that would be a wise  
21 precedent to preserve at this time. Consequently, we  
22 would encourage you to hold that fund outside the budget  
23 for the moment.

24           MR. McCALPIN: It is my understanding that  
25 typically and traditionally the investment income has been

1 extra the budget until specifically appropriated to a  
2 specific use, and not lumped into the unallocated reserves?

3 MR. SINGSEN: That's correct.

4 MR. McCALPIN: And that's what you're proposing  
5 now?

6 MR. SINGSEN: Correct. That we continue that  
7 practice.

8 MR. McCALPIN: Does any member of the Board have  
9 any question or comment with respect to the pending motion?

10 MS. SHUMP: I have a question.

11 MR. McCALPIN: Yes, Ms. Shump.

12 MS. SHUMP: It's not concerning the pending  
13 motion other than the actual adoption of the figures in  
14 Table V. I'm not certain that I remember correctly what  
15 it was that we intended to do, and how much we intended  
16 to cut from the client advocacy money figure of \$300,000,  
17 but as I sat there in my room and looked at the figures,  
18 I see that if we had intended to cut this amount by 25  
19 percent, it certainly isn't the right figure.

20 I'm trying to remember what it was that we had  
21 agreed upon at the last Board Meeting insofar as this  
22 figure was concerned, and I don't really remember. So, I  
23 think I need someone to remind me what that figure was,  
24 and then explain to me how come we went from \$300,000 to  
25 \$226,500, and what the one time committed figure of

1 \$1,000 -- \$500 actually means?

2 MR. SINGSEN: The 225 is, of course, the 25  
3 percent cut out of 300. A quarter of \$300,000 is \$75,000,  
4 and I believe that the Board decided to make that 25 per-  
5 cent reduction as it did for several other major categories  
6 of funding. So, that's what the 225 represents, assuming  
7 that my mathematics is correct.

8 The 1,500, frankly, I will ask Alfreda, who, I  
9 think, is trying to locate the specifics of what that  
10 commitment is for. My suspicion is that it is for a grant  
11 to a specific grantee who is doing a specific project, but  
12 since I am not positive of that, I don't want to make that  
13 as a final recommendation -- representation.

14 She says, that it actually is a consultant  
15 for some training for lynx (phonetic) grantees, the  
16 grantees who receive the 300 and some thousand dollars of  
17 grants this past year, the community organizations around  
18 the country that they money went to.

19 MR. MCCALPIN: Professor Sacks.

20 MR. SACKS: Could I ask Gerry a question about  
21 Table VII. Interest on savings account, footnote 2, says:  
22 "Assumes approximately a 5-1/2 percent annual return on  
23 \$86,000 in savings accounts." Can't we do better, or do  
24 we have a liquidity problem that means that we shouldn't  
25 be --

1 MR. SINGSEN: We can clearly do better. We have  
2 always felt it desirable to at least maintain small balances  
3 in a number of banks around the District that were minority  
4 banks, or otherwise involved in concerns that were common  
5 with ours. It's an old practice of the Board.

6 Charles could certainly provide you with much more  
7 detail. We do take a small financial loss against a  
8 Treasury Bill, for example, in that investment.

9 MR. McCALPIN: But you may gain some liquidity,  
10 some access.

11 MR. SACKS: I'm not making a fuss, I was just  
12 asking a question.

13 MR. McCALPIN: Are there any other questions  
14 or comments with respect to this action? Does anyone here  
15 present desire to address this issue?

16 (No response.)

17 MR. McCALPIN: Seeing and hearing no further  
18 requests, I'll put the question.

19 All in favor of the motion, please signify by  
20 saying aye.

21 (Ayes.)

22 MR. McCALPIN: Any opposed, the same sign?

23 (No response.)

24 MR. McCALPIN: Hearing none, the budget is  
25 adopted.

1 Thank you, Mr. Engelberg.

2 (Laughter.)

3 MR. McCALPIN: It was his motion.

4 6. ADOPTION OF FY 1983 BUDGET REQUEST

5 MR. McCALPIN: Now, we have item number six, the  
6 adoption of FY 1983 budget request.

7 MR. SINGSEN: You have already on page 22 of  
8 the distribution that you received yesterday, a brief  
9 presentation on the 1983 budget request that we proposed.

10 Essentially, what we are dealing with here is  
11 just a couple of fundamental questions. The first  
12 question is: How much? What mark in our parlance is  
13 the appropriate mark for the Corporation to pursue with  
14 Congress?

15 There is no legal ceiling limiting what we can  
16 ask for. HR-3480, the House bill does suggest 241, but  
17 it is not, of course, law. The Senate hasn't agreed to it.  
18 So, there is no binding authorized ceiling.

19 On the other hand, it is absolutely apparent  
20 that in this Congress, next year, 241 is the top figure  
21 that anybody is going to give any thought to at all.

22 There is no foreseeable future in 1983's budget  
23 process that will produce any figure higher than that.

24 Staff of the Corporation, in considering  
25 the question of what to ask for was troubled by one problem,

1 which you must all be sitting here thinking about, and that  
2 is 241 is already \$90 million less than we spent in 1981.  
3 And in 1981, we said that we needed 399 for 1982, and  
4 that even then we were going to continue to fall further  
5 behind minimum access. We were only dealing with 15 percent  
6 of the legal needs of the poor, which means that at 241,  
7 we may be down to 10. So, how can we possibly put a  
8 request in for 241 when it is absolutely clear that the  
9 legal needs of the poor are far in excess of that.

10 Well, the answer that we propose to you is:  
11 we cannot go to Congress this coming year and suggest to  
12 them a figure above the 241 if we wish them to pay any  
13 attention at all to our suggestions about what is important  
14 in Legal Services. We cannot ask supporters of Legal  
15 Services around the country to go to Congress and make  
16 reference to this budget document in any practical way  
17 if it exceeds 241.

18 We can clearly talk to the issues of greater  
19 need, and have to, but that is a very different matter  
20 than what we suggest in this time the Congress appropriate.  
21 So, the bottom line we propose is 241.

22 In terms of the allocation amongst categories,  
23 I put two columns here, as I did in the memo, with Dan,  
24 the first being the base figures that we've adopted for  
25 1982, and the second being the proposed distribution for

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1 1983, and you will see that on the major category level,  
2 we're proposing that \$2 million in the '82 budget be  
3 shifted into the direct grant side of the budget in '83.  
4 That's the \$2 million, which this year were the training  
5 development funds.

6 We are moving those funds during this year into  
7 the regional training centers into substantive development  
8 and training, and we propose that next year in the '83  
9 budget, they be explicitly recognized as part of the base,  
10 still being used for training development functions, but  
11 moved into the portion of the budget where the grantees  
12 are rather than kept as part of our direct expense budget.  
13 That is the only change in this half of the budget.

14 We propose no increases. We also think that  
15 at this stage that if 241 is appropriated, with the  
16 effects of inflation within this budget, it wouldn't  
17 be appropriate to reduce further the Corporation's direct  
18 expense budget. And just for reference purposes, this is  
19 a little less than 2 percent of the 241. This is about  
20 2 percent of the 241. The total is just less than, I think,  
21 than 4 percent, the 241, and that is, of course, consider-  
22 ably down from what it had been in the past in this part  
23 of our budget which was with the whole training effort,  
24 the total of about 6, 7 percent. 7 percent in 1981.

25 Up here, we also proposed some changes. The

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1 Legal Services Institute would no longer be part of this  
2 budget. The private bar involvement funds we would  
3 propose, we will still need some technical assistance  
4 to programs, but less than we have in this year.

5 Several other efforts are winding down in this  
6 part of the budget.

7 For technological improvements, for example,  
8 here, we would propose that the grants that are being  
9 made to regional computer system legal research centers,  
10 just as with the training development effort be listed with  
11 those centers, primarily state support centers.

12 The Client advocacy fund, we think belongs in the  
13 special programs line, and we moved it there.

14 Those are the kinds of shifts we've made. The  
15 net effect of this is to put the bulk of our budget in  
16 these three categories, as it has always been. The  
17 percentages don't change substantially, but they do change  
18 slightly. The whole set of items here is 9 percent of our  
19 budget, and this is some -- I don't know, I didn't do this  
20 calculation -- it is certainly well over 90 percent of the  
21 budget.

22 What we propose for 1983's budget request, and  
23 we would propose to prepare this request and submit it  
24 promptly, is this distribution of funds within a total  
25 \$241 million.

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1 Now, are there questions?

2 Obviously, since our budget is --

3 MR. McCALPIN: Hillary.

4 MS. RODHAM: I assume that in the transmittal  
5 of that request, there will be an explanation that the  
6 amount that is being requested in no way represents the  
7 analysis of the needs, which we know exist, and that the  
8 request is not to be taken by anyone as any kind of con-  
9 cession that we can do the job that we are asked to do  
10 with that amount of money.

11 MR. McCALPIN: Absolutely.

12 MS. RODHAM: And given that condition, and  
13 given that context to presentation, I think that, you  
14 know, I agree with your position on what the request should  
15 be, but I think it is absolutely essential that every time  
16 the 1983 request is mentioned, that the reasons behind it  
17 also be mentioned, and not go unstated.

18 MR. McCALPIN: Revius.

19 MR. ORTIQUE: I understand, I suppose. I can  
20 even say that I'm listening to what you're saying, but  
21 I simply don't appreciate it, and right now that it would  
22 appear to me that equally political is the reality of  
23 that we've been cut \$90 million, and I would prefer us  
24 sending the message that we just can't continue for another  
25 year. We recognize what the efforts are, but I would

1 suspect -- I would suspect that there are going to be some  
2 adjustments. I think when the Congress people go back  
3 home, they are going hear some noises loud and clear back  
4 home that the American people are not ready to do all the  
5 things that this Administration wants to do with their  
6 budget, and he has already indicated that he can't balance  
7 the budget by '84. He's already indicated that there's  
8 some serious problems, and I think instead of Congress  
9 yielding, I think that the Administration is yielding on  
10 this, on the rumblings that we hear, and I would just  
11 think that we would be remiss in going in with the \$241  
12 million budget for many, many reasons. Psychologically,  
13 from a needs point, just every other reason, and I think  
14 that equally political is the realities that the American  
15 people are saying to Congress, we just are not going to put  
16 up with this.

17 MR. BRADLEY: Well, let me, Revius, we've had  
18 this discussion, I know, every year that I've been here in  
19 terms of deciding exactly how much do you request, and what  
20 are the political implications and the pros and the cons  
21 and the advantages and the disadvantages, and, you know,  
22 while I share the views that you've just expressed, as I  
23 stated last year when we met in New Orleans, basically it  
24 just comes down to a judgment call, and, in my judgment,  
25 while we can't predict next year who is going to be

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1 marketing and packaging and presented and lobbying and  
2 selling, and persuading, and cajoling the Congress on this  
3 project, it is absolutely my considered judgment that those  
4 persons to whom we look to make the decision to allocate  
5 appropriate funds for us, namely, the members of the House  
6 and the Senate Appropriations Committee, and that we  
7 deal with very, very frequently, especially the chairs of  
8 those two committees. All I can represent to you is, they  
9 understand exactly what you just said. They would agree  
10 with what you've said, but I think we would place our  
11 friends and supporters that will be our champions in  
12 marketing and in getting this bill through the Congress,  
13 I think we place them in a difficult position if we come  
14 in and tell them that we're going to ask for, and we want  
15 them to be our advocates for more money than they  
16 personally, and individually, and, certainly in their  
17 official capacity would, in fact, support and endorse,  
18 and it is with that in mind that I just don't feel  
19 comfortable whether we are here or not here, asking Mr.  
20 Weicker and Mr. Smith next year to be the advocates for  
21 more than the \$241 million, because they won't do it,  
22 and they've already indicated to me that they won't do it.

23 MR. ORTIQUE: Well, I've got two key points,  
24 Dan, that I'd like to make about what you said.

25 One, the Administration, at best, the very best

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1 has indicated that inflation will be about 10 percent next  
2 year, 9. something. I suspect that they are going to do  
3 everything they can to move it down from double digit, but  
4 it will be so close to 10 percent that, you know, you  
5 won't be able to draw any line between them.

6 That's number one. Number two, I just believe  
7 that if we -- if this Board recommends 241, that the new  
8 Board who will have to answer in Congress saying -- I think  
9 will have to answer the basic question: Are you an  
10 advocate of this program. I think every one of them will  
11 have to answer that. If they answer it, they can very  
12 well say, yes, I'm an advocate of the program, but that  
13 they can emasculate many of the efforts that we had made.  
14 That they will say to themselves, if the Board that we  
15 presently have felt strongly that 241 was a cap, we who  
16 are for the purposes of assisting the President and  
17 assisting the Administration must go less than \$241  
18 million. They are going to have an opportunity to look  
19 at this in March, or whenever, and will say some things  
20 again, and I just believe that if the readings are correct  
21 that we've made that we will be operating under a  
22 continuing resolution -- or the new Board will be operating  
23 under a continuing resolution, that that new Board then  
24 will have all the opportunity in the world to reduce  
25 the \$241 million, and I would just be afraid to say, let's

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1 go with \$241 million.

2 It gives off too many messages that I just don't  
3 think that I can live with.

4 MR. BRADLEY: Well, I hear what you're saying,  
5 and I am in sympathy with what you're saying. I know that  
6 this year, for instance, it parallels because when we  
7 appeared before the Appropriations Committee of the House  
8 and the Senate, and in subsequent mark-ups by those two  
9 committees, with the Administration coming in and pleading  
10 with those committees to give him less money than what the  
11 committee had already reported out and marked up. I mean,  
12 to hear the chairman of the committee saying to the  
13 Administration spokesperson, no, we're going to make you  
14 take this money. We want you to spend this money because  
15 regardless of FTC, regardless of your determination to  
16 reduce your antitrust activities by another \$10 million,  
17 it is our opinion that you -- that the antitrust enforce-  
18 ment wants more expenditures and not less, and we're going  
19 to appropriate this money to the Administration whether  
20 you wanted it or not, and I don't care who succeeds us,  
21 or what the message is that's communicated by the  
22 Administration to those committees, I am absolutely  
23 convinced, regardless of what they say, or in spite of  
24 how they say it, that we are firmly and solidly entrenched  
25 with the leaderships of those two appropriations committees

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1 to support no more than 241 and no less than 241, and the  
2 real question, it seems to me, Revius, it does it in terms  
3 of a negotiation or bargaining kind of posture. Do we say  
4 to Mr. Smith, well, Mr. Smith, we know that you are only  
5 going to give us 241, but just for a lot of reasons, we  
6 want to ask for \$400 million, and let you cut us back to  
7 241 if you deem if that's what your bottom line is going  
8 to be.

9 MR. ORTIQUE: If I just add in the 10 percent,  
10 we have \$265 million, and I just can't see how anyone  
11 would go in talking about offering a further 10 percent  
12 reduction because that's what the bottom line is going to  
13 be.

14 If we throw in some other things. We were talk-  
15 ing about expansion, the human cry that is going to come  
16 out of the various areas when they start screaming about  
17 that you don't have enough for bond involvement, and that  
18 sort of thing, which is certainly going to come. It just  
19 seems to me that \$265 million is at least a figure, and I  
20 just think that our friends will understand that; I really  
21 do.

22 So, Mr. Chairman, if I am in order, I would  
23 propose that our -- do we have a motion on the floor?

24 MR. McCALPIN: No, there is no motion on the  
25 floor.

1 MR. ORTIQUE: I move that our budget request be  
2 at least amended to reflect the realistic figure, or  
3 anticipated inflationary figure of \$265 million.

4 MS. SHUMP: And I'll second.

5 MR. MCCALPIN: We have a motion on the floor that  
6 the budget mark for fiscal '83 be set at \$265 million.  
7 It has been seconded. It is open for discussion.

8 We've had some discussion ahead of the motion,  
9 but it is certainly appropriate now.

10 Mickey Kantor.

11 MR. KANTOR: Dan, what do you see as the  
12 potential down side of requesting 265 or 270, or anything  
13 other than 241, anything above 241? What are the problems  
14 that we raise with our friends?

15 MR. BRADLEY: Well, that's the point that I just  
16 tried to speak to. Let me remind this Board that we have  
17 already, at the last Board meeting, adopted, and I think  
18 that Revius' motion would be in the nature of an amendment  
19 to the mark that was previously approved at the October  
20 2nd meeting because we have already communicated that mark  
21 to the appropriate officials in the Congress and in OMB  
22 that this Board has established a mark at your last meeting  
23 of \$241.

24 Now, what we then do at this meeting is to  
25 decide how to apportion those funds among the 241. I just

1 wanted the Board Members to understand that.

2 In response to your question, Mickey, I don't  
3 know that I say much more than the fact that the authoriz-  
4 ing committees, and there is good communication between  
5 the Appropriations Committee of the House and the  
6 Authorizing Committee. They didn't arrive at this figure,  
7 you know, too lightly. I mean, they -- while our request  
8 to them last year, in our testimony before them, was to  
9 give us an open-ended appropriation such sums that are  
10 necessary. That became a big issue of debate and contro-  
11 versy among the committee members, and they decided that  
12 no -- that it would be in our best interest for them to  
13 go ahead and make the decision where the Administration  
14 could understand and where the Congress could understand  
15 what the finite request of this Corporation was going to  
16 be. We did plead with them not to do that. We did plead  
17 with them to -- that just on its face, using almost the  
18 same arguments that the Judge just made, the 241 in two  
19 successive years is, in effect, a continued reduction beyond  
20 the 25 percent.

21 We made all of those arguments. Mr. Smith and  
22 the members of the Authorizing Committee considered all of  
23 that, and said, "Bradley, this is just the way it is going  
24 to be, and we hope you-all understand that."

25 Now, if the ultimate question is, and it's just

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1 difficult for me -- here again, it's a judgment call. If  
2 the ultimate question is: Are we going to alienate our  
3 friends and supporters on the Hill if we come back and ask  
4 for more than they have authorized and told us that they  
5 are going to give us; then, it is difficult for me to be  
6 responsive to that question. I just don't know.

7 MR. SINGSEN: Dan, let me just correct --

8 MR. McCALPIN: Wait a minute. Hold on.

9 Let me, first of all, state what the Chair  
10 understand to be the parliamentary situation. If the  
11 Board approved a mark of \$241 million at the last meeting,  
12 I would consider Judge Ortique's motion as a motion to  
13 amend an action previously taken which is the equivalent  
14 of a motion to rescind, which would require a two-thirds  
15 vote in the absence of advance notice of intention to  
16 offer the motion.

17 However, looking at page 5 of the agenda materials  
18 before us, it appears from the meetings of the meeting of  
19 October 2nd that no action was taken with respect to a  
20 mark at that time, therefore, I consider the motion as  
21 simply a motion to establish a mark of \$265 million, and  
22 that is the parliamentary position of the Chair at the  
23 moment subject to challenge if anyone sees fit to do so.

24 Mr. Kutack.

25 MR. KUTACK: That is not what I seek recognition

1 for.

2 Judge Ortigue's motion puts all of us, I am sure,  
3 in a moment of anguish. There is not one around the table  
4 that would not, and certainly, I believe, by performance  
5 if not expression, has not indicated that the 241, 260,  
6 indeed, a 399 million dollar mark is consonant with the  
7 purposes and the needs of this organization to fulfill its  
8 legislative mandate.

9 I guess looking around the table, there are only  
10 two of us that can go back to the very first meeting  
11 of July 1975, and I can remember an almost analogous  
12 situation. It was the very first meeting of this Board  
13 and at that time the Legal Services Corporation, or the  
14 legal services program had been functioning under a  
15 destitute \$71 million appropriation for more than one  
16 fiscal year, and, if I recall, it had been frozen at that  
17 level for a period of three, if not four years.

18 We had just assembled for the very first meeting  
19 having been sworn in, if I recall, by Justice Powell that  
20 morning, unable to have done so the night before because  
21 of an incongruous parliamentary situation we had found our-  
22 selves in.

23 At that meeting, there was, of course, an  
24 immediate demand and desire to send a signal to the Congress  
25 for an appropriation very substantially above the \$71

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1 million mark. We thought it not prudent to do so.  
2 I remember there sweeping sums that were suggested because  
3 of the crying needs that were felt. But we did, however,  
4 choose a sum that we thought was not only prudent, but  
5 responsible considering the situation we had faced of  
6 -- we were faced with then.

7 To be sure it's not the same one now. There we  
8 were setting off on a course that had been unchartered,  
9 and we were truly just becoming familiar with our  
10 responsibilities and, indeed, assembling a staff for the  
11 first time to take true and independent measure of the  
12 requirements. We don't lack that kind of intelligence  
13 now. We are certainly cognizant of the needs now. But  
14 there is nevertheless some kind of an analogy here. We've  
15 had to cope with a situation that gave us the greatest  
16 credibility with our friends who were supporting our  
17 program, and we had to be sure that we did not alienate  
18 or, at least, set back, of course, because of a need that  
19 we all felt.

20 Revisus, you know, nothing would be more  
21 gratifying to me to not only support your motion, but,  
22 indeed, to enlarge its amount if I thought it was the  
23 prudent thing for this Corporation to do, but we are,  
24 among many others, literally fighting for survival. One  
25 only has to know the slightest bit of IND -- surely, you

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1 realize that I don't know the full scope of Mary's burdens,  
2 but I, for other reasons, have sensed the kind of delicate  
3 and difficult course that we've followed over the year only  
4 so eloquently relayed this morning.

5 I think we're going to make her job, indeed,  
6 and ultimately our job more difficult if we pass beyond  
7 the mark that's prudent, which I would suggest is the  
8 one recommended by our president.

9 MR. McCALPIN: Does any other Member of the  
10 Board wish to be heard?

11 (No response.)

12 MR. McCALPIN: You have referred to the legisla-  
13 tive activity of the year. I wonder, Mary, do you have  
14 any view of the effect of the adoption of mark in excess  
15 of the higher of the two figures in the authorizing  
16 legislation.

17 MS. BOURDETTE: Well, you have to keep in mind  
18 that the House did in fact vote an '83 authorization level  
19 of 241. It is not law, that's correct. If fact, we have  
20 no authorization for '83, but they did consider it; they  
21 did vote a 241 authorization level. There was a higher  
22 level going in to the floor.

23 It was lower than the floor. I think you are  
24 in a position to register your opposition to that, but I  
25 think the Congress spoken in terms of its the upper level

1 of our authorization figure, and that's why we chose 241  
2 and I would support our 241 appropriation.

3 MR. McCALPIN: Mickey.

4 MR. KANTOR: I think Hillary's suggestion earlier  
5 might accomplish -- both be consistent with what the judge  
6 has expressed, and what we all feel, and what I think  
7 Bob correctly points out. The problem is there's no reason  
8 that we have to go with a simple message to Congress that  
9 241 is where the needs are, and this is what we're asking  
10 for, and so on, but Hillary suggests, I think, properly so,  
11 that Congress ought to understand, as some do and some  
12 don't, what the real needs are and what 241 means, and  
13 I think that is what you're getting at. That I don't think  
14 any of us are naive enough to believe we're going to  
15 get more than 241.

16 I don't think this is a situation where we have  
17 to -- it's an either or, I think. They are not mutually  
18 exclusive. I think we can go with the message that -- it  
19 doesn't criticize the Congress, but simply points out  
20 exactly what the needs are, and how expensive those needs  
21 are, and that we are going to be serving less than the  
22 needs of our clients by the 241 mark.

23 But, on the other hand, we understand Congress  
24 has already set the '83 level, and that we are not unkind-  
25 ful of that, and that we simply request the 241, and this

1 is the way we break it up. So, I think we can get both  
2 of what we want in terms of bargaining. I'm not sure there's  
3 a lot of bargaining on the number itself, but in terms of  
4 bargaining on the importance of the program, the needs of  
5 the poor, and what we're trying to preserve, I think what  
6 we say up there, both in our message and when we are  
7 represented there by the Chair or the president, we can make  
8 that point, I think, quite dramatically. So, I would agree  
9 with Bob, but I think the message we send out to clearly  
10 reflect what the Judge is saying and what Hillary is saying.

11 MR. KUTACK: Mr. Chairman, if I could.

12 May I offer an amendment to the Judge's motion  
13 to insert the sum of 241 with the statement footnoted, or  
14 put up front, or however it would be appropriate to set it  
15 out at the outset. That we are governed by the direction  
16 seemingly set already from the Congress, but we are not  
17 lacking in our desire to make on record the need for a  
18 greater amount in terms of satisfying unmet legal needs of  
19 the poor in our country.

20 MR. ORTIQUE: I would much prefer if you would  
21 make a substitute motion as opposed to amending the motion.

22 MR. McCALPIN: Well, I think the practical  
23 effect of the two will be the same. The first issue to  
24 be put will be the amendment or substitute. Actually,

25 Robert's talks in terms of amending by substituting, or

1 amending by substituting. It comes pretty much in the  
2 same vein. The motion is in order, however considered  
3 if seconded.

4 MR. ENGELBERG: I'll second it.

5 MR. McCALPIN: All right. The motion whether  
6 to amend or to substitute has been seconded. Is there any  
7 discussion on the substitute?

8 MR. BRADLEY: I might just make the comment  
9 because the staff is not unmindful of the views that Mickey  
10 and Hillary and Bob expressed. In fact, Judy Riggs, who  
11 is not here today, has already started the process of  
12 helping us put together the introduction to the budget  
13 request, and it is clear from our discussions thus far  
14 at the staff level that we would be remiss if we did not  
15 try to dramatize in as vivid a way as we possibly can the  
16 consequences of the reduction from the 321 level back to  
17 the 241, and the drastic reduction in the closing of  
18 offices and the reduced client services. All of that  
19 is going to be, you know, highlighted as an introduction  
20 to the transmission of this budget message.

21 We were further going to try to incorporate --  
22 we haven't yet quite figured out the most effective and  
23 dramatic Madison Avenue way to do it, the fact that the  
24 241 is, in fact, a retrenchment from the minimum access  
25 that Congress had already previously established that

1 accounted for the tremendous growth in our funding level  
2 over the last four years. So, clearly the budget message,  
3 even if we had not had this discussion, I certainly want  
4 each of you to understand that that is in fact going to  
5 be the principal advocacy piece in the budget that we will  
6 be submitting to the Congress.

7 MR. McCALPIN: Does anyone -- Ramona Shump.

8 MS. SHUMP: Do you want to read the new motion,  
9 or whatever kind of motion we've got now?

10 MR. McCALPIN: Well, basically, what we had before  
11 us was a motion that the budget mark be set at \$265 million.

12 MS. SHUMP: Right.

13 MR. McCALPIN: And that was Judge Ortique's  
14 motion, which you seconded.

15 MS. SHUMP: I understand.

16 MR. McCALPIN: Then, Mr. Kutack moved to amend  
17 the \$265 million figure to \$241 million, with the addition  
18 that when transmitted that figure will be stated in the  
19 background of needs of retrenchment for minimum access  
20 and all of the other difficulties presented by that  
21 figure, and the simple recognition that it represents the  
22 figure included in the authorization bill by the House of  
23 Representatives. That is not very accurately stated with  
24 respect to the addition, but it is the flavor of what  
25 Hillary and Mickey, and others have talked about as the

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1 reason behind the two 241 and its inadequacy.

2 MR. ENGELBERG: Call the question.

3 MR. McCALPIN: The question has been called for.  
4 The vote is on the amendment.

5 MR. ORTIQUE: I would have to accept the amend-  
6 ment.

7 MR. McCALPIN: No, no. You don't have to  
8 accept an amendment. The amendment can be voted if that  
9 is the will of the body.

10 There is a -- well -- you called for the question.  
11 Charlie.

12 MR. DORSEY: Thank you, Bill. I wondered whether  
13 those of us in the audience would have a chance to speak.

14 I recall, Bob, back in 1975 -- I also recall a  
15 meeting in New Orleans maybe a year, a year or two after  
16 that when this Board was considering what request it was  
17 going to make to the Congress, and I recall at that meet-  
18 ing there was a great outpouring of comment from the field  
19 that the figure that the Board was then requesting was  
20 inadequate, and we urged a higher figure.

21 The Board did request a higher figure, and we  
22 got a higher appropriation. I speak in favor of the  
23 motion that Judge Ortique is suggesting, and I think  
24 sometimes we have to balance prudence, which can sometimes  
25 be a way of masking over caution with rationality. It

1 seems to me completely rational to conclude that if 241  
2 is a rational figure for us to work with this year, that  
3 a 10 percent increase would be a rational figure to put  
4 forward to the Congress for next year.

5 I think that Judge Ortique is absolutely correct  
6 that there is going to be an inflationary effect on what  
7 we have and that to ask only for 241 will be a way of  
8 winding down what we are doing in Legal Service.

9 So, speaking on behalf of myself, as one who is  
10 in the field, and one who hopes to be advocate next year  
11 for Legal Services that this Board do ask for an increase  
12 of 10 percent for fiscal year 1983.

13 MR. McCALPIN: Thank you.

14 When I asked if there was anyone who wanted  
15 to be heard, I meant to include anyone in the room. The  
16 only reason I hesitated was that Mr. Engelberg had moved  
17 the previous question and that is the motion to cut off  
18 debate, but it really wasn't seconded. I guess maybe we  
19 are getting more formal than we usually are.

20 Is there anyone else who wishes to be heard on  
21 the pending motion which is to amend?

22 Mr. Hartley.

23 MR. HARTLEY: Bill, I don't think I'll probably  
24 need the microphone; so, I'll just stand over here, if I  
25 may.

1 MR. McCALPIN: Greg, they can't see you.

2 MR. HARTLEY; You may not --

3 MR. McCALPIN: Well, let me introduce Mr. Greg  
4 Hartley, who is the program director of the program in  
5 southwest Missouri, which may be -- are you Ozark, or  
6 greater --

7 MR. HARTLEY: Legal Aid of Southwest Missouri.

8 MR. McCALPIN: -- Legal Aid of Southwest Missouri,  
9 which is a judicare program, and I'm not sure that we have  
10 previously had a field representative from a judicare pro-  
11 gram appearing and participating in our meetings.

12 MR. HARTLEY: I would, first, like to to apologize  
13 that sometimes the last couple of years I have not come to  
14 the conclusion that it was necessary, as part of my role  
15 as a director, to attend these meetings.

16 I would like to say that probably not because  
17 of a judicare director, whether I was a staff programmer  
18 or a judicare, because of the particular geographic area  
19 I came, in my own philosophical bent, and the bent of my  
20 Board, perhaps on this journey towards funding like the  
21 trip to Oz, I'm a little bit closer to the lions, tigers  
22 and bears than some people in this room.

23 I recall in 1980, in the fall of 1980, as we  
24 were searching for funds and ended up a with a continuing  
25 resolution, that I spent several weeks here in Washington

1 stalking the halls of Congress talking to members, if you  
2 will, of the opposition.

3 At the same time that we were walking down the  
4 halls talking to those people, dealing with a figure  
5 originally around the 321 or 340 mark, there were members  
6 of the Legal Services Corporation staff talking to the same  
7 people asking 399.

8 All I can tell you is that 399 was not a rational  
9 figure, and asking for more did nothing but arouse the  
10 anger of the lions and the tigers and bears.

11 We can't just content ourselves with addressing  
12 the supporters of Legal Services. The decision is not made  
13 just by them. It is made partially by the opposition.

14 I would strongly recommend that this Board adopt  
15 the staff's recommendation of 241 this year, and that we  
16 live with it this year.

17 If I can make another specific recommendation, if  
18 we need more money support for field programs, I would  
19 also recommend that we reduce the money allocated to national  
20 and state support in 1983, and move it for cost of living  
21 increases to the field program.

22 Thank you.

23 MR. McCALPIN: Is there anyone else who wishes to  
24 be heard on the pending motion?

25 Yes.

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1 MS. WINSLOW: I'm Heidi Winslow. I'm a staff  
2 attorney with Connecticut Legal Services, and I am a member  
3 of the National Organization of Legal Services Workers.

4 I think that \$265 million is not enough, but it  
5 is better than 241, and people tend to take you at your  
6 own valuation. If we value ourselves at 241, which is a  
7 decrease, in essence, from what we've had in the past  
8 year, people are going to look at us as we value ourselves.  
9 This is sort of a classic tentative fund-raising, and any  
10 other charitable, if you want to get more money or stay  
11 where you are, you at least present a confident image to  
12 the world as to your own worth, and I think that you have  
13 to ask for something more, which at least keeps us in place  
14 than to accept at the outset, a lessening amount.

15 I know that Senator Weicker's office, many months  
16 ago, was -- every time they were contacted, were saying,  
17 confidently, the most you could possibly get out of the  
18 Senate was \$100 million, and we kept chipping away, and  
19 chipping away and chipping away, and Weicker did a lot of  
20 work, and a lot of other people did a lot of work, and  
21 suddenly it is up to 241 in the Senate.

22 If we go in and we ask for 241, we're not going  
23 to get 241 because of the mood of Congress, and so forth.

24 Having said that, I'm going to change around and  
25 say that the mood of Congress changes. What it an iron

1 clad 241 today could, I think, conceivably change for the  
2 better or for the worse in the next few months, and we  
3 should put ourselves in a position of seeking something  
4 better than from negotiating from a position which is  
5 really less than we want or need, and possibly even ending  
6 up with less. So, I strongly urge that you take an approach  
7 that looks for a modest increase which actually keeps us  
8 in place, I cannot conceive that this would actually  
9 alienate Weicker, who is going to be in a devil of a fight  
10 for his seat against a fairly liberal opposition.

11 So, anyway, please go for 265.

12 MS. RODHAM: Well, I had to say that it is not  
13 just because I went to Wellesley with Heidi --

14 MR. SACKS: Oh, yes it is.

15 MS. RODHAM: -- oh, yes it is. I think -- I  
16 wish somebody would tell one of those opponents, people  
17 talk about, that, look what Legal Services does, it takes  
18 a Wellesley graduate and turns her into a union worker for  
19 Legal Services.

20 (Laughter.)

21 MS. RODHAM: I mean, you know, I mean there's  
22 change in this society. People have to recognize that.  
23 I think that's a really good argument, and I believe that  
24 it's a rational argument, and I suppose the only thing  
25 that prevents me from voting for it is the anguished looks

1 of Mary Bourdette's and Dan Bradley's faces. I mean, that  
2 is what prevents me from voting for it because, you know,  
3 they've been up there all day, every day for a year, and  
4 I find it very hard when they tell me that it will make  
5 a difference even though rationally I agree with you, and  
6 can't see how what seems to be a modest effort to stay  
7 in place with inflation should make that kind of a  
8 difference.

9 And that's a dilemma for me. It's a judgment  
10 call, and I have no independent judgment on this issue,  
11 and I guess that is why it is so hard.

12 MR. McCALPIN: Bernie Veney.

13 MR. VENEY: I hesitated about speaking because  
14 I guess I know the anguish on Dan's face and on Mary's  
15 face, but I also recognize what Charlie said about this  
16 being a 10 percent cut.

17 I won't even go to the anguish of a client who  
18 can't be served, because that's tugging at your heart  
19 strings, and I don't want to play with that.

20 Let me talk about the anguish of a Willie Cook  
21 as he lays off 27 members of his staff and closes offices,  
22 staff that he has built, the investment that he has in  
23 that staff. The number of people like Willie Cook and  
24 Charlie Dorsey, who we risk losing. We risked them this  
25 year, and, in point of fact, a further cut will risk losing

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1 even more people like that, and you just cannot afford to  
2 continue putting at risk the very institution that all of  
3 you are so committed to.

4 The Judge's motion is a rational and reasonable  
5 motion, and, Bob, I, too, remember 1975, and some of my  
6 irrationality perhaps in 1975, but I also remember that  
7 when this Board went to the Senate, the Board was told,  
8 you're not asking for enough money. And Senator Pell said,  
9 "Ask for more money." That was the instruction, and the  
10 Board said, "Well, we can always come back and get a  
11 supplemental appropriation."

12 There was a lot of history there, Bob, and I  
13 think that where we are now is saying to our friends, we  
14 understand precisely what you're saying to us. We under-  
15 stand that you may have to make some other judgments, but  
16 I would hope we would all remember that as said as it may  
17 be, this may be the last time this body will ever have a  
18 chance to say anything to the Congress, and I'm worried  
19 about what I'm going to say to your replacements in terms  
20 off holding on to 241, 265, or whatever that figure is  
21 going to be.

22 I think we have to have your statement of the  
23 -- as best we can get it -- in order to withstand the charges  
24 and the encouragements of those who may replace you.

25 MR. McCALPIN: Is there anyone else who wishes

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1 to be heard on the pending motion?

2 (No response.)

3 MR. McCALPIN: All right. The vote is on the  
4 question whether Mr. Kutack's -- whether Judge Ortique's  
5 motion shall be amended pursuant to the motion made by Mr.  
6 Kutack.

7 All those in favor of amending the motion, as  
8 proposed by Mr. Kutack, will please say aye.

9 (Ayes.)

10 MR. McCALPIN: All opposed.

11 (Noes.)

12 MR. McCALPIN: I think we need a show of hands.  
13 Those who are in favor, please raise your hand.

14 (A show of hands.)

15 MR. McCALPIN: Mr. Sacks, Mr. Kutack, McCalpin,  
16 Engelberg.

17 Those opposed.

18 (A show of hands.)

19 MR. McCALPIN: Judge Ortique, Kantor, Rodman,  
20 Esquer, Trudell, Worthy, Shump.

21 The motion fails.

22 There is now pending Judge Ortique's motion to  
23 set a mark of \$265 million.

24 Is there any further discussion on that motion?

25 (No response.)

1 MR. McCALPIN: Seeing no desire, I will put the  
2 question. All in favor of the motion, will signify by  
3 saying aye.

4 (Ayes.)

5 MR. McCALPIN: All opposed, no.

6 (Noes.)

7 MR. McCALPIN: Well, I guess we need a recorded  
8 vote.

9 Those in favor of the motion, please raise your  
10 hand.

11 (A show of hands.)

12 MR. McCALPIN: Judge Ortique, Kantor, Rodham,  
13 Esquer, Trudell, Worthy, Shump.

14 Those opposed.

15 (A show of hands.)

16 MR. McCALPIN: Sachs, Kutack, McCalpin, Engelberg.  
17 The motion passes.

18 Mr. Singesen, do you have any further proposal?

19 MR. SINGSEN: No, I think that concludes the  
20 1983 budget request.

21 MR. McCALPIN: Let me ask this question. What,  
22 if anything, needs to be done with respect to the distribu-  
23 tion of a \$265 million mark ala this?

24 MR. KUTACK: Yes. I would suggest that it be  
25 inflationary recognition.

1 MR. BRADLEY: That clearly is how we would  
2 package it.

3 MR. McCALPIN: Add 10 percent to each of the  
4 items in the right-hand column, is that --

5 MR. SINGSEN: That was the way that I understood  
6 the Judge's proposal.

7 MR. McCALPIN: Do we take any action --

8 MR. SINGSEN: I thought there was no more  
9 inflation.

10 (Laughter.)

11 MR. McCALPIN: Let me ask a question of staff.  
12 Do we take any action with respect to the distribution or  
13 only with respect to the bottom line number?

14 MR. BRADLEY: You normally -- in years past,  
15 what the Board has done by your motion, you have incorpor-  
16 ated the allocation in these broad categories as recommended  
17 by the staff, and I think that for the purposes of our  
18 preparation of the budget, you need to do that.

19 Let me explain to you just in very, very simple  
20 terms. When we appear before the Senate and House  
21 Appropriations Committee, we do not go in finite explanation  
22 and detail about each individual line item. What we  
23 basically do is to make an overview or, I should say an  
24 oversimplification presentation to the Committee that in  
25 excess of about about 95 percent of the requested funds are

1 allocated for direct service to clients, and about 3.1  
2 percent, or about 4 percent is reserved for central manage-  
3 ment administration.

4           The budget documents itself does, in some detail,  
5 explain what special programs are, and we allocate money  
6 for that, but in our verbal presentation, and the way that  
7 Congress understand it, and the way that Congress discusses  
8 it, they would see this figure, the \$231 million as their  
9 approval of moneys that go into direct client services,  
10 and the \$9 million, and I think that it is appropriate.  
11 For instance, as some of you know, Senator Hollins, who is  
12 a key actor in our appropriations bill personally has  
13 nothing -- well, I mean, has something to do with the  
14 Corporation, but generally he doesn't like to see money  
15 allocated for research and demonstrations and R&D. He  
16 thinks that is just a buzz word for a buch of bureaucrats  
17 going around doing a bunch of crazy things. It has always  
18 been helpful to us to represent to the committees that we  
19 spend little money on research, in his definition of  
20 research, and so forth, and as a consequence, we always  
21 verbalize and debate and make our presentations on the  
22 basis that most of the money, in fact, goes in grants and  
23 contracts to local programs that are directly involved in  
24 the delivery of client services.

25           So, our budget request would so reflect that.

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1 We have, in the past, and I think it would be helpful,  
2 if it is the sense of the Board, that they way we would  
3 prepare the material would be basically reflective of the  
4 divisions and the allocations that we brought to you this  
5 morning.

6 Now, when you get -- when this Board, or a  
7 subsequent Board actually gets an appropriation, you are  
8 not in fact bound by this allocation. You can make  
9 subsequent changes once you get the appropriation any way  
10 you want to, but this basically, I think, reflects our  
11 judgment that that's the way we would package it, and  
12 that is probably as good a way to present it to the members  
13 of the committee as we could come up.

14 MR.. McCALPIN: Mr. Singesen.

15 MR. SINGSEN: I would like to just say one other  
16 technical matter which is that the exact numbers in the  
17 right-hand column may not in every case be sensibly  
18 increased by 10 percent. For example, the reserve should  
19 not go up another 10 percent. It shouldn't be 165.  
20 There will therefore be a few thousand dollars that will  
21 not just go flat that way, and I would propose that it  
22 appear in the field budget in the balancing of our request.  
23 And 265 is probably not the precise 10 percent either.

24 MR. McCALPIN: The Chair will entertain a  
25 motion respecting the allocation of the \$265 million mark.

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1 MS. SHUMP: I so move.

2 MS. WORTHY: Second.

3 MR. McCALPIN: It was moved by Ms. Shump, seconded  
4 by Ms. Worthy that we allocate that the \$265 as has been  
5 indicated in the preceding conversation.

6 Is there any discussion?

7 Bernie Veney.

8 MR. VENEY: I'd like to ask the Board to consider  
9 that the additional money that you have put into the  
10 mark, be put into I (a), (b) and perhaps (d). That you not,  
11 in fact, put it into support for the provision of legal  
12 assistance, and I realize that in putting it in (a), (b)  
13 and (d), I am leaving out (c) "special program," which is  
14 client counsel, but I think it is important that you, in  
15 fact, signal that you are putting this additional money  
16 in to maintain vital services. Not that I don't think  
17 client counsel is a vital service; I do, but I do think  
18 that that's where the additional should go.

19 MR. BRADLEY: I think the staff -- I mean, based  
20 on the 10 percent -- I mean, I think the staff would  
21 basically do that in any case in the way that we would  
22 package it because that line item would basically be  
23 reflected, and our presentations would be: this is an  
24 inflation adjustment for the delivery of legal services,  
25 and we would not get down to the finite that this would

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1 not go to certain special programs, it would only go to  
2 certain categories, and I'm not sure. -- I understand your  
3 point, Bernie, but I'm not sure that it is necessary to  
4 incorporate that, you know, per se into the motion. I  
5 think that -- I would request that the Board let the staff  
6 prepare the package. I certainly understand the thrust of  
7 the Judge's motion, and the vote of the Board, and that  
8 your staff would act accordingly, and incorporate that  
9 10 percent in a way that, you know, makes sense to package  
10 it and present it into the Congress.

11 MR. McCALPIN: My understanding is -- probably  
12 the biggest difference is that under the motion, as I  
13 understand it, and the rationale for the motion which we  
14 approved a moment ago, approximately a million dollars  
15 would be added under II, but under Mr. Veney's suggestion,  
16 that million dollars would be moved up to I categories.  
17 That, it seems to me, is probably the biggest effect there.  
18 Most of the rest of it will be taken care of there.  
19 That is the Chair's understanding.

20 Is there any further discussion, comment,  
21 suggestion, or motion?

22 (No response.)

23 MR. McCALPIN: Hearing none, I'll put the motion  
24 or Ms. Shump. All in favor will signify by saying aye.

25 (Ayes.)

1 MR. McCALPIN: Any opposed.

2 (No response.)

3 MR. McCALPIN: It is so ordered.

4 It is the Chair's intention to recess this meet-  
5 ing at this time, and reserving items 7, 8 and 9 of our  
6 agenda to be considered after the break.

7 Notice has been given that a portion of the  
8 meeting of the Board will be held in Executive Session to  
9 discuss a personnel matter under Rule 45 CFR 1622-25(a).  
10 It is necessary that I put the question of whether it is  
11 appropriate for the Board to go into Executive Session  
12 for this purpose, and I now do so.

13 Judge Ortique, how do you vote on going into  
14 Executive Session for purposes of consideration of the  
15 personnel matter?

16 MR. ORTIQUE: Yes.

17 MR. McCALPIN: Mr. Kantor.

18 MR. KANTOR: Yes, sir.

19 MR. McCALPIN: Ms Rodham.

20 MS. RODHAM: Yes.

21 MR. McCALPIN: Mr. Sacks.

22 MR. SACKS: Yes.

23 MR. McCALPIN: Aye.

24 Mr. Engelberg.

25 MR. ENGELBERG: Yes.

1 MR. MCCALPIN: Ms. Esquer.

2 MS. ESQUER: Aye.

3 MR. MCCALPIN: Trudell.

4 MR. SINGSEN: Yes.

5 MR. MCCALPIN: Worthy.

6 MS. WORTHY: Yes.

7 MR. MCCALPIN: Shump.

8 MS. SHUMP: Yes.

9 MS. HANTEN: I certify that the meeting can, in  
10 fact, go into Executive Session to discuss a personnel  
11 matter upon a recorded vote, which has just been had.

12 MR. MCCALPIN: Thank you very much.

13 We will stand in recess until 1:00 o'clock.

14 (Whereupon, at 11:30 a.m., the Board was  
15 recessed to go into Executive Session and for the luncheon  
16 break, to reconvene at 1:00 p.m.)

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AFTERNOON SESSION

(1:05 p.m.)

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2  
3 MR. McCALPIN: I will call this afternoon's  
4 session of the Board meeting to order.

5 The next item on our agenda is number 7, which  
6 is designated as report of program activities by Clint  
7 Lyons, et al.

8 Clint.

9 Before Clint starts the report, the Board met  
10 in Executive Session over the noon hour, and following  
11 what has been the custom and practice of the Corporation  
12 since its inception in 1975, voted to extend the employment  
13 agreement between the contract and the president from  
14 December 31, 1981 to March 31, 1982, a period of three  
15 months with a slight verification in one of the terms.

16 Let me hasten to say that in doing so, the  
17 Corporation did not interfere with the statute which gives  
18 the Board the right to terminate the employment of the  
19 president at any time, or with whatever options have always  
20 been available to either party under the contract of employ-  
21 ment. The Board was motivated solely by the desire to  
22 insure any orderly transfer of business of the Board over  
23 the next -- or the 90 days beginning on January 1.

24 I would reiterate that in no sense did the Board  
25 tie the hands of any successor board or limit its sphere

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1 of action in any way beyond what has traditionally been  
2 the terms of the contract between the Corporation and its  
3 president.

4 I think that is a fair statement of the action  
5 taken.

6 Now, Clint.

7 7. REPORT ON PROGRAM ACTIVITIES BY CLINT LYONS et al.

8 MR. LYONS: Thank you.

9 Mr. Chairman, I have some brief prepared remarks  
10 and I've asked Bea and Alan to present to you remarks on  
11 the status of our training efforts in our national and  
12 state support effort.

13 What I'd like to do, at the risk of restating  
14 some of the things that you've heard this morning, is just  
15 to go over with you our view, from where we stand, of the  
16 status of the national program.

17 And as it has been already observed here, it's  
18 been a year since this very difficult struggle for the  
19 survival of free access to the justice system for poor  
20 people to deal in. That struggle, as you all know, is  
21 symbolized by the fight for the continuation of the Legal  
22 Services Corporation at a reasonable funding level.

23 It has been a battle wage on many fronts with  
24 huge consequences. Most of us here have been involved in  
25 that struggle from the national level, but there are 350

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1 such struggles going on in the national program throughout  
2 this country and in the communities throughout this country  
3 in terms of the consequences of the decisions that are  
4 made at the national level.

5 Those struggles are frothed with all the un-  
6 certainty, the trauma, the painful decisionsmaking about  
7 redesign, prioritizing, or efforts and retrenchment based  
8 on reduced funding and restrictions that we here have  
9 already had to face, and are continuing to experience.

10 Mr. Chairman, you have already asked me the  
11 questions: Given all of the problems, all of the issues  
12 what is the state of the national program today? What  
13 are the tolls, and what is the prognosis?

14 I can report to you very succinctly as follows:  
15 In almost every instance throughout the country during the  
16 period of this crisis, local programs, local program  
17 boards and the Legal Services Corporation have acted  
18 responsibly in discharging their duties to clients, and  
19 have acted in the highest tradition of professional Legal  
20 Services advocates under very difficult and changed circum-  
21 stances.

22 High-quality legal services are still being  
23 delivered to the poor, although in most instances at  
24 reduced levels.

25 Morale among staff remains reasonably good even

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1 in the face of significant layoffs; inspite of an increas-  
2 ing personnel turnover rate in the national program, and  
3 in spite of feelings by many who have devoted their  
4 professional lives to legal services work, that their work  
5 is being devalued as a consequence of the cut and the  
6 attacks on the national program.

7 Client communities and the programs continue  
8 to work together and retain a high trust relationship  
9 even though many in the community are dismayed and per-  
10 plexed by the level of reductions that are being necessitated  
11 by the cuts.

12 The management and administration, and particularly  
13 the fiscal integrity of local programs continued to be <sup>(sound)</sup> sent  
14 out.

15 Most programs begin <sup>A</sup> to plan early for the reduc-  
16 tions. This is true, the soundness is true despite the  
17 fact that we are now beginning to experience some turnover  
18 at the managerial and executive levels of our local pro-  
19 grams.

20 New ideas and strategies inevitably are discussed  
21 in the national program, and planning for the future is  
22 undertaken in response to reduced funding and restrictions.  
23 And <sup>in</sup> 99 percent of those cases, the planning efforts and  
24 discussions have been responsible. In the few instances  
25 where they have not been, the Corporation and the

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1 community have been aware of the issues that the  
2 Corporation has, and will continue as long as this staff  
3 remains here to respond in the context of our <sup>(oversight)</sup> all cite  
4 and statutory responsibilities.

5 In short, we are battered, but not bowed, and  
6 some clients will not be served in the future. However,  
7 on January 1st when the refunding of programs goes into  
8 effect, if all the decisions are made insuring the next  
9 year of Legal Services at the \$241 million level, this  
10 national program will stand in an excellent position of  
11 continuing a proportional level of quality legal services.

12 Further, it would be in a strong position to  
13 begin rebuilding to a level that would restore some of the  
14 losses we have suffered.

15 Now, standing alone, this response does not, in  
16 human terms, give a true picture of how the movement  
17 through the retrenchment and redesign transition has been  
18 made. What problems are being phased; <sup>phase</sup> how they are being  
19 overcome; what is the toll? <sup>How</sup> Are the national priorities  
20 and the local decisions being reconciled in this truly  
21 localized national program?

22 I'd like to spend a few more minutes <sup>giving</sup> given that  
23 level of context to my report to you, and also to report  
24 on some of our long-term projects that I believe will play  
25 a critical role in helping us preserve some of the quality

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1 gains of the past and the present into the future.  
2 Projects like standards development, localization of train-  
3 ing, TA, and support activities.

4 It is rather hard to imagine the required level  
5 of cooperation and coordination that is needed in a  
6 national program of this size which operates in every  
7 county in the United States.

8 This is particularly true when statutory  
9 responsibilities combine national oversight <sup>and</sup> ~~of~~ local  
10 autonomy and local decisionmaking with respect to delivery  
11 issues.

12 I believe that one of the strengths of this  
13 national program and its ability to balance national over-  
14 sight with local decisionmaking has been the level of  
15 communication that has developed throughout the national  
16 program. That level of communication enhances the  
17 strategies and approaches that have been adopted with  
18 respect to oversight responsibilities while at the same  
19 time insuring the requisite level of local prerogatives  
20 on decisionmaking and insuring the compliance with the  
21 intent and purposes of the Act.

22 Consequently, we, together, in this national  
23 program have been able to address many of the problems,  
24 and the problems that are being experienced by the  
25 Corporation and by the local programs have simply been

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1 huge. They have ranged from a denial in some communities  
2 of the reality of the level of reductions and problems to  
3 overreaction in some instances to the crisis that has  
4 resulted, in my view, in some irresponsible plans.

5           Despite these difficulties, our strategies have  
6 allowed us to maintain open communications so that we can  
7 learn about the issues and developments in the national  
8 program and discuss those developments in an open forum.

9           In that way, ideas and the developments can be  
10 examined by the community and by the Corporation and  
11 tested against our obligations under the law and our  
12 sense of responsibility to the entire national program and  
13 clients.

14           Within the wide range of problems, programs in  
15 every community have common problems and there have been  
16 individual kinds of problems.

17           In some communities, tensions have been created  
18 among staff, management and clients around the issues of  
19 layoffs, reductions and office closings.

20           In other situations there has been high staff  
21 turnover. The inability of programs to represent in its  
22 recruiting efforts a certain level of job security has  
23 hampered those recruiting efforts.

24           Consequently, in some instances, vacancies remain  
25 longer than would ordinarily be necessary thereby enhancing

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1 a certain level of continued reduction in the delivery of  
2 services.

3 The turnover rate among experienced managers,  
4 executives and litigation supervisors in some programs have  
5 left. Those programs adrift, and without the level of  
6 leadership that is needed in these critical times.

7 Priority planning around the substantive work of  
8 the program has been considerably confused by the Omnibus  
9 Budget Reconciliation Act of 1981 wherein the laws and  
10 programs affecting poor people have been severely altered  
11 or changed altogether.

12 In some cases, the psychological impact on workers  
13 in Legal Services by virtue of the attack on Legal Services  
14 has resulted in additional morale problems. People feel  
15 severely depressed when they feel that work that they have  
16 devoted their professional careers to is being underdevalued.

17 Finally, the problems have been compounded  
18 by the continued uncertainty as to the funding and the  
19 continuation of the program, and perhaps the news and  
20 the optimism that Mary and Dan feel today will give us a  
21 needed shot in the arm.

22 Given<sup>all</sup> of this discussion of all the problems  
23 overall, those problems are being rendered manageable by  
24 the quality of work and leadership at the local level and  
25 oversight and support strategies that the Corporation has

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1 adopted to help programs deal with the problem.

2 Let me discuss some of the elements of the  
3 strategies. Early on in this crisis, LSC staff began to  
4 plan ways to identify and respond to the inevitable problems.  
5 Fortunately, some long-term projects were coming to  
6 fruition like the localization of training, standards  
7 development and the work around national state support.

8 Back in the spring of the year, the vice-president  
9 of the Corporation began to attend all of the regional  
10 project directors' meetings in order to alert programs to  
11 the reality of the crisis and to urge them to begin  
12 planning for the crisis in a way that it could be managed,  
13 and the level of expectations could be geared to the  
14 reality.

15 Our deliberate research effort utilized consul-  
16 tants, specialists in management issues and experienced  
17 program people to go in to individual programs and to work  
18 with those programs in adjusting to the change and  
19 identifying problems and issues.

20 Papers were developed on all of the issues that  
21 we learned about in-programs, and we took a hands-on  
22 approach. We wanted to be in those programs so that we  
23 could learn firsthand the problems that people were  
24 experiencing at the local level. We wanted to be able to  
25 identify and formulate the issues and sit down and put

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1 the best minds to work in developing strategies and  
2 approaches to responding and managing those problems, and  
3 I think we've done that. And many of the papers that have  
4 developed will be available to you this afternoon in our  
5 library and some of the training materials are here.

6 Regional project directors' meetings have been  
7 held in every region in every quarter since January.  
8 These meetings were attended by program Board Members,  
9 management, staff and clients. Task Forces were formed to  
10 deal with the issues.

11 Legal Services Corporation's national and state  
12 support people analyzed the Omnibus Budget Reconciliation  
13 Act to the extent that we knew that it was effective and  
14 presented the legal analysis and training approaches to  
15 incorporate the new responses to the changes in the law.

16 Those efforts have been very successful. They  
17 have occurred in just about every region in the country  
18 in the training context.

19 Groups of programs themselves have discussed and  
20 planned ways to share costs and to examine issues or more  
21 cooperation and better coordination.

22 Efforts have begun and have been started in every  
23 region in the country to enlist the help of the private  
24 bar at the local level to help deal with the reduction in  
25 services. Next week there will be a meeting of the private

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1 bar and programs in Atlanta region, in the city of Atlanta  
2 and that meeting has been planned for months.

3 I think many of us would be quite amazed at the  
4 level of cooperation and discussion that is going in be-  
5 tween the private bar and our programs throughout the  
6 country.

7 The technical assistance moneys that you've  
8 allocated over a period of time are being applied on an  
9 individual basis in every program to try to help those  
10 programs cope with problems and to manage themselves into  
11 1982 with the level of stability that will help them  
12 survive and deliver the requisite level of quality services  
13 to clients.

14 Finally, the localization of training has resulted  
15 in the implementation of training development centers at  
16 the field program level. Our technological improvement  
17 efforts are being brought on line to multi-use system that  
18 is being developed in Andy Lewis' shop. It is being used  
19 for a number of technological purposes, including computer-  
20 ized legal research and other work that goes on in program  
21 offices.

22 I believe that if we continue to work these  
23 strategies through, we will prevail as a healthy national  
24 program barring additional setbacks.

25 But we must always remember that the key to the

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1 strength of the national program is, for the most part,  
2 in the local programs themselves. The quality of the  
3 management and staff, the quality of the relationship with  
4 the communities and the bar, and external and internal  
5 support systems that are provided by state and national  
6 support are all key elements in the national program.

7           These programs will not roll over and play dead  
8 in spite of the adversity. They will continue to pursue  
9 the promise of the Constitution of equal justice for all.

10           Last, by not least, I would like to report  
11 briefly on the standards development, and then I will be  
12 available for questions, and then we can have Bea and Alan  
13 report.

14           As you recall, you allocated, a couple of years  
15 ago, money for standards development and have incorporated  
16 that allocation last year also. We're now at the point  
17 where we have the first drafts of those standards that  
18 have been developed. We intend to have a discussion of  
19 those standards at the NLABA Convention to the entire  
20 community this month.

21           I have provided for you, in our library downstairs,  
22 a paper on the analytical framework of the standards and  
23 the approach to them, and, also, a sample draft of a  
24 standard for your information. I just want to, you know,  
25 let you know that I think that this program, with all of

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1 its problems, with all of the attention around cutbacks,  
2 fear about the future, fear about what was going to happen  
3 with the Corporation, I think people, for the most part,  
4 have remained at their posts. They've continued to serve  
5 clients. There has been some misunderstanding about the  
6 -- and disagreement about the need to close offices, but  
7 if a program operating on September 1st expects to have  
8 a 25 percent cut in its budget, if it does not begin to  
9 deal with those cuts at least 60 days prior to the  
10 implementation of that reduction, it will find itself  
11 in a deficit situation and will have to precipitously lay-  
12 off clients and close offices. These are very difficult  
13 problems. We did not start out in this program with the  
14 management and substantive skills to manage this kind of  
15 adversity, but over time we have gained that level of  
16 expertise. You still had to make some painful decisions.  
17 People have been hurt, but we are helping them.

18 MR. McCALPIN: Thank you very much, Clint.

19 Dan, do you want --

20 MR. BRADLEY: I was going to suggest, if Clint  
21 doesn't object, that rather than maybe inquiring about  
22 some of the specific things that Clint made reference to  
23 if Bea and Alan can give the overview, because it all fits  
24 together in a quite impressive way, before be get into  
25 some Board inquiry or comments.

1 Is that all right?

2 MR. McCALPIN: Fine with me if it is all right  
3 with Clint.

4 MR. LYONS: Yes, fine. Thank you.

5 MR. McCALPIN: Who is next?

6 MR. LYONS: Bea.

7 MS. MOULTON: I have addressed this Board a number  
8 of times on specific issues about training, but I am not  
9 sure whether you've all obtained an overview of the kinds  
10 of activities that we've been engaged in during the three  
11 years that I've been here. Nevertheless, I think I am going  
12 to have to assume a certain familiarity with our organiza-  
13 tional structure and in our basic responsibilities in the  
14 training area, and just give you some highlights of the  
15 last few years and our plans for the future.

16 This year marks the final stage in what became  
17 of necessity an accelerated process of decentralization  
18 of training. In the early days of the Corporation when we  
19 were relatively resource rich, it was still possible to  
20 meet at least a portion of the need for very basic kinds of  
21 training through delivering national training events  
22 bringing in trainees from very wide geographical areas.

23 In the last few years, however, it has become  
24 it is becoming increasingly apparent that far too high a  
25 percentage of our training dollar was going into air fares

1 and hotel bills, and it has been obvious for some time that  
2 training, especially at the entry level basic skills nature,  
3 had to become the responsibility of local programs.

4           What this meant was that those programs had not  
5 been doing training, and there were a number of them among  
6 our grantees, a large number of them had to be helped not  
7 only to understand the importance of training in meeting  
8 their obligation to provide quality legal services to  
9 clients, but also that they had to be helped to acquire  
10 the skills necessary to identify what training needs were  
11 in their programs and to effectively respond to those  
12 training needs once identified.

13           So, to develop this local training capacity, we  
14 have done several things in the last couple of years. First  
15 of all, we employed the regional training coordinators to  
16 provide technical assistance and coordination at the  
17 regional level. We began a series of events designed to  
18 teach the needed training skills. We awarded small grants  
19 for training, which enabled many local programs to experi-  
20 ment with delivering training for the very first time,  
21 and which gave a lot of people in those programs experience  
22 with developing, designing and being trainers. And we will  
23 soon produce a how to handbook or manual for the use of  
24 those with training responsibility at the local level.

25           I think that local training capacity has increased

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1 greatly in these last two years and that we can look at a  
2 situation now where many programs know how to do at least  
3 several essential kinds of training and have the generic  
4 skills necessary to begin to do other kinds of training.

5           These localization or capacity building  
6 activities have been the responsibility of the regional  
7 operations and support services unit in OPS headed by  
8 Jodi Smith.

9           What localization meant for the other two OPS  
10 units, those originally charged with meeting the manage-  
11 ment needs of -- I mean, the training needs of managers  
12 and advocates of every sort, lawyers, paralegals, client  
13 advocates, was that they had to shift from developing and  
14 delivering national training events to developing training  
15 packages that were very self-contained, had lots of  
16 explicit guides as to how they were to be used. The kinds  
17 of materials that could very easily be used by relatively  
18 inexperienced trainers at the local level in doing their  
19 own training.

20           We needed to build up a stock of easily usable  
21 supplies so that training responsible persons in a local  
22 program or office, could pull something off the shelf with-  
23 out a great expenditure of time and get some necessary  
24 training done.

25           So, this development of what you may have heard

1 referred to as module training packages, other materials,  
2 has been the main agenda of both the advocacy training  
3 unit and the management training unit this year.

4 As you can see from this stack (indicating) which  
5 is only a part of the product of these units, they have  
6 managed to be quite productive under the rather adverse  
7 circumstances this year. You have a list in your Board  
8 books of those advocacy training packages and modules that  
9 will have been completed and sent to the printers by the  
10 middle of December.

11 Some of the modules already produced by the manage-  
12 ment unit are on the table behind me. Some of them, you  
13 will see, are in draft stage, and others are in the final  
14 stages of production. If you haven't seen these manuals  
15 and modules before, and when you have a chance to examine  
16 them later -- I think we will put these on the table back  
17 there as well so that you can look at them after the  
18 meeting -- you will see that they usually consist of two  
19 volumes. One intended for trainers, those who will be  
20 using them to teach others. The other for trainees.  
21 They are a complete training kit, which can be rather  
22 easily applied to local situations.

23 A number of them are also enhanced if specially  
24 prepared video tapes are used in conjunction with them.  
25 These tapes are going to be available at cost to legal

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1 services users of the modules, and if any of you would like  
2 to see some of the video tapes that have been prepared  
3 to go along with some particular skills packages that we  
4 have developed, we have set up equipment in the training  
5 resource center on the sixth floor, and someone will be  
6 available to show you pieces of the tapes, or all of the  
7 tapes, or whatever after the meeting.

8 We've also produced, and I don't see them here,  
9 manuals in substantive areas. I think some of you may have  
10 seen those. They began to come out about six months to a  
11 year ago. Many of them have been in the works for as much  
12 as two or three years. These represent a cooperative  
13 effort between OPS and, in most cases, the national support  
14 centers. They are very comprehensive, complete, accurate,  
15 updated summaries, analysis of the substantive legal areas  
16 that most often affect low-income clients.

17 The field reaction to the manuals has been very  
18 positive. A number of them, again, are in the final stages  
19 of production and will be out within the next month.

20 The Corporation staff, and many others in the  
21 legal services community have worked very hard to complete  
22 these materials in a shortened time frame this year, and  
23 we are very grateful to them.

24 I might add that a lot of the work that has been  
25 done in the last few months in a kind of a crash program

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1 has been done by people who already had their RIF notices  
2 in hand, and who had lots of reason to slack off, and they  
3 haven't done that.

4 Before I conclude, I want to say a little bit  
5 about our training plans for 1982 and after. As, I think,  
6 all of you know this fall we made grants to a number of  
7 existing state support entities for the purpose of creating  
8 training centers with a multi-state or even multi-regional  
9 training responsibility. The amount of money is quite  
10 limited, and what we hope to purchase with it is a continua-  
11 tion in more cost-effective locations of some of the  
12 activities that we have been carrying out at the national  
13 level, And particularly we hope to continue the develop-  
14 ment of that local training capacity to coordinate the  
15 training activity, the cost programs, state and regions  
16 to provide a clearinghouse for training ideas and materials,  
17 and to develop new training materials in response to needs  
18 as they emerge in a fairly changed local delivery system  
19 and in a changed legal environment for poor people.

20 We felt we needed to create a capacity to respond  
21 to needs that have not even yet been identified.

22 There is not enough money in the pot this year  
23 to be used for training delivery, that is, for the travel  
24 and per diem cost of local participants, and, therefore,  
25 we hope that most training will be done very locally where

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1 those costs are minimized. There will be technical  
2 assistance funds available through these centers, however,  
3 to help bring in experienced trainers, to bring in people  
4 who know how to design and develop training to assist local  
5 programs in doing that.

6 I thought you might be interested, if you haven't  
7 had a report on this, in the specific locations of the  
8 centers. The centers that have been designated are  
9 Mass-Lorry (phonetic) formed to serve regions one, two,  
10 and three. Legal Services of Indiana, the responsibility  
11 for regions four and five. A consortium of Alabama legal  
12 services programs with responsibility for region six.  
13 Colorado Coalition of legal services programs with  
14 responsibility for region seven and nine, that's the north-  
15 west, and the Western Center on Law and Poverty to serve  
16 region eight.

17 These centers will be advised by committees of  
18 field representatives drawn from the regions they serve,  
19 and their directors will also serve on a national committee  
20 to coordinte the development of needed training materials  
21 in both skills and substantive areas.

22 Thank you, Bea. I guess Alan is next, is he,  
23 before we have questions?

24 MR. LYONS: Yes, sir.

25 MR. HOUSEMAN: When Legal Services Corporation

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1 began, we had in place a national support system that left  
2 many gaps, but was fairly well established. We had in  
3 place a very limited state support system. We had never  
4 had a legal services entity or an institution that  
5 attempted to develop new areas of poverty law, and to re-  
6 examine old, and we had a national training program that  
7 had in no way been institutionalized in local programs  
8 and was not producing effective events and effective  
9 materials.

10 If we look now, I think there has been a major  
11 change since the corporation began and since the three of  
12 us, and others, have been working with the Board and other  
13 staff to develop an effective support system.

14 Clint and Bea have talked about parts of this.  
15 I want to talk a bit about national support in the Research  
16 Institute and, finally, the future directions in poverty  
17 law, as brief as it will be.

18 National support. We now have 17 centers. We  
19 have, in the last several years, developed centers or funded  
20 programs to provide support in family, mental health,  
21 veterans, Federal axis issues and immigration, and to  
22 expand existing programs to undertake advocacy on energy  
23 and job programs.

24 There is one big gap, which we never managed to  
25 fully meet, which was advocacy for the physically handicapped,

1 although we met it in various piecemeal ways. And there  
2 may be a gap in the future because of the funding situation  
3 faced by the Food Research and Action Center since it has  
4 been a recipient of CSA funds and LSC funds. They will  
5 not continue to receive a CSA grant, but in most respects  
6 they have acted as a LSC funded national support center  
7 even though we funded them only with small bits of money  
8 for specific manuals or conferences.

9           If one looked overall at the national support  
10 centers, I think there are at least four conclusions that  
11 could be drawn. One, we have established, and have in  
12 place an effective national advocacy system which represents  
13 eligible clients before Federal agencies, before Congress  
14 and historically, at least, consistent with the LOC  
15 restrictions. We have in place a very effective support  
16 system which is highly responsive to local programs, local  
17 program staff.

18           The national support centers have provided leader-  
19 ship on new poverty law issues, and, in many ways, made  
20 sure that local program staff were fully informed of new  
21 developments and given the tools with which to effectively  
22 represent poor people. And, finally, we have developed  
23 an effective communication and coordination system to  
24 assure that not only is knowledge within the community  
25 shared, but there is effective coordination among all of

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1 the advocates to assure that duplication doesn't exist  
2 and that silly or inane law suits and other kinds of  
3 representational activities are not brought. This last  
4 year in 1981, we evaluated all of the national support  
5 centers again.

6 From that evaluation, and I participated in all  
7 of the evaluations, I would draw three conclusions. First,  
8 there is widespread local support for the national support  
9 centers. This year we interviewed, by telephone or in  
10 person, using not only my staff, but Judy Riggs and others  
11 from the Corporation. We interviewed over 350 local legal  
12 services staff people around the country. I reviewed the  
13 results of this with Judy, and with some of the other  
14 people that helped on it last week.

15 99 percent of the responses gave high praise for  
16 the national support centers. They found them responsive.  
17 They found that the knowledge provided, the knowledge that  
18 existed and the experience was great, and they felt that  
19 the support centers were playing a vital leadership role.

20 The only source of dissent was from a couple of  
21 project directors who knew nothing about what the support  
22 centers did with themselves. Never contacted the support  
23 centers in the last several years, and, frankly, who were  
24 more concerned about their own personal program problems  
25 than they were about the overall poverty law and legal

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1 services community.

2 Secondly, there is extraordinary support from  
3 Congress, members of Congress, from the staff of Congress,  
4 from administrative agency officials and staff for the  
5 national support center.

6 We interviewed, by phone or in person, about 75  
7 to 80 staff people in Congress and agency officials about  
8 the national support centers during this last round of  
9 evaluations, and there was extraordinary praise from both  
10 Republicans and Democrats, critics and friends of the  
11 kinds of advocacy that the support center has been engaged  
12 in.

13 Third, in these evaluations, I see, and the  
14 reports conclude, that there are very few problems with  
15 the existing centers. Since the last set of evaluations,  
16 every program has improved. Virtually all of the problems  
17 identified in the last set of evaluation have been  
18 effectively addressed. Staff morale is high, even though  
19 they, like other programs, are facing retrenchment, and I  
20 think the most important thing is that they have retained  
21 staff. The experience level among national support centers  
22 today on the average is eight years of experience, four  
23 of which has been in local legal services programs.

24 Three support centers have staff whose experience  
25 level are 14 years of legal experience. That is extra-

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1 ordinarily high within a program that began in 1965.

2 In short, I think the national support centers  
3 are in excellent shape and, as you probably know, my view  
4 is that they are critical to the effective delivery of  
5 legal services. They have been in the past, and they will  
6 be so in the next few years.

7 The Research Institute began in 1976 through a  
8 concept that Tom Ehrlich (phonetic) developed. His  
9 original concept was that the Corporation would bring on  
10 board for the period of a year four or five or six fellows  
11 who would produce law review type articles on future  
12 directions in poverty law.

13 When Tom asked me to take the job, I told him  
14 that I disagreed with this approach. Roger Crampton  
15 (phonetic) fortunately agreed with my approach and dis-  
16 agreed with Tom's, and we, together, persuaded Tom that  
17 a different approach should be used. That approach was  
18 to utilize short-term consultants who would not work  
19 full-time, who would not be law professors on sabbatical,  
20 but who would part-time or for a few months, who would  
21 be primarily people from legal services, the private bar,  
22 who are actively involved in litigation, and who would  
23 use their expertise and time to sit back and reflect and  
24 develop effective strategies on new areas of poverty law  
25 as well as to look at old areas which need rethinking.

1 I think the research institute was able to  
2 develop effective strategies in a number of new areas,  
3 which I will list in a second. It did this not only by  
4 producing research papers, but by running seminars and  
5 conferences which brought together legal services advocates,  
6 clients and experts from other disciplines on subject  
7 matter to discuss the strategies.

8 In addition, as the new areas were developed,  
9 the Corporation, through OPS support centers, and others  
10 produced materials and manuals which took the knowledge  
11 that we had developed, refined it, and put it into  
12 practical terms so that it could be used.

13 And, finally, in many respects, the new areas  
14 that were developed through the institute were institutional-  
15 ized, that is, they were picked up the national support  
16 centers or by other programs, and an ongoing capacity  
17 developed.

18 During the first couple of years the research  
19 institute focused on problems such as the Federal job  
20 programs, the CETA program, the WIN program. Problems of  
21 access to Federal courts, a number of health-related  
22 issues, particularly Medicaid and Medicare, and a number  
23 of others as well, state and local tax issues, which were  
24 beginning to have a major impact on funding available for  
25 poor people's programs, rural issues, advocacy for hard-to-

1 reach client groups, long-term health care, general assis-  
2 tance, displacement of poor people from private and public  
3 housing, energy and the problems of the physically and  
4 mentally handicapped.

5           During the last year and a half when I've had the  
6 good fortune of having Paul Roberts working full-time on  
7 research projects, during the last year and a half the  
8 Research Institute has, I think, taken on some harder  
9 problems. The most difficult and the more complex, and  
10 possibly the best -- one of the most critical, at least,  
11 to poor people, is the quality of education that exists  
12 particularly in urban schools, but elsewhere for poor  
13 and minority students.

14           The Research Institute working with the Center  
15 for Law and Education, working with the Lawyers' Committee  
16 for Civil Rights, working with the NAACP Legal Defense  
17 Fund, as well as with other organizations, has attempted  
18 to produce a careful approach that can be effectively  
19 used by local advocates in improving the quality of  
20 education in local school systems.

21           We have also focused on foster care, and the  
22 problems associated with foster care. The difficulties  
23 of public hospital closure and strategies to combat that.  
24 Public hospitals provide about three-fourths of the care  
25 that poor people receive in this country through hospitals.

1 Veterans' benefits, electronic funds transfer systems,  
2 occupation safety and health issues, auto insurance, and  
3 a variety of others.

4 In addition, Paula and Bill Dailey have been  
5 working for the last year on a number of rural issues that  
6 expanded far beyond anything that we had done in the first  
7 couple of years of the Institute, and they have now  
8 produced, or are in the process of producing a series of  
9 papers that cover a wide range of rural issues in  
10 developing effective strategies. Some of these dealt with  
11 rural practice, in general, and others dealt with rural  
12 health clinics. Several parts of the Farmers' Home  
13 Administration, the Agricultural and Stabilization  
14 Conservation Service, and state and local taxation of  
15 natural resources, which is a problem in several of the  
16 southern and midwestern and western states.

17 Overall, I think, the Institute has been success-  
18 ful using the approach that Roger urged me to take of  
19 developing a number of new areas and getting out to field  
20 programs information and materials that would provide  
21 practical assistance to them in representing the clients  
22 that came in through their doors.

23 Finally, a comment about future poverty law.  
24 Clint has made reference already to the Omnibus Reconcilia-  
25 tion Act. This legislation and other Federal legislation

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1 that is currently being considered by Congress, much of  
2 which will pass, changes virtually every Federal benefit  
3 entitlement program that has been established since 1965.  
4 In fact, changes virtually every program that has been  
5 established since 1945.

6 And while some people thought this legislation  
7 had to do with budget limitations, in effect, this legisla-  
8 tion had to do with changes in the Federal statutory  
9 scheme itself. The most obvious of the changes has been  
10 that the Federal Government has shifted to the state  
11 government discretion and control over many of the programs  
12 that affect poor people. And the most obvious form of that  
13 has been through the various block grant proposals that  
14 have successfully passed.

15 We expect to see in the future block grant  
16 proposals on most of the other Federal entitlement programs,  
17 such as AFDC, food stamps, Medicaid. Whether those will  
18 pass, we don't know, but we expect to see this. But there  
19 have also been additional aspects of this new direction in  
20 poverty law, if you wish, that sometimes hasn't been  
21 recognized as well. Not only have block grants given  
22 states more discretion, but many of the Federal programs  
23 have been changed to provide direct control on the states  
24 even if the funding and the ultimate control rested with  
25 the Federal Government, and -- I think this is interesting

1 too -- in many of the programs what used to be done at  
2 a local level has been taken away at a local level and  
3 removed to the state level.

4 And, so, we have a shift in power from the  
5 Federal to the state and from the local to the state,  
6 and it's a radical reformation in many ways.

7 Secondly, the changes that are being proposed  
8 many have affected the process rights in hearing grievance  
9 rights of poor people. The process, of course, in hearing  
10 rights has been one of the cardinal goals of legal  
11 services advocacy, and many of the Federal programs have  
12 eliminated the process rights, have eliminated hearing  
13 and grievance rights.

14 Third, where the Federal programs have existed,  
15 continue to exist at a Federal level, controlled at a Federal  
16 level, many of them have added new restrictions to  
17 espouse political goals, which, at least, historically  
18 poor people have found inconsistent with their views and  
19 goals.

20 And, finally, the power of the Judicial Branch  
21 to address the Federal statutory issues has been radically  
22 reduced by the Federal -- the changes that have occurred in  
23 this Omnibus Reconciliation Act, and other Federal legisla-  
24 tion. It hasn't been addressed directly. I'm not talking  
25 about some of the legislation that is currently pending.

1 It has been addressed indirectly by eliminating the concept  
2 from Federal legislation of entitlements of Federal  
3 statutory protections for poor people, which has been the  
4 heart of representations which Legal Services has undertaken  
5 historically, the representation has sought to enforce  
6 Federal statutory entitlements against a recalcitrant  
7 local and state officials, recalcitrant public and private  
8 actors.

9 Many of that has been eliminated from this round  
10 of legislative change. The challenge, of course, is to  
11 take -- to look at what has happened. To react to what  
12 is happening, not by burying our heads, not by wishing  
13 it weren't so, but by trying to take the new program and  
14 looking at the new programs and make them work for poor  
15 people, and that is a very difficult challenge. There are  
16 fewer litigation handles available. The power has shifted  
17 to the state level. In fact, there has been a total  
18 revision of basic poverty law as a consequence of the  
19 changes and probably the changes to come. And that is  
20 the challenge we face in the future.

21 I think there are many ways which effective  
22 advocacy by local legal services programs can assure that  
23 the rights of the poor are protected, and that can work  
24 within the framework that has been set by this Administra-  
25 tion and Congress. It is going to require different

1 approaches to advocacy, but it is going to require the kind  
2 of advocacy that historically legal services has done, and  
3 historically legal services can do well.

4 In order to try to redirect some of the thinking  
5 within the legal services community around these issues  
6 in an attempt to try to address the potential strategies  
7 that could be effective in the future, John Dooley and  
8 I made a presentation at the OFS staff meeting in July about  
9 these changes and about the types of advocacy which we  
10 thought would be necessary in the future.

11 As a consequence of that meeting, and as a conse-  
12 quence of the paper which we wrote, we began working with  
13 OFS staff to held a series of regional meetings around the  
14 country, including project directors, as well as staff  
15 members about these changes. The meetings involved national  
16 support center, local program advocates as workshop leaders,  
17 and there have now been meetings in every region but one.  
18 In most regions, and, in fact, in Chicago, in Atlanta, and  
19 in the Denver region, there have been a series of meetings  
20 on these issues which have involved literally hundreds of  
21 local program staff from the programs in those areas.  
22 And, finally, some of the conferences that were being  
23 run with the national support centers, and others in the  
24 late summer and early fall developed these themes, the new  
25 Federal poverty law, and began to deal with some of the

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1 strategies.

2 I mention all of this in the sense that -- only  
3 to say that even while we, the three of us and our staffs  
4 have been struggling mightily with the problems in the  
5 Corporation, we have worked together to try to look to the  
6 future in a way that gives some direction and leadership  
7 to the legal services community, and points out the way  
8 that people can survive and still advocate effectively for  
9 poor people and of changing environment, which, of course,  
10 we can't control.

11 Well, that's the end of what I have to say.  
12 I think there was going to be some questions for Clint,  
13 and others, and me.

14 MR. McCALPIN: Thank you very much.

15 Clint, do you have anything that you want to  
16 say before I through it open to questions and comments  
17 by way of wrap-up?

18 MR. LYONS: No.

19 MR. McCALPIN: Revis.

20 MR. ORTIQUE: I want to exercise the privilege  
21 of a Board member. I've got to catch a plane in a few  
22 minutes, and I've had all sorts of thoughts since last  
23 evening, and it suddenly hit me that this is my last  
24 hurrah. I've been in the legal services movement at the  
25 national level since 1964, and I don't feel badly about

1 retiring. My concern though is that I've developed such  
2 strong relationships with people like this Corporation,  
3 particularly the staff people, including the president,  
4 that I just hate to see it come to an end.

5 I would suggest to you that I've demonstrated  
6 since I've been on this Board that I know how to give good  
7 parties. If nothing else, come to New Orleans and I  
8 promise you that you will have a great time.

9 Also, in 1984, New Orleans is having the World's  
10 Fair, and we've got some buildings we need to pay for.  
11 We haven't finished paying for the dome, and all that sort  
12 of thing; so, you can help out there because we now have  
13 an excise tax of \$1.50 per night on hotel rooms. But,  
14 very seriously, I particularly want the staff to know how  
15 grateful I am for having had the opportunity to work with  
16 all of you, and for the persons who represent clients  
17 particularly, the great wealth that I have acquired, not  
18 in terms of money, obviously, but the great wealth of  
19 concerns and understanding that I have acquired, and the  
20 great strong friendships across the country that I'm sure  
21 that I will carry with me for the rest of my years, and  
22 that I just wanted to have that opportunity to particularize  
23 my feelings that well up inside of me on this, to me, a  
24 sad occasion.

25 MR. McCALPIN: I will understand that as a

1 motion to have the first alumnae association meeting in  
2 New Orleans.

3 (Laughter.)

4 MR. KANTOR: Right after the ERA is passed by  
5 Louisiana.

6 (Laughter.)

7 MR. KANTOR: The next day.

8 MR. McCALPIN: I'm sure many will wish to echo  
9 your sentiments, Revius, but let us go back and not unduly  
10 keep Clint and Bea and Alan.

11 Is there anyone who cares to respond or to make  
12 any comment with respect to this extremely broad and  
13 detailed presentation of the current status that we've  
14 received.

15 Howard Sacks.

16 MR. SACKS: May I just ask two questions of  
17 Clint.

18 Number one, you said that in field vacancies  
19 sometimes remain open longer than desirable because of  
20 job security provisions?

21 MR. LYONS: No. What I said was: That in some  
22 programs throughout the country, what we are beginning  
23 to see is that as we have a staff turnover rate, programs  
24 try to recruit replacements for those vacant positions.  
25 Because of the uncertainty in the national program, they

1 can't offer a level of job security to the recruited persons,  
2 the positions remain open a little longer than is necessary.  
3 Consequently, the reduced level of services remain longer  
4 than would ordinarily be necessary.

5 MR. SACKS: And the other thing you said was that,  
6 as I understood it, that there has not been any significant  
7 reduction in quality even though programs have had to cut  
8 back on cases or offices. Do you expect that that will  
9 continue? Isn't there going to be an inevitable tendency  
10 to do a little bit less per case so that you don't have  
11 to say to people, well, we just won't handle this kind  
12 of case or we won't handle this kind of case for the  
13 next three months?

14 MR. LYONS: No. Really barring any further set-  
15 backs in terms of cuts, I really don't expect the level  
16 of quality to suffer. I think that the option has been  
17 exercised to reduce the program to a level, down to a core  
18 level, to set the priorities in the interest of preserving  
19 the level of quality and attacking the most pressing  
20 problems that are presented to the program, and it is a  
21 very difficult situation, because in some of the communities  
22 throughout the country where we've had, say, for example,  
23 14 offices in some instances in a program, a very large  
24 program, and the management and staff of the program want  
25 to cut those offices, peoples in those communities don't

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1 understand, you know, that the election has to be made  
2 between the number of offices and fewer people in those  
3 offices, or a core concentration where we can preserve  
4 the service. I think our people are better managers.  
5 They have better help, better support, and I think the  
6 level of quality is going to continue, although at a  
7 reduced level of services.

8 MR. McCALPIN: Is there any other Board Member --  
9 Bea, let me ask you a question with respect to those train-  
10 ing materials, which are in front of you, and which, as you  
11 say, represent only a part of the work product. What is  
12 the circulation or distribution of those materials?

13 MS. MOULTON: Because we've been under a severe  
14 time pressure, there's a much more limited distribution  
15 of these than is typically the case with our printed  
16 materials. We've been able to print, I believe, 500 copies,  
17 which is essentially one per program, multiple copies going  
18 to some of the state support centers, the training centers,  
19 and others who are repository for training kinds of  
20 materials. Multiple copies are not available to programs  
21 even though they have more than one office usually, but we  
22 feel that to get them out in the hands of people, they can  
23 be used, you know, in the programs.

24 MR. McCALPIN: Has any thought been given to the  
25 possibility that there may be a market for some or all of

1 those materials outside of the programs, and that there may  
2 be some cost recovery through those avenues?.

3 MS. MOULTON: Well, certainly, that thought has  
4 occurred. We've been keeping the reproduction facilities  
5 so busy just turning out the new ones that we really haven't  
6 had time to even send out announcement that these are  
7 available. I am sure there is a market for them in other  
8 fields, the clinical legal education field for one, but we  
9 really haven't made plans at this stage to do any more  
10 than getting them into the hands of program people, and  
11 then maybe turn around and take stock.

12 MR. McCALPIN: My question is prompted by my  
13 attendance about three weeks ago at a rather extraordinary  
14 meeting in New York, which was devoted entirely to continu-  
15 ing legal education within the law firm. And some of the  
16 things that are going on in that respect around the  
17 country are really eye-opening.

18 MS. MOULTON: Yes. I don't know if you are  
19 aware, but I'm a member now of the ABA Standing Committee  
20 on Continuing Legal Education, which is meeting three  
21 blocks up the street today. I have to go right back there  
22 after this, and I'm on the subcommittee dealing both  
23 with in-house training for the private bar, and I'm  
24 Chairman of the Subcommittee on Skills Training of that  
25 committee; so, if these do have a use in the market, I'll

1 see that the connections are made.

2 MR. McCALPIN: That's what comes with having the  
3 right person in the right place.

4 Is there anyone in the room who cares to make  
5 any comment or response or suggestion, or raise a question  
6 with respect to the presentation.

7 Yes, ma'am.

8 MS. PARKMAN: May I identify myself as Emily  
9 Parkman, Youngstown, Ohio, president of Ohio State Legal  
10 Services Board of Trustees, member from the Client Council,  
11 president of my own local Client Council.

12 Today, I want to speak to you as a client, and  
13 not as a board president; so, don't confuse it.

14 MR. McCALPIN: Some of us have a little trouble  
15 keeping which hat we would wear.

16 MS. PARKMAN: I don't have any problem, other  
17 people have.

18 (Laughter.)

19 MS. PARKMAN: I want to speak, first, about  
20 the training materials. I appreciate the fact that I  
21 had the opportunity to look at some and to use some as a  
22 client. One of the things that we have been advocating  
23 is that -- and I've heard it all around this table today  
24 from staff is that people want to advocate for me. I want  
25 you to help to learn how to advocate for myself. And if

1 money has to be set aside, let's set aside some to teach  
2 people how to help themselves, because what we see happen-  
3 ing out in the field is that program people are being  
4 trained and retrained to still hold my hand, and I want to  
5 be trained to hold my own hand, okay, because they can't  
6 speak for me. I heard a man say today that if you're going  
7 to cut something, cut state support. Well, clients don't  
8 feel that way. We feel that if wasn't for some state  
9 support, we wouldn't have any legal services because some  
10 programs back last July decided that they weren't going to  
11 do too much, and that is going on all over.

12 Some programs have decided that they would do some  
13 voluntary layoff, and I question what they mean by  
14 voluntary layoff, because what we've looked at is that  
15 minority people are the ones being voluntary laid off.  
16 We call it a push out.

17 We want you to think about this. No reflection  
18 on Clint and his staff. They are only a few people. They  
19 can't see what we see when we have to go to the office and  
20 look at it. And we can only try to find some mechanism  
21 to let you people know that there needs to be some stern  
22 looking at what you're doing in this retrenchment process.

23 Not all Board Members are involved in some of  
24 these retrenchment processes. Would you please take a  
25 look at that.

1 Thank you.

2 MR. McCALPIN: Thank you very much, and, of  
3 course, we have taken a look at it. We are sensitive to  
4 these needs, and we have made specific provision in the 1982  
5 budget, I think, really somewhat disproportionately, for  
6 the continuation of exactly the kind of training and  
7 support programs that you are recommending.

8 I think that we have had that very much in mind  
9 as we approach the adoption of the 1982 budget with its  
10 unfortunately necessary cutbacks.

11 Ramona.

12 MS. SHUMP: There is still one thing that I have  
13 said repeatedly as I sat on this Board, that we have  
14 failed, in my opinion, and that is to send out one again  
15 a message to our field program staff that right now more  
16 than possibly at any other time in the history of this  
17 Corporation, it is imperative that the clients be allowed  
18 to have a voice in the decisions that are made for the  
19 type of services that are going to be provided to the  
20 clients. That they be encouraged to become as knowledge-  
21 able, as able to help themselves as is possible with a  
22 reduction in staff that has already occurred.

23 I keep saying it; we need to do it even though  
24 our staff -- most of them are sensitive -- we must face  
25 the facts there are people out there who are not, will not

1 be ever sensitive and truly appreciative of the talents  
2 and the abilities of poor people to be able to learn how  
3 to do things for themselves.

4 MR. McCALPIN: Are there any other comments,  
5 suggestions, questions?

6 Mickey.

7 MR. KANTOR: Just one overall comment, and it is  
8 a problem I certainly have no answer to, and I'm not sure  
9 this Board can at least address it effectively. I'm not  
10 sure who can. Bill, it may be an overall problem for our  
11 justice system. As our funding shrinks, even a little bit,  
12 the dollar amount may not shrink, it shrinks in the light  
13 of what we were talking about this morning because of  
14 inflation, because of greater needs and concerns, and as  
15 experienced lawyers, inevitably are going to leave this  
16 program in the next months to a year, those cases, and  
17 the California Bar recently addressed this problem, those  
18 cases that already come in the door, not to speak of the  
19 cases that are prospective, that might come in the door,  
20 are going to have to be handled. I think it is an  
21 enormous problem. I don't know what we're going to do  
22 about it.

23 We all, the bar, this Board, our lawyers, we all  
24 have an obligation, ethically and otherwise, to address  
25 that in hopefully some effective way, and I am gravely

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1 concerned about the outcome of that. I mean, we've all  
2 known over the years, our lawyers' case load is too heavy  
3 to begin with, and once you begin to close offices, and,  
4 as Clint knows, lawyers begin to leave, you begin to pour  
5 more and more cases on the heads of fewer and fewer lawyers,  
6 especially fewer and fewer experienced lawyers, the problem  
7 becomes worse and worse, and I throw it out with no answer,  
8 Mr. Chairman. I just throw it out as a problem that at  
9 some point either this Board, or a future Board, or the  
10 bar is going to have to address.

11 MR. McCALPIN: Let me say that happily this is  
12 one instance when the bar is a little ahead of you. It  
13 may not have the total answer, but Dan has showed me  
14 formal opinion 347 issued by the Standing Committee on  
15 Ethics and Professional Responsibility of the American  
16 Bar Association of December 1, 1981, three days ago. It  
17 was the subject of some discussion at a meeting attended  
18 by many of us here at the end of September. It has been  
19 worked over since then, and it does specifically address  
20 those issues, and while Dan showed this to me after lunch,  
21 my recollection and understanding is that it arrives at  
22 some answers that are quite different from those prevailing  
23 in California.

24 MR. BRADLEY: The last person in the office  
25 represents all the clients, but clearly, I think -- I also

1 haven't had a chance to review it, but it is my understand-  
2 ing that this opinion is certainly consistent, I think, with  
3 what most of us in legal services would like for the  
4 professions' position to be. It certainly addresses  
5 specifically the four major professional questions that  
6 were presented to the Standing Committee. And, California,  
7 once again, is not in step with the real world. That  
8 they didn't --

9 (Laughter.)

10 MR. KANTOR: We don't try to be.

11 MR. BRADLEY: -- clearly.

12 MR. KANTOR: We've been terribly inconsistent  
13 with.

14 MR. McCALPIN: And if you were, that worry all  
15 the rest of us.

16 MR. KANTOR: That's right.

17 MR. McCALPIN: Well, let me, in a slightly  
18 different way, that Revius before he had to leave, assume  
19 whatever prerogatives the Chair has to say, first of all,  
20 in a very limited way, only for myself, in view of the fact  
21 that I am a defendant in a law suit along with the rest of  
22 you, and, therefore, I shall speak only for myself, and not  
23 for the rest of you, say that I go back without embarrass-  
24 ment or apology to Puerto Rico in November of 1980, and  
25 look at that as the beginning of what may well in this

1 period of adversity have been the finest hour of the legal  
2 services movement.

3 I think I do speak for more than myself. I hope  
4 that this Board and a good many others when I say that  
5 in this intervening year, we have welded a national  
6 coalition, or have come together people of good will from  
7 all walks of life who have recognized the philosophical  
8 underpinnings of our justice system and the urgent  
9 necessity of making that system available to every citizen  
10 of this country without exception.

11 I have been pleased and, indeed, thrilled to  
12 see coming together clients and attorneys within programs  
13 and outside of programs, the organized bar, the project  
14 attorney people, the members of the National Organization  
15 of Legal Services Workers, the National Legal Aid and  
16 Defender Association, the bar associations at every level  
17 pulling together in a common cause, and I suppose that  
18 maybe the most heartening sign of all was the enlistment of  
19 those leaders of industry and commerce in the United States  
20 who threw in their lot with us representing a commitment  
21 outside the professional and by people not directly bene-  
22 fitted and maybe even, in some instances, attacked by the  
23 program recognizing the urgent necessity of the continuation  
24 of the program, and maybe that ad by the landlord in New  
25 York which appeared in the New York Times earlier this

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1 year, epitomizes it all.

2 I also think that in the same vein, I have  
3 been tremendously heartened by the fact that four United  
4 States Senators, Republicans, at least three of whom were  
5 former state attorneys general, and, therefore, dealt with  
6 legal services programs, have stood up tall and straight  
7 in support of this program in spite of the unpopularity  
8 of such a stance with this Administration.

9 I think that the response internally within this  
10 Corporation has been an example for every Governmental  
11 agency of any kind without whimpering or crying. We've  
12 looked the facts in the face. We addressed ourselves to  
13 it, and we took the first blows here in the Corporation  
14 without passing them on down the line to the field programs,  
15 and we didn't ask the field programs, or anybody else to  
16 take any sacrifices or make any moves that we were not  
17 willing to take here in this Corporation, and, seeing that,  
18 and, indeed, motivated by their own good will, programs  
19 all over this United States have reacted in the same admir-  
20 able way, recognizing the necessity of bending to the popu-  
21 lar, but doing so in a highly responsible and professional  
22 manner looking to the interest of the clients in the  
23 first instance, and, as I say, outside of the Corporation  
24 in the movement as well, we have had persons of good will  
25 all over this country respond to the urgent cries which

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1 we have sent for.

2 I simply cannot the risk of omitting persons  
3 by beginning to list all of those who deserve our praise  
4 and our credit because they are so many, there numbers  
5 are legion cross this country. Look at the advertisement  
6 that's pinned up on the wall in Barbara Campbell's office  
7 downstairs where literally thousands of names who sub-  
8 scribed to that newspaper advertisement, as well as all  
9 of these other actions, which I have described.

10 On behalf of this Board, at least, I do thank  
11 all of those, and most especially our staff who have  
12 labored so long and so diligently, and I felt that it  
13 would be inappropriate for us to close this meeting without  
14 giving that public recognition.

15 Bob.

16 MR. KUTACK: I don't think anybody should dare  
17 perhaps speak after Bill, but if we are going to do some  
18 speaking, I should quickly say that there are many in  
19 this room who have certainly worked a lot harder, and I  
20 certainly know there are many in this organization that  
21 have worked a lot longer, but none in this room or in this  
22 organization, I trust, worked with a greater conviction  
23 than what we are about, and what we are going to continue  
24 to do is right.

25 The remarkable thing that we have been about a

1 vision that has been perceived of in a very professional  
2 manner. There are a lot of visions that are blurred, and  
3 a lot of visions that need corrected from time to time.  
4 Some visions are very sharp, but they are not very  
5 professional, and what I think it has been the most  
6 remarkable think, exemplified perhaps in just the latest  
7 report, but I know not the last one, we have from Clint  
8 and Alan and Bea the remarkable professional way in which  
9 this vision has been carried out.

10 Vision, of course, is caught in the very charter  
11 of the Corporation, and it has been expressed, as Bill has  
12 just alluded to, by the support of its many friends and  
13 its many co-workers. It's profession basis, however, is  
14 something that I've been spending a lot of time with in  
15 the last four years is exemplified, however, by the lawyers  
16 in this Corporation. Certainly by the staff of this  
17 Corporation, by its officers, its president, and by my  
18 colleagues, its directors.

19 I simply want you to know that I guess now with  
20 the unanticipated early departure of Revius, that standing  
21 as its senior Board Member, I want you to know how person-  
22 ally proud I am of the association that we have had, and,  
23 frankly, how particularly grateful I am with the knowledge  
24 that the friendships we've made will keep us together in  
25 a common cause, and that I personally hope that our

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1 relationship will continue for many years to come.

2 MR. McCALPIN: The next item on the agenda is  
3 number 8.

4 MR. SACKS: Just wanted to be sure you didn't get  
5 carried away and omit to set a meeting date.

6 MR. McCALPIN: Item no. 8, future meeting dates.

7 8. FUTURE MEETING DATES

8 MR. McCALPIN: According to Section 1601.145  
9 of the Bylaws, the Board's regular meetings are to be held  
10 on the first Fridays of March, June, October and December.  
11 The following are the dates of those months in 1982:  
12 March 5, June 4, October and December 3.

13 Without further action, those are the regularly  
14 scheduled meeting dates for the Board of this Corporation  
15 in calendar year 1982.

16 9. OTHER BUSINESS

17 MR. McCALPIN: Is there any other business to  
18 come before this meeting?

19 Yes, Charlie Dorsey.

20 MR. DORSEY: Mr. President, Members of the Board,  
21 I am not convinced that this is the last meeting of this  
22 Board --

23 (Laughter.)

24 MR. DORSEY: -- but that there's the possibility  
25 that it might be, and as a chairperson of PG, who has

1 often appeared before this Board, who has often taken  
2 issue with some of the positions recommended by staff, I  
3 thought that if this is the last meeting, it would be  
4 appropriate for me, on behalf of the field people, to thank  
5 this Board for everything that you have done for the legal  
6 services movement.

7 I might say that you have always listened to  
8 us. You have not always agreed, but you have always  
9 listened. On those occasions when you were dissatisfied  
10 with the decisions that were made, we went away satisfied  
11 that you had listened to us. Also satisfied with the know-  
12 ledge that the decisions that you made were best -- in  
13 your mind was the best decisions made on behalf of the  
14 legal services movement, and we really want to thank you.

15 We don't know what the future holds, but we can  
16 assure you that in the field, we intend to continue the  
17 fight on behalf of justice for poor people. Even though  
18 you might not be members of the Board, we know also that  
19 you are not leaving this battle. Knowing you, as we do,  
20 we know that you cannot abandon the battle for equal justice  
21 to poor people.

22 The Steering Committee, at its last meeting  
23 passed a resolution which we have not had time to draft  
24 at this point, but it will be drafted, and it will be sent  
25 to each of you.

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1 We want to thank all of you, Members of the Board,  
2 what you've done.

3 Thank you.

4 MR. McCALPIN: Thank you very much, Charles.

5 Yes.

6 MS. EXUM: President of the Corporation, Mr.  
7 Chairman of the Board, Vice-Chairman, my Board of Directors  
8 sent me here today to address you and, of course, I  
9 feel obligated to do so. This is the first Board Meeting  
10 that I have attended.

11 My name is Jacqueline Exum, I'm Deputy Director  
12 for Judicare of Mississippi, Inc. They sent me here to  
13 speak to you regarding something that you have already  
14 dealt with, and that is regarding refunding at a 25 percent  
15 across-the-board cut for all projects.

16 I stand here representing Judicare of Mississippi,  
17 and also the southern region. It appears that more  
18 recently the southern region as received minimum assess,  
19 and, of course, the program of which I work for does not  
20 receive minimum assess. Small programs will -- I am sure  
21 our program will suffer from the 25 percent decrease in  
22 funds. We are not able to obtain training grants, techni-  
23 cal assistance, and other moneys that other programs  
24 receive and such a cut would, in fact, almost put us out  
25 of existence because, in fact, we do operate with a

1 minimum budget. We operate with a minimum staff of a part-  
2 time project director, with only two full-time employees, and,  
3 like I said, minimum funds. Even so, we have managed to  
4 provide quality legal services to our clients, but to not  
5 consider our program and other small programs, such as  
6 ours as special programs would, in fact, mean that we would  
7 it would put us out of business.

8           Therefore, we request that you reconsider some  
9 small programs as special programs. Redefine your  
10 definition of special projects and consider not only migrant  
11 and Indian programs in the lesser budget cut, but also  
12 other programs that would and could not operate with the  
13 25 percent cut, particularly since the Corporation's  
14 stand is that you would want programs to obligate 10 per-  
15 cent of their budget. It seems, unwise to cut a program  
16 that already utilizes the private bar 25 percent when, in  
17 fact, what you are trying to do is encourage programs to  
18 use the private bar and obligate 10 percent of their  
19 funds for that.

20           Thank you.

21           MR. McCALPIN: Thank you very much.

22           Since this is your first meeting here, I think  
23 perhaps I should say that I guess it was at the Audit  
24 Appropriations Committee first and then at the last Board  
25 meeting, there was a very extensive discussion of various

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1 modes or methods of applying the necessary cut to field  
2 programs. One of the proposals was to scale the cut,  
3 depending upon the size of the program. After a full  
4 and fair debate, the decision was made to make the cut  
5 across the board. I simply want to say to you that the  
6 decision which was reached was not hastily or arbitrarily  
7 done. It was done after full consideration of all  
8 ratifications of the members of the Committee, and I think  
9 the whole Board had before them a staff paper outlining  
10 the various alternatives and the pros and cons of those  
11 alternatives, and it was after that kind of consideration  
12 that the decision was made.

13 Yes, ma'am.

14 MS. STANLEY: My name is Rosita Stanley, and,  
15 first of all, I'm a client and I'm a member of the Board  
16 of Directors National Client Council.

17 I would just like to take this time as a Board  
18 Member and as a client to say to the Board and to staff  
19 to people who are not present in this room who have fought  
20 so long for poor people, I indeed do appreciate your  
21 support in our struggle.

22 The struggle has been long; the struggle is not  
23 over yet. It has just begun, but with the continued  
24 support of people like you who serves our Board, and  
25 people who are in our community, we know that poor people

1 will survive.

2           So, once again, we would like to say thank you  
3 to the Board of Directors for the support that you've given  
4 to national clients and to poor people across this country,  
5 and we hope, and we will continue a relationship that  
6 would go beyond any budget cuts that anybody could impose  
7 upon us.

8           Thank you.

9           MR. McCALPIN: Thank you.

10           Both in response to you and to Charlie Dorsey,  
11 let me, on behalf of the Board, say we welcome and  
12 appreciate your remarks very much.

13           Josephine.

14           MS. WORTHY: I have been sitting here thinking  
15 about how I would say thank you for the privilege to have  
16 sat here and when Rosita got back, I knew who I really had  
17 to say thank you to. That is to the clients. The client  
18 community around the country that I feel has supported us  
19 here on this Board, worked very hard for the survival of  
20 Legal Services.

21           Seeing the expertise coming from clients out  
22 there for so long would not recognize. I've seen them  
23 working after hours for the survival of Legal Services,  
24 and I don't think anyone has gotten up and said it very  
25 loudly that we thank you for that expertise out there in

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1 that field. Without some of your expertise and your  
2 support, some of the decisions and in things that have come  
3 about would not have come about. The staff would not have  
4 been able to make some of those decisions without your  
5 support, and I am very proud to say that I am a part of  
6 the client community. That I'm very proud to stand up  
7 and own up to.

8 I would also like to thank this Board for the  
9 support, for the respect that has grown here for clients.  
10 I just enjoy having conversations now, because the word  
11 "client" has become a strong part of our vocabulary.

12 When I first came on, I did hear it that much.  
13 I didn't hear client. I didn't hear the fact that we were  
14 doing so that clients in our program could survive because  
15 the program belonged to clients. I hear that so much now,  
16 and I'm very proud, and I hope that I helped bring about  
17 that change. I hope that I helped bring about that  
18 growth. I hoped that I have sat here and used what know-  
19 ledge and understanding that I have, and represented my  
20 client community, the Board here and the staff in Legal  
21 Services that best that I could have done.

22 I have a lot of pride, and as I tell some of  
23 my colleagues, I think when we are making a decision on  
24 one of the issues that I voted against that my pride, I  
25 brought when I came here. That pride I will take when I

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1 leave. You cannot buy me off wherever I am. You will know  
2 that I will always stand up and support the program of  
3 Legal Services whether they throw me out the door or not.  
4 This is a program I have been proud to have been involved  
5 in. Everybody else can talk about the '60s; I was around  
6 in the '60s also, and I'm still around, and I'm going to  
7 stay around as long as there exists a problem for poor  
8 people legally. I made that decision when I was nine years  
9 old when the sheriff used to throw people out the door and  
10 their furniture on the porch. I will stick by that  
11 decision.

12 I want to say to this staff and the people here,  
13 I haven't grown to love you because I was a Board Member,  
14 I've grown to love you because you were people, and that I  
15 thought you had the same concerns that I had. I will  
16 continue to love you. I will continue to remember you, not  
17 as just staff people, but as people that I have met from  
18 around the country. I hope that wherever I run into you,  
19 you won't forget me just because I'm not on this Board.

20 Please remember me as Josephine Worthy, the person  
21 who cares.

22 MR. McCALPIN: Thank you very much Josephine, I  
23 am sure we will.

24 I gather that there is some reluctance to offer  
25 the next motion. Shall we just fade away?

1 (Laughter.)

2 MR. KANTOR: Mr. Chairman, it is difficult for  
3 me to speak without becoming overly emotional, because  
4 this has been an incredible part of my life for a long  
5 time, but I would like to leave us all with a note of what  
6 I believe to be optimism, because as I think back, which  
7 we all can. Barbara Campbell and Bill McCalpin and Dan  
8 Bradley, I remember the original fight trying to get the  
9 ABA to support this Corporation, or support the program  
10 at OEO, and you would have said then, wouldn't you, Bill,  
11 we had a terrible problem in getting this off the ground.

12 And I remember the first Murphy amendment, when  
13 we were in trouble, and the second Murphy amendment. I  
14 remember Don Rumsfield's plan for regionalization where you  
15 would have bet a lot we were through at that point.

16 I remember when Terry Lindstrom was fired on,  
17 what, Barbara, November 20th or 21st, and I remember CRLA  
18 almost going down the tubes when it was vetoed by, then,  
19 the Governor of California, who has gone on to other office.

20 I remember the two vetoes of the legislation,  
21 and finally getting that through, and at any point you  
22 would have thought we were in trouble.

23 I remember the fight over the first Board, a  
24 Board that was grossly unacceptable, and you would have  
25 bet we couldn't fight that Board because the President sent

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1 those names en masse to the U.S. Senate. We won that  
2 fight, too.

3           And I remember our despair over the Reagan  
4 Administration trying to say that there should be no more  
5 Corporation, and we've won that fight, at least for the  
6 moment. So, for me personally, what I leave you with is  
7 we've never lost one, and I don't believe we're going to  
8 lose this one either, and all I've got to say is because of  
9 all of you, and who you represent, and because of my  
10 fellow Board Members here around this table, I believe we  
11 should not despair. We should not be maudlin about what  
12 is going on. We just ought to assume we'll be fighting  
13 from a new position, and so I think you all for the  
14 opportunity, and I look forward to fighting again the first  
15 of next year.

16           MR. KUTACK: I will make it, Mr. Chairman.

17           MR. McCALPIN: As the senior, I suppose that is  
18 your prerogative.

19           Is there a second?

20           MR. ENGELBERG: I'll second it.

21           MR. McCALPIN: Our adjournment has been moved  
22 and seconded. All in favor, will please signify by saying  
23 aye.

24           (Ayes.)

25           MR. McCALPIN: Any opposed.

1 (No response.)

2 MR. McCALPIN: It is so ordered.

3 Thank you very much.

4 (Whereupon, at 2:30 p.m., the meeting of the  
5 Board of Directors was adjourned.)

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## 1 CERTIFICATE

2 This is to certify that the attached proceedings,  
3 of the Meeting of the Board of Directors, Legal Services  
4 Corporation, held Friday, December 4, 1981, at 9:00 a.m.,  
5 8th Floor Conference Room 2 and 3, 733 15th Street, N.W.,  
6 Washington, D. C. before F. William McCalpin, Chairman,  
7 presiding, were had as herein appears and that this is the  
8 original transcript thereof.

9  
10 Neal R. Gross  
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12 FOR COURT REPORTERS AND  
13 TRANSCRIBERS  
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