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LEGAL SERVICES CORPORATION

BOARD OF DIRECTORS MEETING
PROVISION FOR THE DELIVERY OF LEGAL SERVICES
COMMITTEE MEETING

January 12, 1992

1:05 p.m.

The Washington Court Hotel
525 New Jersey Avenue, N.W.
The Ballroom Center
Washington, D.C. 20001

Board Members Present:

J. Blakeley Hall, Chairman
Howard H. Dana, Jr.
Jo Betts Love
Basile Uddo
George Wittgraf
Jeanine Wolbeck

Staff Present:

John O'Hara, President
Patricia Batie, Secretary
Kathleen deBettencourt
Emilia DiSanto
Victor Fortuno
Charles Moses
David Richardson
Susan Sparks

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MOTIONS:

3, 4, 25, 34, 111, 112.

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P R O C E E D I N G S

1
2 CHAIRMAN HALL: We are going to begin now and call
3 to order the meeting of the Committee for the Provision for
4 the Delivery of Legal Services. Today is January the 12th,
5 1992.

6 And I have at the table all of the committee
7 members, Jo Betts Love, Jeanine Wolbeck. Joining me as well
8 as is our Chairman, George Wittgraf, Howard Dana. And there
9 may be others in the room. And our President, Jack O'Hara
10 beside me.

11 First of all, I certainly apologize to everyone for
12 causing the meeting to begin late. We will try to move it
13 swiftly, and I appreciate everyone being courteous enough to
14 wait for me and not to give me too hard a time about it.

15 So anyway, with that I will ask for a motion to
16 approve the agenda.

MOTION

17
18 MS. SPARKS: I move to approve the agenda.

19 CHAIRMAN HALL: All in favor say aye.

20 (A chorus of ayes.)

21 CHAIRMAN HALL: Opposed nay?

22 (No response.)

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1 CHAIRMAN HALL: Can I have a second, please?

2 MS. LOVE: Seconded.

3 CHAIRMAN HALL: All in favor say aye.

4 (A chorus of ayes.)

5 CHAIRMAN HALL: Opposed nay?

6 (No response.)

7 CHAIRMAN HALL: The ayes have it. We will move on
8 to Item 3, consideration of guidelines used for unsolicited
9 proposals for Corporation grants.

10 Charlie, are you going to speak to us on that again
11 today? Is anybody going to speak to us on that today?

12 MR. MOSES: Excuse me. On Item 1, is that what?

13 CHAIRMAN HALL: Well, it is Item 1 which is
14 actually Item 3 of the agenda.

15 MR. MOSES: Yes, I will speak to that.

16 CONSIDERATION OF GUIDELINES USED FOR UNSOLICITED

17 PROPOSALS FOR CORPORATION GRANTS

18 MR. MOSES: Very briefly, to update the Board on
19 what we are in the middle of doing, basically at this point
20 what we are in the middle of doing is the creation of a
21 guideline that could be considered by the Board.

22 What we have done is gone back and looked at every

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1 unsolicited grant award that has been made over the last
2 seven years, with the reasons for that grant award, so that
3 we can come up with a compilation for something that might
4 then move toward a Board policy that could then be published
5 in the Federal Register.

6 The one thing that we are trying to do, quite
7 frankly, is we are trying to get as specific as possible
8 without becoming too specific so that it doesn't look as if
9 we are trying to create national priorities. But at the same
10 time we are moving toward the creation of something.

11 At this point, it is not at the point where it can
12 be brought before the Board, although we anticipate that
13 before the next Board meeting we will have had an opportunity
14 to talk with President O'Hara.

15 CHAIRMAN HALL: In reading the agenda item, I
16 really had thought it would be a bit broader than this and
17 thought that the creation of those guidelines might be more
18 of a side issue than what we should decide today.

19 One of the things that I wanted to look at today
20 was the issue of whether or not the Corporation should set
21 aside some money specifically for unsolicited proposals for
22 Corporation grants. And I'm not sure that Agenda Item 3

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1 incorporates that. In my mind it does.

2 I felt like we should make some type of
3 recommendation to the Audit and Appropriations Committee on
4 that today, and so I wanted to move into a somewhat brief
5 discussion on that, if I could.

6 Charlie, I think the last time you were here you
7 may have filled us in on quite a bit of that. I wanted to
8 ask a few questions on it, if I could.

9 MR. MOSES: Certainly.

10 CHAIRMAN HALL: Unless you had some other things to
11 add to what you said last time?

12 MR. MOSES: No. If there are any questions on the
13 basis of what we discussed last time I'm certainly available.

14 CHAIRMAN HALL: And I am also going to ask Board
15 Member Dana, who is sitting with us today, I know he had some
16 particular interest in this, and so that -- wasn't that your
17 understanding of this agenda item, more than it was mine?

18 MR. DANA: Uh-huh.

19 CHAIRMAN HALL: Charlie, just quickly some
20 questions I had. Well, perhaps I'll see if Jo or Jeanine has
21 any questions on that particular item before I --

22 Well, to recap what was said last time, I think

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1 that there was some discussion on how much money we had
2 actually spent. I think in Fiscal Year '91 -- I'm not
3 positive of what year it was -- it was \$71,000. We found out
4 that we had possibly up to \$2 million that would have been
5 available.

6 Dave Richardson gave us some testimony that showed
7 that basically where this money came from was uncommitted
8 carryover, or maybe just from carryover and that, in fact,
9 Charlie, I believe you told us that there may have been some
10 grants, some unsolicited grant proposals that we didn't grant
11 strictly because or mainly because of the past tendency of
12 the Corporation not to let go of all of its carryover money.

13 They had a tendency to keyhole it because Congress
14 would appropriate so much for M&A, and we needed that to fill
15 in. Is that true? I re-read the transcript, and maybe I am
16 incorrect on that.

17 MR. MOSES: That could be true. I know that every
18 year Congress does allocate carryover toward management and
19 administration. I don't remember having said that that was
20 the reason why we did not make grants. Generally, my feeling
21 has been that within the budget lines, that we try to make
22 our grants within the integrity of the budget lines.

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1 CHAIRMAN HALL: Let me ask you again then, were
2 there or were there not some unsolicited grant proposals,
3 some fairly good ideas that the Corporation didn't fully
4 consider because the money wasn't there in the past.

5 MR. MOSES: There are definitely unsolicited
6 proposals that come in that are not funded, because the funds
7 do not exist in a particular line item category for funding
8 that. Yes.

9 CHAIRMAN HALL: Okay. And I believe you told me
10 that last year we had spent about \$71,000 to do those
11 programs that we did fund?

12 MR. MOSES: That is correct. It is approximately
13 \$71,000.

14 CHAIRMAN HALL: Has anyone gone back and seen how
15 much money might have been awarded, how much we might have
16 used, or how much we might have needed, had we been of the
17 mind to award more of those programs?

18 MR. MOSES: Not exactly in those terms. What I can
19 tell you is that last year we funded three unsolicited grant
20 proposals, and we had requests from approximately 49 or 50
21 different organizations or entities. So that should give you
22 some idea of the magnitude of what is funded.

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1 CHAIRMAN HALL: This might be a better question for
2 someone else, but I wondered if -- what type of role MAC
3 plays in these unsolicited grants to the grantees. None?

4 MR. MOSES: As far as I know, they play no role in
5 what OFS does with the Executive Office and the President.

6 CHAIRMAN HALL: Okay. Well, I mean if the Board
7 wanted to allocate a specific line for unsolicited grant
8 proposals, say \$1 million, \$2 million, or whatever, and it
9 was accomplished and we awarded all that money out, would
10 that put an additional strain on MAC? This, I just don't
11 have an understanding perhaps how that works. But would that
12 be an additional strain on MAC?

13 MR. MOSES: At this point, the one-time grants,
14 particularly if it is given to an existing grantee, would be
15 monitored as part of the regular monitoring process if the
16 monitoring comes up during the cycle.

17 Otherwise, if there might be some time looking at
18 the audits through the Office of Audit. Quite frankly, I'm
19 probably not the best person to address these issues up. I
20 think that Susan is here, and if you would like for her to,
21 I'm sure that she could address that.

22 CHAIRMAN HALL: Susan, would you, please?

1 MS. SPARKS: This is Susan Sparks, Acting Director
2 of the Office of Monitoring, Audit and Compliance. I think
3 Charlie accurately describes it for you, Blakeley.
4 Basically, in the routine course of monitoring we receive
5 information from the Office of Field Services, and included
6 in that packet would be whether or not a one-time grant had
7 been provided to a grantee.

8 We would then review that on site, to ensure that
9 the funds were expended for that purpose.

10 CHAIRMAN HALL: So then I guess it does put some
11 additional strain and cost on MAC, if we were to really to
12 escalate the amount of these awards that we made?

13 MS. SPARKS: It does expand the scope of the
14 monitoring with those additional funds.

15 CHAIRMAN HALL: Okay. Well, I know you don't know
16 how much, because we have never done it, so I won't ask that.
17 But thank you.

18 MR. DANA: Mr. Chairman.

19 CHAIRMAN HALL: Mr. Dana.

20 MR. DANA: I just -- I think the Chairman is correct
21 historically, that in recent years the Corporation has not
22 been particularly aggressive about spending the cupboard bare

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1 because it has relied extensively on carryovers to fund the
2 M&A line, or at least the budgeted M&A line.

3 So I think it has been to the extent to which we
4 have funded unsolicited grant proposals, 3 out of 50, it has
5 really been sort of ad hoc. And I think that they have
6 been -- I have every reason to believe that they have been
7 good programs, but my primary -- I have two concerns. One
8 we are really not addressing today because we don't yet have
9 the guidelines.

10 But my first concern was that everybody ought to
11 know what the guideline, what the rules are, so that the
12 field all starts at the same spot at the beginning of the
13 year and can make application and have an equal shot at
14 getting it, if they can persuade the jury that their proposal
15 is a good one.

16 But on the point that you really want us to address
17 today, which is: Should we as a Corporation affirmatively set
18 aside an amount of money every year to encourage innovation,
19 and creativity, and options for our programs through sort of
20 unstructured grant applications, on a one-time basis?

21 And we have not, as a -- I would say in the context
22 of -- well, my position, I think, is that that is a good

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1 thing and that I would encourage your committee to come up
2 with a sum of money, whether it be \$1 million or \$2 million,
3 I don't know, but a sum of money that is available to our
4 programs that are struggling for some -- so that they would
5 know that there was a possibility to do something exciting,
6 different, unique, experimental, rather than the same,
7 exactly the same as last year and the year before and the
8 year before that.

9 I think, we should be promoting motivation and
10 creativity, and I think this is one way of doing that.

11 CHAIRMAN HALL: Well let me say in response to
12 that, it doesn't -- that particular idea doesn't seem like
13 one that would call for a lot of witnesses to come forth and
14 say why. I mean I -- it just seems obvious to me that we
15 should support any type of innovation and new ideas.

16 How much is what I am trying to figure out, and I'm
17 not sure that we will be able to do that today after this
18 short discussion. But in support of what you said, and what
19 you said at our last Committee meeting, I just can't help but
20 think there is little question out there in the field where
21 people are rendering the service day-by-day, that there are
22 those who see problems, and see creative ways to solve them,

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1 and they see areas that aren't being served.

2 And they see ways to do it, ways to do things
3 better, yet those ideas never come to the surface. And one
4 reason may be because there is no seed money to do that with.
5 And if folks in the field or otherwise knew that if they
6 spent their time and effort in putting their proposal
7 together, that there would be someone there to consider it
8 with some dollars to put it into action, I think those people
9 would come forward.

10 So I just think, to me, I am for the idea. It is a
11 matter of how much. And, I don't know, maybe you should
12 start at a small amount the first year and go to a large
13 amount. But today, I was going to try to urge this committee
14 to recommend to your committee, Howard, that some money be
15 set aside to do that. But I'm not really sure how to go
16 about figuring out how much money should be set aside to do
17 that.

18 And any guidance from anybody on that would be
19 helpful, and I probably didn't prepare Charlie as well with
20 that particular question. I am not sure that if we -- if we
21 came back to that topic, if that would be timely so far as
22 your committee's deliberations are concerned. Would they be?

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1 MR. DANA: I think that -- and I hope that our
2 committee will adopt a budget mark with a line item
3 comparable to the line item that appears in Proposal 1 and
4 Proposal 2 in the green book. I don't know whether there are
5 green books about, but the green book is the Audit and
6 Appropriation book.

7 And in Proposal 1, under line (1)(A)(5), there
8 is -- the author of that proposal has set aside \$1 million
9 for innovative grants. And in Proposal 2, under (1)(A)(5),
10 the author of that proposal has set aside \$2 million for
11 innovative grants.

12 So, I guess it is I hope to -- hope that our
13 committee -- it would be my hope that our committee had
14 something for that line, but I think it may be as helpful to
15 us if you just recommend that there be something. And then,
16 if you have a view in your capacity as either a member of
17 that committee or a member of the -- or a witness to that
18 committee you can wade in at that committee when we talk
19 about the amount that should go in that line.

20 Candidly, Mr. Chairman, I would put in one sum of
21 money in the context of a substantial increase, substantial
22 request, if we are going to make this year a very nominal

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1 request of Congress, like a 5 or 10 percent increase. Then I
2 would put a very small amount in for innovative grants.

3 But if we are going to make a substantial request
4 for a substantial increase from Congress, then I would favor
5 a larger pool of funds for that purpose. So that in part it
6 depends upon whether you are asking for a lot or a little, as
7 to where, how much you put into that category.

8 MR. WITTGRAF: Mr. Chairman.

9 CHAIRMAN HALL: Mr. Wittgraf.

10 MR. WITTGRAF: May I inquire of Mr. Moses?

11 CHAIRMAN HALL: Sure.

12 MR. WITTGRAF: Mr. Moses, you referred earlier to
13 50-some unsolicited grant proposals during the last year,
14 more or less?

15 MR. MOSES: And actually they were not actual grant
16 proposals. Those were requests for information on grant
17 proposals. We didn't get quite that number. You always have
18 some drop-out.

19 MR. WITTGRAF: That's fine. My question really was
20 just to put some perspective on this type of new funding or
21 spending if the Congress authorizes it. Do you have any
22 sense of what those proposals, the more or less 50 proposals,

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1 might have totaled or did total in dollar amount?

2 Or another way would be if you want to put some
3 kind of average amount on those proposals, I guess we could
4 take that average and multiply by 50, just to get some
5 perspective here on how far a million or a half-million, or
6 two million would go.

7 MR. MOSES: The one thing that I -- it might not
8 totally be responsive to your question, but I can give you a
9 range. The smallest proposal I remember was for \$10,000.
10 The largest proposal I remember was for approximately
11 \$375,000.

12 MR. WITTGRAF: Is it fair to say most were closer
13 to \$10,000 than to \$375,000?

14 MR. MOSES: Yes. The \$375,000 was quite unusual.
15 I, quite frankly at this time, I would -- I would guess that
16 those proposals we received, that we reviewed this year, were
17 probably averaging about \$50,000 apiece, but that might
18 actually be wrong. And now that we are doing the six-year,
19 an examination of the six year's worth of baseline, that
20 might in fact provide you some guidance for the type of
21 figure that you need.

22 MR. WITTGRAF: The \$50,000 figure is helpful, for

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1 me at least. I realize, of course, when we talk about more
2 or less 50 completely indigenous or unsolicited inquiries,
3 the publicity of the existence of these funds could generate
4 many more inquiries. And I think by your answer you are
5 letting me understand, at least, that a million or two is a
6 small amount relative to the possible utilization.

7 Let me ask you just one other question, for my
8 understanding at least. Of the more or less 50 unsolicited
9 grant proposals, as best you can, summarize the nature of the
10 activities that were to be funded.

11 CHAIRMAN HALL: If I may, George, non-emergency is
12 what we are all talking about here.

13 MR. WITTGRAF: I certainly am, right.

14 CHAIRMAN HALL: Okay.

15 MR. WITTGRAF: Yes.

16 MR. MOSES: I am not sure that you can really
17 summarize the nature of these. They were all, quite frankly,
18 very different.

19 MR. WITTGRAF: Could you instead then give just a
20 few examples briefly, to help us have a better understanding,
21 perhaps?

22 MR. MOSES: Certainly. We had proposals for

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1 training, attorney training. We had proposals for manual
2 production. We had proposals for establishment of
3 full-service programs in certain areas. We had proposals for
4 establishment of client self-help programs. We had proposals
5 for establishment of -- The largest proposal, the one that
6 unfortunately we -- well, we did not fund the \$375 million
7 (sic), was for the establishment of a new poverty law center.

8 It -- they, quite frankly, run the gamut, which has
9 been part of --

10 MR. WITTGRAF: Was that either South Carolina or
11 New Hampshire?

12 MR. MOSES: It was in the south.

13 MR. WITTGRAF: I think a lot might be said for such
14 a facility in South Carolina. But I was just curious. No,
15 that is very helpful. If I and others of the Board should be
16 called upon later, in a Congressional setting, to expand upon
17 the reason for such a line item being included in our budget,
18 I think it is very helpful for us to understand the kinds of
19 efforts that might be funded. That's fine. That helps me at
20 least. Thank you.

21 CHAIRMAN HALL: Charlie, the ACCA Program, what did
22 that stand for, that we talked about last time? A-C-C-A.

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1 MR. MOSES: ACCA is the American Corporate Counsel
2 Association. And we have been receiving proposals, although
3 we have not funded it for several years, from the American
4 Corporate Counsel Association, for a probe on our development
5 among major corporations in the United States.

6 CHAIRMAN HALL: But we did fund -- I thought that
7 was one of the unsolicited grants that was granted last year.

8 MR. MOSES: The last year that was granted was in
9 19 -- I believe 1988, 1989. They have requested additional
10 funds, and we at this point have not acted on that, pending
11 what this Board would like to do with unsolicited proposals.

12 CHAIRMAN HALL: And the figure \$44,000 sticks in my
13 mind with ACCA. Was that what we --

14 MR. MOSES: That sounds about right. I believe it
15 might have been closer to \$50,000.

16 CHAIRMAN HALL: Well, we don't have to get a
17 specific number if it is in that range. Was that only one
18 year that we did that?

19 MR. MOSES: That was for -- excuse me, that was
20 \$40,000, and that was for the year of -- it was made in 1989.

21 CHAIRMAN HALL: All right. And then the other
22 figure that came, that I heard at our other meeting, of

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1 230,000 hours? Did I hear that? Of legal services provided
2 by these ACCA?

3 MR. MOSES: That is probably about right. I
4 believe it was 230,000 to 250,000 hours of pro bono service
5 that had been provided by corporate general counsels for
6 assistance.

7 CHAIRMAN HALL: Through that, because of this grant
8 we made?

9 MR. MOSES: Through coordination of ACCA. That is
10 what ACCA had reported to us as the hours at programs that
11 they helped to establish a corporate pro bono program at,
12 yes.

13 CHAIRMAN HALL: I mean, because that is pretty good
14 for \$40,000. Depending on what they did, I understand, but
15 the hours alone.

16 CHAIRMAN HALL: And I guess I say that to help
17 George with his question on what types of programs, and do
18 they work, and are they good. I don't know what type of
19 figures we have or what ACCA did exactly with their 230,000
20 of hours. But I was impressed by that, with the amount of
21 money that we had put into it, and the quality of lawyer.

22 MR. O'HARA: Mr. Chairman?

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1 CHAIRMAN HALL: Yes, Mr. President.

2 MR. O'HARA: Thank you, Mr. Chairman. I would like
3 to just address a few of the things. Charlie has taken a lot
4 of the heat, I guess we might call it, over the last couple
5 of Board meetings, and I want to say that I think the
6 information the Board is seeking is going to become available
7 soon.

8 I think one of the reasons it is not available is
9 the Corporation has not had a Board that has taken the
10 interest that this Board has taken. And we have had a
11 meeting as recently as Friday, and my pitch to them is we are
12 no longer running in place, we are going to start moving.

13 And one of the things we are going to do is to cull
14 out of the corporate records and out of the corporate minds -
15 - people like Charlie, and Ellen, and everybody that is
16 working in OFS -- the kind of information that you are asking
17 for today, and we hope to be able to present that to you in a
18 more recognizable format and hopefully be able to come up
19 with a book that the field will be able to look at and say,
20 "This is what the Corporation wants, and this is how we go
21 about doing it and presenting it to the Corporation."

22 And I think we will have the guidelines that you

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1 are looking for, and we won't have the needless exchange of
2 field programs coming in with requests and then us denying
3 them for some reason.

4 MR. DANA: Mr. President, I hope that we don't view
5 the unsolicited grant proposals that have been funded over
6 the last seven years as confining in any sense of the word,
7 to the kinds of -- assuming we fund this at all -- confining
8 of a what the management regards as appropriate, because
9 those were historical and there is a different management.

10 But I think it would be helpful in terms of maybe
11 of historical interest to the Board, and it may be of some
12 interest to existing programs.

13 But my hope is that if we do fund this, that we
14 write a charter that is quite broad, in that it says to
15 programs there is a sum of money that is available and we may
16 decide that it is available in amounts not greater than
17 \$50,000, or some number, that you may apply for, to try
18 innovative approaches to the provision of legal services for
19 the poor, designed to improve quality or quantity, or
20 efficiency, or one of the aspects of legal services that we
21 are charged with promoting.

22 And then develop an internal system whereby there

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1 are sort of time lines where if you want to get in on the
2 1992 cycle, your grant has to be in by March 31st, and we
3 will have a jury that will evaluate them, and grants will be
4 made on June 1st, so that everybody understands the game.

5 So I was hoping, and I don't know whether I was
6 gathering from what you were saying that the extent to which
7 history was going to predict the future. And I just was
8 hoping that it wasn't too predictive.

9 MR. O'HARA: I think maybe I can express it to you
10 this way. I look at innovative proposals and demonstrations
11 as being a way to find out if something works. If the
12 demonstration shows that it doesn't work, it does not mean
13 the innovation that was tried has been a failure.

14 MR. DANA: Right.

15 MR. O'HARA: It just means we have to amend it, we
16 have to change it. We have to do whatever it is to dress it
17 up and make it work. I think that is the approach I will be
18 taking.

19 MR. DANA: Great.

20 CHAIRMAN HALL: Well, if Charlie doesn't have all
21 the answers today, it is my fault. I think I had promised to
22 send him a list of some questions I had, which I never did.

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1 And so he certainly has been well prepared in everything he
2 has done, as far as I am concerned in this committee's work.

3 And I am sorry I never sent you that letter,
4 Charlie, that I was supposed to send to you. Well, I was
5 trying to get some sense of feeling good about recommending
6 an amount, in some sense that some of the programs that we
7 have done in the past in this manner have been beneficial and
8 have worked, have been cost effective, which I think ACCA is
9 the perfect example of that, from what I know about it so
10 far. And that is, frankly, not perhaps everything I should.

11 But from all I hear about it, it seems to have been
12 successful. I have heard no complaints. And I want this
13 Committee to recommend some figure on this today.

14 Apparently, it is going to be difficult to come to a figure.

15 Charlie, if the committee felt like a million
16 dollars or a million-five should be recommended for this
17 purpose, do we receive enough of these unsolicited grant
18 proposals to use that money? And I know you can't give me an
19 answer set in stone, because you don't know the exact ones
20 that were proposed. And, obviously, you don't know whether
21 they would have been awarded or not.

22 But keep in mind my question applies to unsolicited

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1 grant proposals as well as innovative grant. And in that
2 regard, Howard, the line items on these two proposals that is
3 in your committee book, I assume those are innovative grants
4 and unsolicited grant proposals? At line 5. It says,
5 "Innovative grant." Does that not also include unsolicited
6 grant proposals?

7 MR. DANA: Yes.

8 CHAIRMAN HALL: Do you --

9 MR. MOSES: Well my feeling is that if the
10 committee were to vote any sum of money that was specifically
11 designated for that, that you are going to start getting more
12 grant proposals in. I do not know exactly to the extent to
13 which you are going to start having additional proposals come
14 in.

15 CHAIRMAN HALL: Mr. Dana?

16 MR. DANA: As some of you know, I am involved in
17 IOLTA, and IOLTA are programs around the country to gather
18 interest on lawyers' trust account funds, and each --
19 virtually every program in the country, every state has such
20 a program. Annually they collect these funds, and last year
21 it was \$150 million. And then requests grant proposals.

22 And typically the applicants for these funds, for

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1 the most part, are our grantees. So, while the data that we
2 collect is a couple of years behind the times, well over \$100
3 million was distributed to our grantees, much of it in
4 response to fund grant proposals that they have made to these
5 various entities all over the country.

6 So we are talking -- so that our grantees have
7 become very good at, and very knowledgeable about making
8 grant applications to funding sources other than the Legal
9 Services Corporation. About a third of their funding comes
10 from these non -- not from us.

11 I have no doubt that we would get tons of grants,
12 probably more than you want to see, mainly because of the
13 mechanics of dealing with it. So if the IOLTA experience is
14 any indication, you are going to have plenty of applications.

15 MOTION

16 CHAIRMAN HALL: Well, I am going to ask for a
17 motion on this, and if I don't get one, I guess I will make
18 one myself on it. But basically, what I am interested in is
19 having a motion that this committee recommends to the Audit
20 and Appropriations Committee that specific funds in the
21 amount of \$1.5 million dollars be set aside for the purpose
22 of soliciting and awarding funding for innovative grant

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1 proposals and unsolicited grant proposals to provide delivery
2 of legal services to the poor.

3 Motion would be, of course, subject to the
4 guidelines and the policy that is yet to be developed in this
5 area.

6 MS. LOVE: Did you make a motion?

7 CHAIRMAN HALL: I will make that motion.

8 MS. LOVE: Seconded.

9 CHAIRMAN HALL: Well, I'm not sure if we can insert
10 this in this motion, but I think it should be clear that
11 anyone who wants to apply for these funds will be able to.
12 Just as the field programs can apply, so can non-field. I
13 take it that ACCA is your example of a non-fielded type of
14 program that applied. And then there were some support
15 centers that you mentioned last time, or one that had, I
16 think, a \$15,000 grant or something like that.

17 MR. MOSES: That is correct.

18 CHAIRMAN HALL: And I don't intend, and I don't
19 think anyone wants to restrict this just to the ideas that
20 legal service providers may have, but it should be open to
21 all ideas. Mr. Dana, did you have a comment on that? Does
22 that affect your thinking on it at all?

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1 MR. DANA: No. I was jumping ahead to -- and I
2 must say that I was thinking of it in the context of field
3 programs, hence its location up in that quadrant of the
4 budget. But I think, frankly, if non-LSC -- if non-grantees
5 are going to be applying for these funds, that clearly would
6 be an area for flushing out in the guidelines so that you
7 didn't have -- so that you knew who -- I mean, you might --
8 there might be -- I can --

9 CHAIRMAN HALL: Well, I would think -- maybe I'm
10 not thinking along with you, but it would seem like whoever
11 had the better or the best idea would get the money. It
12 would certainly seem reasonable to think that the field folks
13 would have the better idea between the two, because they are
14 there and perhaps have a better opportunity to see the
15 problem.

16 But then again, you know, ACCA. And I don't mean
17 to keep harping on ACCA. Maybe that is all I know at this
18 point, but it certainly is a possibility that some of the
19 others have some very innovative and very good ideas that
20 would be considered. And I don't --

21 MR. DANA: I don't disagree with you. I just think
22 that any time that you add uncertainty, it is just another

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1 opportunity to think about it. So --

2 CHAIRMAN HALL: I was going to ask if the field had
3 any response to this. I take it that they don't necessarily.
4 Don has no response to it.

5 MS. LOVE: Harrison --

6 CHAIRMAN HALL: Harrison. I'm sorry.

7 MR. McIVER: Harrison McIver, Project Coordinator,
8 Project Advisory Group. Obviously we would like to see those
9 funds, if provided, limited to field requests.

10 MR. DANA: I think that there are -- if grantees
11 that are monitored and already monitored are applying, you
12 have one set of factors to consider. If total strangers to
13 our monitoring and our systems and our oversight and our
14 legislation are applying, you have a difference, you have
15 different sets of factors that you have to think about. So I
16 think I would -- I just think it is something that we need to
17 give further thought to, to make sure that we don't do
18 something that doesn't make sense.

19 CHAIRMAN HALL: But that is an issue for another
20 day?

21 MR. DANA: I think so. I think it has to do with
22 the guidelines that need to be developed.

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1 information about what has happened, you know, what has
2 already happened, and what have we learned from what has
3 happened before. And then we can move, and then move forward
4 from there.

5 MR. DANA: I think that makes a lot of sense. I
6 think you may want to think in terms of even though we don't
7 have -- even they don't go into effect ostensibly until next
8 October, we may want to think of whatever it is we come up
9 with in the context of the Ops and Regs Committee, and so
10 that it ultimately becomes a working document for the
11 Corporation, and we do it in a way that is consistent with
12 our rules and regulations for how we go about promulgating
13 regulations.

14 I gather we can promulgate regulations that just
15 don't take effect until sometime in the future?

16 MS. DiSANTO: Yes. What has been happening is that
17 the appropriation rider kind of changes the year, and the
18 year keeps moving up. And, as a result, they haven't come
19 into effect.

20 MR. DANA: It is a curious phenomena that -- I
21 suppose it is not altogether unreasonable when you think
22 about it, but even though we have had the right to do

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1 regulations and pass guidelines and do all kinds of things
2 that would take effect in the future, we have chosen not to
3 do it.

4 But it seems to me that this this might well
5 qualify as a regulation. Then it may -- it ought to be
6 viewed in the context of this legislation. So we may not be
7 in a position to do what it is that you are anticipating we
8 do in the short term. I just don't know. Do you see the
9 questions?

10 MS. DiSANTO: Yes. I defer that question probably
11 to the General Counsel's Office, that I think part of the
12 appropriation rider does directly speak about regulations.
13 Whether or not it addresses instructions or guidelines is
14 another question, but that is something that we can have
15 addressed by the general counsel.

16 MR. DANA: I think the way you are proceeding is
17 fine, but I just -- I raise that as a --

18 MS. DiSANTO: The shortcoming of it.

19 CHAIRMAN HALL: Emilia, I don't mean to appear to
20 be asleep at the wheel, but is what you are saying that you
21 have some information that would be presented next time that
22 would help us in making this particular decision, and you

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1 think we should defer until then?

2 MS. DiSANTO: I am saying that Charlie and I have
3 had numerous discussions on this matter, and there is
4 probably some information that you might want to be aware of
5 to get as strong a footing as you can, so that once you say
6 go, it is go, and you have got everything behind you.

7 But, of course, Blakeley, that is entirely up to
8 you.

9 CHAIRMAN HALL: Well, and how are you saying that
10 that would be in line if we deferred? That would be in line
11 with the work of your --

12 MR. DANA: No, I don't understand Emilia or Charlie
13 to say don't vote on the pending motion. I think they are
14 just saying --

15 CHAIRMAN HALL: The money?

16 MR. DANA: -- we are not going to have the
17 guidelines until the next meeting or thereafter. They are
18 approaching this in a deliberative way, which makes sense.
19 But the concept of asking our committee to ask the Board to
20 ask Congress to put \$1.5 million into next year's budget is
21 very appropriate at this time.

22 CHAIRMAN HALL: Well it is a good thing that I

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1 wrote it down then, because I will restate it and then we can
2 vote on it. The motion was that we recommend to the Audit
3 and Appropriations Committee that specific funds in the
4 amount of \$1,500,000 be set aside for the purpose of
5 soliciting and awarding funding for innovative grant
6 proposals, which provide for delivery of legal services to
7 the poor.

8 I think I forgot to add something in there. Let
9 me -- I am going to add in there the unsolicited grant
10 proposals. I may have said it. Let me read it again to be
11 positive though.

12 The motion that we recommend to the Audit and
13 Appropriations Committee that specific funds in the amount of
14 \$1.5 million be set aside for the purpose of soliciting and
15 awarding funding for innovative grant proposals and
16 unsolicited grant proposals which provide for delivery of
17 legal services to the poor.

18 And I had a second from Jo; is that correct?

19 MS. LOVE: Second.

20 CHAIRMAN HALL: Is there further -- excuse me.

21 MR. MOSES: Chairman Hall, I might add one thing
22 just to make sure it is very clear for the record. You might

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1 want to add that that is to be added to the '93 budget
2 request as opposed to the '92, out of the '92 operating
3 budget, which we are also going to be working on this
4 afternoon.

5 MOTION

6 CHAIRMAN HALL: Okay. Well, how about this then?
7 That this Committee recommend to the Audit and Appropriations
8 Committee that for purposes of the 1993 budget mark, specific
9 funds in the amount of \$1.5 million be set aside for the
10 purpose of soliciting and awarding funding for innovative
11 grant proposals and unsolicited grant proposals which provide
12 for the delivery of legal services to the poor?

13 That clarifies it. Can I have a second to that as
14 amended?

15 MS. LOVE: Second.

16 CHAIRMAN HALL: Is there any further discussion?

17 MS. WOLBECK: Just I think it is a great idea, and
18 I will support it.

19 CHAIRMAN HALL: Well, with that, all in favor say
20 aye.

21 (A chorus of ayes.)

22 CHAIRMAN HALL: All opposed?

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1 (No response.)

2 CHAIRMAN HALL: That is a vote. And we will move
3 on to -- Well we have Item No. 4 is consideration of the
4 current Corporation policy governing interstate subgrants.
5 And I am not sure of the correct procedure to take that from
6 the agenda but I don't believe that that is going to help the
7 Audit and Appropriations with their work today, nor do I
8 believe we are prepared on that.

9 Is there anybody here to speak on that today,
10 Charlie, at length?

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1 CONSIDERATION FOF THE CURRENT CORPORATION POLICY

2 GOVERNING INTERSTATE SUBGRANTS

3 MR. MOSES: Well, you will recall that we discussed
4 this at the meeting in St. Louis, so that there was some
5 understanding about what, I think, had happened. And, in
6 fact, I believe that we decided at St. Louis that the term
7 "policy" was a misnomer, that there had been an
8 administrative practice but had not been a Board-adopted
9 policy.

10 And, in fact, I can say since the St. Louis meeting
11 we have, of course, made our 320-odd grants, and we have also
12 dealt with well over 100 to 150 subgrants. And I have not
13 seen that coming up, so I -- you know.

14 CHAIRMAN HALL: Well we are going to --

15 MR. MOSES: It has not been a problem in any of
16 those processes.

17 CHAIRMAN HALL: We can take that up at another
18 time, unless there is objection from anyone, and move on to
19 Item No. 5, which is the consideration of vehicles through
20 the Corporation could assist LSC funded grantees to recruit
21 and retain staff attorneys.

22 I think this would include the issue of loan

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1 forgiveness, which we have discussed in this past. And I
2 have been handed a message that Steve Gotlieb, the Executive
3 Director of Atlanta Legal Aid, is here to speak on that and
4 he has a flight that leaves at 4 o'clock. And although my
5 watch is not -- I don't have a watch, I thought he might want
6 to take his shot at it first, and we might could accommodate
7 him. And, Mr. Gotlieb, would you come forward, please, sir,
8 if you would?

9 CONSIDERATION OF VEHICLES THROUGH WHICH THE
10 CORPORATION COULD ASSIST LSC-FUNDED GRANTEES TO
11 RECRUIT AND RETAIN STAFF ATTORNEYS

12 MR. GOTLIEB: Thank you for taking into account the
13 flight times.

14 CHAIRMAN HALL: Thank you for coming.

15 MR. GOTLIEB: I gather you are sensitive to that,
16 too.

17 CHAIRMAN HALL: Yes. I do feel sensitive. Okay.
18 I got that.

19 MR. GOTLIEB: I'm here to talk to folks about loan
20 forgiveness, loan repayment programs, based on my experience,
21 and based upon my involvement in various ways in the field in
22 working on and evaluating loan forgiveness as it relates to

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1 recruitment and retention.

2 Let me begin by saying that this comes up in the
3 context of -- this testimony comes up in the context of a
4 budget for 1993, which has a line item, at least a number of
5 the proposed budgets have a line item, which suggests setting
6 aside some funds for loan forgiveness.

7 It is a position of the field, as I represent the
8 field today, that that ought to -- that setting aside money
9 for loan forgiveness out of the budget, out of an LSC grant,
10 ought to be a local program prerogative. It is not for me to
11 say that every program in this country ought to use a certain
12 part of its budget for loan forgiveness, as much of a
13 proponent of loan forgiveness as I am.

14 There are programs in this country which have more
15 significant needs than loan forgiveness, and I think they
16 ought to make those decisions for themselves. There are
17 programs of value, for instance salaries across the board,
18 and find them more critical than loan forgiveness.

19 There might be programs which have long-time
20 employees who don't have problems, and they don't have
21 problems with either recruiting or retaining folks. And
22 given that reality, they may not want loan forgiveness. And

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1 I think that ought to be a local program prerogative.

2 Having said that, I am a proponent of loan
3 forgiveness, and I do try to encourage folks to do loan
4 forgiveness with their own funds, and I would be happy to
5 talk to you about loan forgiveness and why I think it is
6 valuable as a recruiting and retention tool.

7 Let me give you a little bit of background and then
8 just respond to some questions. First of all, in terms of
9 loan forgiveness, in my own personal involvement with it, I
10 am the Co-chair of the National Legal Aid Defender and PAG
11 Joint Committee on loan forgiveness.

12 In that context, we have been trying to encourage
13 loan forgiveness both from law schools and by local programs.
14 I also personally have been involved in trying to encourage
15 people to be involved with loan forgiveness on their own
16 local levels.

17 We have in our own program, the Atlanta Legal Aid
18 Society, had a loan forgiveness program internally from about
19 1977 or 1978. I don't remember exactly what year we started
20 it, but we have had it since then and have maintained it and,
21 in fact, have increased that to the point where we now have a
22 policy where we allow up to \$350 a month toward loan

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1 forgiveness for reimbursement of loans that people have.

2 So I am pretty supportive of loan forgiveness. I
3 have even gone to the extent of writing an article for the
4 Management Information Exchange Newsletter which talks about
5 why I think loan forgiveness is a good idea and why I think
6 that local programs ought to consider it and try and maybe
7 debunk some of the concerns that people have about it, which
8 may not be as well founded as I think they ought to be.

9 Let me give you a little bit more background on
10 loan forgiveness, just in case everybody doesn't know what we
11 are talking about. As you probably know, people coming to
12 our programs, over the last few years particularly, have
13 found themselves in an incredible financial situation.

14 It turns out Clint Lyons gave some testimony before
15 Congress not long ago, which indicated that about the average
16 debt for law students coming to anybody -- I think it was
17 just general -- was about \$30,000 for a law school career.

18 And he also -- and my experience in our program is
19 that we see regularly people come into our program with \$500
20 to \$600 a month of loans that they have to repay. That is
21 the high figure, but it is not at all an unusual figure. And
22 that amounts to \$40,000 or \$50,000 of student debt.

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1 NALDA not long ago did a survey of programs and
2 found that 64 percent of the programs thought that loan
3 forgiveness was an important -- excuse me, 64 percent of the
4 programs had problems recruiting new lawyers. And of these
5 programs, 84 percent of them found that loan forgiveness was
6 an important problem in recruiting.

7 They also especially thought that there was a
8 problem in recruiting minority lawyers and that of those
9 programs that had a problem recruiting minority lawyers, 81
10 percent of those programs thought that loan forgiveness was
11 an important factor in having difficulty recruiting programs.

12 And the reason for this is probably obvious, but
13 let me state it anyway, and that is that nationally my
14 figures -- they are probably not the most recent figures but
15 they are good enough to, I think, give us a feel -- my
16 figures suggest that about the average starting salary for
17 lawyers going into legal services among the grantees of the
18 Legal Services Corporation is about \$21,000.

19 If you have \$500 or \$600 of student loans that you
20 have to pay, you can't afford to live on \$21,000. It is just
21 simple as that. It doesn't get any significantly better
22 either if you have been with the program for a while.

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1 The average salary for Legal Services attorneys
2 after five years is only \$26,000. So even after five years
3 it is not much better. And the problem is still as great in
4 terms of paying student loans. So, I mean what is clear from
5 that, I think, is something that again is obvious from my
6 experience, which is that student loans are a significant
7 detriment to people even applying to Legal Services programs.
8 It is as simple as that.

9 I think it is equally true that they are a
10 detriment to people staying. It is more obvious to me that
11 they are a detriment from the very beginning to people even
12 applying. That is something that is clear from my own
13 anecdotal experience, and I think it is clear probably from
14 the figures that I have given you.

15 CHAIRMAN HALL: Mr. Gotlieb.

16 MR. GOTLIEB: Yes. Sure.

17 CHAIRMAN HALL: Can I stop you with a question?

18 MR. GOTLIEB: Oh, sure. Sure.

19 CHAIRMAN HALL: Is what you are telling is that
20 there are folks who want to go into poverty law but they
21 can't because of their student loan?

22 MR. GOTLIEB: Sure. Absolutely.

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1 I was able to be successful about that.

2 The year after they had student loan forgiveness
3 program that they created, we were interviewing, and we
4 interview a lot of folks from Emory because it is in Atlanta,
5 obviously, and it is a good law school and there are good
6 people who are interested.

7 I remember very distinctly interviewing like five
8 or six people on a given day, and three in a row were from
9 Emory, and every one of them said, you know how, "Isn't it
10 wonderful that Emory just came up with the student loan
11 package?" And there I was sitting in the back of the room
12 just kind of silently smiling about the fact that I was able
13 to feel like I was able to encourage their ability to come to
14 work with us, or for that matter any Legal Services program.
15 But it really made me feel good.

16 And so I remember it very distinctly. And it was
17 very, very definite; it was three people right in a row who
18 were clearly influenced in their ability to come and work for
19 us. I don't have any doubt about it. Don't have any figures
20 to back it up, but I don't have any doubt about it. Let's
21 put it that way.

22 In terms of what has happened in the country, and

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1 just in terms of how this has been addressed, let me just
2 fill you in a little bit.

3 There are a number of ways that -- there have been
4 programs that have been developed to try to deal with this
5 problem. One is that a number of law schools, Emory being
6 one of them, but a fair number beyond Emory -- I think the
7 number is right now about 32 law schools have come up with
8 loan repayment programs where they reimburse students who go
9 into public interest work on their student loans. In other
10 words, the student pays and they reimburse the student for
11 paying.

12 And they do that based upon, one, people going into
13 public interest and, two, people having salaries not above a
14 certain range. And the way these programs traditionally work
15 is that they reimburse based upon the amount that someone is
16 making after they get out of school. So they may reimburse
17 more for someone making less money than they reimburse for
18 someone making a little more money. And ordinarily the
19 programs have a cap on them; Emory's right now is \$32,000 for
20 instance.

21 The second way that this has happened across the
22 country is that when a couple of states, either through just

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1 general legislation or through IOLTA program, that have
2 developed student loan forgiveness programs, and they are
3 done in a couple of states through IOLTA programs, and then a
4 couple of states have done that just through general
5 legislation. And finally, a number of programs like ours
6 have created their own internal student loan programs to try
7 to do that.

8 By the way, one of the things that -- the way these
9 things work together is I think it is our program is probably
10 a traditional example of the way you can work with these
11 various things together, and that is we require people to
12 get, take advantage of whatever school program they have and
13 then we will supplement based upon if the loan is beyond the
14 coverage of the school.

15 MR. DANA: Ms. Chairman.

16 CHAIRMAN HALL: Yes, sir, Mr. Dana.

17 MR. DANA: May I ask a question or two?

18 CHAIRMAN HALL: Yes, sir, of course. Please.

19 MR. DANA: Mr. Gotlieb, If I heard you correctly at
20 the outset, you said, speaking for the field, we are
21 generally opposed to your having a line item for loan
22 forgiveness, loan repayment programs because we think that

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1 should be decided at the local level. But if you want to
2 talk about it, that is a subject that I would like to talk
3 about.

4 MR. GOTLIEB: Right.

5 MR. DANA: And you have been talking about it. I
6 would like to go back and explore the first sentence.

7 MR. GOTLIEB: Okay.

8 MR. DANA: I think that we, as a -- I think this
9 Committee started talking about loan forgiveness and loan
10 repayment in the context of -- I think -- in the context of
11 an alternative to the Reggie program. There were -- I think
12 there are those who may have felt that the Reggie program was
13 obviously terminated for a reason, and presumably it was a
14 good reason, but that -- and it may be the Reggie program was
15 elitist, which was, in the context of those concerned about
16 it, a bad thing.

17 And so we have been talking about loan forgiveness
18 repayment really as an alternative to what I understood to be
19 the field's enthusiasm for refunding of something known as
20 the Reggie Program. Whether or not I have accurately
21 described the committee and/or the Board, could you speak to
22 the Reggie Program?

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1 MR. WITTGRAF: Before you do, Mr. Gotlieb, Mr.
2 Chairman may I comment?

3 CHAIRMAN HALL: Yes, please.

4 MR. WITTGRAF: Let me defer to Ms. Love first.

5 CHAIRMAN HALL: Certainly.

6 MS. LOVE: It was my understanding about the Reggie
7 program that it did work, but there was some crooks and, you
8 know, in my terms misused some funds.

9 MR. WITTGRAF: Just don't mention any names now,
10 and we will be okay.

11 MS. LOVE: But it was a working program. So I
12 would like to see the loan forgiveness back in, and the
13 Reggie program, because we need help out there.

14 MR. WITTGRAF: Let me comment, and then you all can
15 respond to our comments. Ms. Wolbeck and Mr. Hall may have
16 some too.

17 My recollection of at least one of the reasons for
18 the Board's interest in this subject, in addition to the
19 presentation made by Mr. Steinberg and Ms. Rogoff before the
20 Audit and Appropriations Committee when it met in November,
21 in Washington, was that when we visited with a number of
22 project directors from Louisiana and Mississippi, in Jackson,

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1 Mississippi in September, that they shared with us their
2 frustrations over their difficulties in both hiring and
3 retaining the services of good staff attorneys.

4 It is my impression, anecdotal as opposed to
5 statistical, that we particularly have a difficult time in
6 recruiting lawyers on the one hand for small community and
7 rural areas, on the other hand we may not do a good job, as
8 you have suggested, of recruiting minority lawyers to Legal
9 Services programs.

10 So I think this committee's, and the Audit and
11 Appropriation Committee's, and our Board's interest is
12 broad-based in the sense of wanting both to keep Legal
13 Services attorneys with programs and to help make that
14 possible. Also particularly to help recruit and send lawyers
15 to small town and rural areas, and perhaps still to make a
16 special effort to recruit minority lawyers for Legal Services
17 programs.

18 So we are really looking how best to respond. Loan
19 payment or loan repayment is one approach. Reggie is another
20 approach. There may be a name or an acronym out there that
21 we haven't come upon yet that needs to be approached. But I
22 guess we are still looking for guidance to meet those needs,

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1 while also, as you know, considering asking the Congress to
2 provide a good deal more money to the more-or-less 325 basic
3 field grant recipients so that they can do some of those
4 things themselves.

5 And I think most of us here today, and on the Board
6 as a whole, are supporters of local agencies making as many
7 decisions as possible for themselves and having the best
8 sense of what is needed and what can be done, and how to do
9 it locally.

10 If there is a special line item in our budgetary
11 request, and perhaps in fact in what the Congress does, we
12 are wanting to meet those needs, I think, that require
13 special attention. And perhaps the way that the wording
14 appears in the budget proposal or proposals is not the best
15 wording, but I think it is those special needs we want to
16 meet, and then we need your input to help us make the case to
17 the Congress.

18 MR. GOTLIEB: First of all, I must disclose that I
19 was a Reggie in 1969.

20 MR. WITTGRAF: Usually we point to Geraldo Rivera,
21 but Mr. Gotlieb, it is good to have a comparison.

22 MR. GOTLIEB: Countervailing Reggie. I think that

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1 it is not a question of either/or. There are two different
2 kinds of needs, I think, that are addressed in terms of
3 recruitment like by loan forgiveness on the one hand and by
4 the Reggie Program on the other.

5 Loan forgiveness works, I think, because of the
6 fact that people have salary needs that can't be met by local
7 programs, unless you create some kind of special category of
8 payment. On the other hand, that doesn't necessarily address
9 the problem of getting high quality lawyers to want to go to
10 a small town in Georgia or a small town in South Carolina or
11 in Maine, or whatever.

12 And so you might need another recruiting device for
13 that, and the Reggie Program might be that other recruiting
14 device. So I don't really think we are talking about an
15 either/or as much as Mr. Dana would like to put me in that
16 position.

17 I frankly don't think they are the same kinds of
18 things, and they both, I think, go into your comment, Mr.
19 Wittgraf. I think they really do go toward different kinds
20 of ways that we can make sure that people can solicit better.

21 MR. WITTGRAF: They would seem to be either/or
22 though -- if I can interrupt you a moment -- in the sense

1 that you are proposing that just put as much money as
2 possible, be at the Board and its recommendation to the
3 Congress in its action in, let's say, basic field program
4 grants, and then let us as the programs do what has to be
5 done in the way of loan repayment. And that would -- if I am
6 understanding you, you are putting loan repayment program in
7 effect as a part of just an increase with basic field
8 programs. And perhaps we will come to agree with you as an
9 Audit and Appropriations Committee and as a Board.

10 If that is the case and if we join you in making as
11 persuasive a case for as large an increase as we think can be
12 had from the Congress, then what specially in what we will
13 call a supplemental provision or a special initiative of some
14 kind, should be done on the one hand to get lawyers to places
15 where it is hard to get them and, on the other hand, to
16 recruit lawyers who might not be looking to poverty law,
17 particularly minority lawyers, to get them to programs, be
18 they urban or rural.

19 MR. GOTLIEB: Well, I'm not sure I have a
20 totally -- I certainly don't have a complete answer to that.
21 A couple of things. One is the fact that the Corporation
22 doesn't set aside money for creating a program for loan

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1 repayment doesn't necessarily mean that it can't encourage
2 local programs to do that.

3 There are a variety of mechanisms that it could do
4 to encourage local programs to do that. Maybe even more
5 importantly, the Legal Service Corporation could encourage
6 local law schools to do that. And I think maybe some support
7 on the national level by the Corporation of the notion that
8 law schools ought to create loan forgiveness programs would
9 be a real valuable thing.

10 Frankly, in terms of dollars, my guess is that
11 where the most impact could be made is at the law school
12 level, rather than coming from the Legal Services
13 Corporation.

14 MR. WITTGRAF: Did you -- do you have a number as
15 to the law schools that have a loan forgiveness program now
16 for poverty lawyers?

17 MR. GOTLIEB: About 32, it --

18 MR. WITTGRAF: That was the 32 that you referred
19 to?

20 MR. GOTLIEB: Yes.

21 MR. WITTGRAF: Okay. Right.

22 MR. GOTLIEB: And it has been increasing pretty

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1 substantially. It is a very -- it is a present issue for law
2 schools, and there has been an increase, I think, in the last
3 couple of years from 13 to 32, if I am remembering right. My
4 numbers may not be exactly right, but it gives you the
5 feeling. There has been a pretty significant increase in the
6 number of law schools that have done that.

7 We are hoping, for instance, that we could get all
8 four Georgia law schools to do it, with Emory's support.

9 MR. WITTGRAF: Did you give us a number as to the
10 programs you think that have loan repayment?

11 MR. GOTLIEB: Yes.

12 MR. WITTGRAF: Or loan forgiveness efforts?

13 MR. GOTLIEB: We haven't done anything recently to
14 find that out for sure. The last time we did it was a few
15 years ago, and I think the number was under 20. It is not
16 real significant in terms of numbers.

17 MR. WITTGRAF: So it would appear that maybe there
18 is a need for simply more than money, but there is a need for
19 some kind of technical assistance, if you will, from the
20 Corporation perhaps -- if you can accept that as a positive
21 notion -- to assist programs in developing loan repayment
22 programs. So that at least, even if the money is available

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1 locally through increased funding, some of which would go to
2 salary increases, would be immediate dollars, but beyond that
3 providing some information to programs through the
4 Corporation perhaps would be useful.

5 MR. GOTLIEB: Sure.

6 MR. WITTGRAF: In an exemplary or a model or an
7 anecdotal way.

8 MR. GOTLIEB: Sure. Let me just add a couple of
9 things before -- if we get diverted to something else. There
10 are a couple of things that I think are important about the
11 kind of programs if the Corporation decides to go this way,
12 or if the Corporation is going to encourage programs to go
13 this way.

14 There are a certain couple of guiding principles, I
15 think we ought to keep in mind. And the reason I want to
16 mention them is because I know the Corporation in, I think it
17 was 1981, did something on loan forgiveness, and I am not
18 sure how successful it was. And I am not sure if it wasn't
19 because some of the guiding principles weren't thought about,
20 one of which is, in my mind, that you have to have a loan
21 forgiveness program which you can rely on and which is not
22 going to affect an occasional applicant.

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1 I may be wrong about this, but my memory of the
2 experiment the Legal Service Corporation did, I think it was
3 in 1981, was not across the board. It was very selective,
4 and it was occasional, and no one could really depend upon
5 it.

6 If you are going to do any kind of loan
7 forgiveness, either at the national level or at a local
8 level, it seems to me you have got to make it something which
9 everybody knows when they walk in the door that they are
10 going to get. Not that there is going to be a selection.
11 Not that there is going to be lottery. Not that it is, "You
12 may get it or you may not get it." Because you can't ask
13 someone to decide that they are going to make a career in
14 Legal Services based on the possibility that they are going
15 to get loan forgiveness. You can't do that.

16 You also can't do that if you are going to say you
17 can only give it to people for the first year or the second
18 year. It seems to me you have got to make a commitment to
19 them if you want to make it serious. But you are going to
20 give loan forgiveness for -- my guess would be for as long as
21 they are in Legal Services, but certainly for a long period
22 of time.

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1 The second thing about loan forgiveness, I think,
2 which is suggested by the amount of money that we have
3 committed to it, per person by the way, is that it has to be
4 above the minimum amount of money. I mean, there is no point
5 really in having a loan forgiveness program where you
6 reimburse someone \$25 or \$50 a month. In terms of the
7 numbers we are talking about, I think it wouldn't make any
8 sense.

9 I have pretty regularly said that \$100 is the
10 minimum in my mind, and I am beginning to think that I may be
11 a little bit low about that. But something that has some
12 effect, tangible effect, is something you have to keep in
13 mind.

14 And finally, I think the other thing that I would
15 keep in mind for any program at the local or at the national
16 level is that I think it ought to be aimed at people who have
17 the highest loans. And the way you do that is by having a
18 deductible by maximizing your amount at the top levels. You
19 could have a deductible or you could say you are paying 75
20 percent of the amount that someone pays.

21 But whatever you do, you try to maximize the amount
22 you can give to the people with the highest loans, because I

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1 think that is where the problem is. The problem is not that
2 somebody has \$100-a-month loan; the problem is that someone
3 has a \$500-a-month loan.

4 So those are just things that I think we ought to
5 keep in mind with any kind of a program, no matter what the
6 Corporation decides to do. And I just wanted to make sure
7 that I got an opportunity to let you know what I think is my
8 experience about it.

9 MR. WITTGRAF: What, if anything, should we be
10 doing relative to recruitment then, either recruitment for
11 certain programs, certain parts of the country, or for
12 recruitment of certain lawyers to programs, if anything?

13 MR. GOTLIEB: You mean on the national level?

14 MR. WITTGRAF: Yes.

15 MR. GOTLIEB: Well, Harrison is going to talk about
16 the Reggie program, and it seems to me that that might be one
17 thing to do. If you all decide to line item some particular
18 programs, I would not get incredibly upset if you used loan
19 forgiveness as one of those programs.

20 But in terms of what I generally think about as the
21 general principle, I think we ought to be making those
22 decisions locally. But I kind of am trying to walk a narrow

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1 line with you by saying that I think it is a very good
2 program, and if the Corporation is going to decide that it is
3 going to spend money on some special projects, as you have
4 been talking about this afternoon, loan forgiveness is
5 certainly a good special project.

6 MR. WITTGRAF: I think one thing we discussed when
7 this committee met in St. Louis a month ago was that it may
8 be that a case can be made politically for a line item of be
9 it Reggie type funds or be it loan repayment funds, that
10 could be funded by the Congress apart from any increase in
11 basic field grants or basic field services amounts.

12 So that while, again, I think most of us would
13 agree with local decision making and local control as guiding
14 principles, we are also looking at the Congressional politics
15 here, and by making the case for that independently we might
16 be able to get some monies there as well as monies for
17 increases in the basic field grants.

18 MR. GOTLIEB: Sure. I think that my comment about
19 local control is implicit, and that is that you can't get
20 more money for loan forgiveness. If you could get more money
21 for loan forgiveness, which I think probably is going to be a
22 hard thing to do, from what I understand, but if you could,

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1 then I certainly would not sit here and object to you getting
2 more money for the field to go to loan forgiveness. Because
3 I think it is a very valuable thing and clearly increases the
4 amount of money that we can spend on getting and retaining
5 good staff.

6 CHAIRMAN HALL: George, if I may, I think that
7 in house the Corporation has been doing some things, and
8 would ask our president to comment on those at this time, if
9 he would, please. It may be an answer to some of your
10 questions in response to some of your thoughts.

11 MR. O'HARA: Thank you, Mr. Chairman. Mr. Gotlieb
12 and I had a conversation in Portland, and like the proverbial
13 elephant, I don't forget things when I am told things that
14 sound good. We have begun an initiative in-house looking
15 into the loan forgiveness. But we are tying it into
16 something else, which I think is a very critical part of what
17 you have been talking about.

18 Loan forgiveness goes on for a period of years, and
19 then the loan is paid off; does the attorney then gravitate
20 to a very lucrative law firm because he wants to build for
21 his future? What we are looking at is some sort of a
22 retirement program, if you will, that keep the attorneys,

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1 will make it attractive to them to stay in the program.

2 So we have a two-pronged effort going. One, the
3 loan forgiveness part of it and, two, the building of some
4 kind of a system where the attorneys who now are beginning to
5 get a little gray can start thinking that, "Well I am going
6 to get something else besides Social Security," and make the
7 effort worthwhile. And we are doing that in-house, and I
8 will be in touch with you.

9 MR. GOTLIEB: Well, let me just -- as a small
10 comment, our program does have both a loan forgiveness
11 program and a pension program. And I don't think it would be
12 a wise thing to do -- and I wasn't suggesting that the
13 Corporation do this -- to look at loan forgiveness alone. I
14 mean, it is part of the package of things that you do to try
15 to deal with the different needs of different people on your
16 staff.

17 And, in fact, it is funny because some of the
18 comments I sometimes get from directors is, "Why are you
19 doing loan forgiveness when that only benefits a certain
20 small group of people?" Well, that is because you try to
21 have a package of things that you do for various kinds of
22 people on your staff. The people who are a little

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1 gray-haired, like both you and I, and who want to think about
2 pension issues, and also the younger people who may think
3 about loan forgiveness, as well as other kinds of things like
4 health benefits. So it is only part of a package. I agree
5 with that.

6 MR. O'HARA: I think it is important too because,
7 after all, the bottom line is the client. If you don't have
8 the attorney around, the clients aren't going to be served.
9 Thank you.

10 CHAIRMAN HALL: Jeanine, did you have any
11 questions, or you need a --

12 MS. WOLBECK: I guess the only thing that -- I
13 don't know whether this fits in; I really don't know how to
14 say it but I'm thinking about like, you know, people going
15 through college and the one person who is working three jobs
16 to get through college, and the other one just lets his loan
17 pile up and says, "Well, I'll go work here, and they will pay
18 back my loan."

19 I don't know if there is any relevance to that, but
20 that is just something that is -- are we encouraging
21 something or discouraging something with this, or does it
22 come down to the person who really wants to get his loans out

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1 of the way is going to just work hard anyway and not have as
2 much of a loan going through. I don't know where that fits
3 in.

4 MR. McIVER: Harrison McIver, Project Advisory
5 Group. As I recall my college law school career, most people
6 were seeking jobs to get experience in addition to securing
7 monies. So the incentive was not -- wouldn't be a
8 disincentive because people need experience to market
9 themselves once they leave law school.

10 MR. GOTLIEB: I don't think we will ever get to a
11 point where people will be able to count so much on loan
12 forgiveness it will a disincentive. Keep in mind that you
13 are only talking about paying, allowing a certain amount to
14 be reimbursed, so there is still a significant amount that
15 still has to be paid. And a program could be structured, for
16 instance, where you would build in, you repay only 75 percent
17 of what somebody has to pay the school, up to a certain
18 point.

19 I mean, you could work it anyway you want it. And
20 my guess is that we will never be at a point where we will be
21 paying so much that we will be encouraging people to take out
22 loans.

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1 MS. WOLBECK: Mr. Chairman, there is nothing -- a
2 person coming in that has maybe a \$5,000 loan and another
3 comes in with a \$35,000 loan, you are not necessarily out to
4 help the one more than the other? I mean, you are not going
5 to look at that as, you know, "Well this guy really needs
6 help worse than this guy does." Even though the guy with the
7 \$5,000 loan probably worked three jobs to keep it down.

8 Do you see what I am saying? Is that --

9 MR. GOTLIEB: The interesting thing about it is
10 that I don't think -- our experience is that the person with
11 the \$50,000 loan didn't work. I think what Harrison is
12 getting at is exactly right. I think the people who have
13 \$50,000 loans have \$50,000 loans because they worked and
14 would have had \$75,000 loans had they not worked. I don't
15 think anybody wants to have the \$50,000 loan.

16 So I don't think anybody does it in any purposeful
17 kind of way. My guess is, based on my experience of seeing a
18 lot of people who apply to Legal Services, that you
19 don't -- we would not be encouraging anybody to get more
20 loans by having a loan forgiveness program. In fact, the
21 people who have those \$50,000 loans worked just as hard as
22 the people who had the \$5,000 loans. It is just a matter of

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1 where they happened to be economically.

2 MR. McIVER: And what law school the person might
3 have attended.

4 MR. MOSES: If I can add one thing to that,
5 however, Ms. Wolbeck, obviously that can potentially be a
6 problem that we have been looking at in conjunction with this
7 study. In fact, I have had conversations with the executive
8 director and the board president of one of our largest
9 programs that we fund nationally, who has said point blank
10 that that very issue that you are talking about was the one
11 reason why, in negotiations with their union, they would not
12 do a loan forgiveness program, because they were very
13 concerned about how to deal with that issue.

14 So I think, even having listened to what these
15 gentlemen are saying, I think that it is definitely an issue
16 that is going to have to be dealt with in the context of
17 whatever we decide to do.

18 CHAIRMAN HALL: Ms. Love, did you have a comment?

19 MS. LOVE: What are the benefits that attorneys
20 have now, and what is the new benefits that you all want them
21 to have if they come into it?

22 MR. GOTLIEB: In terms of loan forgiveness?

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1 MS. LOVE: Uh-huh.

2 MR. GOTLIEB: In our program we have the
3 traditional kinds of benefits that you might imagine. And
4 this is for all staff. You know, we have things like health
5 benefits, we have disability. We have the kinds of
6 traditional fringe benefits that most organizations would
7 have. The things that attorneys have which are special are
8 things like paying for court admissions fees in order to
9 become a part of the court. To some extent we pay for their
10 need to take the bar exam. Things that are special to being
11 a lawyer.

12 So this is an additional benefit, but it is --
13 well, I'm not quite sure exactly what your comment is. I see
14 it as part of a whole package of benefits that everybody has.
15 For that matter, our loan forgiveness program is not limited
16 to attorneys. It just turns out that they are the people who
17 happen to be in most need of it most of the time.

18 MS. LOVE: So what happens once you are older and
19 retire? What benefits do you have then?

20 MR. GOTLIEB: Oh, I'm sorry. We have a pension
21 program as well in our program, where we match an annuity
22 contribution. If somebody puts money into a tax sheltered

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1 annuity we match that contribution up to 3 percent of their
2 income. So we have a pension program as well as a loan
3 forgiveness program. We try to deal with it on both ends.

4 MS. LOVE: So, in other words, they have more to
5 look forward to than the average poor person?

6 MR. GOTLIEB: A person who works for the program
7 can create better pension opportunities. And that is not
8 just the lawyers.

9 MS. LOVE: That is what I am getting at.

10 MR. GOTLIEB: But that is not just lawyers, by the
11 way.

12 MS. LOVE: Yeah.

13 MR. GOTLIEB: I mean that would be anybody in the
14 program.

15 MS. LOVE: So you are trying to better it?

16 MR. GOTLIEB: That is correct.

17 CHAIRMAN HALL: Mr. Dana.

18 MR. DANA: Mr. Chairman, I am still moved by Mr.
19 Gotlieb's first sentence, and we have been spending the whole
20 time talking about everything else. He is -- his initial
21 sentence was that the field feels that the local programs
22 should be dealing with all of these benefits.

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1 CHAIRMAN HALL: Well, he has qualified that several
2 times since then.

3 MR. DANA: I don't think he has qualified that at
4 all.

5 MR. WITTGRAF: Let me say it is qualified in my
6 mind by the fact that only about 20 out of some 325 programs
7 have loan forgiveness programs, less than 10 percent.

8 MR. DANA: And in what respect does that qualify
9 his first sentence?

10 MR. WITTGRAF: The fact that very few people, very
11 few programs are doing it.

12 MR. DANA: Yeah. I think that -- well, let me make
13 my position clear. I think loan forgiveness programs are a
14 good thing. I am not sure it is the sort of thing that we
15 ought to be mandating or we ought to be insisting that each
16 and every program have.

17 I think it is the kind of thing -- and I'm not sure
18 that the Chairman -- I don't think the Chairman is suggesting
19 that. I understood, Steve's position is that it should be a
20 matter determined at the local level. In some cases in
21 connection with their union.

22 And that whether a loan forgiveness program or a

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1 new pension plan or longer vacations or better fringe benefit
2 of one kind or another is important, it should be a local
3 decision, and I tend to support that. Whether the Legal
4 Services Corporation, as a corporation, should have loan
5 forgiveness program I think is another question. I think
6 maybe we ought to think about it for us.

7 However, we got into this discussion because of a
8 belief that the Corporation used to sponsor a program
9 designed to encourage the very best lawyers in the country to
10 go into Legal Services, by giving them -- by paying their
11 salary for a two-year period and by recruiting them and then
12 sending them out to the field.

13 And I think, from all I have heard, that has -- and
14 I have met, as I know you have, in addition to Geraldo, many
15 very, very impressive Legal Services lawyers --

16 MR. WITTGRAF: I haven't had the opportunity yet to
17 meet Mr. Rivera.

18 MR. DANA: Yeah. Okay. Well, that -- who
19 are -- who have made a major, major contribution in Legal
20 Services, and inevitably many of them turn out to have been
21 Reggies. And I would be very interested to know why the
22 field thinks the Reggie program -- why something in the

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1 nature of the Reggie program should be funded but not -- and
2 I certainly understand what the field doesn't want us to
3 mandate a loan forgiveness program, but I would be interested
4 in learning their reaction to a Reggie program of some sort.

5 CHAIRMAN HALL: I can't tell whether you agree or
6 disagree with his first statement, Howard.

7 MR. DANA: I agree with it. I think it would be a
8 mistake to throw \$5 million at a loan forgiveness program. I
9 would rather let local programs make that judgement.

10 CHAIRMAN HALL: But then you said that Legal
11 Services itself should look at one?

12 MR. DANA: Yes.

13 CHAIRMAN HALL: How would that work?

14 MR. DANA: We -- for ourselves, for our own
15 employees. In order to make us able to attract good
16 employees, we might want to consider that. I don't know that
17 we need it, because we are -- because our salaries are
18 substantially more competitive I think than the field's. But
19 I guess my feeling, Mr. Chairman, is that loan forgiveness
20 and loan repayment programs should be decided on a
21 corporation -- by the grantees.

22 And if they want to, if they have an extra

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1 \$100,000, they may want to spend it as on pension benefits,
2 as Rick Teitelman may decide that it should go into pension
3 benefits and Steve Gotlieb may want to put it into loan
4 forgiveness, and Pine Tree in Maine may want to split the
5 difference.

6 But by having them decide out in the field, I think
7 we will get better decisions across the board. But, I don't
8 think that 310 or 300-odd programs are able to -- each and
9 every one of them can't put on the kind of recruitment, the
10 kind of aggressive search for the very best lawyers that we
11 can. And I think that it may be that a Reggie-type program
12 is something we can do that they can't do.

13 MR. WITTGRAF: Mr. Chairman.

14 CHAIRMAN HALL: Mr. Wittgraf.

15 MR. WITTGRAF: May I spin this one more direction?
16 I'm not sure that we are necessarily talking about different
17 things. And I am not sure that we were necessarily talking
18 about mandating or superimposing loan repayment programs on
19 the 300-plus basic field grantees or programs, but rather
20 that a loan repayment program administered either by the
21 Corporation or by someone else would be a way of recruiting
22 lawyers to go either to areas where existing programs have

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1 difficulty in recruiting them or recruiting certain lawyers
2 that we think particularly need recruiting, be they minority
3 lawyers or be they the so-called "the best and the brightest"
4 of law school classes.

5 That, rather than paying a full salary -- and I
6 don't recall offhand, I think perhaps Charlie Moses shared
7 some figures with us a month ago in St. Louis, and I am not
8 recalling those figures, perhaps \$3 million annually for the
9 Reggie Program -- but that rather than paying someone's
10 salary it may be that the Corporation would be dealing with
11 programs across the country and would say that if you are
12 able to hire this person at a certain salary, that we, the
13 Corporation or somebody with whom we have contracted, will
14 then repay some portion, or for some period of time that
15 lawyer's loan obligation as long as he or she remains in the
16 employment of East River Legal Services in Sioux Falls, South
17 Dakota, or whichever program it happens to be.

18 So I'm not sure that we -- I'm trying to think
19 back on our discussions a month ago and earlier -- we are
20 trying to superimpose some loan repayment program on the 300
21 plus programs across the country, but rather looking at
22 different ways to help with recruitment and to help with the

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1 recruitment of certain types of attorneys.

2 MR. DANA: Okay.

3 CHAIRMAN HALL: Jack, did you have a response to
4 that?

5 MR. O'HARA: Just to add onto what Chairman
6 Wittgraf said, we are trying to act as facilitators in this,
7 trying to get the expertise which we have within the
8 Corporation to reach out to the people they have talked to in
9 regard to these matters, and compile that information and
10 furnish it to the programs.

11 MR. DANA: Yes. I think what the Corporation is
12 doing in that respect is wonderful. And making the
13 information available, as Steve's committee does, and
14 promoting it at the law school level, promoting it through
15 IOLTA programs, making models and approaches available, I
16 think that is constructive.

17 I stand corrected. I think the -- and it may have
18 been responsive to -- again to Steve's first sentence in
19 which he says they would be opposed to a loan forgiveness
20 program of \$5 million for loan forgiveness across the board.
21 If what the Chairman is -- and I think this does ring a bell.
22 If what we are talking about is a way of compensating the

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1 best and the brightest, or minority candidates, or Reggies,
2 or whatever you want to call them -- Wittgrafs -- that would
3 be --

4 MR. WITTGRAF: Perhaps Smiths or Hollings would be
5 better.

6 CHAIRMAN HALL: I want to interrupt and
7 ask -- Peggy Santos and Alfred Jones are going to speak to
8 us. If they have a flight problem, if you do, I just want to
9 know and then -- it is 10 until 3:00, and -- you are okay?

10 MR. McIVER: I'm sorry to interrupt.

11 CHAIRMAN HALL: No, no.

12 MR. McIVER: I didn't know whether -- I apologize.

13 CHAIRMAN HALL: No. No problem. Well, we
14 will -- I think we are -- I'm really not sure where we are on
15 this issue.

16 MR. DANA: Could we hear from Harrison on the
17 subject?

18 CHAIRMAN HALL: I'm sorry. Sure.

19 MR. DANA: Jo, did you --

20 CHAIRMAN HALL: I'm sorry, Jo.

21 MS. LOVE: No, that is all right.

22 CHAIRMAN HALL: Go ahead.

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1 MS. LOVE: Small town like -- Mr. Wittgraf, you are
2 speaking of small town people and recruiting people go to the
3 small towns, but Mr. Wittgraf is from Cherokee, and he went
4 to law school, and he went back to Cherokee.

5 So if things -- the benefits are nice because the
6 average poor person don't make \$26,000 and never have seen it
7 anyway, and if they have nice benefits for their families, I
8 still think they would come and be at Cherokee or Aberdeen,
9 Mississippi, come back there because they never made this
10 kind of money anyway.

11 They want to go to the city, big time you know.
12 But if they are given enough money, \$26,000 to a poor person
13 is a lot of money, if they would stay at home, or go to the
14 little hick towns. Right?

15 MR. GOTLIEB: Well, I am not sure, Ms. Love, what
16 you are suggesting in terms of either Reggie or loan
17 forgiveness.

18 MS. LOVE: You said that the average attorney once
19 they finish law school do not want to be sent out to these
20 little towns. But if they come from the small town in the
21 first place, and they have the benefits to go back to, be it
22 there or my town, they are used to a little small town and

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1 they will still do well and can help the people.

2 MR. GOTLIEB: I wasn't disagreeing with that. I
3 think what I was trying to get at was that I know from
4 experience that there are some programs, unlike ours in
5 Atlanta, where there is a lot of problems recruiting folks
6 going to small towns.

7 Now there are lawyers who want to go back to small
8 towns, but the problem is there aren't as many to choose from
9 as who want to go to Atlanta. And so we have a lot better
10 choice in Atlanta than they do in Sioux Falls. And I think
11 what we are talking about today is trying to figure out a way
12 that we can do something to encourage people to want to come
13 back to Legal Services programs, either through making the
14 benefits better and allowing them to, or through a national
15 recruiting device which allows us to place people in smaller
16 places.

17 I wasn't suggesting people didn't want to at all.
18 I'm just saying the choices could be limited because there
19 aren't that many.

20 CHAIRMAN HALL: We are going to take a little
21 recess and then we will come back.

22 (A short recess.)

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1 CHAIRMAN HALL: All right. We are going to take it
2 back up at this point. And I think when we left off Harrison
3 McIver was fixing to speak to us on the Reggie program, and
4 if he would do so now.

5 MR. McIVER: Well, thank you. I appear here on
6 behalf on the Project Advisory Group as project coordinator,
7 and in my former capacity as a Reggie fellow, and as a
8 project director. I was --

9 For a little background, I was a Reggie in the
10 class of 1977, and a second year Reggie in 1978. I was
11 project director from a period of 1982 up until 1990, at
12 Central Mississippi Legal Services in Jackson.

13 I would like to take this opportunity to thank the
14 Board for allowing me, as well as this committee, for
15 allowing me the opportunity to give testimony in support of
16 the Reggie program, which is something very dear to me and,
17 as well, to commend the Board for even giving serious
18 consideration to the re-establishment, at least the
19 recommendation of re-establishment of the Reggie program by
20 including it in a line item of its FY 1993 budget mark.

21 Before talking about my experience as a Reggie,
22 which I would like to do, it would be helpful to appreciate a

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1 little bit about my background, which influenced my
2 development and my commitment to legal services to the poor.

3 I was born in Bainbridge, Georgia. Where is -- I
4 wanted Mr. Wittgraf to be present so he could hear this, but
5 apparently he stepped out. I was born in Bainbridge,
6 Georgia, which is in southwest Georgia, about 40 miles north
7 of Tallahassee, and about 59 miles southwest of Albany, and
8 about 40 some miles southeast of Dothan, to give you an idea,
9 and it was DeSoto's trail. DeSoto went through it when he
10 came up through the Gulf, so it is famous in that regard, and
11 Georgia's first inland port. So I recommend that all of you
12 should come and visit Bainbridge, Georgia when you have the
13 occasion.

14 It got some notoriety a few months ago before the
15 governor of Florida actually became the governor, he was
16 traveling and got stopped and questioned whether he had too
17 much to drink, and it made the national newspapers. But he
18 happened to have less than that .1, tenth or whatever the
19 amount is.

20 Bainbridge, Georgia has a population of about
21 15,000, and during my childhood, the economy was largely
22 agrarian or farm based. Bainbridge at that time was a

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1 product of the times. It had segregated public
2 accommodations, it had a school that was also segregated.
3 Intimidation was used as a form of coercion, employed to
4 maintain the social status of that time.

5 During the summers it was the practice of African
6 American youth to work in the fields in that particular area.
7 It was tobacco fields of Georgia, south Georgia, southwest
8 Georgia, and northern Florida. I also did that, and I am not
9 going to sit here and say that I had to do it, but it was the
10 social practice there if you wanted to find your friends,
11 they were in the fields.

12 I was lucky enough to have parents who had an
13 opportunity to get an education and did provide me the basic
14 needs that I required. At that point in time, I saw poverty
15 firsthand and its consequences and indicia. We were worked
16 for a wage of \$3 to \$6 a day, and I, as a 10-year old,
17 didn't -- well, that was about \$3 a day. But you had people
18 who actually lived on what we called the plantations and
19 actually worked from \$3 to \$6 a day, and that was their
20 livelihood.

21 There was no such thing as health care or health
22 insurance. There was inadequate housing. They lived in what

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1 we call shanties. There was no such thing as day care. You
2 would see the mothers with children strapped to their backs.
3 You saw mothers and fathers with their children out, actually
4 three and four years old, might be participating in working
5 in the fields.

6 That experience left an indelible impression on me
7 and helped to forge and help me in my whole commitment to
8 doing something about that and to pursue a career that would
9 help me return to the South and hopefully make a difference.

10 I can recall going to law school. I can recall a
11 Reggie recruiter, Cap Washington now for those who may
12 remember, who mesmerized us in his articulation about the
13 Reggie program, its values and how -- the benefits of it. I
14 knew that Legal Services and the Reggie program would be,
15 could be a vehicle through which I could return to the South
16 and to make a difference in the rural part of this country.
17 The Reggie program really was the embodiment of what I really
18 aspired for as a lawyer.

19 Now going to my work as a Reggie. I was assigned
20 to North Mississippi Rural Legal Services, which it was in
21 the Delta part of Mississippi. One of the poorest areas in
22 this country was in Cleveland, Bolivar County, Mississippi.

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1 I lived in a small town founded by a black slave, and it was
2 called Mount Bayou. And you are aware of it, Ms. Love.

3 As a Reggie, I was given charge of the community
4 legal education program. And in doing that, I began to
5 appreciate the need for health care. And we hear of an
6 access to health care. We are hearing those same things
7 today. And what I did was study the Hill-Burton requirement
8 and obligation of the hospital. And I began to create forums
9 to educate the poor of those communities to know that they
10 could go to those hospitals and request free medical
11 services, and in doing that, it made some difference.

12 That particular community legal education forum,
13 community education forum rather, rather than legal, was
14 mimicked or at least duplicated in other parts of the North
15 Mississippi Rural Legal Services service area.

16 Now moving to -- well, let me say this. My efforts
17 really made me feel good and very proud that I had the
18 opportunity to be a Reggie. It served the needs of that
19 community and made me feel like a community lawyer, and I
20 thought that was what was important.

21 And as a part of my study of the Hill-Burton
22 obligation, I was one of the first to file an affirmative

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1 defense using the Hill-Burton obligation, that was upheld by
2 the County Court on the basis of a motion to strike by the
3 hospital's attorney. It never made it to trial because the
4 attorney was fearful that it might reach the Supreme Court of
5 Mississippi and then become law.

6 So I was able to have -- in fact, my client -- it
7 was against the estate; my client had died, and we were able
8 to resolve that to the benefit of my client's widow.

9 Moving to becoming a project director, I learned
10 early on about the impact of a Reggie, the Reggie programs,
11 especially in light of the budget cuts that were experienced
12 by programs during the '80s. CMLS suffered a serious
13 reduction in funds. There was at one point seven full-time
14 offices that were reduced to three, training staff of 20
15 reduced to 11 or 12. And, as I understand it now, there are
16 eight attorneys with the director being included.

17 The Reggie program was a resource, and when it was
18 eliminated it had a dire impact on the clients at Central.
19 Central traditionally received or were assigned Reggies on a
20 continuing basis over several years until the end of the
21 program. As a project director, I assigned that Reggie to
22 the Community Legal -- Community Education Program, and to

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1 work on community advisory councils, serve on community
2 advisory councils that we were asked to have to make
3 recommendation selections for. And at the same time this
4 person worked and maintained a case load of some magnitude.

5 Moving quickly. What did the Reggie program
6 afford, and why should there be a Reggie program? As a
7 national recruitment program, with the prestige beyond that
8 which most Legal Services programs, obviously, programs in
9 Atlanta Legal Aid, in Boston, in urban areas, may have the
10 prestige to generate interests in terms of recruitment, but
11 when you talk about rural Mississippi, when you talk about
12 rural Alabama, when you talk about rural Minnesota, when you
13 talk about rural Texas, I think it has a tremendous impact in
14 terms of the need for a national recruitment program.

15 Also, it attracted a cadre of bright law graduates,
16 including minority and women of high caliber. It had a
17 reputation for providing opportunities for the involvement of
18 aggressive representation of clients in addressing a specific
19 or specialized need to deal with the problems indigenous to
20 the client community: community lawyering, as it was called.

21 It had a successful and expansive training program,
22 unmatched in Legal Services. At one time, I recall, we were

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1 in training for at least two weeks. And I understand at one
2 point it was a month's training in skill, as well as
3 substantive law, that was of benefit in terms of that
4 attorney going to -- or that fellow going to the Legal
5 Services Programs and providing services.

6 Retention, I know, is a component. The only
7 information or statistics I was able to find, after sifting
8 through my piles of data, was the one done by William Cook,
9 who was a former Reggie and currently executive director of
10 Neighborhood Legal Services Program in Washington. And I
11 have provided a copy of that, at least the results of the
12 survey to you.

13 For the record, there were approximately 220-plus
14 programs -- well, all the programs were sent the survey, 209
15 programs responded to the survey. 127 indicated employing
16 former Reggies on their staffs. There were 252 former
17 Reggies on the staffs of the 127 programs. The racial
18 breakdown was Native American, 10; white, 124; African
19 American, 71; Hispanic, 38; Asian, 9.

20 In all, minorities comprised approximately 58.8
21 percent, and women comprised 43.65 percent of the 252 former
22 Reggies. The positions held by the former Reggies were

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1 project directors, 39, which represented about 30.7 percent
2 of the 127 programs; litigation director, 14; management
3 attorney, 39; senior attorneys, 25; staff attorneys, 135.

4 This data, I would submit, clearly shows that the
5 recruitment and retention -- well, at least the retention of
6 Reggies were high and significant, and that Reggies held
7 leadership positions within the Legal Services Program.

8 I happened to have been at Eastern Market, for
9 those who are from Washington, on Saturday, and I ran across
10 a Mike Hancock who works with the -- I think it is the
11 Migrant Justice Group, which works very much in tandem with
12 Legal Services. And I was telling him that I had Reggie
13 material in my hand, and he said to me -- I said, "Well, I'm
14 looking at reviewing a Reggie." He said, "You know, I was a
15 Reggie."

16 And as I go across the country and that subject
17 comes up you find more and more, and we are very proud of
18 those Reggies, save for maybe Geraldo and Doggett, and a few
19 others, but we are very proud of the Reggie and their track
20 record in terms of staying in Legal Services, and as well as
21 being involved in the service to poor people.

22 I'm going to move forward real fast. I know time

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1 is running. I would like to state as I -- that the PAG, and
2 I imagine the NLADA, would stand ready to work with this
3 committee, the Board and the staff, and design a program that
4 would be responsive to the current needs of programs relative
5 to recruitment.

6 We are not saying that the Reggie, as it were, is
7 the answer without some changes, or some modifications. We
8 are not saying that, because it has been seven years since
9 the Reggie -- or maybe it is six, five to seven years since
10 the Reggie was in fact in existence. But what we would
11 suggest to be considered would be that accurate funds be
12 provided for the Reggie, for a Reggie-like program, in order
13 for it to achieve its stated goals.

14 I would suggest that -- and we would suggest that
15 it be administered by a law school with a positive reputation
16 of supporting diversity on its faculty and within its student
17 body, and perhaps one with a strong clinical program targeted
18 to the poor.

19 The targeted fellow should have a solid academic
20 record, community commitment and involvement, and have
21 expressed preference to practice poverty law. The fellow
22 should reflect the diversity of the client community,

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1 including ethnic, cultural, and genitive diversity, and
2 include as well the elderly and disabled.

3 And hearing the testimony of Steve Gotlieb, he
4 indicated that 64 percent of the programs experience problems
5 in overall recruitment. Eighty-one percent of the programs
6 experience problems in terms of minority recruitment, which
7 clearly shows there is a need for some national coordinated
8 recruitment program.

9 The program's recruitment selection, and selection
10 procedures and the like, should incorporate steps to attract
11 and to hire, as I said, minorities, women, elderly and
12 disabled. Fellows should be willing -- I think is very
13 important, especially in rural areas, to be willing to live
14 in those communities in which they work and become a part and
15 a resource to those communities.

16 The PAG has included in its budget \$12.9 million.
17 Obviously, your budgets are something less. But what we
18 would submit is that if \$5 million is a start for that, we
19 would support that, because it has been a proven program, and
20 the details can be worked out.

21 We are hopeful that we will have an opportunity in
22 PAG and the field programs which we represent will have a

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1 part in helping to formulate any type of national recruitment
2 program very similar to how the Competition Advisory
3 Committee has worked with the staff and the Board.

4 And I will close there.

5 CHAIRMAN HALL: Committee members, questions?
6 Howard, questions?

7 (No response.)

8 CHAIRMAN HALL: Harrison, how many Reggies were
9 there, not are there but were there?

10 MR. McIVER: I don't have the figures on the total
11 number of the course of from -- it became in existence around
12 '65 or '67 up through '80 -- I think it was in -- within the
13 Corporation it ended in '87, I believe. I have -- I don't
14 have those figures.

15 CHAIRMAN HALL: Okay. Can you give me an idea on a
16 yearly basis how many Reggies there were? Do you have any
17 idea about that, Charlie?

18 MR. MOSES: Yeah, there were approximately 300
19 first and second year Reggies in any one given year. So --

20 CHAIRMAN HALL: A hundred a year for how many years
21 though?

22 MR. McIVER: No, 300.

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1 CHAIRMAN HALL: And you had first and second year
2 class --

3 MR. McIVER: 150 first-year and 150 second-year.

4 CHAIRMAN HALL: What do you mean first and second?

5 MR. MOSES: It was a two-year program. You would
6 be hired to basically -- well, actually at one point it was
7 even a three-year program, but that was scaled back. You
8 would be hired for two years. In your second year, you would
9 be known as a second-year Reggie, and your first year you
10 were a first-year Reggie.

11 MR. McIVER: And third it would be what they call
12 experienced Reggies. But when funding became an issue then
13 it was reduced to the two-year.

14 CHAIRMAN HALL: From those numbers, and knowing the
15 number of years that the Reggie program lived, can you get an
16 idea of how many there were? Could you?

17 MR. McIVER: I would say approximately 3,000,
18 possibly.

19 CHAIRMAN HALL: There is really no way to -- well,
20 I guess --

21 MR. McIVER: I guess the Corporation records might.
22 Are they --

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1 MR. MOSES: We could probably -- well, I can't even
2 say that we could. I would say roughly the 3,000, given
3 those figures. So you would be dealing with --

4 CHAIRMAN HALL: Of course, we don't know how many
5 are still there, or we don't know how many that stayed and
6 stayed.

7 MR. McIVER: We haven't done anything since the
8 Willie Cook in 1985.

9 MR. MOSES: The Willie Cook study, I think he said,
10 what, 252?

11 MR. McIVER: Right. And I --

12 MR. MOSES: And a retention rate of, if you had
13 3,000 and you have 252 people still there --

14 CHAIRMAN HALL: Well, you don't know where else the
15 others may have gone?

16 MR. MOSES: I'm sure they are doing something else
17 related.

18 CHAIRMAN HALL: Possibly. I mean --

19 MR. MOSES: Like the individual that --

20 CHAIRMAN HALL: Right.

21 MR. MOSES: Or even like you?

22 MR. McIVER: Well, I'm not too far away.

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1 CHAIRMAN HALL: It is hard to say. I mean --

2 MR. McIVER: Even within the Corporation, possibly?

3 MR. MOSES: Right.

4 MR. McIVER: Our general counsel is even --

5 CHAIRMAN HALL: I mean, if the purpose of the
6 program is to get people into poverty law, it does get them
7 into poverty law. If the purpose is also to keep them there,
8 it keeps some. How many might be an important question to
9 some in evaluating the effectiveness of the program. And
10 that is just going to be a tough piece of data to collect, is
11 it not?

12 MR. McIVER: I would say yes.

13 CHAIRMAN HALL: Any questions from any others?

14 (No response.)

15 CHAIRMAN HALL: I have quite a few questions, but
16 we have only a few minutes.

17 MR. McIVER: I have learned how the program
18 operated, and probably you have that information.

19 CHAIRMAN HALL: Okay. I will comment that I don't
20 mean to side-step this committee's duty in making some type
21 of recommendation on this particular topic. However, unless
22 one of the other committee members wishes to make some

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1 recommendations in the form of a motion on that, I probably
2 will just report to the next committee what has been said
3 about both of these.

4 I, for one, am really not in a position to really
5 make a motion on any of these. And whether I do or whether I
6 don't, it is going to be fully discussed in the next
7 committee meeting and it is going to be fully discussed
8 before the Board anyway. So we don't need a motion to
9 recommend either way to get it discussed as it should be.

10 I am going to -- unless, Charlie, you have
11 something to add to that I am going to close this item down
12 and move on to the next.

13 MR. MOSES: Well, I would like to add something
14 very quickly, just for your information, but I will be very
15 brief.

16 CHAIRMAN HALL: And I don't mean to downplay your
17 presentation, Harrison, by not spending an hour questioning
18 you. You probably --

19 MR. McIVER: I realize the time constraints.

20 CHAIRMAN HALL: Okay.

21 MR. MOSES: Basically, in addition, when we were
22 looking at this topic, particularly vis-a-vis loan repayment,

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1 we did look to see what we could find, which studies we could
2 find concerning the Reggie program that had been in
3 existence. We found four others in addition to the one that
4 Harrison was telling you about, which was the William Cook
5 survey.

6 There was one done in '78, in 1978, then there was
7 another one done in 1980. There was a study done in 1984,
8 and then a study in 1985, prior to the Board taking the
9 action that it took in 19 -- I believe it was 1986, or '85
10 that they actually --

11 MR. McIVER: '84, '85, at the end moved within the
12 Corporation after Howard declined the extension of the
13 contract, to renew the contract.

14 CHAIRMAN HALL: Harrison probably should be
15 provided copies of those studies, as should --

16 MR. MOSES: Certainly. The one thing that we can,
17 I think, say about the studies, though, is that basically
18 they come down on both sides of the issue. Probably there
19 are about three studies that would be more critical than the
20 fourth one. There is one study that is -- says it is working
21 well. Of the studies that are critical, one of them was a
22 monitoring report which led to the relinquishment of the

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1 Reggie grant.

2 CHAIRMAN HALL: Well, that was administration more
3 than the program? Is that --

4 MR. MOSES: That was primarily administration, but
5 in fact it was administrative costs of the program.

6 CHAIRMAN HALL: Okay. I'm familiar through the
7 literature --

8 MR. MOSES: Right.

9 CHAIRMAN HALL: -- what -- some of those costs were
10 not necessary costs?

11 MR. MOSES: Essentially what I was going to say
12 though was even when you look at all of these studies,
13 including the one that Harrison has talked about, done by
14 Willie Cook, that really there is little empirical evidence
15 that would support the issue one way or another. And
16 basically you can -- you can find evidence for either
17 position that you want to take on this, at this point.
18 It is nothing definitive.

19 MR. DANA: Mr. Chairman.

20 CHAIRMAN HALL: Mr. Dana, please.

21 MR. DANA: Charlie, you said there is little
22 empirical evidence to support the issue one way or the other.

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1 What issue are you talking about?

2 MR. MOSES: The issue of whether or not Reggie --
3 the Reggie program effectively was able to not only help with
4 the retention and recruitment of -- well, the recruitment of
5 well educated people that helped the local area, and the
6 retention of those people.

7 For example, one of the studies on the area of
8 retention had noted that the individuals -- recruitment and
9 retention, noted that the individuals that were being
10 recruited and retained were not necessarily the -- at that
11 time they had moved toward minority recruitment and
12 retention, and they weren't necessarily reaching out as
13 effectively as they possibly could into the minority arena.

14 There are changes that were made on the basis of
15 some of these studies. For example, after the '78 study, the
16 third year the Reggie was abolished on the basis of that. So
17 there are different things that different studies looked at.

18 MR. DANA: I think it is important to distinguish
19 between re-thinking whether or not the Reggie program that
20 existed in the mid-80s should have been terminated. I don't
21 think that is the issue before us. And I don't think we are
22 considering re-instituting the program that was terminated by

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1 this Board seven or eight years ago.

2 I think the issue -- if I may use your term -- is
3 whether or not there is a need for a national community
4 lawyer recruitment program. And that is the issue, not
5 whether or not the old Reggie program should or should not
6 have been terminated.

7 MR. MOSES: Right. And I didn't mean to imply that
8 that was what we were looking at. The one thing I would say,
9 if, depending on what the Board decides to do you definitely,
10 I think, would want to look at the shortfalls in the old
11 program to make sure that whatever we design we design it in
12 such a way so that those do not recur, if you do that.

13 The other thing I think the Board should consider,
14 because I think it is something of some importance, when you
15 are dealing with the Reggie program you would be dealing with
16 a national recruitment effort. When you are dealing with a
17 loan forgiveness program, you might -- you would probably be
18 dealing more with a local recruitment effort.

19 And so the idea becomes do we want to support more
20 a localized recruiting where the local executive directors
21 and Boards are able to recruit and retain the individuals
22 they want, or do you want to support a nationalized

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1 recruiting effort where they are basically given the
2 individuals.

3 MR. McIVER: Just a couple of things. One, PAG
4 will support a well administered program. There is no
5 question that accountability, physical accountability would
6 be of the utmost concern on the part of PAG as well. And
7 there is some hybrid that could possibly be developed
8 relative to a national recruitment program with some input in
9 terms of local programs.

10 So what we are saying, we -- let's put it all on
11 the table and let's start on that basis. And we are not
12 saying that we can recycle the Reggie program as was, because
13 so many years have passed, and our community needs might be
14 different right now. So we need to take a fresh look.

15 But there is clear, based upon statistics provided
16 by Steve Gotlieb, that there is -- the programs need and are
17 wanting some help in terms of recruitment, and in terms of
18 overall recruitment of lawyers. And as well as it is clear
19 that there is a problem with minority recruitment. If it is
20 81 percent problems. So I'm saying we can work together, and
21 we are very willing to do so.

22 CHAIRMAN HALL: Well, we appreciate that. I'll

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1 just say that I was just trying to identify, or I wanted to
2 identify the problems that were in the old Reggie program.
3 And I don't mean the administrative problems, but if there
4 were any problems where it worked in this part, but didn't
5 work over here, I would like to know the problems so that
6 when we bring it around again, if it is brought around again,
7 we can avoid those problems.

8 But I appreciate you sharing your thoughts with us,
9 and we will speak more on that in the future, I'm sure.

10 MR. McIVER: Okay. Thank you.

11 CHAIRMAN HALL: Thank you, Harrison.

12 MR. MOSES: Thank you.

13 CHAIRMAN HALL: Thank you, Charlie.

14 CHAIRMAN HALL: With the permission of the other
15 committee members, I am going to move on to agenda Item No.
16 6, which I think will be the last thing that this committee
17 does today. It is consideration of vehicles through which
18 the Corporation could facilitate the work of client
19 organizations on a national level.

20 And I know we have some speakers that have
21 patiently waited.

22 MS. SANTOS: Want us to come forward now?

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1 CHAIRMAN HALL: Please, would you. And just
2 identify yourselves and who you are associated with, and take
3 it in any order you wish.

4 CONSIDERATION OF VEHICLES THROUGH WHICH THE CORPORATION
5 COULD FACILITATE THE WORK OF CLIENT ORGANIZATIONS
6 ON A NATIONAL LEVEL

7 MS. SANTOS: My name is Peggy Santos. I am from
8 Boston, Massachusetts. I am associated with clients in the
9 Boston area. I'm also associated as a Board member of Mass
10 Law Reform. I am also associated as regional rep at the
11 Project Advisory Group, from Region One.

12 And I, too, want to thank you for opening this
13 committee to the suggestions of clients for the funding of
14 our National Client entity, and even expressing your desire
15 to put it in your budgetary process.

16 CHAIRMAN HALL: Well, thank you for coming. And,
17 sir?

18 MR. JONES: Thank you. Chairman Hall, President
19 O'Hara, members of the Board and committee, gentlewomen and
20 gentlemen, I am Alfred David Jones. I am a client
21 representative from Washington, the District of Columbia. I
22 am also one of the incorporators of a new founded

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1 organization, the National Organization of Client Advocates,
2 which is chartered in the District of Columbia.

3 MS. NEWSOME: I am Rosie Newsome. And I, too,
4 would like to thank the Board and the committee. I am from
5 South Bend, Indiana. I am a client, I am a client advocate.
6 I am on the Board of Directors. I became the vice chair for
7 Project Advisory. I am a representative of Region 5, client
8 rep. And I, too, appreciate the fact that you are thinking
9 on the line of a national entity, because we do as clients
10 need national communication. We have no way of communicating
11 with our clients.

12 And right now I am going to turn you back to Ms.
13 Santos.

14 CHAIRMAN HALL: Thank you.

15 MS. SANTOS: Okay. There is a great need for a
16 national client organization. Since the demise of the NCC,
17 there has not been any way for us to network effectively.
18 There have not been any way for us to support one another on
19 a national level. The reason being that a lot of the work
20 that was done, in keeping us connected and informed, was done
21 from a specific -- like a clearinghouse, much in the same way
22 that PAG and NALDA does for the field programs.

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1 And we need that. We need that as much now, in
2 fact moreso now than we did before because there are more
3 poor, there are more new poor, as people call it, middle
4 class that have gone to being poor. And there are more
5 elderly poor.

6 One of the things that we would like to do with our
7 new organizations, which I was part of the founders of that
8 organization -- it was an initiative from clients across the
9 country. It started off with nine clients that met
10 regularly, and we had an initiative hearing from our
11 constituency that we need something on a national level, and
12 we worked very hard in getting the support from clients all
13 over the country through surveys in order to come together,
14 have an organizational meeting, and that developed in interim
15 board, interim officers, and we had another election at
16 NALDA.

17 What we would like to do with what I see being done
18 with this Board is advocacy before the LSC Board on things
19 that are of client interest. Another thing we could do would
20 be the technical assistance to client groups that are already
21 out there in the field that need technical assistance.

22 Another thing that is very important on the local

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1 level is client board training. We feel very strongly that
2 effective client board training will make a better and a more
3 effective client, especially in the area of priority setting
4 and learning how to help one another.

5 Our feelings are that being effective and knowing
6 how to set priorities and bring those needs to the Board,
7 then you will have a way of directing and guiding the Board
8 to the needs of the clients in your group. Respectively that
9 all clients in all part of the nation do not need the same
10 things, but clients' needs should be paramount in the
11 decisions and in the priority settings of all the programs.

12 And with effective client board training clients
13 would be able to do the kind of focusing that is necessary in
14 order to bring the issues to the Board and to bring their
15 needs to the Board so that proper priority setting could be
16 done.

17 We also need the self-help. The trading of clients
18 will help train clients in self-help. I can speak on that on
19 a personal level from Massachusetts, is that there is a lot
20 of housing projects, and that -- housing projects and a lot
21 of housing problems, and that goes back to the Reggie program
22 coming into the community and helping local people understand

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1 their rights to housing. Also to understand their
2 responsibilities as having rights to housing.

3 And I think that is the main thing that clients can
4 do to one another, not only of their rights but also help to
5 stress responsibilities. And one of the things that we did
6 in housing -- and we do have several housing coalitions made
7 up of clients. We also have a project that is tenant
8 managed.

9 That is because of the Reggies that came into our
10 community, the training that we've got, and now these client-
11 based tenant management organizations are helping clients.
12 We don't have to go directly to the programs. And that is
13 the kind of self-help that I am talking about.

14 Now the principles of the client organization
15 would, of course, include we would have to be very, very
16 accountable to our local community in both our fiscal and
17 also in our administrative management. We have learned
18 through what happened at NCC that it is very prudent and it
19 is very important that we, the clients, be aware of how to
20 manage our things fiscally.

21 It is no longer all right to say, "Well, we are
22 clients and we can do things haphazardly." That is not

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1 right. It does not serve any purpose at all.

2 So I would like to say that we want you to support
3 funding and make sure that you put it as a line item for our
4 client, the National Client entity, and that we will be
5 worthy of your trust. Thank you.

6 CHAIRMAN HALL: Thank you, Ms. Santos. I think
7 what we will do is hear from all three speakers and then take
8 our questions.

9 MR. JONES: Thank you very much, Mr. Chairman. I
10 have, we have copies of the bylaws and the articles of
11 incorporation for your information and edification. I could
12 pass them out now or we can give them to you later, whichever
13 you so wish.

14 CHAIRMAN HALL: Are you going to be speaking on
15 those?

16 MR. JONES: No, not -- well, I'm just going to tell
17 you about the mission and our goals, but perhaps you might
18 have additional questions for us.

19 CHAIRMAN HALL: I probably would listen to you
20 instead of reading it as you talk. So afterwards would be
21 fine for me.

22 MR. JONES: Thank you, Mr. Chairman.

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1 CHAIRMAN HALL: I'm sure that others would.

2 MR. JONES: As a result of the Atlanta, Georgia,
3 August 16th through the 19th, 1990 meeting, there was a
4 commitment to go forward and go forth in putting together not
5 only the concept of NOCA but bringing it to fruition and to
6 realization, that there was indeed not only a need but there
7 must be continuation of supporting clients throughout the
8 nation.

9 On April 1, 1991, NOCA became live. We applied for
10 the -- submitted the articles of incorporation, we were in
11 fact through the District of Columbia. I am the registered
12 agent. We have five incorporators and nine members of the
13 initial board. We have at our meeting in Oregon, of last
14 year, we selected a board and a new chairperson.

15 The overall goal is to provide help in reversing
16 the pattern or the negative patterns, the negative policies
17 and problems affecting poor people. The goal should be and
18 is to achieve, through charitable organizations, control by
19 poor people and their supporters.

20 And, of course, the intent is to focus on problems
21 and issues relating to the lack of education and quality of
22 education, meaningful employment, the lack of affordable

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1 housing, and access to public health, legal assistance, and
2 food, nutrition, et cetera.

3 The organization is represented in 50 states, all
4 of our territories, and Native American interests. The
5 organization is an open organization. We have -- I will
6 enumerate the type of memberships. Individual membership,
7 any person who supports the purpose and objectives of NOCA
8 may be admitted as an individual member.

9 Advocate, any legal entity or group of individuals
10 with the membership primarily composed of poor persons, that
11 is controlled by poor persons and has a mission and purpose
12 consistent with and supportive of objectives and purposes of
13 NOCA, shall be admitted as an Advocate member.

14 Associate membership, any organization that
15 supports the objectives and purposes of NOCA shall be
16 admitted as an associate member. We exclude no one. We are
17 open to everyone.

18 Perhaps I shall pass the torch, unless -- and I
19 don't know how you want to address us in terms of
20 collectively or individually, or --

21 CHAIRMAN HALL: Well, I may have a question for one
22 or two, but -- and others may.

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1 MS. NEWSOME: Yes. I would just like to take this
2 time to elaborate on something that Ms. Santos said about the
3 nine clients beginning to try and get a national entity.
4 With the help of PAG, P-A-G, we did work long and hard before
5 we began to get any life at all. But PAG never lost faith in
6 us. And as we grew, it became, we felt as the clients, it
7 was a hardship on one agency trying to help financially.

8 And we at that time asked the president, the
9 director of PAG, who was Lillian Johnson, if she would -- am
10 I right? If I'm not, someone jump in, please -- if she would
11 approach our Mr. Clint of NLADA to help financially, which he
12 did. And I would like at this time to thank PAG and NALDA
13 for the support that they have given to the clients.

14 MS. SANTOS: I would just like to add one other
15 thing. This was very clearly a clients' initiative that
16 began way back in 1987, when some clients met and they said
17 that -- and we talked, was that an NALDA meeting we were just
18 -- we were rather frustrated about how out of touch we are
19 with one another, that when we did get together there was so
20 much disagreement that it was hard for us to come together.

21 And a lot of us there that had training, there was
22 new people that had come in that needed help. People were

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1 bringing problems to us that we needed to address, to support
2 them in their problems that we could not do it because we did
3 not have a national network by which to do this.

4 And also, it is very important that we have the
5 initiative and the drive, because during the NALDA meeting
6 our treasurer had come, and we have some small term fund
7 raising, which might not mean much to you but it means a lot
8 to us to show that our initiative and commitment. We had
9 shirts and caps that were sold at the NALDA meeting that
10 generated funds that would allow us to get our own stamps and
11 our own -- do our own first communication. And talking about
12 what happened at the meeting. At least we would have
13 something to add to the pot, any money that we have.

14 And this is the way we want -- we would like to
15 have our financial status. We would like to have some money
16 that we administer ourselves and that we would be fiscally
17 responsible. And that we are not beyond going out and doing
18 some fund-raising on our own. But we will need that
19 technical assistance, and we are willing to do it. You can
20 see by what we did in NALDA that we are doing some on our
21 own, because it is our initiative, and we have to work for
22 it.

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1 CHAIRMAN HALL: Mr. Jones.

2 MR. JONES: Mr. Chairman, I would like to
3 re-emphasize that we believe in client training and
4 self-help, as you do. And I would like to quote two of my
5 favorite persons, Aesop who said self-help is the best help,
6 and we believe in that, and Harry S. Truman, who said in
7 1949, "Only by helping the least fortunate of its members to
8 help themselves can the human family achieve the descent.
9 Satisfying life, that is the right of all people." So we
10 believe in self-sufficiency.

11 CHAIRMAN HALL: Have we questions from the
12 Committee members first? Mr. Dana.

13 MR. DANA: This has been very helpful, and I thank
14 you all very much for coming and sharing your perspective
15 with us. It is a big help to us. You are a volunteer
16 organization at the present time, and you are providing your
17 own, doing your own fund-raising. And do you have -- who is
18 doing your typing? Who is doing your mailing? Who is doing
19 your communication vehicle?

20 MS. SANTOS: I have been the liaison, and the
21 communication that has been going out from NOCA has been done
22 by me, and PAG has helped mail it out. I have gotten my sons

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1 and my granddaughter to do some of the typing, and send it
2 along to them. I have written some things longhand, and PAG
3 has been gracious enough to send for the meetings.

4 So it has been no centralized doings. When we
5 finish and leave here with this meeting, in order to get the
6 information back to the client community, we are going to
7 have to decide how we are going to distribute and disseminate
8 that. Any help that we can get from anyone we accept.

9 MR. DANA: I would observe that running a voluntary
10 organization, an organization of volunteers is very time
11 consuming and very expensive. And most people, in Maine for
12 instance, where I come from, we had a volunteer lawyers
13 project, where --

14 MS. SANTOS: In Massachusetts.

15 MR. DANA: Where lawyers are volunteering their
16 time to help poor people who call in. But it costs a lot of
17 money to run a voluntary organization. And so I think you
18 are to be commended for doing that, and PAG and NALDA are
19 also to do this.

20 And if this -- if this proposal that we are
21 considering gets through the committee and the various
22 committees of the Board, and we are able to -- and we adopt

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1 it as a Board and then we go on and we persuade Congress to
2 support it, maybe we will be able to give you some help in
3 your effort. But don't wait for that day, and I know you
4 won't. I know you will keep plugging. But hopefully we will
5 be able to provide you some economic help in your
6 organizational effort.

7 MS. SANTOS: We would like to, if we get economic
8 and financial help too, employ staff part-time, to sort of
9 more centralize it and have someone there that will be
10 accountable and will know that is the purpose of having a
11 centralized location. So everyone will know where it will
12 come and how it will go out.

13 MR. DANA: Thank you.

14 CHAIRMAN HALL: Ms. Santos, I have a question, if I
15 may. You mentioned there is some client-based clinics
16 that -- I think you all have developed, and that one of the
17 good things about it was that you could go there for help.
18 You may have mentioned a problem.

19 MS. SANTOS: There are some client-based entities
20 in Massachusetts.

21 CHAIRMAN HALL: Okay.

22 MS. SANTOS: One of them is a Coalition for Basic

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1 Human Needs, where clients can go there and get help and
2 support. We also have the tenant management group that is
3 managing a housing project, that we can go there.

4 CHAIRMAN HALL: Are they composed of clients?

5 MS. SANTOS: They are, yes. They are clients.

6 CHAIRMAN HALL: And they have probably been through
7 some type of problem, and now they share their experience?

8 MS. SANTOS: And they have had -- they have been
9 through the problems, they have evolved by training. They
10 have trained one another. We have -- in the Coalition for
11 Basic Human Needs we have people there. If you have a
12 welfare problem then you can go to them, and say, "Well look,
13 my social worker is giving me a problem." And they will know
14 how to help you address that problem.

15 And that has all taken place because there has been
16 a Legal Services Program and Reggies that have taught us that
17 there are rights and responsibilities that go with their
18 rights, and we have self-help. We have trained other clients
19 in order to help one another. And a lot of it is volunteer
20 time. There is very little money.

21 And we have a Union of Public Housing Tenants in
22 Massachusetts, and that is all volunteer. We have an

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1 executive director, and he has a secretary, and the rest of
2 them are volunteer people who live in public housing.

3 At first it was just state-aided public housing,
4 but it is state-aided and federal public housing. And they
5 have been responsible for a lot of the legislation that has
6 saved our public housing from being sold from under us. And
7 we are still fighting that, that one in Massachusetts.

8 CHAIRMAN HALL: Do you have any statistics or any
9 idea on how many? Like, for instance, if a person has a
10 problem, say with a housing question, and they go to the
11 client-based facility, the self-help facility, wonder how
12 many of those end up going on to a lawyer, or do they find
13 the services there very satisfactory? They are able to solve
14 the problems without going to the local Legal Service Clinic?
15 Is there any --

16 MS. SANTOS: I don't have any data base for that,
17 but I assume --

18 CHAIRMAN HALL: Do you have a feel for it?

19 MS. SANTOS: I have a feel that it is quite
20 successful. I know that a lot of the things get resolved out
21 when sometimes a tenant has a landlord problem, and when that
22 landlord realized that the tenant recognizes their rights --

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1 CHAIRMAN HALL: Yes. Then it is resolved.

2 MS. SANTOS: And they could back it, and a lot of
3 it do not get to the courts, because of the recognition and
4 the empowerment that a tenant has from knowing that they have
5 a right. And I know specifically and personally that with
6 the utility company -- knowing, with my light bill getting
7 very far behind when I was out of work for a year, that
8 knowing that I had a right to lights during this, and sitting
9 down with the corporation people and say, "Hey, wait a
10 minute, I have a right to this light. Just because I don't
11 have any money you can't shut it off, because my heat is
12 connected to it." That that sort of stopped the shut-off of
13 my utilities.

14 So I was empowered in that position. And I am
15 talking about what happened to me, and a lot of people have
16 done that to right-to-light, self-help.

17 CHAIRMAN HALL: Do you have a feel for whether or
18 not clients are -- that they feel more comfortable going to a
19 client-based facility, rather than to some cold law office?

20 MS. SANTOS: We had to develop that trust.

21 CHAIRMAN HALL: Yes.

22 MS. SANTOS: We had to develop that trust. They

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1 will tell us in a minute, "You are not a lawyer." You know,
2 we had to develop that. They would rather hear it from a
3 lawyer than hear it from a client. But it is only after we
4 have developed that trust that some will come to us. And
5 some would prefer to go to lawyers. We are not going to be
6 able to do away with the lawyers.

7 CHAIRMAN HALL: I would have thought they would
8 have preferred to have come to you, to somebody that they
9 knew, that they knew had been through the problem. But I
10 guess you find them mixed, don't you? Both?

11 MS. SANTOS: Well, they might come to us from
12 embarrassment, some of the new poor, from embarrassment of
13 going to the poor folk, they can't afford a lawyer, you know,
14 so they don't want to go to Legal Services lawyers because
15 they have this form they have to fill out, and they would
16 come and say, "Well, Peggy, how do you do --" such, and such,
17 and such. But if it -- if they had their druthers they would
18 be at a lawyer's.

19 CHAIRMAN HALL: Thank you. Anyone else have
20 questions?

21 MS. LOVE: No questions, but I am sure the whole
22 board knows that I am for self-help and client training. So

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1 I appreciate you guys.

2 CHAIRMAN HALL: Howard, you have certainly provided
3 us some guidance in fund amounts on our earlier
4 recommendation. And I opened up your two proposals here, or
5 at least the first and second. And I see that there is a
6 million dollars that is proposed for this area. Wonder if I
7 could prevail upon you to give me some guidance on how that
8 figure was reached, or if that is a --

9 MR. DANA: Mr. Chairman, I cannot. I am looking
10 feverishly for my copy of that.

11 CHAIRMAN HALL: The green?

12 MR. DANA: Is it the green?

13 CHAIRMAN HALL: I'm just looking in your -- in the
14 proposed budgets. Proposal 1 and 2.

15 MR. DANA: I have got the wrong -- the reason
16 is -- my problem is I have got the wrong green book.

17 CHAIRMAN HALL: Okay.

18 MR. DANA: The rationale, I'm not sure what the
19 rationale was. I think that --

20 CHAIRMAN HALL: I think this --

21 MR. DANA: -- it is just out of the air, I'm sorry
22 to say, at least in -- with respect -- I'm sure one of the

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1 proposals was very well thought out. My proposal, I just
2 pulled it out of the air. I can't -- but I think that to
3 give you a -- I felt we ought to have a sum of money that was
4 sufficient to make a significant contribution to self-help
5 and client organization.

6 And if I can come back to something I know
7 something about, which is that volunteer effort in Maine that
8 cost a third of a million dollars for one program, involving
9 lawyers in Maine and clients and getting them together. And
10 so it is -- and that is with -- and all of the legal services
11 is volunteered. So --

12 CHAIRMAN HALL: You see that falling under this
13 same number 5?

14 MR. DANA: No, but I see it as a volunteer
15 organization. And any volunteer organization needs a staff,
16 it needs telephone, it needs expense. It needs expense, so
17 we can't -- we couldn't do it with \$50,000 or \$100,000 if you
18 really wanted to develop a meaningful national organization.

19 This organization is probably dealing with budgets
20 of hundreds of dollars as opposed to thousands or millions.
21 So -- but in a national organization of clients, in order for
22 them to meet you have got to bring them together. That costs

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1 money just for transportation. If you are going to have a
2 national organization, you are probably going to have to have
3 state organizations and regional meetings. So I figure that
4 I just set a million dollars, was a number that came to mind.
5 And I have -- I can't rationalize it.

6 CHAIRMAN HALL: We are certainly fortunate to have
7 Basile. Did he join us? There he is.

8 MR. UDDO: I'm here.

9 CHAIRMAN HALL: Basile, you have comment on this
10 issue? You have been a leader in it in the past, as I
11 understand it.

12 MR. UDDO: Well I wasn't here for the whole
13 presentation, so I am a little hesitant to comment.
14 Generally, I have got to be very honest and candid with you,
15 and that is I don't support the idea of a national client
16 organization. I think client problems are local problems,
17 and I think that we would be better served to try to get
18 money to local boards to facilitate client training and
19 client programs on the local level.

20 So, you know, I'm willing to be persuaded, but my
21 initial reaction is that a national client organization is
22 not the effective way of trying to accomplish what I think we

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1 need to accomplish in assisting clients, because I think
2 clients problems are localized problems, and I think boards
3 are all different. And I think the training and the self-
4 help that need to take place needs to occur on a local basis.

5 I am not on this committee, I didn't not come to
6 your presentation and then start making comments like that.
7 I mean, I know a lot about it, I have thought it, I have been
8 on the Board before. I just happened to walk in at the end
9 of your presentation, and intended to speak with the chairman
10 of this committee and other people to hear what their
11 thoughts are on it before I make any decision at a time when
12 I would have to vote.

13 But that is my candid opinion about the best way to
14 involve clients.

15 CHAIRMAN HALL: Thank you, Basile.

16 MS. NEWSOME: May I say something?

17 CHAIRMAN HALL: Yes, please.

18 MS. NEWSOME: I would just like to say, Mr. Basile,
19 as a client I respect you for saying your true feeling. But,
20 you are poor regardless to where you are, local or national.
21 I don't know too much or too many programs that is not local,
22 regional, then national. You have a home base regardless to

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1 what you are. No, we don't have the same problem
2 identically, but we have the problem. It is there.

3 There is things Boston can provide for me in
4 Indiana, that I can make work in Indiana, but I could not if
5 I had not gotten the information. There are funds available
6 for some states that is not available to me. Yes, you give
7 funds to my Legal Service office's board, but we don't get
8 IOLTA, we don't get a lot of funds in Indiana, but we
9 function.

10 Now as a national level, clients meet once a year,
11 and we only get to see a very few that can get there. But we
12 have no way of working these problems out in those days,
13 because we are there, because we are representing region
14 people, a lot of different states. So we have got to cover
15 for them. Then we are meeting to 3 and 4 o'clock in the
16 morning, at night, with clients, trying to fill our ideas in.

17 We need an umbrella. We need something out there
18 to stand under when the wind and the snow is blowing. We
19 cannot communicate if we are not national. Legal Services is
20 a national foundation. CAP is a national foundation. And I
21 just wish you would go back and think about it and just ask
22 the Lord to show you where clients don't need a national

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1 communication. We need it very badly. And I hope that will
2 help you, and with what I have said and your prayers; He will
3 give you the right decision.

4 MR. UDDO: Well, I trust He will, and I appreciate
5 your comments, because I -- you know I have been around here
6 a long time now, and I know you and we have met before, and I
7 have always given a lot of credence to what you say. And,
8 believe me, I will take seriously everything that you have
9 said and that the other folks who are going to take part in
10 this have to say.

11 I was just telling you what my general opinion is
12 about it, and I'm persuadable on just about anything. But I
13 wanted to be honest with you about my inclination at this
14 point.

15 MS. NEWSOME: I respect that.

16 MR. UDDO: Thank you.

17 MS. NEWSOME: Thank you.

18 CHAIRMAN HALL: Well, I think from Ms. Santos'
19 testimony and the testimony of the others, that the time has
20 come that the Corporation help in some respect. I'm not sure
21 as to amount what it should be, to help them further the
22 goals of their business.

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1 MOTION

2 CHAIRMAN HALL: I am going to, in that regard, move
3 that this committee recommend to the Audit and Appropriation
4 Committee that we set aside a figure that would be used to
5 develop client training and self-help programs. It is my
6 understanding -- and correct me if I am wrong -- that the
7 program, the volunteer program that Howard used as an analogy
8 needed somewhere between \$250,000 and \$300,000.

9 I understand that many of the start-up programs
10 that we do, such as support centers, ordinarily will start up
11 around \$250,000 or \$300,000. Based on that, I will put the
12 figure of \$300,000 into my motion.

13 It would read that the Provisions Committee
14 recommends that the Audit and Appropriations Committee
15 include in their budget request for '93, a mark of \$300,000
16 for the purpose of client training and self-help program
17 development.

18 Do I hear a second to my motion?

19 MS. WOLBECK: Second.

20 CHAIRMAN HALL: I hear a second. Further
21 discussion? Jeanine? Take a vote. All in favor say aye.

22 (A chorus of ayes.)

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1 CHAIRMAN HALL: Opposed?

2 (No response.)

3 CHAIRMAN HALL: The ayes have it. I will entertain
4 a motion to adjourn.

5 MOTION

6 MS. WOLBECK: So moved.

7 (Whereupon, at 4:17 p.m., the Provision for the
8 Delivery of Legal Services Committee meeting adjourned.)

9 * * * * *

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