

**ORIGINAL**

LEGAL SERVICES CORPORATION

AUDIT AND APPROPRIATIONS COMMITTEE MEETING

November 19, 1987

Warwick Hotel  
Crystal Room  
17th at Locust Street  
Philadelphia, Pennsylvania

MEMBERS PRESENT:

Pepe Mendez, Chairman  
LeaAnne Bernstein  
Lorain Miller  
Claude Swafford

Hortencia Benavidez  
Paul Eaglin  
Thomas Smegal

John Bayly, President  
Timothy Shea, General Counsel

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

I N D E X

|                                      |    |
|--------------------------------------|----|
| Presentation of David Richardson     | 4  |
| Presentation of Robert Clyde         | 46 |
| Presentation of Ernestine Watlington | 94 |

M O T I O N S

|      |     |
|------|-----|
| Page | 3   |
| Page | 4   |
| Page | 24  |
| Page | 102 |

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

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

2 CHAIRMAN MENDEZ: At this time I would like to call  
3 the Audit and Appropriations Sub-Committee to order. Our  
4 first order of business is the approval of the agenda.

5 Do I hear a motion?

## 6 M O T I O N

7 MR. EAGLIN: I move the approval of the agenda as  
8 printed.

9 MS. BENAVIDEZ: I second that.

10 CHAIRMAN MENDEZ: Any comments?

11 (No response.)

12 None appearing, all in favor?

13 (A chorus of ayes.)

14 CHAIRMAN MENDEZ: Opposed?

15 (No response.)

16 CHAIRMAN MENDEZ: The agenda is approved.

17 At this time, we will turn our attention to the  
18 approval of the Minutes of the August 28th, 1987 meeting. For  
19 once, that was a fairly short meeting and the minutes  
20 reflected it. Are there any additions or corrections?

21 MR. EAGLIN: I move the approval. There are  
22 corrections. There are three corrections?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 CHAIRMAN MENDEZ: Yes, and some fairly short sub-  
2 motions, et cetera.

3 M O T I O N

4 MR. EAGLIN: I move approval.

5 MS. BENAVIDEZ: I second.

6 CHAIRMAN MENDEZ: Are there any additions,  
7 corrections?

8 MR. SMEGAL: I have read them. I was not at that  
9 meeting, Pepe, and I will have to abstain.

10 CHAIRMAN MENDEZ: Okay. All in favor?

11 (A chorus of ayes.)

12 CHAIRMAN MENDEZ: Nothing in opposition? Okay.

13 The next matter on the agenda is projected carry-  
14 over for FY '87.

15 At this time, I have asked Mr. David Richardson to  
16 come forward and make a brief presentation, and to be prepared  
17 to answer any questions that we have for him.

18 Would you just briefly go through the consolidated  
19 operating budget?

20 PRESENTATION BY DAVID RICHARDSON

21 MR. RICHARDSON: Yes sir. Again, for the record my  
22 name is David Richardson, I am the acting comptroller. At

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 this point we are operating under a total consolidated  
2 operating budget of \$350 million dollars.

3 Expenses to date are \$310,000,764 dollars and 516  
4 cents (sic). I have a detailed caption of what is the  
5 projected carryover in Attachments B, pages 1 and 2, and I  
6 will be referring to those from time to time.

7 Column 12, represents the projected carryover for  
8 FY'87. Columns 13 and 14, represent the committed carryover  
9 and the uncommitted carryover.

10 Within the basic field program --

11 MR. SMEGAL: Excuse me, David, you say Attachment B,  
12 did you mean "A", or did I hear you incorrectly?

13 MR. RICHARDSON: I am going to refer --

14 CHAIRMAN MENDEZ: You transferred from "B" to "A"  
15 without announcing it. Twelve and 13 is under "A". "B" is 14  
16 and 15 pages.

17 MR. RICHARDSON: What I will do is -- I am referring to  
18 page 11 at this point.

19 MR. SMEGAL: Oh, okay. Thank you.

20 MR. RICHARDSON: Okay, sir. What I will do is go down  
21 the columns and explain to you what is the committed carryover  
22 at this point, and it is detailed within Attachment "B".

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           Within the delivery of legal services the total  
2 uncommitted carryover is 2.2 million, 227 thousand, 220  
3 dollars. That is comprised in the basic field program of 1  
4 million, 15 thousand, 681 dollars.

5           The grantees that are involved with that are  
6 represented in column B -- or in Attachment "B", page one.  
7 When you look at the field service, it gives the name of the  
8 program that is involved and the total.

9           The total is \$892 thousand, 23 Dollars and the Atlanta  
10 Legal Aid Society is not interim funded at this time, but  
11 there is money, \$123 thousand dollars set aside for them.

12           CHAIRMAN MENDEZ: Why?

13           MR. RICHARDSON: In the '86 budget, they were funded at  
14 a level of \$61 thousand dollars. In '84 they did not receive  
15 funding. In '85 they did not receive funding, but in '86 they  
16 did receive funding. So the money has been set aside for the  
17 possibility of making that retroactive to them.

18           At this point, I think --

19           MR. BAYLY: There is some uncertainty as to the level  
20 of which the Atlanta Legal Aid Society should have been  
21 funded. It is as much an accounting matter as a policy  
22 matter, and we are uncertain as to whether there should

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 retroactive application of certain increases that were awarded  
2 to other programs.

3 The retroactive application has already been made, I  
4 think, for the calendar year '85 and '86, but we are uncertain  
5 whether it extends as far back as I believe, '84 and '83, if I  
6 have got the years right.

7 This is a set aside, you might say "a reserve", for  
8 application to the Atlanta Legal Aid Society for payment to  
9 them, if in fact, we determine it is payable to them.

10 CHAIRMAN MENDEZ: All right, have you advised them of  
11 this?

12 MR. BAYLY: Yes, they certainly know that there is an  
13 issue there, and we have been negotiating with them, I  
14 believe, with our Office of Field Services. I would ask Mary  
15 Higgins for some more information, but perhaps she is not here  
16 at the moment.

17 It is a matter that is being negotiated at the present  
18 time, or I guess I should say, "discussed at the present  
19 time."

20 CHAIRMAN MENDEZ: When will we have that resolved?

21 MR. BAYLY: I would expect we would have that resolved  
22 by the end of this calendar year.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 CHAIRMAN MENDEZ: Do you hope we would have it solved  
2 by our next meeting?

3 MR. BAYLY: Well, we can certainly try to have it done  
4 by then, because that is not long before the end of the year.

5 CHAIRMAN MENDEZ: Dave --

6 MR. RICHARDSON: Yes, sir?

7 CHAIRMAN MENDEZ: In our next meeting, would you come  
8 back with -- just to put a footnote some place in your report,  
9 as to what the status is to the Atlanta Legal Aid Society, so  
10 that we know what is current on that, and whether it will be  
11 carried back or what we should do with the funds.

12 MR. RICHARDSON: Yes, sir.

13 Okay, I will continue with the --

14 CHAIRMAN MENDEZ: Now, let me just ask you another  
15 question with regard to all of these grantees under Attachment  
16 "B", page one, the Field Programs.

17 Are all of those on interim funding?

18 MR. RICHARDSON: Yes, sir, they are.

19 CHAIRMAN MENDEZ: All right, that is what this is all  
20 to indicate, right?

21 MR. RICHARDSON: That is correct, sir.

22 The headings on each when look at the titles across,

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 you see the Field Programs, the Native American Programs,  
2 Migrant, and then the totals will correspondingly agree to the  
3 column in the committed carryover within Attachment "A".

4 CHAIRMAN MENDEZ: Let the record reflect that Bob  
5 Valois just entered. Thank you for attending, Bob.

6 MR. SMEGAL: Chairman Mendez, the rest of these  
7 guarantees are month to month, and that is why these committed  
8 funds are here. They are receiving one twelfth of their grant  
9 amount each month, and these are the remainder for two or  
10 three months, I guess, is that right?

11 MR. RICHARDSON: That would be the remainder for  
12 November and December in a couple of cases.

13 MR. SMEGAL: Not October?

14 MR. RICHARDSON: No, sir.

15 MR. SMEGAL: You have given October?

16 MR. RICHARDSON: October is completed.

17 CHAIRMAN MENDEZ: So, that, 1.3 is the -- what number  
18 were you at?

19 MR. SMEGAL: Let's see, 890.

20 CHAIRMAN MENDEZ: I am sorry?

21 MR. SMEGAL: The month to months involved \$890 thousand.

22 CHAIRMAN MENDEZ: Yes, but you also have the Native

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 American and the Migrant, which is the same type.

2 MR. RICHARDSON: That is correct, sir.

3 MR. SMEGAL: But you also have the Clearinghouse.

4 CHAIRMAN MENDEZ: And the Clearinghouse. In essence,  
5 you have 1.39 million plus the \$123 thousand, so you have got  
6 about 1.5 -- where is the number that would sum all of those  
7 up?

8 MR. RICHARDSON: Okay, they are in different  
9 categories. The reason you do not see a summing total is  
10 because National State Support and Clearinghouses are under  
11 other services, other support.

12 MR. SMEGAL: Would you explain the status of the  
13 committed carryover for the National Clearinghouse -- \$144  
14 thousand?

15 CHAIRMAN MENDEZ: That is month to month, too.

16 MR. RICHARDSON: There are two months of funding. They  
17 are being month to month funded for two months. That is the  
18 November and the December funding for them.

19 They are funded at a rate of approximately 72 thousand  
20 dollars a month.

21 CHAIRMAN MENDEZ: So, out of this total carryover that  
22 we have of --

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. RICHARDSON: The total carryover is, at this point,  
2 is 4.569571. It is at the bottom of page -- Attachment "A-3  
3 of 3".

4 MR. SMEGAL: Page 13 of the Board book?

5 MR. RICHARDSON: Yes, sir.

6 CHAIRMAN MENDEZ: So, you have 3 million carryover,  
7 other than the sub-basic figure.

8 MR. RICHARDSON: Yes, they are detailed, if you like,  
9 we will look at the Program Development Line. The 854  
10 thousand dollars there, that is made up, of course, of some  
11 training application; the Private Attorney Involvement  
12 Program, I should say; the law school grants.

13 CHAIRMAN MENDEZ: When will those funds be expended?

14 MR. RICHARDSON: They are projected --

15 CHAIRMAN MENDEZ: Law school grants? I thought the law  
16 school grants were already given out?

17 MR. RICHARDSON: They were all given out except two.  
18 There is one for George Washington University, and one for  
19 University of Texas, and those funds should be expended  
20 December 1st. They were late in submissions to the Law School  
21 Program.

22 MR. VALOIS: G. W. and which other?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. RICHARDSON: The university of Texas.

2 CHAIRMAN MENDEZ: Well, let's put this on the record so  
3 that we can clarify that. Tell us a little bit about the law  
4 school programs.

5 MR. RICHARDSON: Yes, sir. We did solicit proposals  
6 from each law school. There were two, because of  
7 irregularities within the school, or whatever, but they could  
8 not accept the law school grants; so we had two late schools  
9 who applied for the funds, and they were, of course, George  
10 Washington University and the University of Texas.

11 So, they were awarded later than the other law schools  
12 were awarded.

13 CHAIRMAN MENDEZ: All right.

14 MR. RICHARDSON: Also look at the Private Attorney  
15 Involvement Program --

16 MR. SMEGAL: Excuse me, let me ask a question. With  
17 respect to those two, did they have existing programs, and  
18 this was in effect, supplemental funding? We are not starting  
19 new programs in those schools.

20 MR. RICHARDSON: No, sir. Both have programs already  
21 in place.

22 MR. SMEGAL: Existing programs.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           So are we -- I realize you are not here to testify in  
2 the Law School Program, but are we still in the position where  
3 we have one school that started a program with our funding,  
4 that is the University of Virginia? As far as the other  
5 grantees under this particular line item, they are all law  
6 schools with existing clinical programs to which we have added  
7 supplemental funding?

8           MR. RICHARDSON: That is correct. There will be a  
9 report on the law schools tomorrow.

10          MR. SMEGAL: I understand that.

11          MR. BAYLY: Mr. Smegal, Mr. Moses, I see in the  
12 audience now. He might be able to answer your question.

13          MR. SMEGAL: No, I think we are in agreement.

14          CHAIRMAN MENDEZ: Is that correct? Is his response  
15 correct, Charlie?

16          MR. MOSES: Well, there are --

17          CHAIRMAN MENDEZ: Why don't you come forward? The only  
18 question he has, Charlie -- for the record, this is Charlie  
19 Moses -- the question is: Whether or not there were any new  
20 programs started with our monies, other than the University of  
21 Virginia?

22          MR. MOSES: All right. The University of Virginia was

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 originally started about four years ago, and that was a new  
2 program started.

3           The other programs that are funded, are essentially new  
4 components of existing programs, so that everything that we  
5 have put our money into, has been "new". In some instances,  
6 what has been happening was, for example, both the University  
7 of Texas and George Washington University, had been funded two  
8 years ago by the Corporation, with an elderly grant, through  
9 the Elder Law Program.

10           The components that were refunded this year at those  
11 two schools, were those two components which they had applied  
12 for additional funds for.

13           Originally we were not able to give them funds, because  
14 they had not been on the selection list. It was only after  
15 the other two grants had to unfortunately decline their awards  
16 that these two were picked up.

17           Now, my understanding is, that both of those components  
18 at those institutions, were in the process of taking Draconian  
19 cuts, and in all probability, would have been phased out,  
20 absent the LSC funding.

21           MR. SMEGAL: What were the two schools that were unable  
22 to take the grants?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547  
WASHINGTON, D.C. 20005  
(202) 628-2121

1 MR. MOSES: The two schools that were not able to take  
2 the grants, actually one of them was the University of North  
3 Carolina. The other one, took a partial grant and cut its  
4 grant amount by about \$25,000, that was Catholic University of  
5 America.

6 Both of those institutions had applied for a similar  
7 program from another funding institution, and were fully  
8 funded prior to receipt of the LSC funds, and did not think  
9 that it would be appropriate to take funds from two sources.

10 MR. SMEGAL: Thank you.

11 CHAIRMAN MENDEZ: Let's go back to column B. Am I  
12 correct that -- I should not say column B -- Program -- under  
13 Program Development.

14 The \$854 thousand is broken out on page two of  
15 Attachment "B".

16 MR. RICHARDSON: That is correct, sir.

17 CHAIRMAN MENDEZ: Let's go to page two, of Attachment  
18 "B", and sort of work through that.

19 Are we all on that?

20 In the law school grants of \$76 thousand, private  
21 attorney involvement, are those contracted for amounts?

22 MR. RICHARDSON: Yes, sir, they are. They are funded

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 on a per case basis.

2 CHAIRMAN MENDEZ: The 316 is on per case. Those are-  
3 - that has already been contracted for and we have already  
4 signed off on it.

5 MR. RICHARDSON: We have contracts with attorneys in  
6 place, and they turn their case load in, and then we reimburse  
7 them on the amount of cases closed.

8 CHAIRMAN MENDEZ: Okay. American Enterprise Institute?

9 MR. RICHARDSON: That is a payment that is due them,  
10 for the final report of a study that they did for Legal  
11 Services over a year ago, and that final report has not been  
12 filed.

13 CHAIRMAN MENDEZ: When do we anticipate that will be  
14 done?

15 MR. RICHARDSON: There have been a couple of draft  
16 reports, but it is my understanding that they have not been  
17 fully accepted.

18 So, they are still working on it. I do not have a  
19 projection at this point when it will be finalized.

20 MR. EAGLIN: What did they say, do you know, Pepe?  
21 John, what is an AIPEI study?

22 MR. BAYLY: The American Enterprise Institute conducted

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 a seminar. I guess it was more than a year ago in Washington,  
2 concerning the provision of legal services.

3 The money that you see here has been held pending a  
4 receipt of a report that was to issue from the AEI following  
5 conclusion of the seminar.

6 We have not received the report, and therefore, we have  
7 not paid them the money. Now, that is what it is to the best  
8 of my knowledge.

9 CHAIRMAN MENDEZ: All right, the voucher projects?

10 MR. RICHARDSON: The Board set aside this particular  
11 money, the \$300,000 to replicate the San Antonio Voucher  
12 Projects.

13 CHAIRMAN MENDEZ: What is the status on that?

14 MR. BAYLY: If I may answer that, Mr. Mendez. We  
15 expect momentarily, I think I can say, a report from Professor  
16 Cox about the San Antonio Project. Following that, I am  
17 hopeful we will be able to proceed with the duplication,  
18 replication of those studies throughout the country.

19 We have not received it just yet, in fact, once again,  
20 maybe I can ask Charles Moses to give us some more current  
21 information, if that is what you would like to hear at this  
22 point?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 CHAIRMAN MENDEZ: I would.

2 What is the status of the San Antonio Project, and the  
3 report from Professor Cox?

4 MR. MOSES: The San Antonio Project has completed  
5 service delivery. Professor Cox is in the process of drafting  
6 his report. We have not seen it yet, but we expect it very  
7 shortly.

8 CHAIRMAN MENDEZ: What is very shortly?

9 MR. MOSES: We expect the report from Professor Cox on  
10 the San Antonio Project.

11 CHAIRMAN MENDEZ: Yes, I understand that, but you said  
12 very shortly. I want to know what you mean by "very shortly."

13 MR. MOSES: Oh, I would say probably it would be within  
14 a month to a month and a half.

15 CHAIRMAN MENDEZ: All right, I will tell you what I  
16 want you to do. Make a note. I want you to go back on Monday  
17 morning, and I want you to call Professor Cox, and I want to  
18 know exactly when he is going to have that thing done.

19 Tell him that you are under orders from the Chairman of  
20 the Audit and Appropriation Committee to send out a letter to  
21 him next week as to the status as to when he is going to get  
22 this stuff done.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. RICHARDSON: One thing to consider in regard to  
2 Professor Cox, he currently is an employee of the American Bar  
3 Association, and the timing of his report -- the draft report  
4 that would be submitted to us for comment, would be timed so  
5 that it would coincide with an ABA meeting in January, is my  
6 understanding.

7 CHAIRMAN MENDEZ: Let the record reflect -- I have not  
8 had an opportunity to do this before -- Claude Swafford has  
9 entered and has joined us.

10 Claude, we wish to welcome you, and thanks for showing  
11 up.

12 MS. SWAFFORD: It is nice to be here.

13 CHAIRMAN MENDEZ: So, we cannot do anything on that  
14 \$300,000 until that report?

15 MR. RICHARDSON: Well, let's -- what we have been doing  
16 is we have been working on a series of negotiations both at  
17 the American Bar Association and with Professor Cox, to  
18 finalize a contract.

19 We have been postponing, to a degree -- there are  
20 various drafts of the contract for Professor Cox, that we have  
21 been working with. Until the point when we can get a contract  
22 finalized -- although we currently have been in contact with

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 12 different sites, we do not want to select specific sites,  
2 until we have the contract manager under contract.

3 CHAIRMAN MENDEZ: Are you working closely with the ABA  
4 on this?

5 MR. RICHARDSON: We have been working with the ABA and,  
6 in fact, my boss, Ms. Mary Higgins, who is the director of the  
7 Office of Field Services, was recently -- well at an ABA  
8 meeting in Williamsburg, I guess in early October discussing  
9 this very issue.

10 CHAIRMAN MENDEZ: Okay, the next one, pro bono  
11 projects.

12 MR. RICHARDSON: Okay, the pro bono projects involve  
13 three unsolicited grant proposals that contracts have now been  
14 signed for. They are the Bar Association of San Francisco,  
15 Neighbor to Neighbor Justice Center in Savannah, Georgia, and  
16 the American Corporate Council Institute. There was a fourth  
17 one, that is the New Orleans Pro Bono Project. It has already  
18 been signed, and is already expensed in the statements.

19 The original amount was \$178,000.

20 CHAIRMAN MENDEZ: Have these been signed, or are they  
21 being signed, these contracts?

22 MR. BAYLY: I think only the one with the no -- the

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 New Orleans Project has been. The other three ought to be  
2 signed by the end of the month.

3 CHAIRMAN MENDEZ: All right, let's see if we could just  
4 summarize this delivery of legal assistance, and say \$154,000.

5

6 Actual contracts have been let on all but \$300,000, is  
7 that a fair statement, or will be by the end of the year?

8 MR. BAYLY: Yes, I think that is a fair statement. I  
9 have a little hesitation about the amount represented for  
10 Private Attorney Involvement Program, but certainly everything  
11 else, excepting the \$300,000, is quite fair.

12 CHAIRMAN MENDEZ: Well, he just told me that everything  
13 on the Private Attorney Involvement has all ready been  
14 contracted out.

15 MR. BAYLY: Well, Mr. Richardson, is more current than  
16 I. Then I have no -- I retreat from that hesitation and say,  
17 excepting for the \$300,000 there, I expect it will be.

18 CHAIRMAN MENDEZ: Let me just go through this and then  
19 we will talk about it later.

20 I thought last time that you told me that the Reggie's  
21 would be disposed of by this time?

22 MR. RICHARDSON: There has been no expenses come in,

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 except for an additional \$1,900 since the last meeting.

2 CHAIRMAN MENDEZ: Can we --

3 MR. BAYLY: I would suggest, Mr. Mendez, that at the  
4 next meeting, or certainly at the January meeting, staff  
5 present you with a report on all outstanding claims.

6 You might want to decide at that time to dissolve this  
7 line on the budget.

8 CHAIRMAN MENDEZ: I will tell you what I want to do. I  
9 want to solve it right now, and you just fold that money back  
10 in there. That is not enough money for us to be carrying a  
11 separate line, and if there are not any claims or very few  
12 claims coming in --

13 MR. BAYLY: Well, they come in "in dribs and drabs,"  
14 and there are fewer and fewer as I understand it. This might  
15 be an appropriate time, as I say, or by the end of the  
16 calendar year, whatever you wish.

17 MR. SMEGAL: What have been the total claims against  
18 this particular line through the years -- the last few years  
19 since we eliminated the programming? Have we had substantial  
20 claims?

21 MR. BAYLY: Well, they have amounted in the tens of  
22 thousands, but they have not been substantial enough that I

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 have kept track of them. They are not frequent enough that I  
2 am really current in them.

3 CHAIRMAN MENDEZ: My recollection, in the last eight  
4 months or so, maybe even the last year, it has not been more  
5 than ten thousand. I think, it was not more than \$58,000 at  
6 the start of the year is my recollection. It just should not  
7 be there. We should be able to dispose of that and put it  
8 into other lines. If we need to pay it, we could pay it out of  
9 our Management/Administration.

10 MR. RICHARDSON: Just to let you know, there is  
11 approximately \$70,000 in Reggie refunds that we have received  
12 this year also.

13 CHAIRMAN MENDEZ: Is that in this 46?

14 MR. RICHARDSON: No, sir, it is not.

15 MR. SMEGAL: Well, the refunds will be a positive  
16 factor.

17 MR. RICHARDSON: That is correct.

18 MR. SMEGAL: What he is saying is we budgeted \$50,000  
19 of which we spent \$34,010. In addition, we have money coming  
20 back to us in the amount of \$70,000.

21 CHAIRMAN MENDEZ: Well, no, that is not what this is  
22 saying. What this is saying is that this is a carryover from

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 prior years this \$50,000.

2 MR. RICHARDSON: That is correct. What I am saying is  
3 there is an additional \$70,000 in Reggie refunds that have  
4 come into the Corporation in the past twelve months.

5 The programs that have phased out through programs --

6 CHAIRMAN MENDEZ: Where is that shown?

7 MR. RICHARDSON: It will not be in this particular  
8 document, because it will be income into this particular year.  
9 We are looking at expenses only.

10 M O T I O N

11 CHAIRMAN MENDEZ: Well, unless I hear an objection to  
12 this, I move that we delete line 3 of the Supplemental  
13 Services Provision.

14 MR. SMEGAL: I will second that, but I would be curious,  
15 Mr. Mendez, where that money will then go? Where will it end  
16 up, which line?

17 CHAIRMAN MENDEZ: Well, I want to put it back up in  
18 Basic Field Programs.

19 MR. SMEGAL: So, you would move it to 1A1?

20 CHAIRMAN MENDEZ: 1A1.

21 MR. SMEGAL: All right, you have got a second.

22 CHAIRMAN MENDEZ: Any discussion?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 In fact, I will tell you where you could put it. You  
2 could even put it under Foreign Reserve for Special  
3 Adjustments. Under that, it would probably be the most  
4 appropriate place. It makes no difference to me, Tom.

5 MR. SMEGAL: You know, it seems to me we have not had a  
6 reserve all year. We never put one in, why start a reserve as  
7 the year ends?

8 CHAIRMAN MENDEZ: Okay. Let's put 1A1, figure out some  
9 way to get that out. All right, John, see if you can get some  
10 special programs where somebody might have some desire for it.

11 MR. BAYLY: Actually, we have several requests for  
12 assistance along these lines.

13 MR. SMEGAL: Not from Board members or anything?

14 MR. BAYLY: No, no, basic field programs.

15 CHAIRMAN MENDEZ: Okay.

16 All in favor?

17 (A chorus of Ayes.)

18 CHAIRMAN MENDEZ: Opposed?

19 (No response.)

20 None appearing, it passes.

21 Let's go through support for the delivery of legal  
22 assistance. We have one million dollars in projected

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 carryover. I thought we were suppose to have a training task  
2 force this month? What is the status of the training and  
3 development meeting?

4 MR. BAYLY: Once again, I may ask if you want some  
5 information, I would have Charles Moses to come forward.

6 MR. MOSES: What was your question again, Mr. Mendez?

7 CHAIRMAN MENDEZ: My understanding was, several months  
8 ago, we said that we wanted to do some training development of  
9 technical assistance and there was to be, I understood, a  
10 national seminar.

11 MR. MOSES: There have been two. In fact, one is going  
12 on --

13 CHAIRMAN MENDEZ: No, I do not want to know the have  
14 beens. We have \$675,000 committed for this. I want to know  
15 whether or not one is in the process and what the status is.

16 MR. RICHARDSON: I think what Mr. Moses is getting to  
17 is, there have been two after September 30th, and those  
18 expenses are being accumulated now, and there is one --

19 MR. MOSES: There is one that is going on this week.  
20 So the expenses, this was for the trial advocacy training  
21 expenses that is going on.

22 CHAIRMAN MENDEZ: Right.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547  
WASHINGTON, D.C. 20005  
(202) 628-2121

1 MR. MOSES: Those expenses are beginning to accumulate.

2 CHAIRMAN MENDEZ: Approximately how much will they run?

3 MR. MOSES: Well, to date, the expenses have  
4 accumulated probably somewhere between \$50 and \$60,000.

5 CHAIRMAN MENDEZ: I thought there was suppose to be  
6 three or four hundred thousand dollars in expense for this, is  
7 that right or wrong?

8 MR. MOSES: There was 300,000 allocated for trial  
9 advocacy training. What we have done is to work through  
10 various different venues, and we are working to use that  
11 money, bit because of various different reasons, it had to be  
12 used over a period of months.

13 CHAIRMAN MENDEZ: Will you have -- all right. I will  
14 tell you what I want next meeting. I want a breakout of the  
15 \$675,000 specifically broken out, a separate chart, telling me  
16 where it has been spent, when it is to be spent, and for what  
17 purposes.

18 MR. BAYLY: May I add, Mr. Mendez, for the record here,  
19 that much of what we have done for training has been conducted  
20 through the good offices with the help of the National  
21 Institute of Trial Advocacy.

22 I think that the training efforts we have tried to

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 provide through their assistance, have been very successful.  
2 However, the problem with their assisting us in this, is that  
3 they can only stage these occasions for training, from time to  
4 time.

5 It is hard for them to "bunch" them up, so that we do  
6 have to spread them out, you understand that?

7 CHAIRMAN MENDEZ: I understand that. That does not  
8 bother me. What does bother me is that we have a \$675,000  
9 line, with not adequate justification as to what is to be  
10 spent, and what is happening with it.

11 MR. BAYLY: I would point out, if I may, turn to page  
12 15, that the Pericles training, \$75,000, while it has not been  
13 distributed through check has been signed in agreement. The  
14 computer assisted legal research line of \$100,000, could you  
15 assist me, Mr. Richardson, about where exactly that is?

16 CHAIRMAN MENDEZ: We are on page 2B, now at the Roman  
17 Numeral II.

18 MR. RICHARDSON: Right, the computer training, the form  
19 generation and the computer assisted legal research the two  
20 lines there have been set aside for the purpose of training  
21 the paralegals and the people in the offices, the grantees, in  
22 the use of the computer and how to generate the different

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 forms, and word processing.

2 CHAIRMAN MENDEZ: I understand that. It does not tell  
3 me what I want to know. What I want to know is when it is  
4 going to be done.

5 MR. RICHARDSON: It is my understanding that --

6 MR. BAYLY: That can be included in a specific  
7 breakdown if you need it for the December meeting.

8 CHAIRMAN MENDEZ: That is what I want. I want to have  
9 specific times when these are being expended.

10 MR. BAYLY: The Pericles training, however, is in a  
11 sense --

12 CHAIRMAN MENDEZ: I understand that.

13 MR. BAYLY: And those programs will be distributed to  
14 the regional training centers.

15 CHAIRMAN MENDEZ: I understand.

16 I have \$635,000 for general counsel fees. I wish  
17 LeaAnne was here so I could make a comment about it. I hope  
18 she does not cost us that much.

19 MR. BAYLY: Perhaps the largest single amount of money  
20 here arises by reason of the Lochriccio Litigation which is  
21 pending now in the Circuit Court.

22 MR. MENDEZ: I understand that. I really do not need

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 to go into it further than that. We will reserve that for the  
2 Executive Summary.

3 We have 1.8 million dollars in uncommitted -- or  
4 \$888,000 in uncommitted funds for the National Support?

5 MR. RICHARDSON: No, sir, that is the total.

6 CHAIRMAN MENDEZ: Not National Support, Management  
7 Support.

8 MR. RICHARDSON: Management administration is in  
9 uncommitted funds, approximately \$82,000 projected at this  
10 time.

11 CHAIRMAN MENDEZ: Okay. Tom do you have any questions  
12 about that?

13 MR. SMEGAL: I did not hear that last thing, but I do  
14 not think I do.

15 CHAIRMAN MENDEZ: Let's go through this, just to make  
16 sure, because you are always -- let's turn to the Management  
17 Administration, page 3.

18 There is \$888,000 in carryover. That 888, includes  
19 that \$635,000 in committed funds for legal services.

20 MR. SMEGAL: Right.

21 CHAIRMAN MENDEZ: And the two cases will be Lochriccio  
22 and LeaAnne's. There are a couple of other things, but those

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 are the major.

2 MR. SMEGAL: What surprised me, I guess, in looking at  
3 this, and I did look at it earlier. The uncommitted of '82,  
4 my recollection several months ago was we were no where near  
5 the budgetary levels that we had, so somehow or other we  
6 either got on track or we got back -- well we caught up in our  
7 expenditures.

8 John, it seemed to me a couple months ago, we were  
9 going to come no where near the budgetary levels that we had  
10 allocated.

11 MR. BAYLY: I think there was a fear of that at one  
12 time, but thanks to David Richardson we are pretty current,  
13 and he has insisted that the various office directors and  
14 managers get up to date.

15 The payment for consultant contracts are more current  
16 than they had been for a long while. I think that accounts  
17 for most of the difference you see here.

18 MR. SMEGAL: Do I understand from that one of the -- if  
19 I understood correctly one of the reasons we were behind in  
20 those payments, is that the consultants were not getting their  
21 monitoring reports in.

22 It seems to me, there was an obligation in order to get

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 paid to get your report in. Is that -- do we read into that  
2 now that we are more current on those reports that people are  
3 complying with their obligations as monitors to get their  
4 draft reports in?

5 MR. BAYLY: Well, they certainly recognize that they  
6 will not get paid until they do. We are withholding, I think  
7 it is a third of their payment. There has also been an  
8 increased effort to identify, in advance, the consultancy  
9 cost associated with it, whether it is a monitoring visit or  
10 an audit or whatever that may be.

11 MR. RICHARDSON: I also draw attention that into the  
12 original memo. There are still additional expenses being  
13 accumulated from the monitoring division, which will be  
14 included in the FY'87 statements.

15 MR. SMEGAL: You mean they are over-budget is that your  
16 -- those numbers you have here, David?

17 MR. RICHARDSON: Yes sir. They are already over budget  
18 and they will go even further.

19 MR. SMEGAL: Yes, I guess my questions come after the  
20 bottom of the material on page 13. So, when you get to that I  
21 will have questions.

22 CHAIRMAN MENDEZ: Where is the bottom of the material

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 on page 13?

2 MR. SMEGAL: Well, the last line is total budgeted  
3 funds across, we are looking at the four and one half million  
4 that he referred to originally, Pepe, the \$4,569,000.

5 I would understand, and I appreciate that this report  
6 is only directed at consolidated operating budget for 1987. I  
7 guess my question is the document I do not have, which is the  
8 carryovers from prior years.

9 MR. RICHARDSON: They are accumulated in this total.  
10 The original budget, the funding base for this year, was \$305  
11 million, 500 thousand. The 9 million dollars that you had in  
12 carryover, is included in the \$350 and the total consolidated  
13 operating budget.

14 At this point, what we are saying is we have spent that  
15 money down to the 4.5 million dollar level. This is how the  
16 money is remaining and should be spent. In the committed  
17 carryover line, or this is how much money as in the case of  
18 the uncommitted, that we have left that is not spoken for at  
19 this point.

20 MR. SMEGAL: Well, my recollection is we carried over  
21 into fiscal year '87, that special grant for Drake and New  
22 Orleans, was it?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. RICHARDSON: That is correct.

2 MR. SMEGAL: At the beginning of the year I recall  
3 having that --

4 CHAIRMAN MENDEZ: We have only carried over, I think, 2  
5 million or one and half, this prior year.

6 MR. RICHARDSON: 1.5, it is line six on 12.

7 MR. SMEGAL: The special law school grants? Yes, I see  
8 it on page 12.

9 So, there had been an expenditure of six and half  
10 million of that before fiscal year '87?

11 MR. RICHARDSON: That is correct.

12 MR. EAGLIN: That item refers only to Drake and New  
13 Orleans, is that correct?

14 MR. RICHARDSON: That is correct.

15 CHAIRMAN MENDEZ: Do you have any other questions, Tom?

16 MR. SMEGAL: No, I guess you have clarified that the  
17 column 8 that is headed, "Revised Fiscal Year '87 Operating  
18 Budget" includes, if I understand you correctly, it includes  
19 all carryovers from all prior years?

20 MR. RICHARDSON: That is correct.

21 CHAIRMAN MENDEZ: That is 315, 330. I am sure that I  
22 had before said that I wanted everything included, and he has

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 fortunately, following the instructions very well.

2 Are there any other questions? Paul, do you have any?  
3 Lorain?

4 MS. MILLER: No.

5 CHAIRMAN MENDEZ: Hortencia? Claude, do you have  
6 anything you want to explain to us? Bob, would you please  
7 come forward?

8 MR. CLYDE: Sure.

9 CHAIRMAN MENDEZ: At this time -- for the record, this  
10 is Robert Clyde, project advisory group. All I want you to do  
11 at this time is just talk about this issue.

12 MR. CLYDE: Right. We just had a question about the  
13 private attorney involvement program, the \$316,511.

14 CHAIRMAN MENDEZ: Let's just make sure we are on the  
15 same page. We are on page.

16 MR. CLYDE: Attachment "B", page 15. Maybe we were not  
17 paying close enough attention when that was reviewed, but if  
18 we could have an explanation of what that involves again?

19 CHAIRMAN MENDEZ: Okay, let's see if we can do that.  
20 These are all signed contracts?

21 MR. RICHARDSON: That is correct, sir.

22 MR. CLYDE: They are contracts with?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. RICHARDSON: They are contracts with attorneys in  
2 areas where there is no grantee. We have gone into those  
3 areas, solicited people to service the community, and they are  
4 reimbursed on a per case basis.

5 MR. CLYDE: Okay.

6 CHAIRMAN MENDEZ: Do you have any other questions?

7 MS. BERGMARK: We are just completely unfamiliar with  
8 this line item.

9 CHAIRMAN MENDEZ: Well, just a second, here. This is  
10 Martha Bergmark, from the project advisory group.

11 MS. BERGMARK: We have just never heard of this item  
12 before, to our knowledge. What is this? Could we have some  
13 examples about --

14 CHAIRMAN MENDEZ: It includes the vouchers -- no it  
15 does not include --

16 MS. BERGMARK: No, the vouchers are listed down below.

17 CHAIRMAN MENDEZ: Charlie, can you come forward and  
18 give us a hand? I know that you have had this before, we have  
19 talked about it on numerous occasions.

20 MR. MOSES: Yes. This is a private law firm project  
21 carryover, no.

22 MS. BERGMARK: So, it is not a question of there being

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 no local grantee?

2 MR. MOSES: No, no, there is not a question of no local  
3 grantee.

4 MS. BERGMARK: And how much was actually spent in that  
5 line item in '87?

6 MR. RICHARDSON: It is \$233,000 dollars.

7 MS. BERGMARK: Was spent, and there is this \$316,000  
8 remaining?

9 MR. RICHARDSON: That is correct.

10 MS. BERGMARK: How many of those contracts are there?

11 MR. MOSES: There are, I believe, 56 different  
12 contracts.

13 MS. BERGMARK: That are scheduled to run for how long?

14 MR. MOSES: The contract should be expiring in this  
15 year.

16 MS. BERGMARK: Would it be possible for us to get with  
17 Mr. Moses and Mr. Richardson afterward, and get a more  
18 definite accounting of these projects? We really are not --

19 MR. BAYLY: May I, Mr. Mendez? Ms. Bergmark, I am sure  
20 they would be happy to speak with you, but quite frankly, I  
21 think you would get more information if you at least continued  
22 the discussion in Washington.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 I know Mr. Richardson does not have all of that  
2 information with him. I must say to the Board, or this  
3 Committee, as well as all involved here, that this was  
4 probably imprecisely identified as "Private Attorney  
5 Involvement," it is really "Private Law Firm."

6 I think it is probably misleading to identify it in  
7 this fashion.

8 MS. BERGMARK: Thank you. I meant to have future  
9 conversations with them concerning these projects.

10 CHAIRMAN MENDEZ: Sure, there is no problem with that.  
11 Just call and set it up. I will tell you what else I want you  
12 to do. For the next time, I want to have a footnote  
13 explaining more definitely the number of projects and that  
14 sort of thing, just to explain to us how much has been spent,  
15 when you anticipate the rest of it to be done.

16 MS. BERGMARK: Thank you.

17 CHAIRMAN MENDEZ: That is generally what you want to  
18 know Martha, is it not?

19 MS. BERGMARK: Yes, sir, thank you.

20 CHAIRMAN MENDEZ: Does anyone else have any questions  
21 or comments concerning this?

22 (No response.)

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 CHAIRMAN MENDEZ: Are there any other public comments  
2 or questions or matters on the '87 carryover?

3 (No response.)

4 CHAIRMAN MENDEZ: None appearing, I --

5 MR. SMEGAL: I do have a question. Last year we had a  
6 difference of view at one point as to what the carryover would  
7 be, and Senator Rudman had several bits of information and  
8 others had different bits of information.

9 GAO came in and did an audit that was substantially  
10 different than the one we had internally. I have two  
11 questions. One is that, is GAO going to do a similar  
12 investigation of consolidated operating budget for '87, as  
13 they did in '86, and if so, would you anticipate they would  
14 come up with different answers than what we have here in front  
15 of us today?

16 MR. RICHARDSON: I have not been notified that GAO is  
17 going to be coming in. We are in audit now with Peat Marwick,  
18 and they should be finished by the end of this week, certainly  
19 by the Thanksgiving break.

20 Then we will have final figures to be presented to you  
21 in December. There will --

22 MR. SMEGAL: The GAO audit last year was a special

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 circumstance? Is that how you are identifying it?

2 CHAIRMAN MENDEZ: Yes, but beyond that, I will tell you  
3 the reason that there was such a differential last time and  
4 there should not be anymore.

5 Last time we did not include the carryover funds in our  
6 totals. So that we would not have that problem again, they  
7 were instructed to put all of the carryover funds in this one.

8 If you will recall, that is what the issue was, is  
9 whether -- how you allocate those carryover funds from prior  
10 years.

11 MR. SMEGAL: Well, but I am not sure that I understand  
12 that everything is in here, if I understood what Mr.  
13 Richardson said a while ago.

14 We have got some money that is going to be coming back  
15 to us, that is obligated to be returned under the Reggie  
16 Program. If I understood you correctly, that is not in here.

17 MR. RICHARDSON: That is correct. Because --

18 MR. SMEGAL: That is \$70,000?

19 MR. RICHARDSON: That is correct.

20 MR. SMEGAL: Okay. Are there other items? We had  
21 interest. I remember last year we had a question of --

22 CHAIRMAN MENDEZ: That interest should be in here. Is

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 that in here?

2 MR. RICHARDSON: No, sir, it is not.

3 MR. SMEGAL: You did not have interest in there last  
4 year, and interest --

5 CHAIRMAN MENDEZ: Why isn't it in here?

6 MR. RICHARDSON: Because we are looking at expenses.  
7 We are not looking at the income at this point. The way the  
8 budget was handled last year the interest that you earned was  
9 put into the next year's budget.

10 MR. SMEGAL: So, you are saying that there is  
11 carryovers in the fiscal year '88 that we do not see here in  
12 the consolidated operating budget for '87? There are numbers  
13 out here somewhere that are not on these sheets, income  
14 numbers.

15 MR. RICHARDSON: I am saying that there are some income  
16 numbers that will be coming in, but you do not reduce your  
17 expenses by showing your income.

18 CHAIRMAN MENDEZ: That is not the issue, because the  
19 issue is -- all right. I see what he is talking about. How  
20 much income do we have that isn't shown under the total  
21 budgeted funds, of \$315,334,087?

22 MR. RICHARDSON: At this point, there is approximately

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 \$150,000. That is in --

2 CHAIRMAN MENDEZ: That includes interest and the Reggie  
3 returns?

4 MR. RICHARDSON: That is correct.

5 MR. SMEGAL: Is there anything else? My recollection  
6 again, there was some accountant, a Riggs National Bank, I  
7 forget what that is, is that folded back in here now?

8 MR. RICHARDSON: That is correct, that is in here.

9 MR. SMEGAL: There was some reserves in other  
10 categories that did not fall in last year, are they in?  
11 Everything is in as far as you know?

12 MR. RICHARDSON: Yes, sir.

13 CHAIRMAN MENDEZ: All right, I want you to put in here  
14 for next time, I want all money that we have gotten in this  
15 year, in here.

16 MR. RICHARDSON: Okay, again, I will ask your opinion  
17 then. We are looking at --

18 CHAIRMAN MENDEZ: Just asterisk it.

19 MR. RICHARDSON: Just put it at the bottom?

20 MR. SMEGAL: Yes, footnote it or somehow get it on  
21 there.

22 CHAIRMAN MENDEZ: We want to see every nickel.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. RICHARDSON: That is fine. That is no problem.

2 MR. SMEGAL: I would not, and my point that I started  
3 off with, is that I would not want someone like the GAO or  
4 some other investigatory body to come back and tell us in six  
5 months that we had another million dollars sitting somewhere  
6 that we were not told about.

7 Now, if I understand correctly, you think it is a  
8 hundred something a hundred some odd dollars --

9 MR. RICHARDSON: It is around a \$150,000 dollars.

10 MR. SMEGAL: Yes, well let's identify everything.

11 MR. RICHARDSON: All right, I will do that.

12 CHAIRMAN MENDEZ: What I want you to do, is next time  
13 around put total budgeted funds, whatever that total budget  
14 funds are, asterisk it, and tell us how we get to those 315 if  
15 we have a budget of 305.

16 MR. RICHARDSON: Okay.

17 CHAIRMAN MENDEZ: Does that make sense? Is that what  
18 the rest of my committee wants to have?

19 MR. SMEGAL: That is right, our fiscal year '87  
20 allocation from congress was 3 hundred 5.5, I understood. We  
21 have got 315 here now, so --

22 CHAIRMAN MENDEZ: Right.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. SMEGAL: Somehow you have got another 10 million in  
2 there.

3 CHAIRMAN MENDEZ: Well, what you want to do is --

4 MR. SMEGAL: I thought it was through a special grant.  
5 Thank you, Pepe.

6 CHAIRMAN MENDEZ: All right. Is there any other  
7 comments?

8 Do you understand what you are to do.

9 MR. RICHARDSON: I understand.

10 CHAIRMAN MENDEZ: By the way, speaking for myself, and  
11 I hope the rest of the Committee. I appreciate the job that  
12 you are doing. We are getting the budget materials in the  
13 form and the type that we can really find helpful and useful,  
14 and can understand.

15 MR. RICHARDSON: Okay.

16 CHAIRMAN MENDEZ: The only last comment is, to try and  
17 meet with Martha in the next year.

18 MR. RICHARDSON: Okay.

19 MR. SMEGAL: I would just like to second that, Pepe,  
20 and I would like Mr. Bayly and Mr. Richardson to know that as  
21 far as I am concerned, my time on this Board, this is the most  
22 helpful document I have had. We have almost gotten complete

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 now.

2 MR. RICHARDSON: Thank you, sir.

3 CHAIRMAN MENDEZ: Well, I think he has got it complete.  
4 I just think that now, there are some misunderstandings about  
5 what we want to have and it will all be clear.

6 MS. BENAVIDEZ: You know, I wanted to know that I feel  
7 the same way as Tom.

8 CHAIRMAN MENDEZ: Okay, very good. John should be  
9 complemented.

10 MR. BAYLY: Thank you, thank you very much, I  
11 appreciate it. We can make some improvements here and  
12 refinements and I appreciate your comments.

13 CHAIRMAN MENDEZ: Next, just to permanently set the  
14 stage, in January we have to come up with a proposed budget  
15 for '89. At this time, I want to take public comment, and I  
16 specifically asked the projects advisory group to come in and  
17 make a presentation.

18 Bob has told me that he will be doing the presentation.  
19 The reason I set aside the afternoon for this, is because I  
20 recall the first time that we met when we new board members,  
21 that this took about six and a half hours or seven hours to go  
22 through this presentation of the field. Evidently, either we

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 are getting tougher or they are getting easier, because they  
2 are making essentially one presentation.

3 I hope that we can work with it, get it out. I have  
4 been told that we are suppose to get out of here by 5:00  
5 o'clock, so you have our complete and undivided attention  
6 until 5:00 o'clock.

7 One last item, Bob Clyde, has previous given me the  
8 testimony of the projects advisory group, I think Tom has it.  
9 I do not know if Paul has it, I do not know if Lorain or  
10 Hortencia have it?

11 MR. CLYDE: Do you have enough copies Mr. Mendez?

12 CHAIRMAN MENDEZ: Yes, we do. I have also given one to

13 --

14 MR. DURANT: We are going to attach it to the minutes.

15 CHAIRMAN MENDEZ: Would you please, for the record  
16 introduce yourself and your calling?

17 PRESENTATION BY ROBERT CLYDE

18 MR. CLYDE: Mr. Mendez, I am Bob Clyde. I am the  
19 director of Northeast Ohio Legal Services, and Co-Chair of the  
20 Project Advisory Groups Funding Criteria Committee.

21 I have with me today, my new, very new Co-Chair Regina  
22 Rogoff, from Austin, Texas. Who directs the --

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MS. ROGOFF: The Legal Aid Society of central Texas.

2 MR. CLYDE: And on my left, Sam Milkes, who is the  
3 director of a program here in Pennsylvania, which Sam can  
4 identify, but I want to also share with you that he is a  
5 member of the Funding Criteria Committee, as well.

6 MR. MILKES: I am the director of Central Pennsylvania  
7 Legal Services, and I might mention I am also the president of  
8 the Pennsylvania Project Directors Corporation.

9 CHAIRMAN MENDEZ: Central --

10 MR. MILKES: Central Pennsylvania Legal Services,  
11 right. It is a six county program, based in Lancaster, and  
12 includes the state capital and other counties.

13 CHAIRMAN MENDEZ: You also said, "Pennsylvania Project  
14 Directors Corporation?"

15 MR. MILKES: That is correct, which is an association  
16 of Project Directors in Pennsylvania.

17 CHAIRMAN MENDEZ: How many project directors do you  
18 have?

19 MR. MILKES: Twenty.

20 CHAIRMAN MENDEZ: I am sorry?

21 MR. MILKES: Twenty.

22 MR. SMEGAL: What is Pennsylvania Project Directors?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 It is Association, not corporation?

2 MR. MILKES: It used to be called association and since  
3 we have been incorporated, it has been called "corporation."

4 MR. SMEGAL: Oh, it is?

5 MR. MILKES: Yes.

6 CHAIRMAN MENDEZ: Okay.

7 MR. CLYDE: I am essentially going to make a  
8 presentation.

9 CHAIRMAN MENDEZ: Just one thing first, Regina welcome.  
10 I hope that we have a longer term relationship with you than  
11 we did with Martha.

12 MS. ROGOFF: I can assure you, I have no plans on  
13 moving out of central Texas.

14 MR. MILKES: I should note for the record, the  
15 crestfallen looks I got earlier when Paul asked whether or not  
16 I had fired Martha, and I responded, "No, she quit", and  
17 everybody looked startled as Martha was not here yet.

18 I am given to understand that she was enjoying a fine  
19 lunch in a nearby restaurant.

20 Well, as was the case last year, Mr. Mendez, I am here  
21 representing the Project Advisory Group, which as it had been  
22 related before, is a membership organization consisting of

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 over 75 percent of all of the entities funded by the Legal  
2 Services Corporation, who, in turn, serve the needs of this  
3 country's 40 to 45 million poor people.

4 The Project Advisory Group FY'89 mark recommendation,  
5 is once again, based on the minimum access concept. We have  
6 urged minimum access funding for each of the last five years  
7 since we began the trek back up from the 241 million dollar  
8 level that we found ourselves in 1981.

9 It is one that we urge, in this year, to be 400 million  
10 dollars, up 9 million dollars from the recommendation we made  
11 last year. Once again, it is based on a staged return over  
12 three years, to full or complete minimum access.

13 It is one third of the amount necessary to achieve that  
14 level of funding. We urge that not only the corporation seek  
15 400 million dollars, but that you restore special census and  
16 non census-based programs to the same proportionate funding as  
17 they had in 1985. As you may well be aware, their funding has  
18 been frozen, and in some cases cut and not restored since that  
19 time.

20 Some members of this board have urged that we consider  
21 abandoning minimum access and support programs in favor of  
22 meritorious funding or privatization of support.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           The last board meeting I attended that was the  
2 principle issue of the entire day. We have considered -- the  
3 Funding Criteria Committee has considered the abandonment of  
4 minimum, access or some variation away from minimum access,  
5 and explicitly rejected that.

6           We also continue to oppose privatization or  
7 elimination, obviously, of funding for state and national  
8 support, and as was the case for the last meeting, the 1988  
9 appropriation, the elimination of all but census-based  
10 funding. Those items were discussed at the last FCC meeting.  
11

12           The governing body of the Project Advisory Group, the  
13 Steering Committee has not yet met, so we do not have the  
14 advantage of their input and full recommendations on  
15 allocations.

16           Thus, I am not able to give you anything but tentative  
17 allocations within that 400 million dollar marked  
18 recommendation.

19           It is the position of PAG, that the minimum access  
20 concept is currently the only rational basis for national  
21 distribution and request of scarce resources. It is the only  
22 rational concept which provides a meaningful funding goal, and

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 has been accepted by congress.

2 The method that we used to calculate to minimum access  
3 is exactly the same as was presented last year, and is set out  
4 in the prepared text. I am not going to go through all of  
5 that unless somebody feels there is a need for us to explain  
6 it further.

7 Briefly stated, what we have done is to inflate the per  
8 capita figure of 15 dollars per poor person, which we estimate  
9 to be minimum access for FY'88, by five percent, which moves  
10 the per capita level funding to \$15.75 per poor person.

11 Extending the \$15.75 per poor person to 29.5 million  
12 poor persons identified in the 1980 census, would require 464  
13 million dollars for basic field funding. Asking for one third  
14 of the 200 million, would move the basic field line to 331  
15 million, a 67 million increase over the FY'88 recommendation.

16 An additional 69 million would be required for all  
17 other lines to achieve proportionate increases. Those are set  
18 out in columns in the attachment to the presentation, which I  
19 think is page 9.

20 I would like to focus my presentation, not so much on a  
21 long discussion of the mathematical calculations in minimum  
22 access, or some of the other things that we have emphasized in

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 the past on minimum access, but on just a couple of things.

2 One is, and I think this is somewhat important in  
3 that it has not been discussed to my knowledge, for some time,  
4 the unit cost basis that was used for the minimum access  
5 concept in the mid '70's by the Legal Services Corporation.

6 The other that I will get to following that, is PAG's  
7 process and community support for maintaining the current  
8 funding distribution system.

9 The unit cost in minimum access was -- as I said the  
10 \$15.75 per poor person, had it origins in the mid '70's. LSC  
11 determined that its goal would be to seek enough federal  
12 funding to provide a minimum of two attorneys, per 10,000 poor  
13 persons.

14 LSC estimated the cost of fielding two attorneys, to be  
15 \$70,000, or \$7.00 per poor person. That unit cost estimate  
16 was based on a model office that had seven attorneys. This  
17 information was retrieved sometime after we appeared last  
18 year, it is almost archives data, but was presented to  
19 congress in the spring of this year for the '88 mark.

20 I think, it is somewhat enlightening, to give you some  
21 idea of what the minimum access concept is.

22 CHAIRMAN MENDEZ: Bob, could you get me a copy of that?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. CLYDE: The congressional testimony or the archival  
2 information?

3 CHAIRMAN MENDEZ: Both.

4 MR. CLYDE: I will.

5 CHAIRMAN MENDEZ: Can you get them to me next week?

6 MR. CLYDE: Yes.

7 CHAIRMAN MENDEZ: While you are at it, could you  
8 forward it to everybody on the board? Or, give it to John and  
9 he will distribute it?

10 MR. CLYDE: I am sure we can get you that.

11 Let me explain to you, what we found. The LSC  
12 analysis, as I said, had seven attorneys, one of them a  
13 supervisor at \$14,000 a year. Six of the attorneys had an  
14 average of \$12,300 a year, and eight support persons averaging  
15 about \$7,300 a year.

16 Those personnel costs were estimated at about 75  
17 percent of the total office -- model office budget. Those  
18 salaries even in 1975, were extremely modest at best; then and  
19 at the poverty level today.

20 Yet with an average per capita funding of level of 886,  
21 census-based field programs -- for census-based field programs  
22 the law firms that were a part of serving the poor, were

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 receiving only 60 percent of the \$15.00 per poor person needed  
2 to achieve minimum access. The FY'88 \$15.00, really  
3 represents the 1975 \$7.00 per poor person unit cost analysis  
4 adjusted for inflation.

5 To give you an idea of how very modest those salaries  
6 were then, and how they are today, even if inflated by the  
7 approximate 119 percent increase in inflation since 1975,  
8 those \$12,300 staff attorneys would be at \$27,000 now; yet  
9 were funded at only 60 percent of the minimum access level.

10 CHAIRMAN MENDEZ: What does an average attorney now  
11 make?

12 MR. CLYDE: Well, it is probably something in the area-  
13 - I have not seen a fact book for a couple of years, but I  
14 think that it is something in the area of 24 to \$25,000. My  
15 office, which I was going to go on to give you some background  
16 about, has an average staff attorney significant cost or  
17 salary, averaged significantly higher than that.

18 I think, the national average is probably below  
19 \$30,000, maybe around \$25,000. If you were to extrapolate the  
20 60 percent level, in terms of where we are vis-a-vis, minimum  
21 access, to what 60 percent of a \$27,000 average staff attorney  
22 salary would be, it would be \$16,200.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           Our local field offices obviously must maintain  
2 averages significantly higher than that, even at \$25,000.  
3 Thus, the affect is, to have fewer than two attorneys per  
4 10,000 poor. We cannot afford two attorneys for 10,000 poor.  
5 That is minimum access.

6           We are at essentially sub-minimum access, not even  
7 close to equal access. My own office has endeavored to retain  
8 attorneys with experience. To do so, has a cost. We have a  
9 cost, with my average attorneys salaries being closer to  
10 \$35,000.

11           I have attorneys who have an average level of  
12 experience of approximately 9 years. That probably is on the  
13 high side in the legal services community today, but as a  
14 result, I have average attorney costs -- staff attorney costs  
15 of \$35,000.

16           CHAIRMAN MENDEZ: How many attorney do you have?

17           MR. CLYDE: Ten.

18           CHAIRMAN MENDEZ: Ten attorneys.

19           MR. CLYDE: I have ten attorneys on staff, and we  
20 contract with the equivalent of two additional attorneys for  
21 my service area.

22           CHAIRMAN MENDEZ: How many support staff do you have?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. CLYDE: Ten.

2 CHAIRMAN MENDEZ: Ten support staff?

3 MR. CLYDE: Yes.

4 CHAIRMAN MENDEZ: What are they?

5 MR. CLYDE: I have administrative people, I have legal  
6 assistants, and I --

7 CHAIRMAN MENDEZ: How many paralegals do you have?

8 MR. CLYDE: We have re-categorized paralegals to a  
9 category called "Legal Assistant", which does both secretarial  
10 as well as paralegal-type functions, and I think I have six of  
11 them.

12 CHAIRMAN MENDEZ: What are the other four?

13 MR. CLYDE: Two administrative, a receptionist, I guess  
14 there is seven, because I think seven legal assistants, a  
15 receptionist and two administrative staff.

16 CHAIRMAN MENDEZ: So, seven paralegal/secretarial  
17 types, combination?

18 MR. CLYDE: Correct. That is right, categorized as  
19 legal assistants.

20 CHAIRMAN MENDEZ: Do you have anybody that is straight  
21 secretarial?

22 MR. CLYDE: No.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           CHAIRMAN MENDEZ: Is yours an average office, do you  
2 think?

3           MR. CLYDE: I have indicated that I think it is  
4 probably not an average office in terms of the level of  
5 experience of the attorneys.

6           CHAIRMAN MENDEZ: Sure, I understand, but in terms of  
7 all the other positions?

8           MR. CLYDE: The support? I do not know, it might be a  
9 little on the low side, if I had to guess.

10          MS. ROGOFF: I would use as another example, I think  
11 that if you are asking for typical or average, each program is  
12 unique.

13          CHAIRMAN MENDEZ: Oh, I understand that. I do not  
14 disagree.

15          MS. ROGOFF: We serve 16 counties in central Texas, and  
16 have 17 attorneys including myself, 8 paralegals, 10 support  
17 that being secretaries and receptionists, and 2 administrative  
18 full time administrative people, for a total of 37.

19          CHAIRMAN MENDEZ: So you have about 37 staff?

20          MS. ROGOFF: Correct. Our average tenure, much like  
21 Bob's, is I think not the norm, I have 5 attorneys with 10  
22 years of experience and 5 attorneys who are at roughly 4 or 5

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 years of experience, and I have a cluster of newer attorneys.

2 CHAIRMAN MENDEZ: What is your total budget?

3 MS. ROGOFF: My total LSC budget or -- ?

4 CHAIRMAN MENDEZ: Your total budget?

5 MS. ROGOFF: My total budget is about 1.5 million.

6 CHAIRMAN MENDEZ: What is your total LSC budget?

7 MS. ROGOFF: 1.1 million. The balance comes from the  
8 City of Austin, Travis County, the University of Texas --

9 CHAIRMAN MENDEZ: How much does the University of Texas  
10 contribute?

11 MS. ROGOFF: About \$38,000 -- to its clinical de-  
12 budgetation (phonetic).

13 CHAIRMAN MENDEZ: Okay, have they been doing that over  
14 the years?

15 MS. ROGOFF: That contract goes back to, I think, since  
16 1977 or '78.

17 CHAIRMAN MENDEZ: So, a good number of years. Bob,  
18 what is your total LSC budget?

19 MR. CLYDE: Total LSC is about \$630,000. The total  
20 budget is closer to \$900,000.

21 CHAIRMAN MENDEZ: Are either one of you getting IOLTA?

22 MS. ROGOFF: Interest on Learners Trustees, is that what

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 you are asking?

2 CHAIRMAN MENDEZ: Yes, IOLTA.

3 MS. ROGOFF: In Texas, they just made the first round  
4 of IOLTA grants, in mid-July of this year. Our program  
5 received \$21,000, a very small percentage of our total budget.

6 CHAIRMAN MENDEZ: What percentage of the attorneys in  
7 Texas are in it?

8 MS. ROGOFF: Oh, now I have to go back and --

9 CHAIRMAN MENDEZ: It is voluntary?

10 MS. ROGOFF: It is a voluntary program, yes.

11 CHAIRMAN MENDEZ: It is voluntary? Is it Opt-in or  
12 Opt-out?

13 MS. ROGOFF: It is Opt-in, we wanted to get it Opt-out,  
14 but we were not successful at the Supreme Court level. I  
15 really, I do not know for sure, it is a small percentage.

16 CHAIRMAN MENDEZ: Is there a major --

17 MS. ROGOFF: The goal is the 20 percent, so that is  
18 something under 20 percent, that would be considered optimal  
19 if we were able to get 20 percent of this money.

20 CHAIRMAN MENDEZ: I think the national average, correct  
21 me if I am wrong, is about 17 percent on the Opt-in.

22 MR. CLYDE: I am a little more fortunate, in that Ohio

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 passed a mandatory IOLTA Bill, a little more than two years  
2 ago, and the funding for the state has gone up to a little  
3 over 3 million, which is approximately a third of what the  
4 state received from the corporation.

5 My office, my own three counties that are funded by the  
6 state IOLTA program, will get approximately \$140,000 in the  
7 brief estimate for next year, in the IOLTA funding.

8 MS. ROGOFF: We estimate in the '88 fiscal year and the  
9 '89 fiscal year that IOLTA will distribute \$750,000 in Texas.  
10 Of course, Texas is a much larger state than Ohio, and  
11 receives much more LSC funding.

12 I think somewhere in the range of 11 million dollars.

13 MR. CLYDE: I have to take some pride in telling you  
14 that, I am not unaware that IOLTA has been urged as a basis  
15 for not seeking significant new funding from congress--  
16 national funding, but I want to say to you, that the Ohio  
17 programs that are getting this 3 million, perhaps a little  
18 more than 3 million annually from IOLTA funds, are still on  
19 the average, well below the \$15 or \$15.75 per poor person.

20 We have a long way to go. We are all minimum funded  
21 floor funded programs this year. So, IOLTA is not the panacea  
22 that is going to solve all of our problems. Even with receipt

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 of the IOLTA that my local office has, we still have only 10  
2 attorneys serving over 100,000 eligible clients. That is the  
3 point I was getting to.

4 That with our efforts to retain experienced attorneys,  
5 and paying somewhat higher than average, probably somewhat  
6 higher than average salaries, we are still woefully under the  
7 two attorneys per 10,000 poor that was identified by the  
8 Corporation in 1975 as the minimum access goal.

9 CHAIRMAN MENDEZ: I understand that. I do not disagree  
10 with that. You have an option to either hire paralegals or  
11 hire attorneys. You may want to count a paralegal half.  
12 Would that be fair?

13 Because you have that option of hiring a paralegal or  
14 an attorney, I would think.

15 MS. ROGOFF: I would respond to that in part. I really  
16 think that depends on the program's priorities, and the  
17 organization. We, I believe, use paralegals very effectively.

18  
19 As I said, we have 8 paralegals and 17 lawyers, so that  
20 is almost roughly a two-to-one ratio, attorney to paralegal.

21 In certain areas of law, paralegals are not used at  
22 all. Our family law unit has one paralegal, compared to other

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 components of the program, because it is a court based unit,  
2 and paralegals would be a limited function there.

3 CHAIRMAN MENDEZ: I understand that. The problem I  
4 have with just saying that we should have two lawyers per  
5 10,000 or we are not adequately funded, is that we can always  
6 --no matter what funding if you just hold up, if we do not  
7 have the two lawyers per 10,000, you have the problem I see is  
8 that you have an option.

9 You can either hire lawyers or you can hire  
10 secretaries, or you can hire paralegals. Depending on what  
11 your goals are of your group, you have that option. If you do  
12 not hire lawyers, then automatically you would never reach the  
13 two lawyers per 10,000, and you could be doing well with  
14 paralegals.

15 MR. CLYDE: I would like to respond to that, Mr.  
16 Mendez. As I indicated earlier, in the LSC data that we  
17 retrieved to determine what the minimum access concept really  
18 involved, there were paralegals in that model program that  
19 they were putting together.

20 There were, as I said, 6 attorneys and I think 6  
21 paralegals -- oh, I guess, I do not have it in this, but I  
22 know that there were a mix of paralegals and support persons

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 at about equal number.

2 CHAIRMAN MENDEZ: Just give us the details, and we will  
3 look at it -- I will not engage in any more dialogue about  
4 this issue.

5 MR. CLYDE: Well, moving out of the paralegal area,  
6 into an area that we have discussed in the past, that is I  
7 remember there being some questions on this last year.

8 We have had some dialogue on those things that the  
9 corporation has been experimenting with that could supplement  
10 this staff delivery model that we all come from. I have some  
11 comments as to how we regard those experimental models which I  
12 do not feel are very rational or fair to the delivery system.

13 The law school clinics is the first of those that I  
14 want to talk about. Even though we have a tentative  
15 allocation for program development in the Attachment to the  
16 Presentation, I feel constrained nonetheless to offer some  
17 comments on law school clinical programs.

18 We have in my area, I think I may have indicated some  
19 of this last year, no law school closer than 50 miles to my  
20 central office, or to any of my offices.

21 Those that are 50 miles to 80 miles away from  
22 Youngstown, and they are found in Akron and Cleveland, get no

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 funding from the Legal Services Corporation. They are not one  
2 of, I think, 26 law schools or law school clinics that receive  
3 a grant from the Legal Services Corporation.

4 If there were a law school giving it 50 thousand  
5 dollars, which is what I saw in the board book, presented in  
6 the board book that was distributed for tomorrow, there were a  
7 range of grants from something like \$23 or \$24,000 to \$50,000,  
8 and I suppose the average was closer to \$43 or \$44,000  
9 dollars.

10 Those dollars essentially would deprive my office of an  
11 experienced attorney. I think, what it does is to express a  
12 preference for law students providing service to poor people  
13 over an experienced attorney providing service to poor people.

14 CHAIRMAN MENDEZ: I am sorry. We gave a million  
15 dollars to law schools.

16 MR. CLYDE: A million one, right.

17 CHAIRMAN MENDEZ: I am sorry?

18 MR. CLYDE: A million one hundred thousand -- a little  
19 over one hundred thousand.

20 CHAIRMAN MENDEZ: Approximately. We have given about  
21 \$283,000 to the clinics, how can you possibly say that we have  
22 a preference for law schools over clinics?

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MR. CLYDE: The law school clinics is what I am talking  
2 about.

3 CHAIRMAN MENDEZ: Yes, but the basic field, to the  
4 native migrant, we gave \$283,000. We gave a million dollars  
5 to law schools clinics.

6 MR. CLYDE: \$283 million?

7 CHAIRMAN MENDEZ: I am sorry? We have given 283  
8 million to the basic field, to migrants and to Native  
9 Americans. We gave a million to law school clinics, and you  
10 are now telling me that we are expressing a preference of  
11 clinics over the field?

12 MR. CLYDE: No, I am not suggesting that you are  
13 expressing a preference. I am only looking at the 1.1 million  
14 dollars that has gone into that line, and for which I think it  
15 is an irrational, unfair distribution of dollars.

16 None of those dollars are coming into Ohio. None of  
17 those dollars are assisting any of the clients in my service  
18 area.

19 CHAIRMAN MENDEZ: So, how many dollars are coming into  
20 Ohio for Native Americans?

21 MR. CLYDE: I do not know the answer to that. I would  
22 have to look at --

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           CHAIRMAN MENDEZ:   How many dollars are coming in for  
2 migrants?

3           MR. CLYDE:   About \$300,000 into Ohio.

4           CHAIRMAN MENDEZ:   And there is funds going into New  
5 Hampshire for migrants, and they have not serviced any  
6 migrants for several years.  Don't you think that is a little  
7 irrational?

8           MR. CLYDE:   There probably are migrants in New  
9 Hampshire.

10          CHAIRMAN MENDEZ:   But they have not serviced them.  
11 There are statistics that indicate that.

12          MR. CLYDE:   The New Hampshire statistics indicate there  
13 are no service to migrants in New Hampshire?

14          CHAIRMAN MENDEZ:   That is correct.

15          MR. CLYDE:   It is probably because there is a migrant  
16 program that combines states, and they are going to where the  
17 heaviest concentration of migrants are.  I am not aware of the  
18 specifics behind that.

19          CHAIRMAN MENDEZ:   They use the \$5,000 they were given  
20 for other objects.

21          MR. CLYDE:   Mr. Mendez, all I am saying is that there  
22 are 1.1 million dollars that are being distributed to 26 law

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 schools throughout the country, that are providing no  
2 assistance to individuals in our service areas or in many of  
3 our service areas.

4 I think it is a inequitable, unfair distribution of  
5 those dollars, and it is not that it is de minimis. 1.1  
6 million, is probably half or maybe a third of what we will  
7 get, if we get to 310 million for FY'88.

8 It is not a lot. It is about four cents per capita, I  
9 think, looking at the 29 million the 29 and one half million  
10 poor persons. If those dollars were coming into my program,  
11 it might mean about three to four thousand dollars, and that  
12 is not insignificant.

13 The other thing that I wanted to focus on in the  
14 presentation today, were the vouchers. I have heard the  
15 discussion that proceeded our presentation, wherein it was  
16 indicated that there are about \$300,000 ear marked for voucher  
17 projects, apparently that have been commenced or are about to  
18 commence out of FY'87 funds.

19 I see in the board book again, tomorrow, for tomorrow,  
20 that there are 12 voucher projects sites that have been  
21 identified, and there are recommendations for funding, I do  
22 not know how many, I do not know whether all 12 or just

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 several of those 12, at a \$100 to \$150,000 each.

2 The same objections that I have raised with respect to  
3 the law school clinics, I think, also pertain to the  
4 potentially 12 areas that might be so fortunate to get a  
5 voucher program or project.

6 It is simply inequitable to have those kinds of dollars  
7 going out like that.

8 CHAIRMAN MENDEZ: Bob, do you agree that the statute  
9 requires us to look at alternative delivery?

10 MR. CLYDE: I do not deny that that is a part of your  
11 mandate. That is correct.

12 CHAIRMAN MENDEZ: But you do not think that we ought to  
13 do law school clinics; is that correct?

14 MR. CLYDE: It is not that I do not think that you  
15 ought to experiment. We have gone along with the  
16 experimentation with law school clinics for each of the last  
17 three years and have a tentative allocation before you which  
18 still earmarks in program development funds for  
19 experimentation with the law school clinics.

20 But the law school clinics have been around for some  
21 time, but there has not been a report, to my knowledge, on the  
22 efficiency of those clinics.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           CHAIRMAN MENDEZ: The last several years, each year you  
2 have come in and objected to it. How can you say that you  
3 have gone along with it?

4           MR. CLYDE: Well, I do not know that we have objected.  
5 I think we object conceptually to putting a lot more money  
6 into that, when it suggested why should we give to the staff  
7 delivery component, which is essentially what the basic field  
8 delivery consists of, and why should we not give to clinics or  
9 to alternative dispute resolutions, or to voucher projects,  
10 and I am suggesting to you, that we have opposed that, I will  
11 agree.

12           We have opposed anything but an experimentation with  
13 law school clinics and vouchers and for that matter,  
14 alternative dispute resolution. Although, on the latter of  
15 those things, I do not know that I have heard anything more  
16 than discussion about alternative dispute resolution.

17           I have not seen anything that puts dollars into any  
18 kind of test program. Vouchers are something that have -- I  
19 think you have only scratched the surface of.

20           I do not think the case that PAG has opposed flat out  
21 experimentation with those models -- what I am saying to you,  
22 probably for the first time, is that I personally and perhaps

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 the steering committee will feel more strongly, feel that  
2 there are serious questions about the commitment of scarce  
3 resources on a continuing basis to law school clinics in the  
4 fashion that I see described in the board book.

5 If 12 projects were voucher system or program, are  
6 going to be funded at \$150,000 each, which is the max grant  
7 you, we are looking at the possibility of one million eight  
8 hundred thousand dollars going into vouchers. I do not know,  
9 I mean I see a two page memorandum in the board book that sets  
10 out that information.

11 I do not know where the corporation is going with it,  
12 but it is frightening.

13 MS. ROGOFF: Can I slip in a few comments and I will  
14 preface this by saying, that I am very, very new. This is  
15 obviously my first meeting representing the FCC.

16 I am the director of a program that has benefited from  
17 participation in the private attorney contract model and the  
18 law school clinics.

19 I will tell you that those programs in some ways, are  
20 more disruptive than they are beneficial. The implementation  
21 of short term projects that are going to end, sets up  
22 expectations, it disrupts the on-going delivery system, which

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 requires modification in order to accommodate the new  
2 component, and in our case the private attorney contracts, we  
3 asked when we were approached that they be earmarked for a  
4 none census-based population.

5 We have in our service area, the largest military  
6 installation in northern American, Ft. Hood, and that is a  
7 non- census-based population for which we do not get funding,  
8 but, nevertheless, has large numbers of eligible persons and  
9 dependents, and so, we asked that the clinic target that  
10 population.

11 We though, have effectively not been delivering large  
12 amounts of service to that population, because they were not-  
13 - partly because it is the military and the nature of it, and  
14 partly because the demand for family law services was so great  
15 that it would be overwhelming.

16 With the introduction of the clinic, there now has been  
17 an expectation created that if you are a military person, you  
18 can come to legal aid, and be referred to a private attorney  
19 or a military dependant, as part of this contract.

20 Well, the contracts were not renewed, and they will  
21 phase out when all visiting services have been provided, and  
22 nevertheless, there are clients who continue to have the

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 expectation that they can come to legal aid and be referred  
2 for those services.

3 It is simply does not make rational sense to start up  
4 and shut down, which is the nature of these types of projects.  
5 I think there is a dispute, and I would argue that it  
6 delivered some services, how successful? We had a number of  
7 complaints about one attorney, we did discuss this with Mr.  
8 Moses.

9 I mean, we are talking about budget mark now, not the  
10 merits of that. I would like to see a report on that. I have  
11 never seen, from any of the of the board materials that I have  
12 reviewed, any information about the outcome of those clinics  
13 and their contract.

14 They were called private attorney clinics, to me it is  
15 not really a clinic, I think a law school is a clinic, but  
16 that was the phrase that was used, I have never seen a report  
17 on those.

18 Nevertheless, I see there is an intention to continue  
19 funding those kinds of proposals.

20 MR. CLYDE: Mr. Mendez, if I might comment briefly on  
21 the law school clinic. I was Deputy Director of a neighboring  
22 program, Legal Services Incorporated, which has the Dickenson

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 School of law in its service area.

2 There is an active clinic there, that is helping very  
3 much to meet in an on-going way, the needs of low income  
4 clients, of one of the counties served.

5 There is no Legal Services Corporation money coming to  
6 that law school. It is regarded, I think appropriately, as  
7 part of the course work for the students.

8 A faculty member is designated to supervise that  
9 clinic, students get credit for it, and for years that has  
10 been the arrangement.

11 I have now moved to a program that does not have a law  
12 school in its service area, so we no longer have that benefit,  
13 and I do not think we ever could under the law school model,  
14 because there simply does not physically exist a law school.

15 I think the problem with the law school clinic in  
16 particular and the experimentation, is not the question of  
17 whether there should be experimentation at all, but whether  
18 the law school clinic, as a model for experimentation, is a  
19 good one to identify.

20 It can never be geographically distributed, because law  
21 schools are not evenly distributed. It brings money into law  
22 schools that already have clinics, or already have an

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 education obligation to their students who are paying tuition  
2 and getting credit for their course work.

3 CHAIRMAN MENDEZ: I understand your argument, but also  
4 we have some information that indicates that when you help  
5 fund these clinics and bring it to a broad a range of  
6 students, that you are creating more of an interest in the pro  
7 bono and helping to recruit into the area.

8 MS. ROGOFF: I might point out, being from an area that  
9 has had active clinical education since I entered law school,  
10 and prior to that which was the early '70s, and has had a  
11 close relationship between the Legal Aid Society and the law  
12 school, that there is some truth to that.

13 That many of our law students or lawyers are graduates  
14 of various clinical programs. I would also point out, as you  
15 have said just previously, our law school funded clinical  
16 legal education, before LSC ever invented its experiments.

17 We were doing active clinic work, in fact, the society  
18 that I direct, is a merged program. It was a merger of the  
19 OEO funded legal aid society with the university's clinical  
20 program. I just cannot overlook the opportunity to point out  
21 as a smaller side, that the proposal for the revised 1607,  
22 would adversely effect my program, in that three of our board

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 members are appointed by the Dean of the University of Texas  
2 Law School, which is as I have mentioned earlier, one of our  
3 funders.

4 One of those board members has been appointed by three  
5 different deans over a period in excess of 10 years. The  
6 proposal that this board will address in subsequent time,  
7 could very seriously jeopardize my funding relationship, my  
8 program spending relationship, with the University of Texas.

9 Part of the basis for our friendliness is that they  
10 have some board oversight in the operations of the program.  
11 If we are speaking personally, and not on behalf of FCC or  
12 PAG, I strongly believe in clinical education and I think that  
13 it is a very worthwhile endeavor. I do not think that is the  
14 purview of Legal Services Corporation.

15 I think the Corporation should be encouraging law  
16 schools to fund clinics. The manner in which the clinical  
17 programs have operated, has also been very disruptive. We did  
18 not know until the academic year was almost underway, whether  
19 there was even going to be a clinic.

20 Then to have standards established that would, in terms  
21 of performance that could be met when you do not know if you  
22 are going to be able to start a clinic or have students

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 enroll, it is just not the -- either the corporation has been  
2 unable to manage it well, or the bottom line is that it really  
3 is not the business of the corporation to do law school  
4 clinics.

5 Not that the law school clinics do not have merit.  
6 They are not experimental, they have been around for  
7 generations. There certainly is a lot there that could be  
8 studied and learned from, but in the sense of developing  
9 alternative delivery systems, they are not the wave of the  
10 future.

11 CHAIRMAN MENDEZ: I do not want to take too much time,  
12 so let's just focus on that for a minute. Would it be worth  
13 our while to send, to ask a couple of these law schools, if we  
14 could send a monitoring team out to examine the clinics that  
15 are not funded by us?

16 Would we learn something from that?

17 MS. ROGOFF: Maybe if you use the term other than  
18 "monitoring." I think monitoring is perceived publically  
19 through the media, from LSC as not something that would be  
20 considered constructive.

21 If it was seen as a study, as an opportunity to learn  
22 from what the law schools are doing, yes. The University of

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 Texas has, I believe, seven or eight different clinics.

2 Two of the clinical supervisors serve on the board of  
3 directors of my program, as I have pointed out earlier, they  
4 would no longer be available to us under your proposed 1607.

5 One runs a children's rights clinic, and the other a  
6 mental health clinic. There is a criminal justice clinic,  
7 there are a number of clinics at the law school, in addition  
8 to the overall clinic that the LSC funds -- makes possible.

9 I am sure the University of Texas would welcome the  
10 opportunity to "showcase" their programs, as opposed to being  
11 "monitored", by the corporation.

12 CHAIRMAN MENDEZ: Okay, please Bob.

13 MR. CLYDE: Okay, that is all that I had on the clinics  
14 and the voucher program. I have already mentioned alternative  
15 depute resolution.

16 I think it is important we reiterate once again, I did  
17 this at the last meeting when you all were considering Mr.  
18 Durant's motion to eliminate funding for all but census-based  
19 programs, that the project advisory group values the support  
20 system and the special census programs that are a part of the  
21 delivery system.

22 It should be readily apparent that with such low levels

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 of funding, it is extremely important for our field offices to  
2 have the assistance that can be obtained from the state and  
3 national support centers.

4 There are, in most of those centers, very experienced,  
5 able staff to deal with specialized problems that our local  
6 attorneys can co-counsel with, and it is very strongly felt by  
7 the project advisory group on behalf of the community, that  
8 that system remain intact, particularly in the period of  
9 inadequate funding that we have now.

10 CHAIRMAN MENDEZ: Is it the opinion of the project's  
11 advisory group, that all of the programs should be funded at  
12 the same ratio that they are funded at now, the same total  
13 dollars?

14 The same ratio and just increase the dollar amount?

15 MR. CLYDE: Increase, well, actually as I indicated  
16 earlier, we would have the corporation go back to 1985. Our  
17 400 million dollar mark recommendation --

18 CHAIRMAN MENDEZ: No, all I want to do is I want to  
19 focus on the different programs themselves, the national  
20 support. Is it your determination in your presentation, that  
21 each one of those -- that we should not look at each one of  
22 them and try to make a determination about which one is

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 better, and which is worse, and increase funding to some, and  
2 decrease funding to others?

3 That we should just across the board, increase the  
4 funding to all of them at the same ratio?

5 MR. CLYDE: It has been our position that the funding  
6 line remain the same for, or to be increased proportionately  
7 with --

8 CHAIRMAN MENDEZ: For each one or the individual ones?

9 MR. CLYDE: For the whole support lines. The matter of  
10 funding --

11 CHAIRMAN MENDEZ: Well, that is not the question I was  
12 asking.

13 MR. CLYDE: Yes, I know. The matter of funding for  
14 individual entities within those lines, is a matter that the  
15 corporation has discretion on, can use its evaluation and  
16 monitoring procedures, and to my knowledge has done that.

17 We obviously have had some difficulty with and  
18 articulated to you the difficulties we have had the kinds of  
19 monitoring that have occurred over the last two or three  
20 years. I do not know whether that monitoring is adequate in  
21 order to enable you to make major changes among funding those  
22 entities.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           CHAIRMAN MENDEZ: Let me ask you this question. We  
2 told you, that if we give, just as a hypothetical -- 10  
3 million dollars, to the national support, and tell you to  
4 divide it up. How would you do it?

5           MR. CLYDE: We would probably, if that is -- I think it  
6 is approximately the amount the support centers are getting  
7 now, it would be divided in the fashion that it is currently  
8 divided, that is correct -- amongst those entities.

9           It is not something, Mr. Mendez, that we have. We do  
10 not have adequate information to make informed decisions as to  
11 to which of those entities may be superior or may not be --

12          CHAIRMAN MENDEZ: Could you come back at the next  
13 meeting, tell me how you would make a decision as to how to  
14 allocate the dollars between these things in a more rational  
15 manner?

16          MR. CLYDE: I think I just did. In a more rational  
17 manner, than to -- what the way they are?

18          CHAIRMAN MENDEZ: Rather than just take it for the same  
19 that we have been doing the last five years.

20          MR. CLYDE: Well, it has been a difficult row to hoe to  
21 get even the same amount of funding out of this Corporation  
22 for the entire group of support entities, much less to worry

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 about, "Well, if they got the same amount of money, how would  
2 you reallocate it?"

3 CHAIRMAN MENDEZ: All right, put him on the first line  
4 of the Agenda for next time, make sure that you make a note.  
5 I want to know about this before I allocate the dollars to  
6 national support --

7 MR. CLYDE: You are going to make me come back to  
8 Charleston?

9 CHAIRMAN MENDEZ: -- or not allocate dollars.

10 MS. SWAFFORD: I am not on your committee, but I have a  
11 question to Mr. Clyde.

12 CHAIRMAN MENDEZ: Sure, please.

13 MS. SWAFFORD: Let me ask you to clarify that reference  
14 you made to the kind of monitoring that we have been -- did I  
15 hear you say something about the kind of monitoring?

16 MR. CLYDE: Yes, Ms. Swafford. There have been, I think  
17 articulated, numerous complaints with the monitoring that has  
18 taken place over the last two to three years, not only  
19 monitoring of support entities, but local field programs as  
20 well.

21 MS. SWAFFORD: Well, for the record, let me just  
22 mention that I am holding in my hands about eight different

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 letters from programs that are highly complementary of the  
2 monitoring process.

3           You may not be privy to this, but it was pleasing to me  
4 to know that they found them fair, helpful, constructive, and  
5 that I just feel that it is just unfair to say that our  
6 monitoring processes just blanket poor.

7           MR. CLYDE: Ms. Swafford, I am not meaning to indicate  
8 that it is just blanket poor or was in a blanket fashion right  
9 with a broad brush.

10           I am suggesting that there have been a very large  
11 number of complaints about the monitoring process, with a very  
12 large number of programs.

13           I am not going to dispute the fact that there may well  
14 have been eight programs that have written letters that are  
15 complementary process as it may have affected their programs.

16           MS. SWAFFORD: Well, could you be specific about what  
17 the problems are?

18           MR. CLYDE: I think we have articulated those problems  
19 in a number of ways, over a long period of time, Ms. Swafford.

20           MS. SWAFFORD: Well, since my memory may be -- is not  
21 so good, just give me some examples, some specific examples  
22 about the monitoring process that you -- I mean your

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 statements are so general that I just want to know  
2 specifically.

3 MR. CLYDE: I had not prepared for this in a specific  
4 fashion, but what I have been hearing and reading about in the  
5 field community are --

6 CHAIRMAN MENDEZ: -- Bob, would this be acceptable.  
7 Would you prepare a list for us for next meeting?

8 MR. CLYDE: A list of those programs --

9 MS. SWAFFORD: I will be satisfied with that, yes.

10 CHAIRMAN MENDEZ: Would that be fine with you?

11 MS. SWAFFORD: Thank you, I did not mean to belabor it.

12 CHAIRMAN MENDEZ: Bob, could you do that for us?

13 MR. CLYDE: I think that --

14 CHAIRMAN MENDEZ: Specific comments, from specific  
15 programs, concerning the specific problems.

16 MR. SMEGAL: I mean, isn't there an alternative to  
17 doing it that way? Mr. Bayly sent us these eight letters that  
18 Claude has referred to or somehow the staff -- whatever the  
19 number was, I saw them and I was impressed with the fact that  
20 there were that -- I assume that the best evidence rule would  
21 apply here.

22 The same source that gave us those eight or whatever

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 number, it could give us copies of whatever letters there are  
2 of criticizing the monitoring process with respect to a  
3 particular program, whether it is eight or zero or two  
4 hundred.

5 CHAIRMAN MENDEZ: Were there other letters?

6 MR. BAYLY: There are letters in excess of eight, that  
7 are in part or entirely complementary of the monitoring  
8 process. There are surely more than eight that are critical  
9 in part or whole of the monitoring process.

10 CHAIRMAN MENDEZ: Send us all of those, that would be  
11 fair.

12 MR. SMEGAL: I think rather than putting it on Bob, I  
13 think, we are the source of this information. We have these  
14 letters. The ones that Claude was referring to were sent to  
15 the Corporation. I read them as she did, and I wonder if we  
16 could not just have the ones that reflect the other side of  
17 the coin.

18 MR. BAYLY: Sure, I may have misunderstood. I though  
19 Ms. Swafford was asking Mr. Clyde for his understanding of  
20 comments that have been made in a critical fashion of  
21 monitoring, that perhaps have not been supplied to us. I  
22 think --

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547  
WASHINGTON, D.C. 20005  
(202) 628-2121

1 MR. SMEGAL: Well, if he has got another alternative,  
2 yes, that would make sense for him to give us that, absolutely  
3 John.

4 MR. BAYLY: But, sure, I will be happy to supply you  
5 with what we have, a little compendium of both.

6 MR. SMEGAL: My concern is, he does not get copied on  
7 all of these letters that go to you or other staff people.

8 CHAIRMAN MENDEZ: We do not get copied I think a lot of  
9 times on the complaints he gets.

10 MS. SWAFFORD: Well, I hesitate to ask questions,  
11 because it looks like we get into this all of the time.

12 I am not trying to say eight for, eight against,  
13 whatever, I am just trying to get some specifics. If  
14 monitoring is unfair and has been unjust, and has been  
15 improper, I would just, you know, I would like to know what  
16 they are. Maybe we could correct it.

17 I would like to correct it, if in fact, it is not being  
18 done properly. I do not know, I am not trying to be facetious  
19 about that.

20 CHAIRMAN MENDEZ: Bob, if you have some complaints,  
21 and if it is not too difficult, I would like to see that. We  
22 will have John do that.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 John would you also send a copy to Bob and Martha?

2 MR. MILKES: If I might suggest, I believe that many  
3 programs would not necessarily have made it a point to write  
4 either pro or con as to what they felt about the monitoring  
5 process, but their responses to draft monitoring reports,  
6 often times express their reaction to the monitoring process.

7 I am not sure whether the survey of letters intended to  
8 review those responses, but I think many programs regarded  
9 that as the way to communicate their positive or negative  
10 experience with the monitoring process.

11 MS. ROGOFF: I would be happy to send my response to my  
12 programs draft monitoring report. The response was submitted  
13 in I believe, July of this year, and I have not received a  
14 final report.

15 I think that my response may be somewhat indicative of  
16 not -- of the nature of monitoring, of the tone of monitoring,  
17 if that would be of any use.

18 I believe that the comment that the response to the  
19 monitoring report is probably the most thorough point at which  
20 you will get field input.

21 They are probably very lengthy, and they are probably  
22 not what people want to spend their time reading, but that

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 really is where you will find the information about how  
2 programs perceive the process of monitoring.

3 MS. SWAFFORD: How did you perceive the "tone" as you  
4 say, how did you perceive the "tone" of monitoring?

5 MS. ROGOFF: I perceived some of our monitoring as very  
6 fair. I perceived some of it as being completely incompetent.  
7 Certain board people who undertook certain components of the  
8 monitoring, apparently did not understand at all, what they  
9 were doing. I tried to reflect that.

10 Our monitoring report, I think overall, was highly  
11 complementary of our program. Nevertheless, there were  
12 certain portions of the report that, I think, the corporation  
13 should be embarrassed about.

14 MS. SWAFFORD: But isn't it good, you know that you had  
15 the opportunity to point out those?

16 MS. ROGOFF: Well, I am waiting to see if my comments  
17 are incorporated into a final report. My factually based  
18 comments that pointed out the gross errors in certain portions  
19 of the report.

20 I am not trying to write with a broad brush that the  
21 entire monitoring was unfair. Overall, I felt that we were  
22 treated relatively well, except that portions of it were

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 grossly inaccurate.

2 CHAIRMAN MENDEZ: Ms. Rogoff, I do not mean to  
3 interrupt. Let me ask one question so that I can reserve the  
4 time.

5 Will there be any other public comments concerning the  
6 mark other than from PAG? Does anyone else wish to speak?

7 How much time do you need ma'am?

8 A PARTICIPANT: Not that much.

9 CHAIRMAN MENDEZ: Five or ten minutes?

10 A PARTICIPANT: I support a lot of what has all ready  
11 been said.

12 CHAIRMAN MENDEZ: All right, is there anybody else?  
13 All right we will make sure -- they have told us that we have  
14 to be out of here by 5:00 o'clock.

15 MR. CLYDE: We only have a little more.

16 CHAIRMAN MENDEZ: I am sorry?

17 MR. CLYDE: I only have a little more.

18 CHAIRMAN MENDEZ: Well, we are having this interchange,  
19 and I want to make sure that I do not cut everyone else off.

20 I may cut you off in a few minutes, but that is it.

21 MR. CLYDE: Okay, the other area of concern that I  
22 wanted to focus on in the presentation today, is the process

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           There are over 50 representatives that are elected from  
2 the regions that come to the steering committee of the project  
3 advisory group, which is really the governing body of the  
4 project advisory group.

5           Those individuals, that steering committee, considers  
6 recommendations of the funding criteria committee, on the  
7 issues that we are discussing today, as well as, more  
8 specifically the allocation issues that I think will be  
9 addressed with them on December 1st.

10           That includes, by the way, the formula for census-  
11 based programs that has been in existence for three or four  
12 years now.

13           One of the most important meetings of the project  
14 advisory group steering committee, was in July 1986, in  
15 Cambridge, when the issue of privatization of support was then  
16 before the community -- put before the community by the board.  
17 Not long before that meeting, there was a thorough discussion  
18 of the issues of privatization, both with the funding criteria  
19 committee which was meeting in a parallel meeting with the  
20 steering committee, and by the steering committee.

21           There was a lap-out unanimous rejection of the concepts  
22 for privatization support. Legal Services Field Programs in

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 this country did not want the 17 million dollars or so that  
2 would be freed up in a privatization concept for support.

3 They were unanimous in their statement. Chairman  
4 Durant kind of dismissed my comments at the last meeting when  
5 we were arguing not just in opposition to privatization, but  
6 what appeared to be the outright elimination of funding,  
7 without any ear marking for privatization, which is something  
8 that the board had discussed in January of this year, when it  
9 made the '88 mark recommendation.

10 That continues to be the position of the community.  
11 The steering committee met in May, in San Francisco, once  
12 again, reaffirmed its support for the continuation of the  
13 delivery system, as it is now constituted, and added at that  
14 time the more significant issue, a hotter issue was  
15 reallocation of migrant funding. It added its opposition to  
16 reallocation of funding for migrant programs.

17 That process that we have, the project advisory group  
18 process, as I indicated including more that 75 percent of all  
19 entities funded by the legal service corporation, is a  
20 democratic process.

21 It brings all of the elements that are funded by the  
22 Corporation, all of the entities, to the table. All have an

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547  
WASHINGTON, D.C. 20005  
(202) 628-2121

1 opportunity to have input and to look at how they might be  
2 benefited actually by a major change in the delivery system,  
3 such as the one that I have been talking about most here, the  
4 privatization of support.

5 Without fail in that process, they have rejected it,  
6 even when they could have benefited, as I indicated,  
7 substantially from a change.

8 It is not a bogus group that we have. It is not a  
9 bogus process. It is a democratic process, where all elements  
10 are able to articulate their views, and have interchanges as  
11 to what the corporation might be proposing.

12 I think it is difficult for me to continue to hear off  
13 hand criticisms by Chairman Durant, or Ms. Bernstein, who I  
14 think I heard being critical of the PAG process.

15 So, I want to reiterate that we are here as  
16 representatives of a very large segment of the community.  
17 That community believes in the minimum access concept,  
18 strongly urges that this board move off of the stagnant  
19 funding as it has been for the past three years, and recommend  
20 to congress a figure, if not 400 million dollars,  
21 significantly higher than 305 million dollars.

22 That community position has been endorsed for the last

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 couple of years by the Bar Leaders for the preservation of the  
2 poor, at the level recommended by PAG, and perhaps as  
3 significantly although not at our funding mark recommendation  
4 by the ABA, itself which testified and recommended to congress  
5 a mark of 360 million dollars.

6 It would be much more helpful for us to go to congress  
7 with the recommendation from the Corporation at a higher  
8 funding level than 305 million dollars.

9 I think that is essentially my presentation.

10 CHAIRMAN MENDEZ: Do you have any of you have anything  
11 you want to add?

12 (No response.)

13 CHAIRMAN MENDEZ: Does anyone else beside me have any  
14 questions or comments?

15 (No response.)

16 CHAIRMAN MENDEZ: Welcome, we hope to see you  
17 regularly, and we have enjoyed your comments, they have been  
18 very helpful, and Bob, as usual, you have done an outstanding  
19 job, and I will pick Martha out of the back and say that I  
20 enjoy reading PAG even more now.

21 The journalism I do not believe is quite as yellow.

22 MR. SMEGAL: And she spells your name correctly every

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 time.

2 CHAIRMAN MENDEZ: It is much better than they did here.

3 (Indicating.)

4 Thank you very much.

5 Next, we would like to have Ernestine Watlington, who  
6 is the vice president of the Pennsylvania Client's Counsel to  
7 come forward.

8 Ernestine, thank you for coming.

9 PRESENTATION BY ERNESTINE WATLINGTON:

10 MS. WATLINGTON: Yes, I thank you for allowing me, and  
11 I thank you for having the board meeting in Pennsylvania to  
12 allow me the opportunity.

13 The last -- Mr. Medford, who is also a client board  
14 member of Central Pennsylvania Legal Services Program, he is  
15 the director.

16 The last time I was at the Legal Services Corporation  
17 Board Meeting, or committee, was in Washington. At that same  
18 meeting I did have the opportunity to speak, and I see the  
19 same thing that I was concerned about there is still  
20 continuing.

21 Decisions are being made that affect people's  
22 livelihood and lives, and they are not given adequate or

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 proper input as to how those decisions should be made, or how  
2 to better make those decisions to help them.

3 The same concern was at that time, was zero funding for  
4 state and national support centers, and I felt at that time,  
5 as it has not changed; that for that to come up at a board  
6 meeting or a committee meeting, with not the type of  
7 information that you could see, that whether it had worked or  
8 it had not worked, and to change a large amount of money into  
9 another program area without that type of research where  
10 information is needed, would be wrong.

11 You still do not have that type of client input or is  
12 as the PAG group -- do get when they are represented, clients  
13 do have that adequate input as those concerns that is going to  
14 be affecting them.

15 Resources -- with a delivery system that is working,  
16 but not as it should be, without enough adequate resources  
17 should not be doing alternative changes on things that you  
18 based on when you are talking about the monitoring.

19 I was very concerned that you only had the information  
20 based on the good reports, but you did not have the input from  
21 where the board responds and that, I think, if you could read  
22 those that they had suggest that you see, would give every

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 board member a better idea of how programs and your client  
2 board members, and your people feel as to how those  
3 monitorings were done.

4 There are concerned that they have that response to  
5 that. I think that is the adequate way to get a way to get a  
6 more in depth of how those people that are involved in making  
7 those decisions on those local programs feel how those  
8 programs are done, and that rather than have the one  
9 individual do, you needed the other information as well as  
10 just those eight letters.

11 I am trying to go over all of those things that I feel  
12 and give you the client viewpoint, and concern on the things  
13 that were discussed highlighting the support of everything  
14 that PAG was saying, but trying to highlight those areas that  
15 we clients have more concern with.

16 Had client involvement, been involved in some of those,  
17 it would help you to make the better decision. As you know,  
18 we are still supporting and encouraging, which was supposed to  
19 have been some involvement in that resolution committee when  
20 you met, which we have never been given that opportunity to  
21 meet with you, as to see the -- give clients the national  
22 input in helping to enhance our national representative, to be

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 MS. WATLINGTON: No, what my job is as an organizer, I  
2 organize a lot of people to be on them, and then when they  
3 heard that I did local work, I did not come back on board  
4 until it was '75 when they mandated that all legal services  
5 board had advisors.

6 Then I went out an organized, and that is when I became  
7 active again as organizing clients to be active advocates on  
8 client boards.

9 CHAIRMAN MENDEZ: Then you have been active since 1975?

10 MS. WATLINGTON: Yes, back active again.

11 CHAIRMAN MENDEZ: How many boards do you sit on?

12 MS. WATLINGTON: Several. I sit on the state board, as  
13 well as the local board, and active on the client council one.  
14 I am an eligible client because with the salaries that you get  
15 and can make in the community, I have not -- my goal is to one  
16 day make myself not become -- not be an eligible client.

17 CHAIRMAN MENDEZ: Best of luck to you. Thank you very  
18 much. Does anybody else have any questions?

19 MS. MILLER: I just want you to know, Ernestine, that  
20 we are working on something for the clients. I do have from  
21 the regional chapter of the national client council, some  
22 information on how we are trying to help you.

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1           We are going to take a different approach from the  
2 resolution that your group presented, and I would like to  
3 share that with you after the meeting is over today.

4           MS. WATLINGTON: Thank you.

5           CHAIRMAN MENDEZ: Anyone else? Any comments?

6           MR. MEDFORD: I would just like to add, less this  
7 committee to be left with the impression that Ernestine's full  
8 occupation is working with legal services programs.

9           We benefit greatly from her advice, but it should also  
10 be known that Ernestine has been instrumental in setting up a  
11 non-profit organization in Harrisburg, which soon, will  
12 actually providing housing to low income and homeless people  
13 in Harrisburg, that would not have been available without her  
14 efforts.

15           CHAIRMAN MENDEZ: Congratulations, that is a very  
16 worthwhile project.

17           MS. WATLINGTON: I get a lot of help from legal  
18 services, which is why is am still active.

19           CHAIRMAN MENDEZ: Okay, thank you very much. Is there  
20 any other public comment?

21           (No response.)

22           CHAIRMAN MENDEZ: If not, I have one other matter that

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 I need to talk to Mr. Bayly about.

2 MR. SMEGAL: Excuse me Pepe, I would assume that the  
3 opportunity for public comments will continue to be present at  
4 future meetings when we have presentations by our staff, for  
5 example.

6 CHAIRMAN MENDEZ: But that will be much more limited.  
7 We will limit the time.

8 MR. SMEGAL: Well, I understand that.

9 CHAIRMAN MENDEZ: You know, that is the whole point  
10 with this. I wanted to give them as much time as they wanted,  
11 but I will be limiting them to about five or ten minutes.

12 MR. SMEGAL: I would assume, for example, if the staff  
13 comes in and recommends to us we ask congress for 450 million  
14 that maybe PAG would get a chance to come back and argue  
15 against it.

16 CHAIRMAN MENDEZ: I would recognize that as a being a  
17 problem. Since I first came on board -- John, keep some  
18 notes, and Ruby, I have got some notes here from you too.

19 I have constantly thought that we could negotiate  
20 better prices on hotel rooms and I would ask that at the next  
21 meeting that you assign Ruby to negotiate with several  
22 national hotel chains about getting us a better price for our

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 meetings as well as talking to them about prices and if we  
2 stay at certain hotels with all of the monitoring groups when  
3 available. See if we can negotiate some prices.

4 Ruby advises me that she has been interested in a  
5 couple of seminars. I would like to get that done.

6 Bob, again, thank you very much and I will make sure  
7 that your testimony is distributed to the other members.

8 MR. CLYDE: Thank you.

9 CHAIRMAN MENDEZ: I also understand that you are going  
10 to have a meeting in December, the first part, to finalize  
11 this. It would be fairly helpful if you could just confirm  
12 prior to the meeting whether or not this is the final  
13 decision.

14 MR. CLYDE: Prior to your meeting?

15 CHAIRMAN MENDEZ: Yes.

16 Thank you very much. Hearing nothing further to come  
17 before us, do I hear a motion to adjourn?

18 MOTION

19 MR. SMEGAL: So moved.

20 MS. BENAVIDEZ: Second.

21 CHAIRMAN MENDEZ: All in favor?

22 (Chorus of ayes.)

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121

1 CHAIRMAN MENDEZ: All right. We are adjourned until  
2 tomorrow morning.

3 (Whereupon, at 4:20 p.m., the meeting of the Budget and  
4 Appropriations Committee was adjourned.)

**Diversified Reporting Services, Inc.**

1511 K STREET, N.W. SUITE 547

WASHINGTON, D.C. 20005

(202) 628-2121