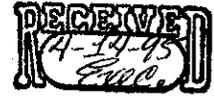


LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS MEETING VIA CONFERENCE CALL
OPEN SESSION



Tuesday, April 11, 1995

6:03 p.m.

LEGAL SERVICES CORPORATION
CONFERENCE CALL ARCHIVES FILE

The Legal Services Corporation
750 First Street, N.E., 11th Floor
THE BOARD ROOM
Washington, D.C. 20002

BOARD MEMBERS PRESENT VIA TELEPHONE:

Douglas S. Eakeley, Chair
Hulett "Bucky" Askew
LaVeeda Morgan Battle
John T. Broderick, Jr.
John G. Brooks
F. Wm. McCalpin
Maria Luisa Mercado
Nancy Hardin Rogers
Thomas F. Smegal, Jr.
Ernestine P. Watlington
Edna Fairbanks-Williams

STAFF PRESENT:

Alexander D. Forger, President
Patricia D. Batie, *Secretary*
Martha Bergmark, *Exec. Vice President*
Karen Crosby
Victor Fortuno, *General Counsel*
Adam Greenberg
James Lamb
Gail Laster
~~Richardson~~
David Richardson, *Treasurer/Comptroller*
Leslie Russell
Gary Singen
John Tull

Other:

Harrison McIver/PAG

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P R O C E E D I N G S

(6:03 p.m.)

1
2
3 CHAIRMAN EAKELEY: This is Doug Eakeley, and let me
4 call the meeting to order. First, let me inquire. I heard
5 Ruby on the line. Does that mean that our revered leaders
6 are also on the line?

7 MR. FORGER: Forger is here, Martha is here, Dave
8 is about to come in, Gary is walking in. We have Pat, Ruby.

9 CHAIRMAN EAKELEY: Do we have any members of the
10 public or anyone else on any of the other lines?

11 MR. FORGER: No. We have Gail here and we have Jim
12 Lamb and no one is sitting here from the public.

13 CHAIRMAN EAKELEY: Did Jose Padilla call in to say
14 that he'd like to be included?

15 MS. BATIE: Jose decided to simply send you
16 something in writing, which he indicated he did last
17 Thursday. He is not going to be on the line, although he
18 indicated that he would be available for a couple of hours in
19 his office if you wanted to hook him in and ask him questions
20 about what he sent you.

21 CHAIRMAN EAKELEY: Okay. Well, that being the
22 case, why don't we just proceed with what I believe is the

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1 single agenda item for the conference call although, after we
2 get through that item, if anyone has any questions about the
3 packet of materials that Alex sent out today, we can field
4 those, or he can field those.

5 But I think the main purpose of this conference
6 call is to get a sense of the Board about how we handle the
7 \$15 million rescission that was attached to the supplemental
8 defense appropriations bill and signed by the President the
9 other night.

10 That has language in it that recites that the
11 country is agreed that, to the maximum extent possible --

12 A PARTICIPANT: Excuse me. Thomas Smegal is
13 joining you.

14 CHAIRMAN EAKELEY: Thank you. Hi, Tom. Tom, say
15 hi to Ernestine.

16 MR. SMEGAL: Hi, Ernestine.

17 MS. WATLINGTON: Hi, Tom.

18 CHAIRMAN EAKELEY: Is it the three of us? Everyone
19 else is here, too?

20 A PARTICIPANT: Oh, yes.

21 CHAIRMAN EAKELEY: Good. I was just reporting that
22 our agenda item for the conference call is to get a sense of

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1 the Board with respect to how to implement the \$15 million
2 recision recently passed that contains with it language from
3 the conferees that, to the maximum extent possible, these
4 funds should be taken from programs that do not provide
5 direct legal services to individuals, recognizing as well,
6 however, that Senators Hollings and Gramm, in introducing the
7 amendment, on the floor of the Senate, to the Supplemental
8 Defense Appropriations Bill, indicated that it was their
9 proposal that there be a rollback of funding to fiscal year
10 1994 levels and recognizing, also, that the House
11 Appropriations Committee, in proposing a \$5.8 million
12 recision bill, also directed us, with some specificity, but
13 also in a fashion that was commensurate with the amount of
14 funds I think the committee thought we had on hand at the
15 time.

16 So, with that introduction, why don't I turn this
17 over to Alex Forger?

18 M O T I O N

19 MR. BROOKS: Mr Chairman, should se approve the
20 agenda in the usual manner?

21 CHAIRMAN EAKELEY: John, thank you very much. We
22 have a motion. Do we have a second to approve the agenda as

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1 outlined?

2 A PARTICIPANT: Second.

3 CHAIRMAN EAKELEY: All those in favor.

4 (A chorus of ayes.)

5 CHAIRMAN EAKELEY: Any opposed?

6 (No response.)

7 CHAIRMAN EAKELEY: All right. With the agenda
8 being approved by our master parliamentarian, or by the
9 suggestion of our master parliamentarian, let me turn this
10 over to Alex.

11 MR. FORGER: Greetings, friends. We've had a busy
12 time here in the nation's capital, on many fronts but, as we
13 focus today on the recision, you recall that we had scheduled
14 this meeting by telephone in the thought that we may need to
15 get some Board action as it might relate to a recision plan
16 that came along that would require us to make some decisions
17 and make some recommendations.

18 Particularly, I think we were of the view that we
19 might want to give thought to adjustments within a single
20 line, for example. And, as you see from my memo, we here
21 believe that we should not seek, at this time, to try to make
22 any adjustments within lines.

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1 We now know that we have a recision of \$15 million,
2 and this was part of the defense supplemental bill. We know
3 also that there is still lurking out there what I will,
4 perhaps incorrectly, call the Senate recision bill and the
5 House recision bill, which has a 5.8 figure in it for us and
6 there's nothing in the Senate recision bill.

7 That now goes to conference and we're hoping that
8 they will drop any recision for legal services in view of the
9 fact that in conference they agreed on the other bill to
10 accept the 15 million from the Senate side.

11 The language that Doug has referred to is the
12 language of the Appropriations Subcommittee. The language on
13 the floor, when this 15 million amendment was being proposed
14 to Defense supplemental by Senator Hollings, was that the
15 purpose was to roll back the increase to the 1994 level such
16 that legal services would get no increase in 1995.

17 He said that had been the Senate's position, but it
18 has been the House traditionally that has been pressing for
19 increases and, in light of "the sea change" in the House,
20 that he thought the House would be receptive to the rollback
21 to 15.

22 The only relevance to all that dialogue is that, in

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1 contrast to what we were facing in the House side of 58, they
2 had included within the rollback that the so-called non-core
3 functions would face, in the House bill, some carryover funds
4 and, actually, the amount of increase to the so-called non-
5 core functions is something like 4.6, whereas they were
6 looking, in the House side, to extract some 5.8 from us.

7 So there's nothing in the bill that is now the
8 guide that we must comply with about carryover funds. We're
9 dealing with a straight \$15 million. So that, in one
10 measure, simplifies the task.

11 As we look to the language that the subcommittee
12 has given, they don't use "core" and "non-core." They now
13 talk about direct legal services to individuals. In effect,
14 they have said there's a \$15 million rollback, but we look to
15 make some adjustments from the non-direct delivery to
16 individuals so that they will give up more than their
17 rollback, so that the direct delivery, or basic field, if you
18 will, doesn't have to roll all the way back to '94, that
19 there will still be an increase left for basic field.

20 We have talked to the committee and requested the
21 opportunity of meeting with them in order to consider some of
22 the complex issues that will arise in --

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1 A PARTICIPANT: Which committee, Alex?

2 MR. FORGER: This is our Appropriations

3 Subcommittee, which has taken --

4 MS. MERCADO: In the House?

5 MR. FORGER: Beg pardon?

6 MS. MERCADO: In the House?

7 MR. FORGER: In the House. It has taken onto
8 itself the responsibility -- under what authority, I do not
9 know -- to flesh out the recision bill. The bill itself
10 simply says a 15 million recision.

11 It gives no guidance, and that's the law, but the
12 subcommittee in the House, on Appropriations, has seen fit to
13 report that the conferees believed it should, to the maximum
14 extent, save the basic field harmless and that the committee,
15 I guess, will decide how it wants to allocate this.

16 CHAIRMAN EAKELEY: Alex, let me just say, the
17 committee have -- I think there are two different issues,
18 aren't there?

19 One is discerning the will of the Congress and
20 legislation that's already passed; and the other is
21 anticipating the expectations of the committee so that we
22 don't unnecessarily work those expectations by doing

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1 something that we believe is expressive of the congressional
2 intent, but they may disagree with.

3 It's not as if the committee has the authority to
4 allocate a recision, does it?

5 MR. FORGER: The committee believes that it has
6 this authority.

7 I don't think that we don't have an opinion, a
8 legal opinion, on that score but, Gail, I believe that it is
9 our view that the law simply is 15 million and the law ha not
10 instructed us what to do and, in absence of anything more, I
11 suppose, in view of the language on the floor of the Senate,
12 it would likely be a rollback of every line. That was the
13 intent, at least, of the amender, and it was adopted.

14 MR. BROOKS: Do we have any problem of
15 reprogramming? If we adapt to the 15 million, then do we
16 have to report to the House subcommittee, for instance, for
17 the reprogramming schedule?

18 MR. FORGER: Well, if we do, it will be because
19 that's what the House committee wanted us to do and so,
20 presumably, they will approve any reprogramming if it's their
21 design. But I guess the answer is, if you alter it between
22 lines, you may be doing a reprogramming.

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1 But, in any event, the realities of life are that
2 we are going to meet with the House subcommittee to talk
3 about the recision and where it will fall. We have no desire
4 at the moment to do anything other than seek to cooperate
5 with that committee and to implement what they have stated is
6 their preference, they reported to be the preference of the
7 conferees.

8 And thus, in the materials we have given you, with
9 have indicated how we might be able to accommodate, in some
10 degree, their desire that some preference be given to the
11 field programs and, in doing that, we've looked to see what
12 is obligated and what is not obligated, and you will note
13 that the law schools, for '95, is not an obligated line.

14 Virtually everything else is obligated, and we are
15 going to go through the process of notification and fair
16 hearing and the like, so it seemed to us that the least
17 complicated way for us to make some accommodation was to
18 discuss giving a million four and change from the law school
19 line to the basic field.

20 I'm not sure that they're going to be asking us
21 what our opinion is. I hope they do. I don't know what
22 their expectation is as to how much money should go up to

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1 basic field from the other lines.

2 We have, in that schedule that we gave you, some
3 additional dollars of some \$81,000 which, together with the
4 law school line, will produce something like a million five.
5 I don't know whether you got the revised Page 2 or 2B that
6 was sent out a little while ago.

7 So that, in view of the fact that we're talking
8 about field and direct delivery, we're talking about basic
9 field, migrant, and Native American. That also was the term
10 as defined by the House 5.8 recision.

11 In our schedule, we need to change the designation
12 which states that -- "core" is the term we've used there
13 whereas, in fact, we should use the term "basic field."
14 That's the, I guess, Page No. 2, the fax Page No. 2 that went
15 out, that talks about "Allocate appropriated funds to core
16 programs." We changed that to read "field programs" because
17 we're talking about field programs -- basic, Native, and
18 migrant.

19 I mean, to digress 30 seconds, certainly
20 supplemental field is direct delivery of legal services to
21 individuals, and there are many other components, such as
22 state support, where there is that direct delivery, even law

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1 schools. But for this purpose, we suspect the basic field
2 means the Native Americans, migrants, and the basic field
3 programs.

4 We would give, as you see on that page, too, a
5 million four, and then there is some additional 81,000 that
6 could be available from leftover national support and state
7 support, to make a total of roughly \$1.5 million. There is a
8 line, there, of client involvement, where we are obliged to
9 refund 785. We've already spent some 50 to 60 thousand of
10 that and that will have to come from some other source.

11 On this sheet that's before you, on the bottom
12 righthand corner, it shows what's left of M and A, which is
13 11,028,000. This sheet presupposed that, from that amount,
14 would come the 50 to 60 thousand required to restore the
15 amount spent on client security. This may be getting into --
16 I mean into client involvement.

17 We could and probably would, in the first instance,
18 say that this 81,000 of unobligated carryover ought to be
19 applied against the 50 to 60 that's due out of the client
20 involvement, so that we would leave M and A with its
21 11,028,000, but that is simply a detail. What we're
22 suggesting is offering up a million five to the basic field.

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1 The consequence of doing that on M and A is, in our
2 judgment, back to the earlier memo I sent you, showing where
3 the monies from M and A would come from, and we conclude
4 that, one, we would defer the rent -- I mean, rather defer
5 the deficit -- which had been earmarked to be completed this
6 year, and that's approximately 362,000.

7 We would have Board meeting savings of some 25,000;
8 We would reduce consulting by roughly 105; and we would defer
9 12 hires -- principally program officers -- for \$775,000.

10 The total of that would get us to 1,375,000. We
11 need to get to 1,472,000, so that we would be short some 90-
12 odd thousand dollars, which we think we can find from, such
13 as we have just sublet additional space at Virginia Avenue
14 which will generate perhaps 30 or 40 thousand dollars.

15 We have two vacancies -- one OG senior and one IG
16 senior -- that have not been filled. We are hoping to fill
17 the administrative director post. But there would be some
18 savings there.

19 On salary increases, the budget had anticipated a
20 general higher level of salary increase than seems to be in
21 prospect on the basis of the evaluations, and we think that
22 we would be confident in closing that gap of the \$97,000.

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1 So if we offer up the law school and the
2 miscellany, we will still have 11 million plus and M and A
3 and we think we can handle that and discharge our functions
4 well. That still leaves us with the opportunity of hiring a
5 director of administrative services.

6 Should anybody seek to have us go deeper into M and
7 A, the consequence of that is going to be in monitoring and
8 peer review, and the only way to achieve that is by the
9 reduction of travel and the numbers of visits. We are
10 currently doing 20 on the monitoring for performance and
11 we're doing 10 on evaluation, and we have figures evidencing
12 what would occur if we, you know, did two less visits or five
13 less visits.

14 But I think our argument with the committee would
15 be to look for any more out of M and A would really cut into
16 our principal functions of monitoring and evaluation.

17 MS. FAIRBANKS-WILLIAMS: This is Edna. Am I
18 remembering that we are only 3 or 4 percent in the
19 Administration anyway?

20 MR. FORGER: Correct. We are 3 percent, Edna.

21 MS. FAIRBANKS-WILLIAMS: Okay. No, the other thing
22 that I wanted to ask you is, in the recision thing here on

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1 Page 3, you say "current year's projections for other
2 income." What other income are you projecting there for
3 350,000?

4 MR. FORGER: Well, I think that's principally the
5 unexpended monies, interest on monies that are recovered.

6 MS. FAIRBANKS-WILLIAMS: Oh, okay.

7 MR. FORGER: Every year, there's something of that
8 magnitude.

9 MS. FAIRBANKS-WILLIAMS: Okay.

10 MS. BATTLE: Alex, I have a question. It may be
11 I'm at home and the fact that I'm not in my office, but I
12 don't have the new Page 2. Was there a specific amount that
13 the committee targeted that could be offered up from
14 everything other than Hill programs, to bolster Hill
15 programs?

16 MR. FORGER: No.

17 MS. BATTLE: Which could simply say out of the 15
18 million, that ought to be a consideration.

19 MR. FORGER: That is correct, LaVeeda.

20 CHAIRMAN EAKELEY: LaVeeda, it's just the way I
21 read it. It's no more than that, and then it's a statement
22 by the Conference Committee to the effect that they agree

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1 that, to the maximum extent possible, these funds should be
2 taken from programs that do not provide direct legal services
3 to individuals.

4 Now, one other alternative way to approach the
5 rollback is to try to do as Jose Padilla suggests and,
6 indeed, as we had first reviewed when we weren't sure whether
7 we were going to have a 5.8 million House-proposed recision,
8 a 15 million Senate-proposed recision, or both, which was to
9 consider, in effect, a pro rate cutback that does not -- that
10 cuts everyone at a same, proportionate level.

11 The effect of that would be to hold more or less
12 harmless those programs, such as CRLA, that got significantly
13 more funding out of this past year's appropriation. The
14 reason they got that disproportionate increase in funding, of
15 course, was because they were considered by us to be
16 significantly underfunded from a relative standpoint.

17 The problem with attempting to do a recision based
18 on a per capita or pro rata basis is that it really doesn't
19 do -- it is not as consistent with the sense of the Senate
20 or, at least, the sense of the authors of the amendment --
21 Senators Gramm and Hollings, of their amendment -- which was
22 essentially to roll back funding to last year's levels.

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1 I also take it in discussions with Alex and,
2 therefore, invite his comment on this, that a pro rata
3 across-the-board reduction would be administratively
4 complicated, also.

5 MR. SMEGAL: Why is that, Doug? It sounds to me
6 like it would be the simplest way to do it.

7 CHAIRMAN EAKELEY: What you're doing, in doing a
8 pro rate reduction, for the programs that got a
9 disproportionate increase last year, they would get to keep
10 some of that increase, whereas those programs that have been
11 operating at a certain level year after year would actually
12 have to give up not new money, but old money, and reduce
13 their level of operation.

14 MR. SMEGAL: Well, you're talking about a
15 relatively minimum amount in that circumstance, and if I read
16 the two memos correctly, one of which Alex authored and the
17 other of which was authored by Vic, we avoid the problem of
18 any reprogramming or any availability of the programs to come
19 in and ask for a review, if I understand it correctly.

20 A 3 percent across-the-board would not permit any
21 of that to happen, which sounds to me like a very
22 complicating factor, Doug.

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1 MS. FAIRBANKS-WILLIAMS: Edna. Let me ask you a
2 question. We got CRLA and so on and so forth. Have they
3 hired a whole batch of extra people which are going to cause
4 a problem if this is rolled back?

5 MR. FORGER: It may very well, Edna. This is Alex
6 speaking. But then again, if they're to be rolled back less,
7 and somebody is to be rolled back more, and take somebody who
8 didn't get an increase, they're going to be affected also.

9 MS. FAIRBANKS-WILLIAMS: Yeah. I just wondered
10 which was the worse scenario.

11 MR. SMEGAL: Alex, is there anyone that didn't get
12 an increase out of the 15 million?

13 MR. FORGER: Yes. In the migrants, yes. The
14 migrant line is -- Gary is our expert on that -- but he said
15 in '95 we gave increases to 18 components and two stand-
16 alones, and 26 got no increase, and so there can be a
17 difference as to the consequence there.

18 If you simply decide that we have to roll back 85
19 percent instead of 100 percent of the migrant line, the
20 question is do you take 85 percent out of each one of the
21 programs, and those that got zero have no reduction and those
22 that got \$100 give up \$85, or do you say they're going to be

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1 left with 15 percent of their allocation, so let's go to see
2 what each of them got in '94 as their basic level and
3 allocate it on those respective amounts?

4 The difference there is, since some, with their
5 increase in '95, got significantly more than others, if you
6 simply allocate it on what each one of them received in '94,
7 you're going to be prejudicing those that got the substantial
8 increase.

9 CHAIRMAN EAKELEY: But Alex, am I correct that
10 management is recommending that we roll back the increases
11 rather than attempt a pro rata?

12 MR. FORGER: Correct. You roll back the increases
13 on the same percentage for everybody.

14 CHAIRMAN EAKELEY: And would you address Tom
15 Smegal's observation or question/observation that that seems
16 more, rather than less, administratively cumbersome?

17 MR. FORGER: I think it's easier, actually, than
18 trying to then go -- if we're dealing simply with the
19 rollback, and if you've decided that you're going to roll
20 back most of these lines all the way -- which you're doing
21 with the non-core, as it were -- and that, with three
22 programs, you're rolling back less than 100 percent but, say,

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1 90 percent, you simply see what everybody got by way of
2 increase and roll it back 90 percent.

3 Otherwise, you've got to start with what everybody
4 got in '94, ignore what the increase was, and do it on a
5 basis as if you were going to allocate what's left pro rata
6 among all of the programs on the basis of their respective
7 interests, if that's clear.

8 CHAIRMAN EAKELEY: Let me just point out one other
9 apparent option. I use the word "apparent" because I don't
10 think it is an option and I don't think we have the
11 discretion to approach it that way, but arguably, if you read
12 the Conference Committee language --

13 MS. MERCADO: Did we get a copy of it? I don't
14 have a copy of that.

15 CHAIRMAN EAKELEY: It should be in your packet
16 somewhere, Maria Luisa, but --

17 MS. MERCADO: I have a letter from Alex, but I
18 don't have the actual language of the Conference Committee.

19 MS. LASTER: It was faxed today to the Board
20 members.

21 A PARTICIPANT: Yes, from Gail maybe.

22 MS. LASTER: Gail and Adam did a fax this morning.

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1 MS. MERCADO: Oh, okay. If they did it this
2 morning, I don't have it.

3 CHAIRMAN EAKELEY: It is possible that we will find
4 an argument that the Congress -- the Congress and the
5 President, I assume, since he signed it -- intended that the
6 15 million be taken out of national and state support which,
7 together, had an annual appropriation of 22 million.

8 MS. WATLINGTON: That was my question. This is
9 Ernestine. With the Senate and the House, what
10 recommendations are going to affect those programs?

11 CHAIRMAN EAKELEY: If we were to take that
12 viewpoint, Ernestine, that would darn well wipe out national
13 and state support.

14 MS. WATLINGTON: That was where I had some
15 concerns.

16 CHAIRMAN EAKELEY: I just start from a
17 fundamentally different position and, indeed, with great
18 respect and deference, I take exception to the presentation
19 that we were sent by our otherwise esteemed management,
20 because I don't think core programs are limited to field
21 programs; I don't think we should be playing into our
22 critics' hands by separating delivery of legal assistance

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1 from support and treating national and state support as if
2 they're not part of the core delivery functions.

3 Indeed, our presentation for this year's budget
4 talks about core programs and identifies, as client services
5 and program services to clients, basic field, Native
6 American, migrant programs, national and state support, and
7 supplemental field programs, as well as regional training.

8 So I think that we ought to get back -- or we're
9 not getting back. I think we ought to resist the temptation
10 to talk about core functions as if they excluded or
11 underestimated the value to the national program of national
12 and state support, not overlook the fact that individual
13 clients benefit directly from the many contributions that
14 national and state support make.

15 That's sort of point one, and I only have one other
16 point to make on this, but it seems to me that the Congress,
17 in voting on appropriations year by year, line by line, has
18 been very specific about the amount of federal dollars that
19 should go to national support, state support, regional
20 training centers, and the like.

21 And I would be very reluctant to find, in a single
22 sentence in a Conference Committee report -- which, after

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1 all, is helpful for interpreting the congressional intent but
2 not binding, as I understand it -- I would be very reluctant
3 to find, even in that language, a directive that would trump
4 the very specific congressional intent expressed in last
5 year's appropriations bill.

6 It seems to me the presumption ought to be that the
7 Congress meant what it said when it said that national
8 support would have an appropriate level of 10 million eight
9 and state support 11 million 585.

10 That's why I tend to favor the approach that's
11 being recommended, which is to take the uncommitted funds
12 that we have and allocate them to reduce the rollback of 1995
13 increase as it applies to basic field programs, but that we
14 construe the language and the rollback to mean that this is
15 the only possible reduction we can make consistent with the
16 overriding congressional mandate we received in last year's
17 appropriation, not to mention our fundamental charge from the
18 Congress when we were established in the first place.

19 MR. FORGER: One technical clarification, Doug.
20 You used the term "basic field programs." What you intended
21 there was "field programs."

22 CHAIRMAN EAKELEY: The field program -- basic,

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1 Native American, and migrant, the way you're presenting it,
2 and supplemental. Supplemental gets a rollback --

3 MR. FORGER: No, I just meant Natives and migrants
4 and the basic field. "Basic field," at least in my parlance,
5 means the programs out there in the local communities.

6 CHAIRMAN EAKELEY: Right. Basically, the proposal
7 is that we take the million four saved from law school
8 clinics and the roughly 81,000 and what Alex described as
9 miscellaneous, and we apply that to reduce the rollback in
10 basic field, Native American, and migrant, and that all
11 others get rolled back to FY 1994 appropriation levels.

12 MS. ROGERS: I have a question. If we give some
13 effect to the conferees, give effect to the conferees intent,
14 aren't there some programs that simply don't provide any
15 direct services like the regional training centers, the
16 Clearinghouse, and so forth?

17 CHAIRMAN EAKELEY: But again, Nancy, that may be
18 the case, but these are specific line items in the
19 appropriations bill, and the fact that whoever drafted the
20 Conference Committee report -- and, of course, there was no
21 debate on this in either House or Senate, so it seems to me
22 that we give the draftperson of that single phrase in the

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1 Conference Committee report an enormous amount of power in
2 rescinding appropriations made by the Congress for these
3 specific lines.

4 MS. FAIRBANKS-WILLIAMS: Could I answer, Nancy?
5 Our regional training trains clients as well as lawyers, and
6 the national board out there of Larry Lavin's, that is
7 working on health, and the Consumer Law Center in
8 Massachusetts, we use a lot.

9 MS. WATLINGTON: This is Ernestine. The support
10 center for the national center has a client group. They go
11 directly to them. They can service them. Even with the
12 programs and without the programs, they give direct service
13 to the client groups.

14 MR. BROOKS: Well, I think there's another element
15 there. This is John Brooks. The calls, average, to the
16 national support centers, I understand, are about 15 minutes
17 a call. And the field tells the national support centers
18 that that saves them two or three hours of work that would
19 otherwise be done at the local programs. So, in that sense,
20 it is a direct part of the local delivery system.

21 MR. BRODERICK: Can I ask a question? This is John
22 Broderick. I agree with Doug Eakeley's comments. I think to

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1 cut away other support as something other than providing core
2 legal services probably sends a message that others might
3 send to us, but I think we are not to capitulate and send to
4 them.

5 My question is, let's assume we do as Doug was
6 suggesting, I guess as Alex was suggesting. Who's going to
7 tell us whether we're right or not?

8 CHAIRMAN EAKELEY: Well, John, I think we're going
9 to have several different opportunities to be told starting
10 with, I think, a staff meeting next week or the week -- I
11 guess next week, right, Alex?

12 MR. FORGER: Yes.

13 CHAIRMAN EAKELEY: And following that with hearings
14 in the Senate and the House on the 26th of April and on the
15 3rd of May.

16 MR. BRODERICK: Well, I would be disinclined, based
17 on the language in a conferee report, which is pretty
18 cryptic, to do other than you suggest, Doug. I would do
19 exactly what was proposed for the reasons you recited.

20 MR. SMEGAL: Doug, Tom Smegal here. Can you tell
21 me what effect -- give me an example -- what effect would
22 this have on Jose Padilla's CRLA if we were to do -- if I

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1 understand correctly, you'd take from the law schools and
2 whatever other amounts you mentioned, and apply it
3 disproportionately to those who would otherwise be suffering
4 a pretty good-sized hit because they got a disproportionate
5 increase. Now, what would it do to Padilla?

6 CHAIRMAN EAKELEY: Jose reports that a rollback
7 would cost them 496,000 whereas an across-the-board cut would
8 be 132,000, in other words, a 365,000 difference to them,
9 because they received a 15.4 percent increase -- I'm sorry --
10 in --

11 MR. BRODERICK: I understand all that. But, Doug,
12 what would be the effect of what you're saying here if we
13 took the million four plus the other and, as I understand it,
14 in effect, reduced the 15 million to something like 13 three?

15 CHAIRMAN EAKELEY: It's moving towards equalization
16 and we would eliminate that movement toward equalization.

17 MR. BRODERICK: With what's left, would you do it
18 across-the-board or are you suggesting the million five
19 against those programs that were having their cups filled up,
20 so to speak?

21 CHAIRMAN EAKELEY: This proposal would be to
22 rollback the "hurry-up fillup," or the last year's increase.

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1 MR. FORGER: Our figures, Doug and Tom, indicate --
2 that Gary has worked up -- that California would be reduced
3 by roughly \$400,000 -- \$398,000.

4 MR. SMEGAL: When you say California, CRLA, is that
5 what you mean by California?

6 MR. FORGER: Yes. Is there anything else out
7 there, Tom?

8 MR. SMEGAL: I think there are a few.

9 MR. SINGSEN: Not migrants.

10 MR. FORGER: No, no, I mean people.

11 CHAIRMAN EAKELEY: CRLA has a \$2.7 million LSC
12 grant. That would be close to -- Jose said they received an
13 additional 496,000.

14 MR. FORGER: Our figure was 465, but it could be
15 that.

16 CHAIRMAN EAKELEY: But that's what we're talking
17 about, and if it were across-the-board, they'd still get hit
18 about a third of that.

19 MR. SMEGAL: Doug, what my thought was, why don't
20 you take this in two bites? Why don't you roll back the 15
21 and put everybody back to where they were in fiscal year '94
22 and then take the million and 1.4 from law schools and

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1 whatever else you had and put that in those cups that we were
2 trying to fill up last time, like CRLA.

3 CHAIRMAN EAKELEY: That would be making adjustments
4 within lines.

5 MR. SMEGAL: Right

6 CHAIRMAN EAKELEY: I think that was another one of
7 the problem areas that Alex addressed early on, but not with
8 this degree of specificity.

9 MR. FORGER: It seems to me you would be defunding,
10 not only on the basis of the '95 rollback, but then you're
11 defunding beyond that. On programs that had a lesser
12 increase, you're asking them -- it is as if we had flat
13 funding in '95 and you had decided you were going to take the
14 migrant line and shift it around and take money away from
15 some programs and give it to others.

16 CHAIRMAN EAKELEY: Well, Alex, what he is saying, I
17 guess, is that okay, we're going to roll back everyone to
18 1995 appropriation levels, but we've got about a million five
19 that we can squeeze out of the law school clinics and
20 miscellaneous.

21 MR. SMEGAL: Right. That's what I'm saying, Doug.

22 CHAIRMAN EAKELEY: Can we take that million five

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1 and apply that to reduce the amount of rollback to those
2 programs most in need of equalization?

3 MR. SMEGAL: Yeah, most adversely affected by the
4 rollback.

5 MS. MERCADO: Because there are a lot of urban
6 programs that had a significant increase in poverty
7 populations, that got a significant greater increase.

8 MR. SMEGAL: Yeah.

9 CHAIRMAN EAKELEY: Or another of putting it, or of
10 putting the question, is how do you intent to apply the
11 million five?

12 MS. BATTLE: That's exactly the question that I
13 had, as well.

14 MR. SMEGAL: Alex, if you're just going to roll
15 back 13 five rather than 15, I think we just compounded the
16 problem. It seems to me, you know, if we're going to buy
17 into a rollback of 400 million and then scurry around and
18 find a million-and-a-half, I think we should dump that
19 million-and-a-half into those programs who are being hurt the
20 most by a rollback.

21 And where do you draw the line? 3.61 percent, I
22 think, is what 15 million represented for the programs'

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1 increase. I think anybody that takes substantially more than
2 a 3.61 rollback should somehow have that rollback modified by
3 this million-and-a-half that we're willing to reprogram.

4 MR. FORGER: Well, we have to justify this
5 defunding on a policy adopted by the Board that's a funding
6 policy.

7 MR. SMEGAL: Well, but I think we are, because
8 we've already got a Board position. We took that 15 million
9 as a Board and distributed it in a way that wasn't pro rata.

10 MR. FORGER: Tom, are you seeking to have something
11 like California hang onto the disproportionate increase that
12 it received?

13 MR. SMEGAL: I'm not just referring to California.

14 MR. FORGER: Okay, strike that.

15 MR. SMEGAL: Jose focused me on it, Alex. But it
16 seems to me --

17 MR. FORGER: Let me put it in generic terms, then.

18 MR. SINGSEN: Right.

19 MR. FORGER: Do you want the guys that got the most
20 increase to simply suffer a disproportionate decrease, or do
21 you want to erase all those disparities and start from
22 another base?

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1 MR. SMEGAL: No, I think it's the first one. I
2 don't want --

3 MR. FORGER: That's, I think, what we're doing.

4 MR. SMEGAL: We spent a lot of time distributing
5 the \$15 million, not on a pro rata basis. We looked at the
6 cups, we look at a lot of measurements of what the programs
7 are doing and how much money they have to do it. And I
8 suggest to you that, rather than roll back 13 five, we roll
9 back 15 and then add back in the million-and-a-half
10 disproportionately --

11 MR. FORGER: To wherever we want?

12 MR. SMEGAL: Yes, as we did as a Board the first
13 time when we had 15 and we thought we were distributing it
14 disproportionately.

15 MS. MERCADO: The 15 million was not distributed
16 pro rata.

17 MR. SMEGAL: That's right.

18 CHAIRMAN EAKELEY: I think what we're -- don't
19 forget that national support and state support got what we
20 would call disproportionate increases, so a rollback of them
21 is a disproportionate rollback, and those are being kept at
22 those levels of rollback.

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1 So what the million five in law school clinic and
2 miscellaneous fund savings are doing is reducing the amount
3 of rollback for basic field, Native American, and migrants
4 and, obviously -- and that's about a 15 percent reduction in
5 the rollback.

6 Those who got the most increase will be cushioned
7 in those field programs.

8 THE OPERATOR: Excuse me. Mr. McCalpin is joining
9 conference.

10 MS. BATTLE: Okay. This is LaVeeda. We're really
11 questioning how the 1.4 and 1.5 million will be added to
12 field programs.

13 CHAIRMAN EAKELEY: Or how will it be applied to
14 reduce the rollback in field programs.

15 MS. BATTLE: Exactly. And I'm trying to ascertain
16 what formula are we using, which has been proposed for doing
17 that.

18 MR. MCCALPIN: Doug, we've been sitting here for 45
19 minutes waiting. I don't know what the problem was. But can
20 you -- Rick Tietelman and Joe Bartlyack and a couple of
21 others are with me -- can you just very briefly tell me where
22 you are?

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1 CHAIRMAN EAKELEY: Yes. We're still on the single
2 agenda item for the meeting, which is how do we implement the
3 \$15 million recisions that the President signed the other
4 night; and we've basically considered three options.

5 One, a pro rata rollback of everything; two, a 15
6 million whackout of the \$22 million of national and state
7 support, both of which I think -- well, two was really not a
8 viable option, we thought.

9 But we're really debating whether or not a rollback
10 as proposed by management which is, essentially, take the
11 million four savings in law school clinics and another 81 or
12 so thousand in miscellaneous savings. Whether or not that
13 can be applied not just --

14 MR. FORGER: To cushion the reduction.

15 CHAIRMAN EAKELEY: -- to reduce the rollback for
16 basic field, Native American, and migrant programs, but
17 whether or not we can allocate a disproportionate amount of
18 that million five to provide a cushion for those programs
19 that got a disproportionate increase last year and,
20 therefore, face disproportionate rollbacks.

21 MR. McCALPIN: I wonder about the sentence in
22 Alex's letter of April 6th, which I read as indicating that

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1 the conference committee is going to make the allocations.

2 CHAIRMAN EAKELEY: I wonder, too, but I disagree
3 and I don't think we should be -- unless we have -- we've got
4 two different issues, here.

5 One is using our best judgment to interpret the
6 intention of the Congress, and then implement it. And
7 secondly is to make sure that we don't run afoul of the
8 expectations of the Congress, even if those expectations are
9 not articulated in binding law.

10 I don't understand how a subcommittee can allocate
11 a rollback which is already law and which does not have the
12 clearcut expression of congressional intent attached to it.

13 MR. FORGER: Well, I think, Doug, that we have a
14 legal case, if we choose to assert it at a given point,
15 saying that the committee has no authority to do this. But
16 we're starting at least from the premise that we should seek
17 to see what the consequence is, before we question their
18 authority.

19 CHAIRMAN EAKELEY: Right. I was putting it
20 differently, but I'm in agreement with you, with the
21 conclusion.

22 Namely, that we need to be treading very cautiously

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1 and doing the best we can to make sure that the
2 interpretation and implementation of this recision does not
3 do anything to impair our relationship with the Congress
4 further or with the Appropriations Subcommittee.

5 MR. FORGER: Well, the other point is that we
6 received notice by telephone that this was the language and
7 that there would be a further amplification and line
8 adjustments that would be given to us.

9 And we said, "Give us an opportunity to at least
10 talk to you about what the implications of this may be."

11 CHAIRMAN EAKELEY: But Alex, the bill has already
12 been signed, right?

13 MR. FORGER: I'm not talking about the legal aspect
14 of it, Doug. I'm talking about the committee, the
15 practicalities of this situation --

16 MS. BATTLE: Of talking with the committee.

17 MR. FORGER: -- where the committee has said, "We
18 are going to tell you where this money will come from." And
19 we said, "Wait a minute; at least let us talk to you."

20 And this is what we are seeking to do, and we have
21 a date on the 20th in which we plan to go over there. We may
22 be handed the allocation and told "That's it," and then we

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1 can decide what we want to do with it, or we may have an
2 opportunity of guiding this in some way.

3 And thus, the purpose here was simply to say, if we
4 have to give some credence to what we interpret this
5 conference wish to be, let us then find some way by which we
6 can give a disproportionate amount to the field programs --
7 basic field, Natives, and migrants.

8 As we look down the list, everything is obligated
9 pretty much, except for the client, the law schools, and some
10 miscellany. So we said why don't we, then, as our position
11 in dealing with the committee, if it wishes to listen to us,
12 suggest that they take that which is unobligated, so that we
13 don't have a lot of other problems on hearings in the field,
14 and see if that will satisfy the committee, even though we
15 know maybe they have no legal right to even tell us what
16 they're going to do; and we have not gone beyond that.

17 And Bill McCalpin, after this point, we were into
18 the conversation of, let's suppose the committee was to buy
19 that, then how would we deal with the million five that was
20 now going to be shifted up to the field programs? How would
21 that be distributed among those lines?

22 And I think we probably do not have to reach that

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1 at this moment, and I'm not sure that that would even be
2 relevant in the committee's judgment, although it may be. My
3 sense is that we would have a further opportunity once we
4 know what the lines are going to be.

5 What we would be giving up, perhaps, is the ability
6 to argue that this one million five should all go to one
7 line, as distinct from, on some measure, across three of
8 them.

9 CHAIRMAN EAKELEY: Actually, I was going to make
10 the same suggestion, Alex and Tom, mainly that we can deal
11 with looking at and answering questions about how we allocate
12 that 1.5 another time.

13 MR. SMEGAL: Are you intending to take a vote here
14 this afternoon? I've got a problem where I'm going to have
15 to leave this conversation.

16 MR. FORGER: I don't think we have a vote in mind.

17 MR. SMEGAL: Okay. All right, Alex. I may be able
18 to come back on, and I have the MCI number. I'll talk to you
19 later.

20 MS. ROGERS: I'd like to return. At one point, if
21 we were talking about what we think is something that the
22 House subcommittee may be receptive to, and that the

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1 Conference Committee report may be an indication of what
2 they're receptive to, I think we should go back and look at
3 the Clearinghouse and regional training centers as another
4 source of perhaps a disproportionate cut.

5 And I say that -- you know, I said that first, and
6 people responded national and state support. But those are
7 two aspects of the budget that don't -- if you look at the
8 actual language -- don't provide legal services to
9 individuals. They may provide other services to individuals
10 directly.

11 And I say it really -- it seems like a good idea
12 but in my idea is a question. And that is, if we do that, if
13 we pull disproportionately from those two lines, are we going
14 to be faced with a parade of hearings and so forth, so that
15 we're really not going to be able to do that until the final
16 month?

17 MR. FORGER: Yes, I would think so, Nancy. It's
18 one thing to say, you know, it's a rollback and everybody
19 shares part of the grief but, then, the moment we exercise
20 discretion to try to allocate it through different lines, I
21 guess it would be no different than if we had flat funding
22 this year and decided to shift around the existing budget

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1 among various lines.

2 CHAIRMAN EAKELEY: Nancy, it's also very difficult.
3 We have obligated these funds to these programs pursuant to
4 that appropriations bill.

5 MS. ROGERS: It seems that the human cost is lower.
6 I assume that a great deal of their funding -- you could cut
7 back the number of issues of Clearinghouse, you could cut
8 back the number of trainings. The human cost is lower, both
9 in terms of the delivery of services and in terms of
10 employees.

11 CHAIRMAN EAKELEY: If you eliminated it altogether,
12 you'd only save 1/15th of the rollback.

13 MS. ROGERS: Yeah, but --

14 CHAIRMAN EAKELEY: In fact, you wouldn't even save
15 that, because it's a million one for an annualized funding,
16 so if you roll back 15 million, it would be less than 1/15th.

17 MS. ROGERS: It still seems like it helps a fair
18 amount.

19 But I guess if you're saying that it stops because
20 we really can't do it as a practical matter because we
21 couldn't cut anything but the last check, in any event, then
22 I think we just explain that to the committee, that we would

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1 be inclined to rollback some of the places where the human
2 costs seem lower, of doing so, because you're cutting back on
3 mailing and postage and paper and trips to training but, at
4 the same time, we can't do it, as a practical matter, that
5 we're bound by the law and so forth, and so it's just not
6 possible.

7 I think we ought to at least explain that to the
8 committee, that there was some sentiment to looking to see
9 how we could do what they suggested in the conference report,
10 and found that, as a practical matter, we really couldn't do
11 it.

12 CHAIRMAN EAKELEY: Okay.

13 MS. BATTLE: To the extent that we agreed on the
14 intent of that conference --

15 MS. WEINBERG: LaVeeda, I can't hear you.

16 MS. BATTLE: I'm sorry. I guess what I'm saying to
17 Nancy is, to the extent that we can agree or fully understand
18 what is intended by the language in the conference report, as
19 to what is core or non-core.

20 MS. ROGERS: Well, they don't say "core" or "non-
21 core." They don't ask us to make a judgment about what we
22 think is important. They say "programs that do not provide

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1 direct legal services to individuals." That's a little
2 clearer line than "core" or "non-core," "field" or "non-
3 field."

4 And I think it's not clear what that means in terms
5 of national and state support. Those do provide direct legal
6 services to individuals, but Clearinghouse and regional
7 training centers don't.

8 CHAIRMAN EAKELEY: But it also says "to the maximum
9 extent possible," and we've got contractual commitments,
10 we've got legal obligations imposed by the Congress, and
11 we've got specific line item programs authorized by,
12 identified, title and function.

13 MS. MERCADO: Doug, one of the questions that I
14 think Tom had asked initially at the beginning and I'm still
15 playing through my mind, according to the memo that we got
16 from Victor Fortuno on the -- if we cut people off beyond
17 what, the 3.5 percent, that's when we get into the whole
18 question of hearings and how much those are going to cost us,
19 and those factors that we're looking at also on the
20 disproportionate cuts. Hello?

21 MS. ROGERS: I think what I'm really saying is, I
22 think when we go back we should give this explanation, that

1 we really do and would, in good faith, attempt to discern who
2 was providing direct legal services in who wasn't, except
3 that the limitation "extent possible," because of the legal
4 limitations, we really just plain can't. We can't do that at
5 all.

6 MS. WATLINGTON: This is Ernestine. Am I to
7 understand that this is -- this conference call is to get a
8 response and be able to talk with them, that these are some
9 of the things that they could discuss with the committee on,
10 you know, the better interpretation of what they're asking to
11 do, and maybe we get an option to tell them some other ways
12 than the way that they have suggested?

13 CHAIRMAN EAKELEY: Yes, Ernestine. And it also
14 helps me. The Board has previously authorized me to attempt
15 to carry out the express intentions of the Board in the event
16 that it is not feasible to have a meeting to deal with this,
17 and part of this exercise that we're embarked on today is to
18 get a better sense of the Board's direction in this area,
19 which is still very fluid.

20 MR. MCCALPIN: Let me ask a question. I think this
21 question has been asked before, but I'm not sure what the
22 answer is.

1 What can we insert in the annual allocation to
2 programs to protect us against having to cut them back from
3 their annual grant? Do we have some sort of a safety valve
4 provision in those grants?

5 CHAIRMAN EAKELEY: Does anyone down there know what
6 the language in the contract is? It's subject to
7 congressional appropriations and also rescission, I would
8 assume. Gary or Alex or Martha?

9 MR. SINGSEN: This is Gary. And there was a time
10 when there was a provision in the grant, back in the '80s,
11 when there were -- I forget what they were called now, not
12 rescissions, but something similar -- sequestrations -- where
13 there was an explicit provision in the grants.

14 There's no more explicit provision in the grants to
15 deal with this. However, the grants all require the grantees
16 to comply with the regulations, and Regulation 1606,
17 Termination of Funding, contains a provision which empowers
18 the Board to make a funding policy and to implement that
19 funding policy and terminate or reduce, which is a form of
20 termination, grants pursuant to that policy.

21 CHAIRMAN EAKELEY: But, Gary, that really doesn't
22 get to the heart of what I understood Bill's question to be,

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1 which is to what extent does a congressional recision factor
2 into the grants we've already signed as a condition of those
3 grants?

4 MR. SINGSEN: Only by action through the Board
5 making a funding policy.

6 MS. MERCADO: And it doesn't really deal
7 specifically with recisions or sequestration. I mean, the
8 language, you said, was deleted in the '80s, right?

9 MR. SINGSEN: I'm not sure which year it went out.

10 MR. McCALPIN: My question was prompted by a
11 statement that Nancy made when she said we are contractually
12 obligated to our grantees for these amounts, and I was really
13 just testing that statement.

14 CHAIRMAN EAKELEY: My understanding is we have
15 entered into a binding contract that assumes, as part of the
16 subject matter of the contract, our ability to pass federal
17 funds through to the grantees.

18 MR. FORGER: Perhaps we can argue this is an Act of
19 God.

20 (Laughter.)

21 A PARTICIPANT: I've heard Newt called a lot of
22 things, but not that.

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1 MS. BATTLE: As we construct, at least for this
2 period, our contracts on a prospective basis, we may need to
3 look at language that gives us that added protection, because
4 when you start talking about hearings, if we adopt a policy
5 that is explicit, based on congressional intent in our
6 appropriations, and it results in hearings, I think that
7 that's an added protection for us.

8 CHAIRMAN EAKELEY: We have an affirmative rider
9 attached to our appropriations that prohibits us from
10 reducing anyone by more than, I think, 2 percent, without
11 notice and a hearing, and certainly not --

12 MR. McCALPIN: I think it's 10 percent.

13 MS. FAIRBANKS-WILLIAMS: So if we reduce some
14 people too much or whatever, we would have to go through
15 these hearings. And I assume that Alex has assumed how much
16 these hearings might cost us. Isn't that something that,
17 when you've talked to the staff, you could say, "If we reduce
18 too much, we have to go through these hearings and this is
19 X amount of money that we'd have to spend"?

20 MR. FORGER: Precisely so, and I think what we've
21 got in a memo is the cost that some of the prior defundings
22 incurred.

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1 MS. FAIRBANKS-WILLIAMS: Yeah. I looked at that.
2 That's what I said. So why couldn't you use that as a
3 stumbling block for them, that you couldn't do too much along
4 that line more than your so much percent?

5 MS. WATLINGTON: And, in the past, when programs
6 did have these hearings with this Corporation, the programs
7 usually won, and it was a costly situation for the
8 Corporation. We wouldn't want to go through that again.

9 MS. MERCADO: It definitely goes back to the issue
10 of the disproportionate rollback in the different programs,
11 whether they be migrant or urban, because of their increasing
12 poverty population, got a significantly higher amount of
13 funding, that if it's more than that 3.5 percent that I
14 recall from the memo that general counsel wrote, that's when
15 we open ourselves up to different processes.

16 MR. SINGSEN: I think, under Regulation 1606, as
17 long as you make a policy that affects a class of recipients
18 equally, that you will be able to implement that policy as a
19 funding policy, so that the problem, for example, in the
20 migrants, where you had a policy of how you were going to
21 distribute increases and you now make a new policy about how
22 you're going to implement the recision, that the fact that

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1 the migrant programs take a larger cut because they had a
2 larger increase won't create a special ground for a hearing.

3 MR. FORGER: But they can still have the right to a
4 hearing any time a dollar is taken away. And the thought is
5 that either we would discourage hearings or we would be in a
6 far better circumstance if it were on a percentage rollback.

7 MS. BATTLE: Are we at a point -- and I guess,
8 Doug, I'm trying to --

9 MR. FORGER: LaVeeda, could you speak up a little,
10 please?

11 MS. BATTLE: I'm sorry.

12 MR. FORGER: That's all right. As well as Maria-
13 Luisa. They say that they don't get your voice recorded.

14 MS. BATTLE: Okay. This is LaVeeda. And Doug, I
15 was trying to see where we are really, and what we as a Board
16 need to get to you in terms of our thinking about what to do
17 with the rollback.

18 CHAIRMAN EAKELEY: I think I've gotten a pretty
19 good impression. I'm still -- I don't think we need to
20 resolve the "What, if anything, can we do within lines,
21 within field programs" to apply the 1.5 million. I'm still
22 concerned about the legal consequences of a rollback to '94

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1 levels versus a pro rata reduction. I think we just need to
2 doublecheck that.

3 But I think it's fair to say that it's the
4 consensus of the Board that we take the law school clinic and
5 recruitment unobligated funds and whatever other
6 miscellaneous funds we can squeeze out, and apply them to
7 reduce the rollback in field programs, and that what we do by
8 way of rollback, subject again to confirmation of the legal
9 propriety in doing so, is that we approach it in the fashion
10 suggested by the Senate and the chair and ranking minority
11 member of the Senate Appropriations Subcommittee -- namely, a
12 rollback of the 1995 fiscal year increases.

13 But I think that if we get to that point, we'll be
14 able to see whether or not we're anywhere in the same
15 ballpark with the Conference Committee.

16 MR. BROOKS: Doug, can I ask a question -- this is
17 John Brooks -- on the supplemental field programs. We talk
18 about basic field programs and the migrants and the Native
19 Americans. Are we considering supplemental field programs as
20 in the same category as basic field?

21 CHAIRMAN EAKELEY: Let's put it this way. Basic
22 field is one of -- supplemental field programs are core,

1 they're direct delivery, they are as fundamental to the
2 program as basic field, Native American, and migrant. But I
3 think the proposal here is not to allocate some of the
4 savings to reduce the 31,000 in rollback that this recision
5 would impose.

6 MR. FORGER: I put that question to the staff when
7 we had that telephone conversation about the consequence, and
8 it was their judgment that supplemental field is not part of
9 the direct delivery of legal service, notwithstanding that we
10 know that all of these programs do, in fact, deal with
11 clients directly and they are as direct as any program can be
12 and have the added advantage, most of them, of leveraging the
13 private bar.

14 The amount of increase, as I believe is correct on
15 the supplemental field, was \$31,000.

16 CHAIRMAN EAKELEY: Right.

17 MR. FORGER: And so that it may be that they would
18 give up \$31,000 among their total allocation of a million
19 three. So it seems, while we can try to make that an issue
20 in the committee, the consequence may not be terribly grave,
21 although --

22 CHAIRMAN EAKELEY: At the least, though, I would

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1 like us to use the presentation we use in our budget request,
2 which is core programs and program services to clients, but
3 does not separate out supplemental field and lump it together
4 with law school clinics as a supplemental service.

5 MR. BROOKS: So it's treating it as a joint
6 delivery?

7 CHAIRMAN EAKELEY: Correct.

8 MR. FORGER: Yeah. It ought to be a subset of
9 basic field, or maybe it's number four under field programs.

10 CHAIRMAN EAKELEY: I'm looking at Page 3, which is
11 green. It's the first green page in our budget request for
12 FY '96. That's the presentation I think we ought to stick
13 with.

14 MS. WATLINGTON: I agree on that. I think, if you
15 stick with that as long as you can, I think will help us in
16 that area.

17 CHAIRMAN EAKELEY: And it also, I think it just
18 anticipates the conversation we're going to be having in a
19 few weeks in the Appropriations Committee over the budget
20 request if they don't march us out on the street and shoot us
21 first.

22 Now, I don't want to cut this off arbitrarily.

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1 This is important. But are there any other questions or
2 comments before we open up to the second miscellaneous agenda
3 item, which is any other questions or comments about other
4 things that Alex has reported in the faxes we got today?

5 (No response.)

6 CHAIRMAN EAKELEY: Hearing none, let me just --
7 Alex, do you have anything further to report, or does anyone
8 have any questions of Alex or management about some of these
9 other matters that were in our package?

10 MS. MERCADO: I just wanted to check -- this is
11 Maria Luisa -- if we needed to have another teleconference
12 between here and the time that we meet again? What is
13 usually the lead time that we need for Federal Register
14 notice?

15 MR. FORGER: Seven days?

16 CHAIRMAN EAKELEY: I think ten days. But we're
17 meeting -- we've got a hearing in the House on the 3rd and
18 we're scheduled to meet on the 12th and the 13th in
19 Washington.

20 MR. FORGER: And we also have Doug, we're holding
21 three dates for a reauthorization hearing in the House, and I
22 believe that's the 10th, 17th, or the 24th, Gail?

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1 MS. MERCADO: What month? Hello? Of what month?

2 MR. FORGER: Of May, the merry month of May.

3 They've said there will be a reauthorization hearing in the
4 GIGAS committee.

5 MS. BATTLE: Alex, we talked about this, I think,
6 yesterday. This is LaVeeda. Do we know anything about what
7 that reauthorization is going to entail?

8 MR. FORGER: The other -- forget it folks. The
9 other thing, we had a request from the House Budget Committee
10 today.

11 MS. BATTLE: I'm sorry, Alex?

12 MR. FORGER: Yes.

13 MS. BATTLE: Did you not hear my question?

14 MR. FORGER: I'm sorry. I missed that. My friends
15 were gesticulating about reauthorization.

16 MS. BATTLE: Okay. Yes, reauthorization. And I
17 just asked if we knew anything about, if we're going to have
18 a hearing on the 10th of May, what that might entail?

19 MR. FORGER: Well, we were told that we might have
20 a hearing sometime in May on reauthorization by the GIGAS
21 committee. And Gail, why don't you tell us exactly what it
22 is?

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1 MS. LASTER: I wish we wouldn't use the words
2 "reauthorization hearing." We were told --

3 MR. FORGER: I will try to learn, because "we" is
4 me.

5 MS. LASTER: No, by anybody. We met with GIGAS's
6 staff, and I got to say, you know, wish you were there. But
7 Henry Hyde is talking about having oversight hearings.
8 There's a difference between oversight hearings and
9 reauthorization hearings.

10 The Chairman of the House Judiciary Committee, as
11 you well know, has said that he sees no federal nexus to
12 provision of legal services for the poor, so he would not be
13 having reauthorization hearings.

14 He has mentioned having oversight hearings, and he
15 has mentioned -- and I think I had notified you about that
16 before, when he talked about it -- that once the committee,
17 the House committee, was done with their contract business --
18 which I believe that they are -- that then they would
19 consider other matters and have oversight hearings.

20 And Mr. Hyde spoke to this issue again at a meeting
21 of the attorneys general where he listed us as tenth on his
22 list of things he would like to have oversight hearings on as

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1 well as we're right behind EEOC and civil rights.

2 So that could happen as early as May, and that
3 would be, I imagine the first panel would be whoever legal
4 services would like to have there; the second panel would be
5 legal services critics and, if there was a third panel, it
6 might be the public.

7 That's quite different from a reauthorization
8 hearing. There would be no bill, probably, introduced before
9 then and it would be just to come and talk about Legal
10 Services Corporation.

11 GIGAS's people did indicate that they would like to
12 schedule that sometime in May, and comparable dates were the
13 10th, the 17th, what have you, but there are no firm plans
14 for that hearing.

15 We would also like to have hearings in the Senate
16 and, towards that goal, we are talking to Senator Kassebaum,
17 who chairs our subcommittee there -- our committee there --
18 and who has acknowledge that there is a nexus between legal
19 services and the federal funding of legal services for the
20 poor, so I think, in fact, there we would have a
21 reauthorization hearing as opposed to an oversight hearing.

22 So, LaVeeda, did I answer your question?

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1 MS. BATTLE: You certainly did. And have we gotten
2 any indication from the Senate as to whether those hearings
3 might come any time soon?

4 MS. LASTER: They have no problem with doing them.
5 As I just said, Kassebaum is a supporter of Legal Services
6 Corporation. They had mentioned, when we first saw them,
7 doing something as early as March, and March has come and
8 gone, so now I think, realistically, they, too, would be
9 looking at May for a date, because April is pretty much eaten
10 up by the recess.

11 I've been in touch with their person there. John
12 Brooks, it's the person who took over Nick's place, and her
13 name is Susan Hatton, and she's the staff director for the
14 committee -- Labor and Human Resources Committee -- and she
15 had mentioned that she would get back to me about a possible
16 day in May, as well.

17 MS. BATTLE: Do we have the opportunity, with the
18 prospect of a May reauthorization hearing in the Senate, for
19 making some proposals around that issue to the staff as a
20 discussion document or something?

21 MS. LASTER: Well, I guess the way I'm using the
22 term "reauthorization hearing" versus "oversight hearing" is

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1 that we would call it a reauthorization hearing if, in fact,
2 somebody has introduced a bill or somebody is drafting a
3 bill.

4 So I think that either way we would have an
5 opportunity to comment, whether or not there's been a bill
6 in, and so can discuss that one, or the Chairman -- Kassebaum
7 or Senator Jeffords, from Edna's state -- would say, "Indeed,
8 I'm thinking of introducing a bill; here's what I'd like to
9 do and I'm holding this hearing to have people in fact
10 comment before I introduce the bill."

11 So yes, I think there would be the opportunity to
12 comment on either a draft of a bill or a bill that's put in
13 if, in fact, we have what is called a reauthorization
14 hearing.

15 MS. MERCADO: Gail, when are those dates against on
16 the appropriations hearing proposed by the House?

17 MS. LASTER: The appropriations in the Senate will
18 be April 26th -- Wednesday, April 26th, and the
19 appropriations hearing in the House will be May 3rd.

20 CHAIRMAN EAKELEY: Any other questions?

21 (No response.)

22 CHAIRMAN EAKELEY: Alex, anything else to report?

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1 MR. FORGER: Well, I was just going to mention, we
2 got a call from the House Budget Committee, requesting that
3 we appear next week to inform them of what steps we would
4 take to comply with the proposal of the Budget Committee of a
5 phaseout over five years.

6 CHAIRMAN EAKELEY: What does that mean?

7 MR. FORGER: Well, we have several responses we
8 thought up that I won't bore you with here. I'm not sure
9 that we would want to appear at such a hearing, or such a
10 meeting with staff, but we need to find out more about it.

11 CHAIRMAN EAKELEY: Okay. Any other questions,
12 anybody?

13 MR. FORGER: I mean, my one thought was, we would
14 use the one year's appropriation in the year 2000, and not
15 use any of it in the next four years.

16 A PARTICIPANT: Laugh.

17 (Laughter.)

18 MR. FORGER: That's supposed to be funny. I mean,
19 how do you phase out over five years with a one-year budget?
20 You know, one way is to save it until the last year and just
21 have a recess for four years.

22 MS. FAIRBANKS-WILLIAMS: Write everybody a letter

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1 and tell them they're not going to get anything.

2 MR. FORGER: Yeah. We'll be back in 2000. We'll
3 try to find a better way. Anything else we can respond to?

4 CHAIRMAN EAKELEY: I think that sounds like a good
5 note on which to call for a motion to adjourn.

6 MS. WATLINGTON: I'd like to make a comment. I
7 really wanted to thank everyone for their letters and their
8 calls and encouragement, and I'm just so pleased, you know,
9 how I was allowed another chance to still be a thorn in
10 people's sides.

11 MR. FORGER: Oh, yes.

12 CHAIRMAN EAKELEY: Ernestine, we are pleased and
13 encouraged, also, and you are the rose among thorns, not vice
14 versa.

15 MS. BATTLE: I would like to just join Ernestine.
16 I had surgery last Monday and I got a beautiful basket from
17 Legal Services and got calls as well.

18 MR. McCALPIN: LaVeeda, are you at home?

19 MS. BATTLE: Yes. Yes, I'm at home. I left the
20 hospital on Thursday of last week.

21 CHAIRMAN EAKELEY: I'm sorry, LaVeeda. I thought
22 it was next week. I should have wished you speedy recovery,

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1 also.

2 MS. BATTLE: That's what I'm in the middle of right
3 now.

4 CHAIRMAN EAKELEY: Keep it up. And no telling what
5 Alex is going to look like if he goes to that Budget
6 Committee hearing.

7 (Laughter.)

8 CHAIRMAN EAKELEY: Any other business before the
9 Board?

10 MS. BATTLE: I would like to say that I think our
11 staff is really doing a yeoman's job --

12 MS. WATLINGTON: Yes.

13 MS. BATTLE: -- in difficult times right now,
14 keeping their heads up and going back into the battlefield.

15 CHAIRMAN EAKELEY: All right. That's part of the
16 sense of the Board. Is there a motion to adjourn?

17 M O T I O N

18 MS. FAIRBANKS-WILLIAMS: So moved.

19 MR. McCALPIN: Second.

20 CHAIRMAN EAKELEY: All those in favor?

21 (A chorus of ayes.)

22 CHAIRMAN EAKELEY: Any opposed?

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1 (No response.)

2 CHAIRMAN EAKELEY: The ayes have it. Good night,
3 everyone; have a happy Easter, Passover, weekend, whatever,
4 and we will see you in just a few weeks.

5 (Whereupon, at 7:22 p.m, the meeting was
6 adjourned.)

7 * * * * *

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