

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS
AUDIT APPROPRIATIONS COMMITTEE MEETING

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January 12, 1992

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

Board Members Present:

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

Staff Present:

John P. O'Hara, President
Patricia Batie, Secretary
Kathleen deBettancourt
Emilia DiSanto
Victor Fortuno
Charles Moses
David Richardson

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P R O C E E D I N G S

CHAIRMAN DANA: I am going to ask the meeting to come to order.

The meeting of the Audit and Appropriations Committee of the Legal Services Corporation is in order.

Now, we have the full committee present, Mr. Uddo, Ms. Wolbeck. We are joined by Mr. Hall, Ms. Love, Chairman Wittgraf, President O'Hara, an audience of literally hundreds of people eager to determine what we are going to do.

APPROVAL OF AGENDA

CHAIRMAN DANA: The first item on the agenda is to approve the agenda.

M O T I O N

MR. UDDO: So moved.

CHAIRMAN DANA: Is there a second?

MS. WOLBECK: Second.

CHAIRMAN DANA: All those in favor, say aye.

(A chorus of ayes.)

CHAIRMAN DANA: Opposed?

(No response.)

CHAIRMAN DANA: It's a vote.

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1 APPROVAL OF MINUTES OF DECEMBER 8, 1991 MEETING

2 CHAIRMAN DANA: The next item is approval of the
3 minutes of December 8, 1991. These minutes are, I believe,
4 in the Board book.

5 MR. UDDO: So moved.

6 CHAIRMAN DANA: Is there a second?

7 MS. WOLBECK: Second.

8 CHAIRMAN DANA: Any additions or corrections?

9 (No response.)

10 CHAIRMAN DANA: Hearing none, all those in favor,
11 say aye.

12 (A chorus of ayes.)

13 CHAIRMAN DANA: Opposed?

14 (No response.)

15 CHAIRMAN DANA: It's a vote.

16 CONSIDERATION OF FISCAL YEAR 1991 CARRYOVER FUNDS

17 CHAIRMAN DANA: The next item is consideration of
18 Fiscal Year 1991 carryover funds. This is something we did
19 the last time, but I have asked Mr. Richardson to prepare a
20 schedule which I am distributing now that Board members and
21 others can have which gives you a sense of what our options
22 are.

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1 For the record, this schedule, which I would ask be
2 appended to our Board minutes so that it is available with
3 the minutes of the meeting, indicates that as of the
4 beginning of this fiscal year, we had \$1,505,401 available
5 for allocation, that we allocated at the last meeting
6 \$217,512 to M&A in order to supplement that which was already
7 available and which Congress had provided in order to fund
8 the M&A budget that we had approved or at that time
9 recommended to the Board.

10 At the time we earmarked a total of \$423,211 for
11 Board initiatives, there had been talk about supplementing
12 the moneys that Congress had set aside for competition
13 initiatives with money available to the Corporation, and we
14 identified these sums and these locations as potentially
15 available for Board initiatives, and that leaves us and the
16 Corporation a total of \$864,678 in these various other
17 categories for Board and/or management action.

18 Now, much of that money is tentatively earmarked in
19 the minds of management and our migrant programs, for
20 instance. They are very anxious to and hope that the
21 \$305,376 will be used by the Corporation for their benefit
22 this year, but this schedule is our best effort to indicate

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1 to you where carryover funds are and what we have done with
2 them to date this year.

3 Mr. Richardson, did you wish to supplement that?

4 MR. RICHARDSON: No, sir, only that this was just,
5 again, prepared for -- not necessarily consideration, but
6 just to show what the Board did recommend at the last
7 meeting.

8 CHAIRMAN DANA: Okay. Is there something that we
9 should do under Item 3 other than just report on this at this
10 time?

11 MR. RICHARDSON: Not at this point. There has
12 been, of course, as you are aware with the Competition Task
13 Force and committee there, chaired by Mr. Rath, there is
14 \$977,000 that is available for Board initiatives. There has
15 been some discussion with his committee that they will need
16 upwards to \$1.3 million. I'm not sure if that has been
17 solidified now or not.

18 They are meeting in the morning, and it could be
19 that they will make a recommendation out of that committee
20 meeting tomorrow.

21 CHAIRMAN DANA: Well, then, that is really sort of
22 the direction in which I was moving. If, in fact, their

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1 recommendation is that we find an additional \$323,000 or
2 \$423,000, the third column is a place to find it, and that is
3 really what this schedule purports to indicate.

4 MR. RICHARDSON: That's correct, sir.

5 CHAIRMAN DANA: It's not the only place, but it is
6 a place.

7 MR. RICHARDSON: That's correct.

8 CONSIDERATION OF FISCAL YEAR 1992

9 CONSOLIDATED OPERATING BUDGET

10 CHAIRMAN DANA: If there is nothing else, we will
11 move on to Item 4, consideration of Fiscal Yyear 1992 COB, or
12 consolidated operating budget. My understanding is that at
13 the last meeting, Mr. Richardson, we adopted a M&A budget and
14 recommended that to the Corporation, to the Board, and it
15 adopted our budget, but we neglected, as we did last year, to
16 adopt a full COB which incorporates that amount.

17 MR. RICHARDSON: That is correct, sir.

18 CHAIRMAN DANA: And I think the proposed COB is on
19 Page 14? Is that correct?

20 MR. RICHARDSON: Yes, sir, it is.

21 CHAIRMAN DANA: And I understand it is your
22 recommendation that this committee adopts as the consolidated

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1 operating budget the fourth column?

2 MR. RICHARDSON: That is correct, sir. We may want
3 to refer to Page 13. In particular, there is one item, that
4 we intend to transfer, which is in column 2 on page 14, but
5 which will explain it, and that is, under the column 2
6 explanation, and that is the transfer between the basic field
7 programs and the Native American program, the D&A Peoples'
8 Legal Services of New Mexico, San Juan County.

9 There was a legal service provider there in the
10 early '80s. That program gave up their grant, so the D&A
11 People's Legal Services have, through the last ten years,
12 requested that money; however, they ask that it be earmarked
13 as Native American money, not basic field. So, we have done
14 that for them.

15 Also, there is the money of the United States Court
16 of Veterans Appeal, \$950,000, that will be funneled through
17 the courts to Legal Services to set up pro se or to help the
18 court in their -- to get attorneys before the court to
19 alleviate the pro se problem that they do have.

20 Those are incorporated in column 2, and, of course,
21 what we just went over with the allocation of carryover
22 before is just a copy of that information, the way the Board

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1 recommended the allocation at the last meeting.

2 CHAIRMAN DANA: Are there questions concerning the
3 proposed COB of Mr. Richardson?

4 MR. UDDO: This Court of Veterans Appeals Funds, is
5 there anything else that we are supposed to do other than put
6 it in the budget?

7 MR. RICHARDSON: We have been having meetings this
8 past week. We have met with Judge Nebaker, Judge Kramer,
9 Judge Steinberg, who were instrumental in getting this money
10 funneled through the Legal Services Program. We have also
11 met with our Veterans Support Center, and we have met with
12 both House and Senate personnel.

13 Judge Nebaker, along with Judge Bailey, will be
14 before the full Board tomorrow at 10 o'clock to discuss these
15 funds. We are on a very tight time schedule. We have to
16 actually report by May, the middle of May, as to how we are
17 in the process of making these grants. We have to report to
18 both House and Senate on these funds, as to how we are using
19 them.

20 MR. UDDO: So, we've got to put it in the COB for
21 FY 92 but then there is more than needs to be done. It
22 hasn't been decided yet how those funds are going to be

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1 administered, or spent, or --

2 MR. RICHARDSON: That is correct, sir.

3 MR. UDDO: I guess tomorrow we will talk more about
4 that.

5 CHAIRMAN DANA: Yes. This is, as they say, news to
6 me. Is a committee dealing with this?

7 MR. RICHARDSON: An internal committee of the
8 Corporation right now is reviewing the different options,
9 discussions with the judge, and all the different players
10 involved. We are actually bringing in additional people in
11 the next week who are players in this process.

12 CHAIRMAN DANA: Mr. President.

13 MR. O'HARA: Yes. Thank you, Mr. Chairman.

14 As David has indicated, we have met with the three
15 judges from the Veterans Court, and we have met with the
16 representatives of the Veterans Organization, and we have met
17 with the key staff from the House and Senate Appropriations
18 Committee and discussed with them the origins of this, and
19 where they expect the money to go, and there is some
20 difference between them, and we are working to reconcile
21 this.

22 Friday night at about 5 o'clock I received a

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1 memorandum of understanding from Judge Nebaker to look over,
2 and we will work with that, and we will probably sign that
3 some time this week, and we will continue our meetings with
4 them and will keep the Board informed on that.

5 CHAIRMAN DANA: Mr. Uddo?

6 MR. UDDO: That's fine.

7 CHAIRMAN DANA: Thank you.

8 With that explanation, is there a motion that we
9 adopt the COB as set forth on page 14 and as supplemented by
10 the matrix that we normally adopt for the M&A line?

11 M O T I O N

12 MS. WOLBECK: So moved.

13 MR. UDDO: Seconded.

14 CHAIRMAN DANA: Any further discussion?

15 (No response.)

16 CHAIRMAN DANA: All those in favor, say aye.

17 (A chorus of ayes.)

18 CHAIRMAN DANA: Opposed?

19 (No response.)

20 CHAIRMAN DANA: It's a vote.

21 CONSIDERATION OF FISCAL YEAR 1993 BUDGET REQUEST

22 CHAIRMAN DANA: Now, the next item on the agenda is

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1 Item 5, and it is the -- other than the consideration of
2 Micronesia, it is the consideration of a recommendation to
3 the full Board for a budget mark for 1993, and I am not sure
4 how best to proceed with this.

5 It does seem to me that -- and I would be
6 interested in the committee's feelings on this. The
7 Provisions Committee has devoted the last couple of hours to
8 dealing with three aspects of our assignment: the concept of
9 innovative grants, the concept of a lawyer recruitment
10 fellowship program, and the concept of client training and
11 self-help generically.

12 But this committee has devoted little time to a
13 sort of more basic question, which is the level of funding.
14 We are at approximately \$350 million down and the
15 recommendations that have been made by various Board members
16 that are set forth on pages 17 through 21 talk in terms of
17 overall funding levels of 525, 500 million, 418, 402, and
18 395.

19 And at least speaking for myself, I think the
20 general level of funding is one issue, and then, depending
21 upon how that is resolved, I would be progressively more
22 receptive to new and innovative -- new programs if we are

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1 -- the more we are requesting Congress for.

2 In other words, if we are requesting Congress for,
3 hypothetically, a 2 percent rise in the overall program, so
4 we would go to, say, 360 -- 357 million, I would not favor --
5 I would want the whole 2 percent to go to the field programs.

6 And I do think that there is something to be said
7 for focusing on the big number and deciding on, if we can,
8 what our committee is recommending in that area, and then
9 deciding, having decided that, how much -- or whether or not
10 we favor any of the recommended smaller sums.

11 How does the committee feel about that, or other
12 Board members?

13 MR. WITTGRAF: Mr. Chairman?

14 CHAIRMAN DANA: Yes.

15 MR. WITTGRAF: I think I agree with your last
16 comment about trying to look at the overall range or
17 percentage or amount of increase first from the 350 to
18 whatever, because I think when the Congress grapples with our
19 budget they are going to pay less attention to the specific
20 line items and more attention to where the overall amount
21 fits into the reconciliation that will necessarily have to be
22 done by the House Appropriations Subcommittee, by the Senate

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1 Appropriations Subcommittee, and then probably by the two
2 subcommittees when they get together for sort of a final
3 reconciliation.

4 So, I think it probably would behoove you and the
5 committee to begin with a discussion of what kind of overall
6 expansion we are prepared to recommend, you as a committee
7 and then the Board as a whole.

8 CHAIRMAN DANA: Members of the committee, do you
9 have views that you wish to share with us at this time, or
10 would you like to have some discussion on the subject, public
11 comment on this issue? I know we have heard from PAG, NLAVA.
12 Would anyone else, the public, like to speak to us on the
13 subject of the overall request?

14 MR. UDDO: What is our schedule on this, Mr.
15 Chairman?

16 CHAIRMAN DANA: We are going to -- I hope to be in
17 a better position to make a recommendation to the Board
18 tomorrow and vote tomorrow. We have put this off for two
19 meetings, and about a month ago we decided that we would wait
20 and make this decision today.

21 MR. UDDO: When you say that, do you mean the
22 bottom line figure or the whole proposed budget?

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1 CHAIRMAN DANA: I meant the whole.

2 MR. UDDO: Do we have to have the whole budget
3 tomorrow?

4 The reason I ask is that, I mean, I think there are
5 some things in here that are going to take a little more time
6 to figure out, even if we do decide on a budget mark or a
7 bottom line figure.

8 It seems that there are some things in here that it
9 is going to be difficult to plug figures into because some of
10 them are very new, for example, the Reggie Loan Forgiveness
11 Program, which is something I support.

12 But I have no idea why the figure \$5 million is the
13 figure that should be in there, whether that is way too
14 little or way too much, and I think on some of these new
15 things, we have a real difficulty trying to put a figure in
16 there, unless we just admit we are plugging numbers in, and
17 we are going to change them somewhere down the line.

18 CHAIRMAN DANA: Well, that was one of the reasons
19 that the Provisions Committee met from 1 o'clock until 4:30,
20 to deal with -- to obtain some of that evidence.

21 I am not sure, Mr. Chairman, that you -- are you in
22 a position to give us much guidance on -- I guess you are in

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1 one respect. Why don't I ask you to report on the
2 deliberations of your committee, both as to what you are
3 recommending or what the sense of your committee is.

4 MR. WITTGRAF: Mr. Dana, may I comment before Mr.
5 Hall?

6 CHAIRMAN DANA: Certainly.

7 MR. WITTGRAF: A general comment in response to the
8 question raised by Mr. Uddo. I think the discussion we had
9 at our last Board meeting in December, together with our
10 controller, Mr. Richardson, and with the president, Mr.
11 O'Hara, was that if we were looking for a significant
12 increase and did not signal such by at least giving the gross
13 or total figure to the staffs of the House and Senate
14 Appropriations Subcommittees soon, that we might have left
15 ourselves at a substantial disadvantage, and that we do need
16 to send at least the gross figure signal as soon as possible,
17 that meaning after the conclusion of our Board meeting
18 tomorrow.

19 In turn, we don't have to appear with specific line
20 items before the Appropriations Subcommittees until probably
21 March and April, and there will be time, perhaps, for
22 further refining of the line items that make up the gross

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1 budget.

2 So, I think while it would be possible, perhaps,
3 for your committee to complete its work today, and for the
4 Board to complete its work in this area tomorrow, I don't
5 know that it has to be done line item by line item, but I do
6 think it behooves us to do it as to the gross figure, as to
7 the total figure.

8 CHAIRMAN DANA: I share your assessment. I think
9 it is always easier to support the whole if you understand
10 what the components are, but if we can't get to the building
11 blocks, then we can assess what the general, broad outlines
12 of the building look like, I think that's -- I think you are
13 correct that that will be helpful to the committees.

14 But by the same token, it is my hope that we can
15 -- recognizing that we can change and adjust at any time, I
16 think it would be helpful if we could point towards having a
17 recommendation with as much detail as possible.

18 MR. WITTGRAF: I share your opinion that our
19 colleagues are going to want to know why we get to a
20 particular point, and we need to have approximations of
21 increased funding for certain things.

22 And then it would be possible to either make

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1 changes or final decisions any time before we have to appear
2 before the Appropriations Subcommittees, unless either Mr.
3 Richardson or Mr. O'Hara have different insights into the
4 plans of the subcommittees and their respective staff
5 members.

6 CHAIRMAN DANA: The president has just called
7 something to my attention which you, Mr. Chairman, may
8 already be aware of, but the House Appropriations Committee
9 has requested you and the president to appear before them on
10 or about Wednesday, March 25, 1992, at 2:00 p.m., and
11 substantially in advance of that they would like to know what
12 it is we are recommending.

13 The Senate Committee, I think, typically takes that
14 up after, but that I think well in advance of that meeting we
15 produce the big book, so --

16 MR. WITTGRAF: I suppose there would be a
17 possibility of doing further work on line items for Board
18 approval at the February meeting while still giving three to
19 four weeks' lead time to the staff prior to the presentation
20 we make.

21 CHAIRMAN DANA: I think that's right.

22 Yes, Mr. O'Hara.

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1 MR. O'HARA: Thank you, Mr. Chairman.

2 This had not been discussed with the chairman
3 because it was given to me Friday afternoon. And this
4 request was made on Thursday. We have not confirmed this as
5 a definite date to you until we had a chance to discuss this
6 with you, and with you.

7 CHAIRMAN DANA: Okay.

8 MR. RICHARDSON: If I might add, one of the things
9 that the staff of the House does ask us to do is to have the
10 budget document in their hands two, three weeks in advance.
11 They prefer longer, but they can operate if we can get it in
12 that time frame.

13 CHAIRMAN DANA: Mr. Hall.

14 MR. UDDO: Mr. Chairman, I have a question that may
15 help me a little bit. And I know the proposals aren't
16 identified by who made the proposals, but let's just work
17 with Proposal 2 for a second, because if I'm not mistaken,
18 that's the chairman's proposal.

19 CHAIRMAN DANA: You are correct.

20 MR. UDDO: All right. Are your proposed increases
21 for existing programs based on a percentage, or is there some
22 other rationale?

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1 CHAIRMAN DANA: There is another rationale.

2 MR. UDDO: All right.

3 CHAIRMAN DANA: The way my recommendation was
4 developed was to -- the bottom line was one restraint,
5 namely, \$500 million. I then determined I wanted something
6 for Board initiatives. I wanted something for innovative
7 grant proposals. I wanted moneys for a Reggie program, which
8 is the \$5 million. And I wanted \$1 million for client
9 advocacy.

10 MR. UDDO: Well, I guess my question is this.

11 CHAIRMAN DANA: And after that, the remaining funds
12 were allocated between the various programs on a
13 proportionate basis, so that it -- Mr. Richardson can
14 probably tell you what it represents, but if you took --

15 MR. UDDO: So, basic field programs go up the same
16 percentage as Native American programs and component?

17 CHAIRMAN DANA: Correct, across the board.

18 MR. UDDO: Across the board for all the field
19 programs other than innovative grants, which is new?

20 MR. RICHARDSON: That's correct. The percentage of
21 increase was 41.8 percent. We did limit the special
22 emergency grants, leaving that at \$500,000. That did not get

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1 a --

2 CHAIRMAN DANA: That's correct, and the special
3 contingency at the bottom.

4 MR. RICHARDSON: That's correct.

5 MR. UDDO: All right, and supplemental service
6 provision, at least law school clinics and supplemental field
7 programs existed before, so were they increased the same
8 percentage precisely?

9 CHAIRMAN DANA: Precisely.

10 MR. RICHARDSON: Yes, sir.

11 MR. UDDO: I thought Mr. Richardson was going to
12 give a longer answer than that.

13 MR. UDDO: All right, and then training and
14 technical assistance -- National Resource Training Center
15 aside, because that may or may not be a one-time thing --
16 regional training centers went up the same percentage?

17 MR. RICHARDSON: Yes, sir.

18 CHAIRMAN DANA: Yes.

19 MR. UDDO: And all the support lines except for
20 national client advocacy?

21 MR. RICHARDSON: That's correct, sir.

22 MR. UDDO: How about management administration?

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1 MR. RICHARDSON: That went up 22.8 percent, again,
2 settling on the bottom line, which is repeated in each of
3 these proposals of \$12 million for management administration
4 without carryover.

5 MR. UDDO: And what about Board initiatives?

6 MR. RICHARDSON: The Board initiatives went up 50
7 percent, 53 percent, realizing that again we are looking with
8 the Board initiative money, Mr. Rath's committee was looking
9 to spend approximately 1.3 this year, realizing that there
10 would be additional money needed for next year, that was
11 rounded to 1.5 million

12 MR. UDDO: All right. Mr. Chairman, in your Board
13 initiatives, do you have some things earmarked there?

14 CHAIRMAN DANA: I don't.

15 MR. UDDO: I notice Proposal 1 does.

16 CHAIRMAN DANA: Proposal 1 does, and there is even
17 the consideration of a 1A.

18 MR. UDDO: I'm sorry?

19 CHAIRMAN DANA: Proposal 1 has a larger amount for
20 Board initiatives. As you can see, it is 3.7 million as
21 opposed to -- actually, 3.7 plus the one up in 1A5 for
22 innovative grants -- do you follow me there?

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1 MR. UDDO: Yes, but you've got that on 2.2., for
2 two million.

3 CHAIRMAN DANA: That's correct, so if you look at
4 Proposal 1, it has one million plus 3.7, or 4.7, and Proposal
5 2 has two million plus 1.5 or 3.7.

6 MR. UDDO: All right.

7 CHAIRMAN DANA: Okay, so it's --

8 M.R UDDO: But, now, what sort of things are in
9 your Board initiatives, the same ones listed in One, or
10 others?

11 CHAIRMAN DANA: I have unspecified in mine. I
12 assume it is - my assumption is, that is for the Board to
13 decide. My belief is that much of the money would go for an
14 extension of the competition effort that is going on this
15 year. We are not -- I think that is more than a one-year
16 undertaking.

17 I am supportive of the Proposal Number One as well.
18 Those are fine. I guess what I am saying is, I am not
19 arguing against Proposal 1. It may be more -- it may be
20 better to be specific as to what is intended rather than this
21 vague number that is contained in Proposal 1 -- Two.

22 MR. UDDO: On that specific point, Mr. Chairman,

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1 and I want to clarify for anybody who is looking at the book
2 here that Proposal 1 does reflect my thoughts with the
3 assistance of Mr. Richardson in compiling the data.

4 That is, we approach the Congress both in terms of
5 some of the reasons for additional funds and in terms of
6 responding to some of its concerns with Legal Services
7 programs generally. I do think that those Board initiatives
8 are important both to highlight the areas that we are
9 addressing and to highlight the fact that Board oversight
10 will be involved in those areas and that the Board recognizes
11 them as areas of special concern.

12 CHAIRMAN DANA: Would it make sense to put the
13 innovative grant in IA5, which is one million in your
14 proposal and two million in mine, would it make sense to put
15 it down under Board initiatives?

16 MR. UDDO: I was going to ask what is contemplated
17 by innovative grants proposals, and maybe the answer would be
18 yes, but I am not sure exactly what is included in that.

19 CHAIRMAN DANA: All right. At this point, if the
20 chairman of the Board will permit me, I would like to ask the
21 chairman of the Provisions Committee to report, since they
22 have spent much time discussing just that question.

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1 MR. HALL: Thank you, Mr. Chairman.

2 First, I am grateful that many of you all were
3 present when all our discussions went on, so I know that you
4 have that head start. We discussed the unsolicited proposals
5 along with innovative grant proposals, and, of course, the
6 unsolicited proposals are those that come into the
7 Corporation, such as -- there was one from AKA, and I always
8 have to ask Charlie what that stands for.

9 But basically that was a proposal where some of the
10 major corporations would direct their young lawyers to donate
11 pro bono time to various causes, and they had a grant of,
12 say, \$44,000, somewhere in that area, to do that, I think in
13 1989, as an example of that.

14 And there were some other examples. Innovative
15 grant proposals, Howard, I am not sure what would be a good
16 example of that. I think the thinking on that, though, was
17 that in the field -- of course, our dollars are stretched as
18 far as they can be at the time, and if there is any way to
19 stretch them further, we want to do that, of course.

20 And in the field, at least my viewpoint is that
21 there has got to be some folks out there that can see some
22 good ways, some new programs, some innovative ways to stretch

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1 the dollars and serve the poor.

2 But they don't come forward because they don't
3 think that there is seed money there, or maybe they don't
4 think about it any further because they think, well, you
5 know, it is going to take this much money to do this, and it
6 is not available, and the purpose is to make that money
7 available, to make those ideas come forward.

8 And I suppose you would call it experimental, but I
9 mean, I think it will happen. Maybe the ideas will be bad,
10 but in my opinion, I think the ideas will be good.

11 So, that is the best I can define the innovative
12 proposal for you.

13 MR. UDDO: How is that handled now?

14 MR. HALL: I don't think that unsolicited --

15 CHAIRMAN DANA: Well, it is our understanding that
16 for those programs who -- for those people who know that
17 there is money at the Corporation, people have submitted
18 grants, and last year, for instance, we had, I think, 49 or
19 50 grants that just came in over the transom, and three were
20 funded.

21 And one of the things was, one of the efforts that
22 management is working on is to develop a structure, some kind

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1 of a set of guidelines or principles or policies that govern
2 this process, so that everyone will know what the rules of
3 the game are, and that would presumably govern this concept,
4 these funds as well.

5 At least it is, speaking for myself in Proposal 2,
6 the innovative grant proposal idea is to provide some
7 flexible money, so that programs that are struggling with
8 making ends meet, if they have an idea that they would love
9 to try to improve legal services for the poor but they just
10 don't have the money for it, to make application and to have
11 some sum of money that the Corporation will award for
12 meritorious grant applications on a one-time basis.

13 And as I indicated, I would not be in favor of this
14 except in the context of a substantial increase in funding.
15 If we do have a substantial increase in funding, I think we
16 ought to encourage creativity and innovation through this
17 method.

18 MR. UDDO: When you say a program out there, you
19 are not necessarily suggesting that it would be limited to
20 existing grantees. If someone had a proposal for a grant
21 that was not an existing grantee, I assume they could make
22 the proposal.

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1 CHAIRMAN DANA: That also was discussed, and I
2 think it was the -- I sensed it was the opinion of the
3 provisions committee that that was true, that it need not be
4 a grantee. I think that the guidelines would have to deal
5 with that issue, and you are correct, and frankly, that is
6 the reason that I wasn't at all sure that it belonged up
7 under the field program line.

8 MR. UDDO: I was going to suggest it has to be a
9 line to itself, and I'll tell you why, because it may not be
10 a field program. It could be in the area of supplemental
11 services. I don't see nay reason why a law school clinic
12 couldn't apply for such a grant. I don't see why a support
13 center couldn't apply for such a grant.

14 So, it really doesn't fit into any of the existing
15 lines. It seems to me that if we are going to do it and
16 there's going to be a substantial increase in funding to
17 justify doing it, it probably needs to be a separate line so
18 that proposals could be directed toward that money from any
19 part of legal services, field programs, support services,
20 supplemental services, whatever, because somebody has a good
21 idea that they can persuade the Corporation would be helpful.

22 CHAIRMAN DANA: Would you think that under IIIB,

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1 under Board initiatives, is the place to put it?

2 MR. UDDO: I guess the only problem with that is,
3 it looks like the Board is going to make the decisions, and I
4 don't know if that is going to ultimately be the way we
5 decide it should be done.

6 CHAIRMAN DANA: No.

7 MR. UDDO: I mean, I think the staff ought to be
8 preparing some mechanism for doing this that the Board will
9 ultimately approve, but I don't know that we want to be in
10 the business of -- do you want to tell me something? Okay.

11 CHAIRMAN DANA: No.

12 MS. deBETTANCOURT: There was always a line C,
13 program development, that, I mean, in prior years there was
14 some money left in there. There's a possibility that --

15 MR. UDDO: But it hasn't appeared on our
16 consolidating operating budget, has it, or our proposed
17 budget?

18 MS. deBETTANCOURT: Well, it is in the consolidated
19 operating budget. You might want to use another name, but --

20 MR. UDDO: Oh, it is B.

21 MS. deBETTANCOURT: You can have IA, B, and C.

22 MR. RICHARDSON: The reason it does not appear now

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1 is, the Board, of course, has not requested new money in this
2 line for a number of years.

3 MR. UDDO: All right, then, let me ask you a
4 question. The fact that it appears as IB, does that limit it
5 to delivery of legal assistance and not support or something
6 else?

7 MR. RICHARDSON: I would think not.

8 MR. UDDO: Charlie, do you want to -- I mean, why
9 don't you come up to the table. I want to --

10 MR. RICHARDSON: I know you are concerned, there.
11 Perhaps maybe it wouldn't hurt to -- you've got your delivery
12 of legal assistance, support for the delivery of legal
13 assistance -- to create three in there.

14 MR. UDDO: I think maybe that's the smartest thing
15 to do. I am just asking, has the tradition been that you
16 didn't feel like it was limited to just direct delivery of
17 legal services when worthwhile proposals came in?

18 MR. RICHARDSON: Well, this type of money has been
19 -- the \$300,000, of course, has been sitting there for the
20 timekeeping. Other things that were funded there -- this is
21 where the law school clinic money was originally appropriated
22 to.

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1 MS. deBETTANCOURT: It was originally Line 4
2 innovations, at some point.

3 MR. RICHARDSON: That's true. Originally, there
4 was an entire office for program development. I can see your
5 point, that it is under legal assistance.

6 We have never operated in the past with any of the
7 unsolicited grant proposals in such a way that would mean
8 that a national support center could not apply for and
9 receive one, but then there has really never been a separate
10 sum of money. We have always basically tried to fund it out
11 of whatever lines exist at that time.

12 MR. UDDO: Well, then, I would suggest that we make
13 it a separate line.

14 CHAIRMAN DANA: Fine. Do you have a
15 recommendation?

16 MR. UDDO: Well, you could make it III and call it
17 innovative grants, and corporate management could become IV.
18 But, I mean, I think it should be clear that if we approve
19 this, that it is something that is really open to anyone who
20 has a meritorious grant for any part of Legal Services'
21 system.

22 And this is purely dictum, but I am not in favor of

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1 starting a whole new office to do that. I think the money is
2 not well used if we are just going to start up a whole new
3 office, and, you know, a big chunk of it have to go to
4 supporting a new office. I really think this should be
5 flexible, and as much of the money as possible should go
6 towards the grants and not the administration of a system to
7 receive the grants.

8 CHAIRMAN DANA: I would observe that I think that
9 is clearly the intent, although that is a perfect segue for
10 me to make the following observation.

11 If we were to do all of the things we have
12 proposed, and if we were to substantially increase funding,
13 we would have to reflect that -- we'd have to go back and
14 make sure that we had adequately staffed the Corporation to
15 handle all of these various endeavors.

16 I mean, we are becoming -- the Corporation is
17 becoming, I hope, more of a change agent than it has been for
18 a decade, and we can't do that without recognizing that that
19 is imposing substantial burdens on the wan faces that are
20 there before you. So they are going to need some help, and
21 hopefully our commission will -- I mean, our Board will
22 recognize that.

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1 I think we have indicated a 22 percent increase in
2 management, and much of that is to be used for that purpose.

3 MR. MOSES: And I was just going to add that even
4 when there was a separate program development line, none of
5 that was used for corporate administration. It was all for
6 grants. All the office administration was done through the
7 corporate management administration line.

8 MR. UDDO: All right. Well, I am just making that
9 as a suggestion, that that become a separate line.

10 CHAIRMAN DANA: Is the --

11 MR. UDDO: I guess I need to -- should I make it as
12 a motion?

13 CHAIRMAN DANA: Yes. Are we working -- for these
14 purposes, are you moving it on both Proposals 1 and 2, or
15 should we --

16 MR. UDDO: I would suggest that wherever it
17 appears, it be moved and treated as a separate line. I know
18 it is on 1 and 2. I think that may be the only places it
19 appears.

20 CHAIRMAN DANA: Certainly the author of 2 has no
21 objection. The author of 1, none?

22 MR. WITTGRAF: No. I would suggest, without undue

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1 pride of authorship, that probably working off 1 is easiest,
2 because I think it has --

3 CHAIRMAN DANA: More options.

4 MR. WITTGRAF: -- more options. Right. Regardless
5 of where the dollars end up --

6 CHAIRMAN DANA: Fine.

7 MR. WITTGRAF: -- that narratively, it has more
8 options.

9 MR. UDDO: All right, then, if we are going to work
10 with 1, I have some questions for the author of 1.

11 In your --

12 MR. WITTGRAF: Is he in order, Mr. Chairman? Is he
13 in order?

14 CHAIRMAN DANA: He is here, and you are talking.

15 MR. WITTGRAF: All right.

16 MR. UDDO: Perfect working order. I am in order.

17 CHAIRMAN DANA: He is in working order.

18 MR. UDDO: In B3, the difference between your
19 proposal and Number 2 is that you don't have the Reggie/Loan
20 Repayment Program. Is that a misprint, or is that a
21 different recommendation?

22 MR. WITTGRAF: I had the good fortune of being able

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1 to join our inspector general, Mr. Quatreveaux, and our
2 general counsel, Mr. Fortuno, for an hour-long discussion of
3 the IG function of the Corporation with two agents of the
4 General Accounting Office from approximately 3 to 4 o'clock.

5 So, I was present for much of, but not all of the
6 discussion that occurred regarding that item during the
7 earlier committee meeting. The conclusion I reached before
8 the end of that meeting was that a more appropriate narrative
9 description of that effort would be attorney recruitment
10 program rather than loan repayment program, that that is a
11 more generic description or term.

12 And that would allow the Board, with the president
13 and staff, more latitude in deciding in what ways, be it loan
14 repayment, be it an actual fellowship program, or be it
15 something else, could be done to recruit certain attorneys
16 and to direct them to areas of particular need.

17 MR. UDDO: Then I would move that we change B3 to
18 read, "attorney recruitment program," because, again, one of
19 my problems of having to vote on this right now, is, I mean,
20 \$5 million is just a figure, and I have no idea what we need
21 it for, how big a loan repayment program we would want to
22 attempt to undertake, whether Reggie grants would make sense,

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1 and how much that would cost.

2 So, I think we ought to try to keep it more generic
3 at this point, and I think we are going to have to really try
4 to flesh that out a little bit more specifically.

5 And even at that, then my next question is: How do
6 we come up with the figure \$5 million? Has there been any
7 -- did anything happen at Mr. Hall's meeting to try to be
8 specific about dollars?

9 MR. WITTGRAF: My rationale for that would be along
10 the line that when the Reggie program last existed in the
11 mid-1980s, approximately \$3 million a year was expended on
12 it, and that was for some 112 attorneys per year, that with
13 the increased cost of sending attorneys into the field, to
14 the East River Legal Services programs of the country, the
15 cost is greater, and that to send more or less 100 attorneys
16 into the field and to administer that effort would cost, on
17 average, \$40,000 to \$50,000. Hence \$4 to \$5 million.

18 I went with the \$5 million figure, because it was a
19 sort of round figure, but it is very much an approximation,
20 as your question suggests.

21 MR. UDDO: And you were talking in terms of loan
22 repayment program?

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1 MR. WITTGRAF: Yes, and it would be possible, for
2 example, to have 50 Reggies, which might cost a couple
3 million dollars, and then to have another two to three
4 million dollars to be utilized in a loan repayment program.

5 I do certainly share your general concern that by
6 the time the end of March and the first of April comes, Mr.
7 O'Hara and I and others need to be able to speak fairly
8 specifically to what it is we have in mind, even if we are
9 still only in formative stages of what it is we are trying to
10 or hoping to be able to do.

11 CHAIRMAN DANA: As we go through, I have changed
12 IB3 to read attorney recruitment program, and left the \$5
13 million in place.

14 MR. UDDO: All right.

15 CHAIRMAN DANA: Are there any questions -- are
16 there other questions of the author of Proposal 1?

17 MS. WOLBECK: Mr. Chairman?

18 CHAIRMAN DANA: Yes.

19 MS. WOLBECK: I guess it would be IVB3, the pro
20 bono project awards. Could you explain that?

21 MR. UDDO: I can explain that.

22 MR. WITTGRAF: The good professor and I discussed

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1 this, and I think as a direct result of our conference a
2 month ago and the breakout group in the morning that he
3 chaired on that subject, he had a proposal which I
4 incorporated into this.

5 MR. UDDO: Yes, the recommendation that came out of
6 the small session, one of the recommendations that came out
7 of the small session on pro bono activities was that the
8 Corporation should do some things to recognize outstanding
9 pro bono efforts, because it is something that we have said
10 we have supported for many years, and we have done some
11 things to try to support it but have not really focused on it
12 as something that we have given a lot of attention to or a
13 lot of recognition to.

14 My impression, at least from that session and other
15 experiences, is that there are some very effective and
16 innovative pro bono programs that are going on in the
17 country.

18 The ABA already has a pro bono conference at which
19 they give a national, highly regarded award, and I think that
20 the Corporation ought to tap into that and also give a
21 Corporation award for outstanding pro bono service by an
22 individual or a law firm or a grantee or whatever, and put a

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1 little money behind our admonitions to involve the private
2 bar and do more pro bono type activity.

3 MR. WITTGRAF: If I might, Mr. Chairman, add to
4 that briefly, we have over the last two years begun to give
5 25 year service recognition awards at the annual conferences
6 we have held, as well as, for the first time this year,
7 humanitarian awards, and at our conferences late each year,
8 September, October, November, December, whenever, would be
9 able to present those awards to the recipients.

10 And I guess if we look back on the comments that
11 Mr. Dana made at the beginning of the conference in St.
12 Louis, talking about \$2.5 billion being needed annually,
13 either in actual dollars or in services provided voluntarily
14 to meet the legal needs of the poor in the country, and the
15 federal government being able, at most, to provide more or
16 less \$500 million if they were to follow this line of
17 thinking, that it just underscores how important the
18 provision of pro bono services is, that we have to generate a
19 half-billion or a billion dollars worth of pro bono services
20 across the country, and that we need to do what more we can.

21 Besides the 12.5 percent requirement that every
22 grantee has, we have to do more, if we can, such as

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1 recognition, to stimulate the provision of pro bono services
2 to recognize those who are doing an exemplary job and hoping
3 that those examples can then be used as models for other
4 parts of the country.

5 Thank you, Mr. Chairman.

6 CHAIRMAN DANA: You are welcome. Other questions
7 of the author?

8 MR. UDDO: Well, I would like to -- and I have
9 discussed this with the author, under IIIB --

10 MR. WITTGRAF: Now IVB.

11 MR. UDDO: Now IVB. That's correct, now IVB.

12 Under Board initiatives, I would propose that we add a line,
13 which I guess would become Number 3, called timekeeping
14 initiatives, and the reason for that is that I believe that
15 if we are going to have such a significant increase in the
16 budget, I think that this group of initiatives here are all
17 things that we really need to apply some resources and some
18 time and attention to, make some progress with, and succeed
19 in implementing.

20 For me, at least, that is sort of a quid pro quo,
21 that we get the kind of cooperation that we need to make all
22 these things work.

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1 I don't think there will be any better sense of the
2 good faith of the Board than proposing a budget mark of this
3 size or anything close to it, and I think that the corollary
4 to that should be a greater willingness to work with the
5 Corporation to see that competition initiatives, what Mr.
6 Wittgraf calls consolidation initiatives, which I think I
7 understand.

8 He may want to say a few words about -- and
9 timekeeping initiatives ought to have the support of the
10 filed, now, to make some progress in those areas, and
11 actually achieve some effective implementation of those
12 things.

13 So, I think timekeeping is one of those things
14 that, for my time around here, has always been held back by a
15 suspicion that the Board -- and it wasn't this Board, but
16 prior Boards -- had ulterior motives or nefarious schemes in
17 mind, and prior Boards may well have had those, but I think
18 this Board has demonstrated that it doesn't.

19 And I think timekeeping is one of those things that
20 is hard to oppose in some form, because I think as a
21 management tool and as a way of gathering information, it is
22 something that is useful. A lot of programs already do it,

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1 and do it very well and very successfully. And I think that
2 we ought to be able to achieve some cooperation to finally
3 get that done.

4 I mean, as Mr. Richardson said, that \$300,000 has
5 been in that budget line year after year under the rubric of
6 timekeeping, and it is about time, I think, that we take it
7 and do something with it. In fact, we are expanding the
8 amount of money here, because I would think that -- let's
9 see. We don't have an amount of money.

10 I mean, I think at least the \$300,000 that has been
11 perennially there would be the minimum, and probably as part
12 of this overall proposal I would suggest \$500,000.

13 CHAIRMAN DANA: Okay, and you would insert that
14 as --

15 MR. UDDO: B3, and make -- 3 and 4 would then be 4
16 and 5.

17 CHAIRMAN DANA: All right. I take it you -- this
18 is the first really substantive addition to that proposal.
19 Does the author of the proposal accept it?

20 MR. WITTGRAF: Thank you, Mr. Chairman. I do
21 concur in all of the remarks made by Mr. Uddo, and as he
22 indicated, he and I did discuss this briefly during the week.

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1 I do think it is very important politically, and I think it
2 may be important substantively.

3 I think, just going to the comment that the
4 chairman made earlier when Mr. Moses and Ms. deBettancourt
5 were in front, for me, at least, as I look at what are now
6 IVB2 and IVB3, consolidation initiatives and timekeeping
7 initiatives, there is only so much that our staff can do
8 without being expanded greatly in size, and I don't know that
9 I am necessarily looking at a great expansion any more than
10 the president is or the other members of the Board are.

11 In those two areas particularly, I would be hoping
12 that it would be possible to put out a request for proposals
13 or request for bids from the field, and that they in their
14 different ways would undertake consolidation, would undertake
15 timekeeping models, and would, through those efforts, not
16 only accomplish something in their given service areas, but
17 would give us models that we would then be able to share with
18 the programs across the country.

19 So, as important as this is politically and
20 substantively, I hope that some of these things, particularly
21 those two sets of initiatives, would not be unduly burdensome
22 to the existing staff of the Corporation.

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1 Thank you.

2 CHAIRMAN DANA: Thank you.

3 MR. HALL: Mr. Chairman.

4 CHAIRMAN DANA: Yes.

5 MR. HALL: If I may, I am not positive where the
6 innovative grants has been moved to.

7 MR. UDDO: III.

8 MR. WITTGRAF: Just above what used to be III,
9 which has been changed to IV. It is just one line.

10 MR. HALL: Mr. Richardson suggested that I also
11 inform the committee that the Provisions Committee had
12 recommended \$1.5 million, whereas there is \$1 million on this
13 one.

14 As you that were here know, we had some discussion
15 on that, and why we came to 1.5 may have something to do with
16 the fact that the first proposal had one million and the
17 second one had two. I don't know. That's what we had
18 proposed. I don't suppose there is a great deal of --

19 CHAIRMAN DANA: Given the fact that that is a
20 recommendation from one of the most distinguished committees
21 this Corporation has --

22 MR. HALL: I hoped you would take that position.

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1 CHAIRMAN DANA: -- does the author of this proposal
2 wish to accept the 1.5 million, or do you want to hang in
3 with one?

4 MR. WITTGRAF: I certainly have no objection to the
5 1.5. I think once we get some of these concepts in here,
6 which is what we are doing now, undoubtedly we will be
7 juggling numbers, but I certainly think there is merit for
8 that.

9 The substantive merit, as I understand it from this
10 afternoon's discussion, is that those proposals average
11 something in the neighborhood of \$50,000 each; 100 or 150 of
12 them would mean \$1 million or \$1.5 million. And I think
13 there is justification based upon what we know about
14 innovative money requests when seemingly there wasn't even
15 such a thing.

16 Getting up to 50 per year suggests, as I believe
17 Ms. DiSanto indicated this afternoon, that there is certainly
18 potential for that number to get to 100 or 150, and either of
19 those numbers make sense to me, Mr. Chairman.

20 CHAIRMAN DANA: I take that as an acceptance of the
21 committee's recommendation.

22 MR. UDDO: When we get to numbers, I mean, I am

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1 going to suggest something different on numbers. I agree
2 with Mr. Wittgraf that we are trying to make some conceptual
3 changes and agreement on the various lines, particularly the
4 new ones that are appearing in this proposed budget.

5 So, I don't want anything I have said so far to be
6 taken as an endorsement of the numbers on Proposal 1. I am
7 just dealing with the --

8 CHAIRMAN DANA: I think it is fair to say that
9 nobody is estopped to take any position at any time. And I
10 didn't understand you to be --

11 MR. UDDO: And it has never stopped us in the past.

12 CHAIRMAN DANA: No, and consistency is not
13 required, either.

14 MR. UDDO: Okay. I have another -- I guess it's a
15 comment. The B5 line description on Proposal 1 to me is far
16 preferable than the one on Proposal 2.

17 CHAIRMAN DANA: I'm sorry?

18 MR. UDDO: IIB5. Client training/self-help
19 program. As I said at the end of the last -- I didn't
20 attend the whole meeting, but I would have no problem
21 supporting a line item to give some assistance to clients,
22 particularly in client training and self-help programs, but

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1 as I said, I think that that is something that really ought
2 to be done through the local Boards, and I have a fundamental
3 problem with the creation of a national organization.

4 So, I would endorse the language of Proposal 1 in
5 referring to that line as client training and self-help
6 programs.

7 MS. WOLBECK: Mr. Chairman?

8 CHAIRMAN DANA: Yes.

9 MS. WOLBECK: Didn't we also talk about an amount
10 of \$300,000 there rather than a million?

11 CHAIRMAN DANA: That is correct. The Provisions
12 Committee recommended that the amount be \$300,000 rather than
13 a million. I would just like to, if I may, respond to Mr.
14 Uddo's expression of concern with a national clients
15 organization.

16 I don't share it. I think that there is much to be
17 said for having a communication vehicle, and to have
18 clients -- to have an expression of concern for clients, and
19 to be supportive of the idea of clients being an effective
20 advocate for their own interests and those of other clients
21 conceptually, but not to permit them to have an organization
22 is almost a, "Let them eat cake," -- I know this isn't what

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1 you intended, but it almost is a Marie Antoinette-type
2 approach.

3 Since we eliminated the National Clients Council,
4 the only thing that this Corporation has done for half a
5 decade has been to -- through six administrations -- has been
6 to try and spend \$45,000 on a client training video. It has
7 gone from pillar to post. Nothing has been done. We have
8 entirely -- we just haven't done anything on this subject.

9 And I believe that one of the reasons is, it has
10 been no one's problem. No one has pushed for it. The
11 project advisory group and NLADA are, although they have
12 client components, they are like the American Bar
13 Association, a lawyer-driven organization.

14 And I am not at all sure that a national clients
15 organization is necessary, but I do think that you need to
16 have some kind of a staff function in order to create a
17 viable advocacy group and training program.

18 MR. UDDO: Mr. Chairman, if I can, let me just
19 respond. First of all, I certainly don't agree with your
20 characterization that it is a Marie Antoinette attitude. It
21 is clearly not, and I don't agree with your characterization
22 that all we've done for clients is try to spend \$45,000 on a

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1 video.

2 I think what we have done for clients is
3 appropriate upwards of \$300 million a year to represent
4 clients who need legal services, and I sort of see that as
5 important and the major part of what we do.

6 I have just never been convinced that a national
7 client organization makes any sense when clients' problems
8 are local, and I think invariably what happens is, the
9 national organization begins to reflect a very small segment
10 of client concern, and I don't think that is in the best
11 interest of clients.

12 I would rather see money spent through local Boards
13 to help local clients with local needs. I think one of the
14 criticisms the last time we had this was that there was too
15 much of an abrogation of control at a national level and it
16 tended not to really reflect what all clients out there were
17 concerned about or interested in or had needs for.

18 So, I am not sure it is helpful for clients to have
19 a national organization. I think that if local Boards and
20 local control is the ideal that we have sought over the
21 years, I think it should apply to client needs and client
22 interests, too.

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1 So, I guess what that leaves us with is, we have
2 this rather awkward problem of trying to adopt a proposed
3 budget where the only thing of substance we really do is
4 change the names on the lines, because no matter what we put
5 here, something else has got to happen after we appropriate
6 the money.

7 We can call it whatever we want, but somewhere
8 along the line the staff has either got to put out a request
9 for a proposal to start an organization or propose some other
10 way to spend the money.

11 So, whatever you and I say today is not really
12 ultimately going to affect what happens, except to the extent
13 that something is implied by the name that we put on the
14 line.

15 Now, if we can come up with a more generic name,
16 like we did with attorney recruitment, that allows both of us
17 the chance to make our pitch to the Board as to how we think
18 that money ought to be used, I am happy to support that. You
19 want to call it client initiatives?

20 CHAIRMAN DANA: I am comfortable with client
21 training/self-help programs. I am comfortable with the
22 description. I just wanted to let you know that you were not

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1 -- I was not endorsing your non-Marie Antoinette views.

2 MR. UDDO: As you said, Mr. Chairman, I have never
3 taken silence around here as endorsement of anything anybody
4 says.

5 CHAIRMAN DANA: All right. That is fine. The
6 Provisions Committee recommended that this sum be reduced
7 from the princely sum of \$1 million to \$300,000. Does this
8 committee want to -- to my way of thinking, \$300,000 is
9 pretty modest for this.

10 MR. UDDO: Well, see, that, to me, affects a little
11 bit -- that sort of goes back to substance, because what I
12 heard at the Provisions Committee was the view that this
13 would be sort of support money or seed money for a national
14 organization, in which case \$300,000 may be fine.

15 If, on the other hand, my view would prevail, it
16 would not be sufficient, because I think you would want to
17 have a sum of money to give to local Boards to do some things
18 on the local level to help clients receive proper training
19 and support for self-help programs.

20 So, if it is going to be a national client
21 organization, \$300,00 may be more than enough. If it is
22 going to be a disbursement of funds to local Boards for

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1 client initiative or client training, client purposes, I
2 think a million is probably the better figure.

3 So, it is another one of those times where the
4 substance, which we don't know what it's going to be yet,
5 affects how much should be there.

6 CHAIRMAN DANA: We have the right, I assume, in the
7 future to move, some time between now and at least when we
8 talk to Congress, to move that sum around, so, unless I hear
9 to the contrary, we are comfortable with the title set forth
10 in IIB5, and --

11 MR. UDDO: And I am comfortable with leaving a
12 million there because I am going to try as best I can to
13 prevail on how I think it should be done, and if I would
14 prevail I think \$1 million would probably be the right figure
15 to spread some money to local Boards to do the kind of thing
16 that I am talking about.

17 But, if, in fact, I don't prevail, I would at that
18 time suggest that \$1 million is way too much to create a
19 national client organization, and I would make a proposal
20 that that be changed at the time.

21 Now, having said all of that, my proposal at this
22 point would be that we would adopt Proposal Number One with

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1 respect to the various titles of the lines that we have
2 talked about with the additions and the changes that we have
3 made, and then I would suggest that with the exception of
4 client training being agreed to be \$1 million, and
5 timekeeping initiatives agreed to be \$500,000, that the
6 numbers would be reworked to reach Proposal 2's bottom line
7 of \$500,000.

8 So, I guess what I am saying is, the line titles
9 that we have talked about in Proposal 1 with something closer
10 to the distribution of funds of Proposal 2, is what I would
11 suggest we would propose to the Board.

12 Now, I don't know the numbers. I mean, I guess
13 David would have to run some numbers to kind of scale down
14 the 525 to 500 with the only real constraint I can see is the
15 ones I said, 500,000 for timekeeping and a million for client
16 training, because those are the only two we have really
17 settled on.

18 CHAIRMAN DANA: Do you have a view on that?

19 MS. WOLBECK: I just have another question about
20 what the special contingency funds are.

21 CHAIRMAN DANA: That is a very good question.
22 Special contingency funds are something that we have this

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1 year in the budget, and they are -- they are available to
2 management without regard to the consolidated operating
3 budget. It is an amount of money that management can spend
4 for M&A functions without Board action.

5 In other words, if an emergency arises and they
6 have to do something and there is no money in the budget,
7 they can spend that, and it is really a contingency account
8 for management, just as the special emergency funds up under
9 IA4 are an emergency fund for management for field programs.

10 Other questions?

11 MR. RICHARDSON: Mr. Dana, if I might.

12 CHAIRMAN DANA: David. Mr. Uddo. Mr. Chairman.

13 MR. WITTGRAF: Yes, sir.

14 CHAIRMAN DANA: Mr. Richardson has asked to be
15 recognized.

16 MR. RICHARDSON: If I may, sir, we are looking at
17 two different proposals. One, scaling it back to the \$500
18 million. The Proposal 1 that you are working off of, there
19 is a slight difference from Proposal 2. Proposal 1 has
20 increased the delivery of legal assistance 50 percent. It
21 has increased the support for legal services 25 percent, so
22 there is a little difference in between 1 and 2. In working

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1 the figures back, we will need to address that.

2 MR. UDDO: I don't have any problem with those
3 proportions, myself. I think they make sense.

4 MR. RICHARDSON: The other thing that I have been
5 told by different Board members, some who are here, some who
6 are not, is that they feel that there should be a discussion
7 on IIA2, and that is the National Resource Training Center.

8 Some believe that the funds should continue.
9 Others feel that they should not. So I will leave that to
10 the Board to discuss at this point.

11 CHAIRMAN DANA: Well, thank you for bringing up
12 that ticklish subject.

13 MR. UDDO: I didn't overlook it.

14 CHAIRMAN DANA: No, I understand.

15 MR. UDDO: But he was silent, for once.

16 CHAIRMAN DANA: I have expressed my view to the
17 author of Proposal 1, and I am happy to defer to his judgment
18 as to the wisdom of funding this item, which we did not fund
19 last year, but which Congress in its wisdom chose to fund.

20 MR. UDDO: Mr. Chairman, perhaps we should just
21 refer it to the Board.

22 CHAIRMAN DANA: Well, let's certainly be consistent

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1 with --

2 MR. UDDO: Other courageous things we have done?

3 CHAIRMAN DANA: -- Profiles in Courage. Absolutely.

4 MR. UDDO: I am certainly prepared to be heard if
5 the chair wishes.

6 CHAIRMAN DANA: If the chair would like to make a
7 record of his support for this, I am sure we would be happy
8 to hear it.

9 MR. WITTGRAF: The chair is just as prepared now as
10 he would be in the future to speak to that line item, yes.

11 CHAIRMAN DANA: Would you prefer to defer, given
12 the time? Would you prefer to make your presentation
13 tomorrow in public session for all the world to --

14 MR. WITTGRAF: I am happy to do it now and again,
15 as often as the occasion arises.

16 MR. UDDO: Well, I would just as soon --

17 MR. WITTGRAF: Let me make a brief comment, Mr.
18 Chairman.

19 That particular item was added in the
20 Appropriations Subcommittee Conference Committee this past
21 fall and shortly before the recess of the Congress for the
22 year, as I recall. It was necessarily a very approximate

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1 figure, because it was an idea developed by Congressman
2 Smith, the House Appropriations Subcommittee Chair, and
3 others, late in the process.

4 My understanding after visiting with the director
5 of the law center at Drake University for which these funds,
6 I believe, were intended, and with the dean of the law school
7 each on a couple of occasions, is that some additional moneys
8 will be needed to complete the development of the center to
9 enable it to be a facility to be used by more groups on more
10 occasions and to be able to present more trial advocacy
11 institutes more than the one that is presented each year at
12 this time.

13 The 700,000 figure in my proposal is not absolutely
14 based on anything. My concern is that we, as a Board making
15 a recommendation, recognize that there will be an additional
16 need for some moneys -- perhaps it is 200,000, perhaps it is
17 500,000 -- and that we include those moneys so that when the
18 subcommittees and eventually the conference committee of the
19 subcommittees deliberate, that the inclusion of some moneys
20 there won't bump other moneys off other lines.

21 And I just think it makes more sense for us to
22 recognize the need for some additional moneys to complete the

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1 project that will be begun with these moneys rather than to
2 cause something to be arbitrarily cut in conference committee
3 later.

4 I can see where, depending upon the overall figure
5 that is used and on the line items that are used,
6 particularly for some of the new initiatives, that it may be
7 necessary to alter that figure somewhat, but I think that it
8 is only appropriate and responsible to put something in there
9 now.

10 CHAIRMAN DANA: I think it is going to have to be
11 reduced, because your bottom line is \$25 million higher than
12 what I am suggesting I would be willing to support, so I
13 think that it is going to have to be reduced to some extent,
14 right?

15 MR. WITTGRAF: If you are assuming you are going to
16 prevail, right.

17 MR. UDDO: I am assuming I am going to prevail.

18 CHAIRMAN DANA: I think it follows --

19 MR. UDDO: The chairman proposed the \$500 million
20 figure; how can I lose?

21 MR. WITTGRAF: Maybe he has changed his mind. I
22 don't know.

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1 CHAIRMAN DANA: Just as the rhetoric that we have
2 just heard is always persuasive when it comes from the
3 chairman, his request -- at some point I was going to call
4 for a second to your motion, and -- do you support the -- in
5 terms of the -- I understand that we are proposing to revise
6 Proposal 1 to make it, in effect, the committee's
7 recommendation.

8 MR. UDDO: Right.

9 M O T I O N

10 CHAIRMAN DANA: There is a proposal to, in effect,
11 hold the bottom line at \$500,000.

12 MR. UDDO: Million.

13 CHAIRMAN DANA: Five hundred million, to hold the
14 other numbers that we have discussed, and to adjust
15 everything else in a rational way consistent with this
16 proposal, so as to produce the bottom number.

17 MR. UDDO: Exactly.

18 CHAIRMAN DANA: Is there a second for that
19 recommendation?

20 MR. WOLBECK: I have said all along that I would go
21 with something close to that, but I think 495 sounds better
22 than 500, but yes, I can go with that.

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1 CHAIRMAN DANA: It has been moved and seconded. Is
2 there any discussion on just this item, namely, the amount,
3 from other Board members?

4 MR. UDDO: Mr. Chairman, what I am going to ask
5 when we vote on it, I am going to ask that we vote on
6 everything except IB and allow me to recuse myself from
7 voting on IB, since both law school clinics and attorney
8 recruitment could affect my law school, and I would prefer
9 not to have to vote on that part of it.

10 So, when we vote on it, all I am asking is that
11 you allow me to vote on everything other than IB, and then
12 just ask for a separate vote on IB.

13 CHAIRMAN DANA: All right. That seems fair. Do
14 you also want to be relieved of voting on III for the same
15 reason?

16 MR. UDDO: III, innovative grants, yes, I guess I'd
17 better be, because theoretically a law school could apply for
18 a grant.

19 CHAIRMAN DANA: That is fine, but are there other
20 Board members who have a feeling about the \$500,000 that you
21 would like to -- as opposed to 525 -- I mean \$500 million as
22 opposed to \$525 million?

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1 MR. WITTGRAF: I would like to be heard, Mr.
2 Chairman.

3 CHAIRMAN DANA: Mr. Chairman.

4 MR. WITTGRAF: While it seems to me that the
5 possibility of a \$500 million recommendation by this
6 committee and ultimately, perhaps, by the Board, is very
7 significant in and of itself, the thoughts behind my figure
8 are not without some merit, I would like to think.

9 For most of the decade of the 1980s, as we all
10 know, there was no increase in funding, no increase at all
11 during many years, nominal increases during other years, and
12 the funding for the Corporation and for the programs across
13 the country in no measure kept up with inflation, and as I
14 think we all agree, if there is to be a catch-up year, this
15 is probably the logical year because of the new poverty
16 census data.

17 If we were the appropriating body, my view would be
18 somewhat different than it is, but we are not the
19 appropriating body. We are simply the recommending or
20 perhaps the advocacy body.

21 The White House, in its budget proposal from the
22 Office of Management and Budget, I am sure, as in past years,

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1 To make a catch-up move, I think, requires not only
2 the specific logic that Mr. Uddo has been talking about, but
3 also a kind of conceptual or symbolic move as well, and
4 again, that is why I look at a 50 percent increase as making
5 good sense.

6 I don't know. I suppose if I were betting, I would
7 bet against the idea that the Congress would go from \$350
8 million to \$25 million, but I do know that during the last
9 two years, the Congress ultimately has been very close in its
10 action to the recommendation made by this Board, not quite
11 100 percent, but about -- oh, this year, closer than 95
12 percent; last year, between 90 and 95 percent -- I forget the
13 exact numbers.

14 I think that we have a persuasive case to make. I
15 think that thanks to the efforts of many of us, the efforts
16 of Mr. O'Hara, the efforts of Dave Martin and others, we have
17 credibility in making that case.

18 I would like us to end up as high as possible. I
19 would like us to end up at \$525 million or, if we got peeled
20 back a little bit to 95 percent or something, at \$500
21 million, and I have no difficulty myself in going before the
22 Congress and making the case.

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1 I do think it is important, as Mr. Uddo stated, to
2 include some politically sensitive line items, some
3 initiatives to be overseen by the Board in the areas of
4 competition and consolidation and timekeeping and innovation.
5 I do think those are very important. Self-help. They are in
6 there.

7 I would be delighted to be able to make the case
8 for \$525 million, a 50 percent increase, because of the
9 substantial increase in poverty in the country combined with
10 the virtual static funding for this effort during the last,
11 now almost decade and a half.

12 And if we all in our different ways can be
13 persuasive with the Congress, perhaps we will end up at the
14 \$500 million to which Mr. Uddo has been referring. I think
15 if we start at 500, it will be easy for the Congress to end
16 up with a much lower figure.

17 I think 500 is a very good figure, but I think we
18 have a better chance of getting the 500 by starting with 525.
19 Again, I say that not as part of the appropriating authority,
20 but as part of the recommending or advocacy authority.

21 For those reasons, Mr. Chairman, with Mr.
22 Richardson's assistance, I made the proposal I did, and I

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1 didn't make it lightly, but rather, with those thoughts in
2 mind.

3 Thank you, Mr. Chairman.

4 CHAIRMAN DANA: Other comments from --

5 MS. LOVE: I go with Mr. Wittgraf. I think we
6 should go the max.

7 CHAIRMAN DANA: Okay. Ms. Love for the max.
8 Blakeley, your guidance for the committee?

9 MR. HALL: I don't know. I suppose we may have as
10 much chance of getting 525 as we do 500. I think if those on
11 the Board that are going to favor 500 thought we could get
12 525, they would favor the 525. Perhaps I'm wrong. I guess
13 I'm a toss-up. I certainly wouldn't be complaining were we
14 to get 525.

15 MS. WOLBECK: Mr. Chairman?

16 CHAIRMAN DANA: Yes.

17 MS. WOLBECK: In light of what George has said, I
18 think it makes more sense to go with 525 and hope we can get
19 something close to 500. I think he has good reasoning behind
20 his, you know, the definite things that he has pointed out.

21 CHAIRMAN DANA: Okay. I would interpret that as a
22 withdrawal of your second.

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1 MS. WOLBECK: That's right.

2 CHAIRMAN DANA: And notwithstanding the fact that
3 the number has a ring to it, and is very familiar, the chair
4 will not second your motion, Mr. Uddo.

5 I am of the view that while I think it is
6 politically maybe an important threshold to get over, I think
7 the need is actually greater, as I have indicated before, and
8 so, if there is some political advantage in doing as the
9 chairman indicates, I will support his recommendation.

10 I will also support 500, but I think there is an
11 added merit in that 50 percent increase for the front line,
12 and that is magic, and you can't -- it backs down to 44
13 percent, which is a harder number to rationalize, I think.
14 So while I have, frankly -- I think it is very likely that
15 before tomorrow is over we will all be with you.

16 What I would like, frankly, if we are capable of
17 doing this, is to have available to the Corporation Proposal
18 1 as amended by us today, both at a number which is 526, I
19 think, as opposed to 525. I think we have added two 500s.

20 MR. RICHARDSON: Yes, sir.

21 CHAIRMAN DANA: And then, I would like to present
22 IA, which is Mr. Uddo's motion or recommendation. We will

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1 have that available to us so that those become the
2 committee's -- one committee recommendation, and what may
3 turn out to be a unanimous recommendation, and a smaller
4 -- and a two-to-one recommendation.

5 MR. WITTGRAF: Mr. Chairman, I'd suggest we stay
6 with the 525, and simply make the necessary adjustments in
7 what is now III, the single line item, and in Line Item IIA2
8 -- excuse me -- yes, IIA2, right. I think --

9 CHAIRMAN DANA: I don't understand.

10 MR. WITTGRAF: There will be some adjustments to
11 balance, but rather than go into the 526 suggested by the
12 chairman, I would say at the 525 for the reasons I mentioned
13 a few moments ago, and as adjustments are required, would
14 make them either on the innovative grants line or -- and, to
15 a lesser extent, on the National Resource Training Center
16 line.

17 MR. RICHARDSON: If I might clarify, I think what
18 you are asking is that the innovative grant proposals be left
19 at one million and then --

20 MR. WITTGRAF: I -- really, I misspoke. I really
21 meant the attorney recruitment program.

22 MR. RICHARDSON: Okay.

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1 MR. WITTGRAF: I misspoke.

2 MR. RICHARDSON: So you want to reduce that to 4.5
3 million, and the National Resource Training Center, reduce
4 that to 200,000, therefore maintaining the same bottom line.

5 MR. WITTGRAF: Yes.

6 MR. UDDO: But you add the timekeeping initiative.
7 That's where the 500,000 is going?

8 MR. RICHARDSON: I'm sorry, it should be --

9 MR. WITTGRAF: And the attorney recruitment could
10 go to four million, I think.

11 MR. RICHARDSON: Okay.

12 MR. WITTGRAF: That, among other things, would be
13 100 times \$50,000, or 50 times \$50,000.

14 CHAIRMAN DANA: Okay. We are closing in on a
15 number, but I am going to need some help. We have added
16 500,000 under what is IVB3, timekeeping initiatives.

17 We have added 500,000 to what used to be innovative
18 grants under IA5, and we have moved it down to III. You
19 would like to remove, notwithstanding -- you would like to
20 move, perhaps, as much as 500,000 from IIA2, so that that
21 would be just 200,000, to hold the place?

22 MR. WITTGRAF: Well, the million that you just

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1 described could be taken, I think from the attorney
2 recruitment program, and that could go from five to four.

3 CHAIRMAN DANA: But then the people out in the -- I
4 heard you to say that it would be possible maybe to reduce
5 the National Resource and Training Center funds --

6 MR. WITTGRAF: Right. As I indicated, that is a
7 very approximate figure, and there is some flexibility in it,
8 I believe, yes.

9 CHAIRMAN DANA: Could we -- well, as is often the
10 case in a situation like this, you are talking about an
11 attorney recruitment program versus a National Resource and
12 Training Center, and, Mr. Chairman, we are dealing with your
13 proposal. Would you like to make the Solomonesque
14 allocation between these two?

15 M O T I O N

16 MR. WITTGRAF: I would go with the \$4 million and
17 with the 700,000 for the time being.

18 CHAIRMAN DANA: All right. So, you have your
19 assignment?

20 MR. RICHARDSON: Yes, sir.

21 CHAIRMAN DANA: Now, that is the proposal of -- I
22 think that is Mrs. Wolbeck's proposal. I will second it.

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1 Is there any further discussion on that subject?

2 MR. UDDO: In the interest of time, Mr. Chairman, I
3 will comment on my preference for the other figure tomorrow
4 and will not support this one today.

5 CHAIRMAN DANA: What I'd like to do is this. I
6 will call for a vote on that at this time, and it is
7 understood that you are voting only for that portion that you
8 have indicated.

9 MR. UDDO: Right.

10 CHAIRMAN DANA: Or voting against, as the case may
11 be.

12 MR. UDDO: Well, I am going to vote against the
13 whole thing, but I think I still am required to take out IB
14 and III.

15 CHAIRMAN DANA: With the committee's permission, we
16 will understand all your votes not to involve that.

17 MR. UDDO: Not to involve those sections.

18 CHAIRMAN DANA: All those in favor of what will be
19 the Wolbeck proposal, say aye.

20 (A chorus of ayes.)

21 CHAIRMAN DANA: All opposed?

22 MR. UDDO: Opposed

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1 CHAIRMAN DANA: All right. Now I would like to
2 call for a vote -- and that passes two-to-one. Now I would
3 like to call for a vote on the Uddo recommendation.

4 MR. UDDO: How are you going to vote on that? I
5 mean, doesn't this supplant it?

6 CHAIRMAN DANA: Not necessarily. This may be
7 -- this recommendation at 525 has received two out of the
8 three votes. You have made a proposal.

9 MR. WITTGRAF: Why don't you just carry it forward
10 as a minority report, Mr. Chairman?

11 CHAIRMAN DANA: Well, that is fine.

12 MR. UDDO: Yes. I mean, I don't know how it could
13 win.

14 MR. WITTGRAF: Theoretically, it shouldn't be
15 carried forward in any other way.

16 MR. UDDO: If they both won we'd have a real
17 problem.

18 CHAIRMAN DANA: I had indicated previously to all
19 of you that consistency was not required.

20 MR. UDDO: But a little bit of logic must.

21 CHAIRMAN DANA: All right. Is there something else
22 that we should do this evening?

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1 MR. UDDO: Adjourn.

2 CHAIRMAN DANA: Before adjourning and moving on to
3 our next meeting.

4 Assuming we have time, I am hoping that Charlie
5 Moses will give us a report on Micronesia at the next
6 meeting, and now I think your motion is in order.

7 M O T I O N

8 MR. UDDO: Move to adjourn.

9 CHAIRMAN DANA: Is there a second?

10 MS. WOLBECK: Second.

11 CHAIRMAN DANA: Any further discussion?

12 (No response.)

13 CHAIRMAN DANA: All those in favor, say aye.

14 (A chorus of ayes.)

15 CHAIRMAN DANA: Opposed.

16 (No response.)

17 CHAIRMAN DANA: It's a vote.

18 Thank you very much. Thank you all for coming.

19 (Whereupon, at 6:15 p.m., the meeting was
20 adjourned.)

21 * * * * *

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