

1 APPEARANCES (Cont.)

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P R O C E E D I N G S

1
2 MR. HARVEY: Ladies and gentlemen, good
3 morning. I think we should begin our meeting.

4 I want to welcome you to the joint meeting
5 of the two committees. I think that all of you know the
6 members of the Board, Ms. Worthy; Mr. Dana; myself; Mr.
7 McKee; Mr. Lyons, our Acting Vice President; and Annie
8 Slaughter, on my far right. Other members of the Board
9 will be here shortly.

10 I have a few announcements preliminary
11 beginning the meeting. The first is that the Federal
12 Register Notice on this meeting was changed at my request
13 and Clint executed the document at my request; and it is
14 found, I think, among the papers which were distributed
15 in the foyer of the room to include an addition to the
16 Agenda.

17 Matters to be considered will include
18 as Item 3, a discussion of the implementation of the
19 continued resolution and restrictive writers in non-
20 decisional form.

21 I want to express my thanks to Mr. Lyons
22 for doing a splendid job in putting the Agenda out, and
23 the staff, also, for the organization of this meeting on
24 such short notice and in a hurry-up way. I think that
25 they have done and he has done an outstanding job.

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1 Insofar as the Federal Register is
2 concerned, I might make a few comments to you about it.
3 The notification for our meeting on October 29 and 30
4 has been sent to the Federal Register, and that does
5 include Board action on regulations implementing the
6 restrictions of the 1983 continued resolution for the
7 corporation; and copies of that notice and a small
8 amendment to that notice are available for you, also, on
9 the desk for distribution.

10 The meeting today is a joint meeting
11 of the Committee on Provisions of Legal Services and Mr.
12 McKee's Committee on Grants and Contracts; and Clarence
13 and I have agreed to turn the chair over to Clarence
14 for conducting of the principal part of the meeting.
15 And I think we are about ready to go.

16 Is there any other comments or announcements?
17 Clarence, do you have any thoughts -- preliminary thoughts
18 you want to express at this time?

19 MR. MCKEE: I want to echo Mr. Havey's
20 discussion about the late notice of the meeting, and
21 express any apology to anybody who was inconvenienced
22 thereby; especially some members of my own committee.
23 who had found about things towards the end.

24 The purpose is to find a general -- it's
25 fact-finding and discussion. As we look through the budget

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1 and the appropriations matters, there are so many things
2 that have to be discussed and time is running out towards
3 the end of the year. We thought it would be rather unfair
4 to allow individuals, and organizations, and groups if
5 we got into December 28th, 29th, and 30th, and we were
6 discussing things in terms of the allocations processed,
7 and the budget mark, and all of these matters, and had
8 never heard from or discussed various issues with some of
9 the organizations which have formed kind of the backbone
10 of the Legal Services community for the last several
11 years.

12 Most of the groups on the list represent
13 that aspect of the Legal Services community, which we,
14 really, this group has not heard from formally in the
15 presentation. Because of the short nature of the notice,
16 you did not get one, in terms of the Contract Committee
17 meeting. You will note in past meetings of the
18 Committee on Grant and Contract Procedures, you usually
19 got a letter from the Chairman saying that there would
20 be such a meeting and he will be discussing X, Y, and Z,
21 which time did not permit that to occur.

22 Anything anybody wants to say or submit
23 that does not get in today, just send it to us at any
24 time in the near future. But generally, we are interested
25 in just knowing, formally, what the organizations are

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1 about, and what they do from their perspective.

2 We'll go from ---

3 MR. HARVEY: Actually, what Clarence
4 said was a preliminary thing. Those persons who are
5 testifying today on behalf of organizations on those
6 committees would be particularly pleased to hear your
7 comments about the impact which you might anticipate
8 from continuing resolution, 1983.

9 But I think we should go to our Agenda;
10 and members of the committee, the first item on our
11 Agenda is the adoption of the Agenda, and the Chairmen
12 of the committees would entertain a motion to adopt the
13 Agenda as distributed to you and found in the committee
14 books, I think, on Page 1.

15 MR. MC KEE: And as amended.

16 MR. HARVEY: Yes. And as amended by the
17 notice in the Federal Register.

18 MR. DANA: Question.

19 MR. HARVEY: Yes, Howard.

20 MR. DANA: The -- What is the Item 5 on
21 the Agenda? What did you have in mind for us to do
22 during that portion of the meeting?

23 MR. HARVEY: Well, what I have in mind
24 is continuation of Item 4 throughout the afternoon.

25 MR. DANA: Item 5 on the amended Agenda --

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1 Are we looking at the same Agenda?

2 MR. HARVEY: You are talking about Item
3 5, Other Business?

4 MR. LYONS: No, he's talking about the
5 amended Agenda, whereby we have under Item 5 ---

6 MR. HARVEY: Oh.

7 MR. LYONS: --- directly "2:00 to 4:00 p.m.
8 Discussion on the Implementation of the Continuing
9 Resolution and Restrictive Riders: Nondecisional."
10 Do you have a copy of that, Dana?

11 MR. DANA: No.

12 MR. LYONS: That's as amended. That is
13 the Agenda that was amended and published in the
14 Federal Register.

15 MR. HARVEY: Oh, I'm sorry. Okay.

16 MR. DANA: The reason I asked is I am
17 not going to be ---

18 MR. HARVEY: You are leaving, aren't you?

19 MR. DANA: --- present. And I just wanted
20 to know what the purpose of this was.

21 MR. HARVEY: From my standpoint, Howard,
22 I would like to hear these persons discuss the
23 implementation of the Continuing Resolution as it might
24 impact upon our organization.

25 MR. DANA: The ---

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1 MR. HARVEY: --- Listed ---

2 MR. LYONS: --- clients above?

3 MR. HARVEY: Yes.

4 MR. DANA: I see. So it is -- Fine.

5 MR. HARVEY: Perhaps, also, though, but
6 since you are going to have to leave, many people -- the
7 people could reference and make comment on that during
8 their statements so you could hear part of that.

9 MR. DANA: Well, I -- That would be a
10 help to me, but it would -- if what you are -- If Item
11 5 is really a continuation of the discussion above, for
12 purposes of the Continuing Resolution, I would be happy
13 to hear about it during the morning, but I don't want
14 to disrupt the schedule.

15 MR. HARVEY: Any other questions from
16 members of the committees?

17 MS. SLAUGHTER: Mr. Chairman, ---

18 MR. HARVEY: Yes.

19 MS. SLAUGHTER: If they are going to
20 these programs -- people are going to discuss it in their
21 presentation, then will they not have the question and
22 answers along with the presentation? I mean, why go back?

23 MR. HARVEY: I think that is a good
24 suggestion to incorporate it also.

25 MS. SLAUGHTER: Right. And then, that way

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1 Howard would not miss anything.

2 MR. HARVEY: Well, I think with that
3 arrangement, we'll probably go into the afternoon,
4 2:00 to 4:00 o'clock, but I think we can go that way.
5 That's fine. Then we can capture the spirit of that
6 as these people speak and testify.

7 MR. DANA: They may not have had any
8 warning that they are going to be asked to comment on
9 the Continuing Resolution, and may wish to defer their
10 comments to some other time; but if they have comments,
11 I think it would be helpful.

12 MR. HARVEY: I quite agree. Any other
13 comments before entertaining -- the Chair's entertaining
14 a motion to adopt the amended agenda; so we are all
15 talking about the same document now.

16 MR. MC KEE: I so move.

17 MR. HARVEY: Clarence has moved. Second?

18 MS. SLAUGHTER: I second.

19 MR. HARVEY: Any further discussion?

20 (No response.)

21 MR. HARVEY: Those in favor, signify by
22 saying, "Aye."

23 BOARD MEMBERS: "Aye."

24 MR. HARVEY: Opposed, same sign?

25 (No response.)

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1 MR. HARVEY: The Agenda is adopted.

2 The first item on the amended Agenda,
3 members of the committees, is the approval of the
4 minutes of the August 16 meeting of the Provisions
5 Committee.

6 MR. DANA: I so move.

7 MR. HARVEY: Is there a second on
8 Provisions Committee?

9 MS. WORTHY: Second.

10 MR. HARVEY: Moved and seconded. Discussion
11 on the motion?

12 Howard? Josephine?

13 There are a couple of comments, I think,
14 perhaps, additions which might be made to these minutes.
15 Members of the committee, this is, of course, a synopsis
16 or summary of the minutes.

17 Max Miller's testimony specifically
18 alluded, as I recall, to both Mr. Gregar and Mr. Brockle.
19 And with the committee's approval, I would suggest
20 that kind of reference be incorporated into the minutes.

21 And secondly, I am a little concerned about
22 the last two lines of the first paragraph, which says,
23 "LSC funding priorities, a concept of partial fee payment
24 by clients as well as the Inspector General concept."
25 Maybe we ought to have the words -- word, "discussed."

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1 MR. DANA: Mr. Chairman, why don't we
2 defer approval of these minutes until they are in a form
3 that meets with your approval.

4 MR. HARVEY: Splendid idea.

5 MR. DANA: And bring it up at the next
6 meeting. I withdraw my motion.

7 MR. HARVEY: All right. Josephine, and
8 your second?

9 MS. WORTHY: Yes.

10 MR. HARVEY: Okay. We'll take this up
11 the next time we meet.

12 MR. MC KEE: Excuse me, Mr. Chairman.

13 MR. HARVEY: Yes, Clarence.

14 MR. MC KEE: Will you send to us or make
15 available to us the corrections that you want so that ---

16 MR. HARVEY: Yes, I will. Anne, if you
17 would make a note of that, we'll get together and get
18 that worked out.

19 MS. SLAUGHTER: Okay.

20 MR. HARVEY: And Leigh Ann, also, please.
21 Clarence ---

22 MR. MC KEE: Yes.

23 MR. HARVEY; We also have some minutes
24 for your August 28th and 29th meeting in Jackson,
25 Mississippi, which was two days, and Ms. Slaughter and I

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1 were there as well as Mr. Olson and Mr. Dana.

2 MR. MC KEE: I move for the approval of
3 those minutes of that meeting. We have a voluminous
4 transcript of that meeting, so these minutes, even though
5 they are lengthy, about 12 or 13 pages, they are rather
6 accurate. They give a good synopsis of the meeting,
7 but the full benefit of that meeting can really be had
8 by reading the transcript, which is about two and one-
9 half inches thick. It contains some excellent background
10 data.

11 I would move the approval of those
12 minutes, Annie. -- Page 13 -- Page ---

13 MS. SLAUGHTER: I so move, Mr. Chairman.

14 MR. MC KEE: Second. As I said, I think
15 we should make available to anybody who wants a
16 transcript, but that's going to take a lot of copying.
17 I guess either the corporation could copy it or you could,
18 but it is just a fantastic statement of a lot of things
19 on support centers and the programs in Mississippi,
20 which will be made a part of our official report of the
21 Board.

22 All in favor?

23 MEMBERS OF THE BOARD: "Aye."

24 MR. MC KEE: They are adopted.

25 MR. HARVEY: We proceed to Item No. 3 on

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1 our Agenda, and Clarence, you are the Master of
2 Ceremonies.

3 MR. MC KEE: Okay.

4 MR. HARVEY: National Client's Council,
5 Mr. Veney and Ms. Nell ---

6 MR. MC KEE: Hollie.

7 MR. HARVEY: Is that convenient for you?
8 It seems so far away. Move it over.

9 We'll proceed down the order as people
10 are on the list on the Agenda.

11 MR. MC KEE: It will probably be better if
12 you just make whatever statement you have, and then,
13 we'll ask questions after that as opposed to -- Unless
14 anyone disagrees -- without interrupting you all the
15 way through this.

16 MR. HARVEY: How do you want to proceed?
17 Do you want to ---

18 MS. HOLLIE: That's just fine. Can you
19 hear me?

20 MR. MC KEE: Why don't you pull it a bit
21 closer. Can they hear you? I can.

22 MS. HOLLIE: I have a hard time being
23 heard sometimes. At other times, it's better.

24 MR. MC KEE: I think you should pull it
25 closer.

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1 MS. HOLLIE: Can people hear me?

2 MR. MC KEE: There we go.

3 MS. HOLLIE: Okay. We would like to
4 thank you, Mr. McKee, for inviting us here; and as most
5 everyone and as you have acknowledged, we really weren't
6 sure exactly what kind of information you wanted. So
7 we are prepared to tell the committees about our
8 organization and what we do.

9 The National Clients' Council, as you
10 have in your Board Book, is an organization that was
11 established in 1970; grew out of the OEO period and
12 was funded, initially, in 1975 by the Legal Services
13 Corporation. It is, essentially, a client participation
14 mechanism whereby the Legal Services Corporation Act
15 is better implemented.

16 We provide resource assistance, training on
17 back-up support for clients who serve on the Legal
18 Services Boards, clients who are involved in their local
19 communities as it relates to the Legal Services
20 Program, and for Legal Services Program Staff upon
21 request. In addition to that, we have a structure that
22 consists of a national board elected by low-income
23 persons who attend regional meetings once a year. Those
24 people are elected. People who select board members at
25 our regional meeting, are elected by state chair and vice

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1 chair people from the various states within a region.
2 Our regions correspond to the Legal Services Corporation.

3 Within each state, and we have people
4 here to discuss with you both our state and our regional
5 activities. We have Norma Jean Moore, who is from
6 Indiana, whom some of you have met previously. And
7 we have Clara Garrett, who is one of the vice presidents
8 of the National Clients' Council, who will speak to you
9 about regional activities.

10 In addition to working with local groups,
11 one of our primary focuses in the last three years and
12 to a certain degree, prior to that, training of
13 clients. We have spent a lot of time and a lot of
14 direct resources in doing client board training and doing
15 leadership development-type things for clients and for
16 some program-staff people.

17 I would be willing to open it up at this
18 point for questions. I know you have not had an
19 opportunity to read our By-Laws; but -- available.

20 MR. MC KEE: Mrs. Moore, incidentally,
21 was a witness in Mississippi, and while we in
22 Mississippi, the National Clients' Council Board was
23 meeting in Minneapolis, I believe it was.

24 Ms. Moore was elected and selected as the
25 outstanding client of the year. You are still holding

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1 that title, aren't you?

2 MS. HOLLIE: Yes. It only comes once
3 a year so they can't take it away yet!

4 MR. MC KEE: Okay. Is there any -- You
5 would rather have us go and proceed asking questions,
6 generally, and do it that way? Did Ms. Moore have a
7 statement or want to say anything?

8 I just want a general response to
9 the questions?

10 MS. MOORE: Well, because we are not
11 really sure how much information you already have and
12 exactly what you need to know about what we do, we would
13 just as soon be available for questioning.

14 MR. MC KEE: Mr. Harvey, what do you want?

15 MR. HARVEY: After you, Clarence.

16 MR. MC KEE: Ms. Worthy?

17 MS. WORTHY: I think I'm kind of familiar
18 with -- Well, I know I am -- with National Clients'
19 Council. I'll just -- One thing, and I -- I just hear
20 you saying that you did not have enough time or you did
21 not know what we were looking for -- what the committee
22 was looking for.

23 I don't know if this was the feeling of,
24 you know, most of the people. You can ask us some questions
25 if we have them, but you didn't have enough time or you

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1 didn't know what we wanted you to bring in. Am I getting
2 that feeling?

3 MS. HOLLIE: Yes. We presume that you
4 might be interested in terms of organizational kinds of
5 things and what we do; and we have attempted to bring
6 back this information for you.

7 I have started with our By-Laws. I am
8 prepared to discuss with you training that we do; and I
9 have a report of our last training -- last -- for the
10 year, 1981. I am prepared to discuss those kinds of
11 things.

12 Clara is prepared to discuss regional
13 things, and Norma Jean has agreed to discuss with you the
14 kinds of things that happen within state structure.

15 MS. WORTHY: I think most of my fellow
16 Board Members will probably ask you questions because
17 I'm very familiar with the fact that NCC has a Board.
18 Mr. Veneny takes his direction from a board of clients,
19 and maybe some of my other fellow Board members don't
20 know that; so I'll leave the questions to the other
21 people to ask.

22 MR. HARVEY: Mr. Dana.

23 Mr. Olson has just arrived. He
24 just came from church.

25 MR. DANA: On -- Mrs. Hollie, one of the --

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1 one of your responsibilities is to, if I understand it,
2 is to make sure that local boards are -- accurately
3 reflect the client community and have an adequate number
4 of clients; and that the clients are trained to participate
5 fully in what they -- what the local board's responsibility
6 is:

7 MRS. HOLLIE: That is correct.

8 MR. DANA: How are you doing in that respect?

9 MRS. HOLLIE: We think we are doing quite
10 well. We have not, never been able to have contact
11 with every single client serving on every single board.
12 We simply don't have the resources.

13 We have made a big inroad. I would say
14 that on virtually every program in the country, we have
15 some contact with the clients in that area. We have
16 sponsored several national and regional events in which
17 clients are invited to attend.

18 For the most part, we are dependent upon
19 programs sending clients to our training because we don't
20 generally have the resources to pay the transportation,
21 the meal allowance, and those kinds of things to get them
22 there. Consequently, we don't always get every client;
23 but we think we are doing a good job.

24 MR. DANA: Do you know if -- do you
25 determine in advance or somehow determine if every board

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1 is adequately -- has an adequate number of clients to ful-
2 fill our -- the statute?

3 MS. HOLLIE: We have no way of
4 determining whether or not there is an adequate number of
5 "eligible" clients. I understand that the grant
6 refunding application will break down the attorney members
7 versus the non-attorney members.

8 How those people are selected, whether or
9 not their clients were eligible to receive legal
10 services or whether they qualify under the other
11 classification, we have no way. We accept what the
12 programs tell us.

13 MR. DANA: So as far as you know, every
14 board has an adequate number of clients, or at least the
15 minimum? Anybody can answer. I've heard rumors ---

16 MS. HOLLIE: We don't have -- We have
17 reason to believe that every board may not have the
18 exact number of eligible clients; but we have no way
19 of documenting or enforcing that.

20 MR. VENEY: Mr. Dana, if I may. We
21 are absolutely sure that there are a great many programs
22 in this country that are not in compliance. There is no
23 equivocation on that particular -- We do not, however, have
24 any enforcement authority; and the only thing we can do
25 on a continuing basis and will continue to do is to urge

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1 this board to insure that the statute and the regulation
2 is complied with in this and other areas.

3 MS. MOORE: Excuse me. I was going to add
4 to that that the only time a problem such as that
5 surfaces is when a client comes to a conference or comes
6 to a training session; and if a client comes to me,
7 make note that there is something wrong with the board's
8 structure where we didn't know this, or we didn't know
9 the other thing. That's when the National Client
10 Council in local, state, regional, or whoever -- we begin
11 to feed information; not to destroy the board, but for
12 them to be aware of the fact that the board is not
13 supposed to be constructed, you know, with all male --
14 excuse me -- all one nationality, or all of just low-
15 income people. It's supposed to have a formula; and this
16 is supposed to go back and make sure that they keep their
17 board intact as to racial balance and whatever else is
18 supposed to be there.

19 MR. DANA: Thank you.

20 MR. HARVEY: Mrs. Slaughter?

21 MRS. SLAUGHTER: How do you have the
22 training sessions for the clients? I mean, is there a
23 period that you have them, or once a month, or once every
24 three months? The reason I'm asking you, I would like
25 to attend one of them in the near future.

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1 MS. HOLLIE: Okay. We don't have a
2 regular schedule of training sessions. We offer training
3 based on when we are able to convince the Legal Services
4 Corporation Board to appropriate additional resources.
5 We also take the opportunity around our regional meeting
6 to provide staff resources for workshops and training;
7 but as a general training event, an event specifically
8 for the training, we receive a one-time grant that is
9 not a part of our annualized funding, on occasion, to
10 provide that training.

11 We anticipate that with the changes that
12 are being implemented as per the Continuing Resolution
13 that a lot of the Board training that we have done over
14 the past several years, around the regulations and what
15 they mean in terms of the local Legal Services program
16 have to be repeated; and at some point, will probably
17 be approaching the Board for the resources to do that.

18 MR. DANA: Would you -- Sorry.

19 MS. HOLLIE: We will pass out some
20 materials to you, which were used in our training sessions
21 that were conducted during 1981, as well as a report on
22 that training so you have some of the training materials.
23 This information is what we expect participants to know
24 by the time they leave the training.

25 MR. DANA: Would you amplify on your last

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1 comment with regard to the changes imposed or that
2 you contemplate will be imposed by the Continuing
3 Resolution. What do you see coming as a result of the
4 Continuing Resolution restrictions?

5 MR. VENEY: We're not sure. What we
6 are sure, having heard the Congress on HL-3480, having
7 heard the conversations that are held both publically
8 and privately by the members of the Board that there will
9 be changes in the Corporation Act; there will be changes
10 in the regulations. We are not sure exactly what those
11 changes will be; but we are absolutely sure that the
12 clients who serve on local program boards will need to
13 know both the actions that Congress and this Board has
14 taken.

15 It is insufficient to simply send low-income
16 people a memorandum saying this change or that change
17 has been made without some effort to sort through,
18 understand, and implement at the local level the changes
19 that the Congress and this Board will make in the future.

20 MR. HARVEY: If we are talking about
21 training --- Clarence --- Go ahead, Bill. I'm sorry.

22 MR. OLSON: Go ahead. I'll catch up.

23 MR. HARVEY: The question I would like to
24 raise at this time, Ms. Hollie -- We have a committee
25 book prepared here with some comments about NCC in it --

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1 Good morning, Harold.

2 MR. DE MOSS: Good morning.

3 MR. HARVEY: Mr. De Moss.

4 Please tell me how many persons on NCC
5 staff in Washington.

6 MS. HOLLIE: In the Washington office?

7 MR. HARVEY: Yes.

8 MS. HOLLIE: Six, I believe.

9 MR. HARVEY: And you have four regional
10 offices, Denver, Atlanta, Chicago, and where?

11 MS. HOLLIE: We have four regional offices,
12 one of which is temporarily closed. Our Atlanta office
13 is temporarily closed.

14 We have an office in Chicago which employs
15 one co-ordinator and one secretary. We have an office
16 in Denver which employs one co-ordinator; and we have
17 an office in Los Angeles which employs one co-ordinator
18 and one secretary.

19 MR. HARVEY: Ms. Hollie, this Board
20 Committee book states that your budget, last year, was
21 \$749,000. Please tell me how is this training program
22 implemented? Who does this? Do you do it? Does Mr.
23 Veney do it? Who conducts the training programs on
24 behalf of NCC for clients? How does that occur?

25 MS. HOLLIE: Okay. I must point out that

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1 our budget, our analyzed budget is \$524,000. Last year,
2 we received a one-time grant of \$225,000. That money
3 was for our "Share" project. It was a grantee process
4 whereby we provided funds to various groups around the
5 country based on criteria and the grant condition that
6 we received from the corporation.

7 MR. HARVEY: The "Share" project was
8 \$225,000? That money funded the "Share" project?

9 MS. HOLLIE: Yes.

10 MR. HARVEY: Was the rest of the annualized
11 funding ---

12 MS. HOLLIE: Yes.

13 MR. HARVEY: --- devoted to what effort?

14 MS. HOLLIE: The rest of our annualized
15 funding is devoted to essentially staffing, providing the
16 resources necessary for the support of that staff.

17 Our staff, over the years, has developed
18 the in-house capacity for developing training. In
19 addition to that, we have had assistance from both
20 Legal Services Program staff people, some of the back-
21 up centers, as well as outside people in helping us put
22 together training packages that were relevant and
23 understandable for the poor community.

24 MR. HARVEY: This is the staff of NCC?
25 You have identified like 10 persons who are doing this?

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1 Is that what you mean by staff?

2 MS. HOLLIE: Eleven people.

3 MR. HARVEY: Eleven people.

4 MR. VENEY: Dean Harvey, if I may ---

5 MR. HARVEY: Yes.

6 MR. VENEY: 1981 is a better year to look
7 at NCC's training operations. In 1981, we received a one-
8 time grant of \$75,000 from the Legal Services Corporation
9 and we will give you, in a moment, the report that was
10 done pursuant to that training activity.

11 What it will show you is that we trained
12 over 400 low-income people during 1981 using Corporation
13 funds. We have, in some instances, been able to persuade
14 programs to provide the funding for travel and subsistence
15 of clients while we did the training; but the one-time
16 grant from the Corporation was particularly important
17 because with that grant, we did not have to rely on the
18 individual project director or the individual program to
19 send the clients. We could invite the clients; we were
20 able to pay for their transportation, their hotel, their
21 babysitting; and therefore, we were sure that we were
22 getting the clients into our training program.

23 In the main, the training has been
24 conducted by NCC staff. I have a history, both in public
25 and in private activities, of conducting training

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1 activities in management, in leadership, and in human
2 relations. I have, in turn, trained members of my staff.
3 They have received training from other sources.

4 We are now in the process, a process
5 we began in 1979 -- a process of training clients at
6 the local level so that they, in fact, could conduct
7 the training that the staff has been conducting.

8 What we are attempting to do is to train
9 enough people at the local level so that the training
10 can be localized, and then provide our technical
11 assistance to those trainers.

12 Our belief is that only by doing this,
13 will our clients be able to stay at a point where they
14 are, in fact, capable of doing those things that are
15 expected on program boards. Most low-income people do
16 not have the experience of dealing with organizations
17 with six and seven figure incomes or running law firms.

18 MR. LYONS: Bernie, can you, off the top
19 of your head, tell us how your annualized budget is
20 allocated among categories: personnel costs, travel,
21 training costs.

22 MR. VENEY: Well, personnel costs --
23 personnel costs are about 52 percent of our total. The
24 next largest category is transportation -- transportation
25 for the staff and the board.

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1 I would like to make the note that, for
2 example, in the Chicago office, one co-ordinator has to
3 cover 10 regions. I'm sorry. -- 10 states, because that
4 is the scope of the Chicago Region.

5 The same is true of the Atlanta Region,
6 which we are now covering out of the Washington office.

7 We have a board, as Nell as said and as
8 Ms. Worthy has said, which, in fact, is required to
9 come together four times a year under Corporation
10 regulations.

11 The next largest category, I think, is
12 approximately 20 percent of our budget and is the
13 telephone because most of the folk who call us must call
14 collect; and almost every call we make is a long-distance
15 call because all of our activities are not centered in
16 one city or one local area.

17 The rest of it goes for equipment rental,
18 and supplies, and the normal operation of any program.

19 The three largest categories are
20 personnel, transportation, and telephone.

21 MR. HARVEY; What was the percentage of
22 transportation, Mr. Veney?

23 MR. VENEY: I believe that would come out
24 somewhere around 20 percent.

25 MR. LYONS: Do you utilize consultants that

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1 you pay when you do your training?

2 MR. VENEY: Very rarely. If we have a
3 consultant, it is a client-consultant that is someone
4 from the client community who has the requisite skills,
5 has been trained either by us or by some other entity,
6 we employ that individual as a consultant at what I must
7 say are ridiculously low consultant fees.

8 MR. HARVEY: It seems to me you are spread
9 very thin.

10 MR. VENEY: Dean Harvey, that is the
11 understatement, not of the year, or the decade, but of
12 the century!

13 MR. HARVEY: I do have another question
14 on it and then I'll stop. Mr. Veney, this is to you.
15 The Committee Book prepared by the staff informs me
16 that NCC Executive Director, Bernard Veney, yourself, is
17 highly visible and a well-known figure among members of
18 legal services community, private bar, and Congress. He
19 is much in demand on the "Hill" and across the country
20 for his views on the corporation and its operations.
21 I'm not sure what that means. Do you know what that means?

22 MR. VENEY: You might have to ask the
23 author.

24 MR. HARVEY: Well, that you are highly
25 visible or much in demand -- My specific question, I

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1 guess, is that new statute on lobbying or new provision
2 restricting lobbying. Is this going to influence or
3 impact upon you in your visibility?

4 MR. VENEY: We will have to see how this
5 Board interprets the statute and what regulations are
6 issued; but I would suggest to you that most of the time
7 when client-council board members, client-council members,
8 or myself testify, we are testifying at the request of
9 a member of the legislative body before whom we are
10 appearing.

11 I would be glad to submit examples of that;
12 but, in the main, our testimony is generated by the
13 interest of the Congress, or of the American Bar, or some
14 of the body.

15 MR. HARVEY: So you want to see what the
16 Board produces. I think Mary Wieseman is working very
17 hard on these lobbying regulations, along with Bob Stokes'
18 committee; but you want to see what comes up as
19 interpretation of the statute.

20 MR. VENEY: We are required by my grant
21 to comply with the regulations of the Corporation;
22 something we are very careful about.

23 MR. HARVEY: Thank you.

24 MR. MC KEE: Harold, do you want to wait
25 or do you want to go ahead and ask questions, or do you

1 want to wait until we are through?

2 MR. DE MOSS: Let me pick it up at the
3 end.

4 MR. MC KEE: Bill, do you want to wait
5 longer?

6 MR. OLSON: No, I want to ask a question
7 or two.

8 I have one question concerning the Legal
9 Services Act, and I never understood how this should be
10 interpreted. I wanted to find out if anyone has an
11 interpretation for me.

12 Section 1008(c) says that one-third of
13 the Board shall be eligible clients, and may also be
14 representatives of associations or organizations of
15 eligible clients. My question is, first of all, whether
16 you have an interpretation of that section with respect
17 to whether persons who are representatives of client --
18 representatives of eligible clients may have client-seats
19 on boards, and in fact, whether you know how that is
20 administered by the Corporation and implemented by the
21 recipients?

22 MS. HOLLIE: Our interpretation of that
23 in terms of client-organizations is that those
24 organizations are, if they are membership - membership
25 organizations, the membership should be more than 50

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1 bankers, lawyers -- We don't have a banker. I don't
2 think we've got too many lawyers, but we have business
3 people, you know, from the civic -- they all cover
4 public, private, and low-income sectors. So those
5 individuals who do not fall within the low-income
6 sector do not make the selection.

7 We also do that when any other
8 organization is represented on our Legal Services Board,
9 where it comes, you know, from the community organization
10 level.

11 MR. VENEY: Mr. Olson, I think the
12 statute is clear. I think it says, "May also be --", but
13 it certainly says who are to be eligible clients.

14 If you will go back to the original
15 enabling legislation in 1975, the requirement in that
16 legislation was that one member of each local program
17 governing body had to be a client or a client representative.
18 The legislative history of the amendment of 1977 which
19 brought us to the current position is clear that the
20 Congress intended that the people be eligible clients
21 at the time of their selection.

22 There is some capacity, because of the
23 percentage range, that a non-client, non-eligible person,
24 non-attorney might, in fact, be seated on such a
25 governing body; but the persons occupying the client seats

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1 must be, in our opinion, eligible at the time they are
2 selected.

3 MR. OLSON: But that might not be always
4 the case?

5 MR. VENEY: Well, it is clear, from our
6 experience, that the client community does not strive
7 to remain poor; and so someone who is, in fact, selected
8 and may be an eligible client may leave their position of
9 eligibility some time during their tenure. If that is
10 true, they may continue to serve without violation of
11 the statute or the regulations until their term is up.
12 At that point, they must leave and be replaced by an
13 eligible client.

14 MR. HARVEY: Are there any other questions?

15 I think, consistent with that, I can go
16 back to the basics and ask you to explain to me: When
17 you are using the word, income, you are speaking about
18 what? W-2 income, taxable income, or what income do
19 you refer to?

20 MR. VENEY: We hedge that point, Dean
21 Harvey, and allow that to be local option because -- we
22 have never made a strong point of whether the statute
23 and the regulations require eligibility as determined by
24 Corporation regulations or eligibility as determined by
25 local program standards.

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1 Local program standards tend to have a
2 lower income level than the Corporation standards would
3 allow; but we have felt that it was in no one's best
4 interests to try and sharpen the definition of whose
5 eligibility standards would be met.

6 What we do know is that in many programs,
7 before being added to a program board, clients must, in
8 fact, be found to be eligible by the program -- by a
9 review between an attorney.

10 I think there is a point we need to make.
11 We have to be very careful in determining for ourselves,
12 National Client Council, who may or may not be an
13 eligible client. There is confidential information
14 involved; information that we do not want to have.
15 We have suggested to programs that they have someone
16 enter into a client-attorney relationship so that
17 determination is confidential and is open to no one.
18 Then we simply have the program attest to the fact that
19 such a determination has been made and the person has
20 been found to be an eligible client -- public information.

21 MR. HARVEY: Well, are there any announced
22 standards in determining income which would include or
23 exclude social security payments, food stamps, federal
24 pensions, retirement pensions, that kind of support base
25 which is often, perhaps, authored maybe, but at least

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1 maybe not in non-taxible support base.

2 MR. VENEY: The regulations and what we
3 had understood to be the intent of the Corporation was
4 not to be a welfare agency attempting to rule people out,
5 but rather an agency that saw a legal problem and
6 attempted to see whether the person, in fact, qualifies.

7 We recognize that the statute says those
8 who cannot afford counsel. The Corporation very wisely
9 has limited to that to a certain percentage of total
10 income; but we do not look at the questions of whether
11 this is a transfer payment and therefore might be
12 included. Those questions we leave to local program
13 determination.

14 MS. MOORE: I tried not to say this, Dean,
15 but I have to tell you -- It's just common sense to us
16 that if you qualify for food stamps and if you add
17 anything else that they are giving somebody else to help
18 support you, then you've got to be still an eligible
19 client because you are not going to qualify for their
20 little hand-outs. So, I mean, you know, it's just
21 all of this ---

22 MR. VENEY: Elaborate determination ---

23 MS. MOORE: --- knifework. You know, the
24 food -- how well you are doing because you've got this
25 and this. The transfer payment is not a payment to you.

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1 The food stamps might feed you; but in the end, they help
2 the grocer, the people that is selling the food. The
3 supplement that they get for the housing, that helps
4 the system. That helps you stay in and we don't get
5 any money. When I say, we, I always put myself in the
6 "we" category because I am hard up.

7 That doesn't -- You know, that supplement,
8 that doesn't even feed into whether you are eligible
9 for food -- I mean, for a lawyer. When you go in, you
10 would belittle a person, at this point, since it really
11 isn't a law to do it. Well, how much do you get in
12 food stamps? You know, we get enough of that from other
13 places and they don't even have a right to do it.

14 MR. HARVEY: So if your definition of
15 income, then, is really essentially the W-2 income?

16 MS. MOORE: It's actual dollars just like
17 you get. Actual dollars that you get in your pocket.

18 MR. HARVEY: All right. And additional
19 support -- supplemental support is not going to be
20 included in that?

21 MS. MOORE: No, because it is not anything
22 that is -- It's not tangible money. That's a big word
23 and that's a nice one.

24 MR. HARVEY: And that program is using
25 these criteria in defining eligibility in clients? Is that

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1 what you are saying?

2 MR. VENEY: The Corporation regulations
3 define what can and cannot be used in the determination,
4 Dean Harvey; and we find that laying on top of that all
5 the regulations or guidelines instituted by individual
6 programs. No program in this country -- In fact -- I'm
7 sorry. I can't make that statement.

8 I would suspect that there are very few,
9 if any, programs in this country which, in fact, declare
10 as eligible someone who would be eligible under the
11 Corporation regulations. I think all programs have had
12 to reduce the number of eligible clients by layering on
13 added requirements before they, in fact, declare someone
14 eligible to receive program services.

15 It distresses us highly because we know
16 that the working force, who may not be technically
17 qualified by even the Corporation regulations are just
18 as unable to get legal services as, in fact, folks who
19 may be recipients of welfare, or food stamps, or something
20 of that nature; and maybe in more desparate trouble.

21 MR. HARVEY: Thanks very much.

22 MR. MC KEE: Well, Mr. De Moss, I have two
23 basic questions: One deals with your watch-dog function,
24 and the other deals with money. I'll save the money until
25 last.

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1 It says here in the report, "The second
2 major function of MCC is to act as the national voice
3 for the interest and concerns of the client community
4 by monitoring whether the Corporation and its grantees
5 are fulfilling their responsibilities to clients in
6 pointing out when and where they fall short." Then it
7 talks another major emphasis you have it making sure that
8 the Corporation enforces its own regulations in terms
9 of clients; particularly in areas of priorities.

10 Now you have about, from the materials,
11 nine regional councils, 43 state councils, and 165 local
12 councils. In that network that you have, are you able
13 to focus in and say which regions, which programs are
14 not, from your opinion, fulfilling the mandate of the
15 statute in terms of client participation on the Board?
16 For example, I hear there is some problem in Memphis,
17 and there is some other problems where -- even if there
18 are slots allocated to clients, they haven't been filled.
19 Do you have mechanism for identifying, through this
20 network, which programs -- which program boards are not
21 within compliance with the statute either because they
22 don't have clients sitting on the board even though there
23 are seats? It seems to me that there should be some other
24 handle other than the grant papers for you to tell us
25 through your watch-dog function, the program axis board is

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1 percent of clients who are or would be eligible to
2 receive legal services. If they are a board or
3 steering committee-type organization, the same would
4 apply; that the majority of those people are -- or should
5 be if they select or elect a person to serve on a local
6 Legal Services Corporation Board of Directors.

7 MR. OLSON: But the question is: The
8 person that they elect, must that person be income-eligible
9 do you believe, or do you believe that the person could
10 be not income-eligible, but representative of the group.

11 MS. HOLLIE: We think that person must
12 be income-eligible.

13 MR. OLSON: Is that the way all the
14 programs implement that statute, to the best of your
15 knowledge?

16 MS. HOLLIE: We do not think that all the
17 programs implement that. We cannot necessarily prove
18 that.

19 MR. OLSON: Yes, ma'am.

20 MS. MOORE: There, again, comes -- goes
21 back to the participation on the board members from the
22 low-income sector. On our board, I see a state
23 representative. We are sure because we make sure that
24 it happened, that the low-income on the CSA Board get
25 together and they make a selection; whereas our Board has

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1 not in compliance.

2 Then, if we do find a situation like that,
3 would you recommend that it be tied to the grant process?
4 If you are not -- If you are violating the statutes in
5 terms of client involvement and you are up for a grant,
6 do you think we should be in a capacity to say, "Well,
7 until you show us why you do not have the right amount --
8 number of clients on the board, we should withhold some
9 funds." Do you think we should tend to sell the
10 community be enforcing regulations? How far should we
11 go in terms of the client participation on the board?

12 MS. HOLLIE: I believe that at this
13 point in time that may be a grant condition already.
14 The way, in terms of the watch-dog function, the way
15 that we generally get information is through clients.
16 Our meetings provide opportunities to interact among
17 clients.

18 Over the years, we have had had the
19 opportunity to have more and more contact with a larger
20 number of clients. It's been a slow process. We started
21 with a top structure that has, over the years, filtered
22 down. Consequently, when we get information about a
23 program, it is maybe a person from that program has been
24 sent to a regional meeting; and in the course of
25 conversation or in the opportunity of a workshop, learn

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1 something that should be happening in their local program
2 that, perhaps, is not; and will voice that. I didn't
3 know this, that or the other. I don't think our board
4 does this. That kind of thing.

5 Yes, we do have the capacity to identify,
6 but not -- but only in that manner.

7 MR. MC KEE: It seems a long distance
8 sometimes, but I'll talk to a client in a particular
9 city, and they seem so far -- their own minds from
10 Washington, that it seems, in many ways, powerless to
11 deal with the lawyers and the bankers on the board and
12 the programs. Do you find, generally, program attorneys
13 and staff are sensitive to client involvement and
14 participation; or is it something they just feel they
15 have to deal with and put up with as some people have
16 informed me that that is the way they think some of
17 our program people are.

18 MR. VENEY: Mr. McKee, if I can respond.
19 It depends upon whose ox is being born at what given
20 moment in time. I think I have but to remind you of
21 some persons' reactions to the National Client Council
22 pointing out to first, the White House, and then to the
23 Congress the fact that we did not think that this board
24 was properly constituted.

25 If the client is, in fact, getting on

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1 someone's nerves; where the client is being, perhaps,
2 more forceful than some would suggest and like, the
3 measure of client involvement begins to go down.

4 Where clients are simply rubber-stamping opinions and
5 where they, in fact, can be led around by the nose, then
6 the enthusiasm for client involvement seems to go up.

7 This is a broad generalization that,
8 perhaps, should not be made, but I stroke it that way
9 for you.

10 There are some project directors in this
11 country who, in fact, are absolutely rabid to make sure
12 that client involvement is the keystone of their
13 program. Several such directors sit in this room right
14 now. There are others who wouldn't care if they never
15 saw a client. It is a very variable thing; and it
16 depends on the environment and the situation.

17 We would ask for the help of this Board in
18 making that a more even process by doing, perhaps, what
19 it is you were doing today: looking at, perhaps, not
20 only the National Client Council, but the whole commit -
21 ment to that involvement. If this Board reflects a
22 commitment to client involvement, as this Board reflects,
23 we hope, a continued commitment to Legal Services, then
24 we are sure that that commitment will be reflected at
25 every level.

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1 But unless that is true, unless that
2 is clear, unless that is clearly advertised and made
3 plain to programs, we are afraid we are going to continue
4 to have this same variable reaction.

5 MR. HARVEY: Mr. Lyons informs me that
6 eligibility criteria, or the numbers of clients is a
7 regulation in the statute, but it is not a grant
8 condition. Would you recommend that that be a grant
9 condition that the Board be adequately representative
10 in terms of the statute?

11 MS. HOLLIE: Well, it seems to me, in
12 terms of the program --

13 MR. HARVEY: I mean, condition to --
14 a further condition to getting the money in the contract
15 or the grant.

16 MS. HOLLIE: It seems to me, if that is a
17 part of the regulation and the program is not, in fact,
18 following the regulation, the Corporation is derelict
19 in its duties by funding them.

20 MS. MOORE: I would add to that and agree
21 with what both Bernie and Nell have said. We have
22 the occasion to have a program in our state, and we, --
23 I guess, because we go back a long way with the program,
24 that we literally see no client involvement. I mean, on
25 the local level where you can get in the room and you can

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1 be identified -- what another person is. Yeah. We are
2 in the same boat, and I serve on the Legal Service Boards.
3 We see a difference in the racial make-up. Even those
4 that are on there, we are not sure that they are clients.
5 It seems to me that this is happening, and nothing is
6 being done about it because nobody seems to care.

7 Perhaps those that are there now do not
8 make the waves. We had an occasion, in our program, to
9 have a director who, after we had went through regional
10 scrutiny and got back on -- considered as a viable
11 program and received our money back -- I say assured of
12 our funding. He went all the way through trying to
13 restructure the board when we already did that trying
14 to get off the clients, and I've been one, who was in
15 opposition to what he was doing. He spent a year or
16 better just spinning his wheels; and he ended up, you
17 know, out of a job. The board is still intact, and we
18 try to make sure that we have eligible clients
19 representing the groups that is on there.

20 We try to keep a racial breakdown, but
21 it is kind of hard where we live because of the
22 transportation part. You cannot get people from outlying
23 areas to participate like they should.

24 As Nell said, if that is a criteria that
25 everybody else has to meet, then the program should have

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1 to meet that same criteria. If they show you over, and
2 over, and over again that it is no different when you
3 know throughout the whole state of Indiana that there
4 is eligible clients.

5 MR. HARVEY: I'll ask this of Bernie and
6 Clara, and then I'll get to my last point.

7 MS. HOLLIE: I would like to make a point.
8 You see, one of the problems is that we find, a lot of
9 times within a local program, it is left up to clients
10 who may already be on the board, if there are, to make
11 the process work.

12 It is, a lot of times, left up to them
13 to solicit and look for other people to make recommendations
14 for people; and a lot of times, if, in fact, the people
15 who were serving on the local boards are not, in fact,
16 eligible clients, who may be client representatives,
17 that sometimes stalls the process.

18 There are many reasons why a program may
19 or may not be in compliance; but it is very difficult
20 to -- I mean, for instance, one of the things that we
21 found happening that we have to be very clear about
22 with clients who were coming to meetings that we were
23 having is that only the clients who are serving on those
24 boards should be the ones who vote or who acknowledge,
25 so to speak, the presence, the legal presence of clients.

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1 I many program boards, boards of directors
2 are elected by current boards of directors, and everyone
3 on the board votes yea and nay; and in fact, that should
4 not be. The attorney members should not be voting on
5 whether to accept or reject members of the client
6 community. And we know that that is a problem.

7 We, again, have no enforcement powers.
8 What we do is try to make very plain to people, where we
9 get our hands on them, that the way the process is
10 supposed to go, the way it is supposed to happen; to
11 give them information so that when they go back, if, in
12 fact, there is some degree of co-operation on the board
13 or within the staffing -- and again, a lot of the staffs
14 don't necessarily have all the knowledge of how things
15 should happen. At least they can begin to ask the
16 right questions and to bring up the right issues.

17 MR. MC KEE: Does the -- do the regional
18 directors help you when you run into these problems? Do
19 you go to the regional directors -- go to your regional
20 counsel and say, "Listen, this program is having a problem
21 in that city with this issue." Do you ever go to the
22 regional directors; and if you do, are they responsive
23 to talking to the program about the problem?

24 MR. VENEY: The regional directors ---

25 MS.. HOLLIE: Yes.

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1 MR. VENEY: --- are a variable entity
2 as well. We have some regional directors who are
3 extremely co-operative and extremely sensitive.
4 Recognize, please, Mr. McKee, that our first efforts are
5 to try and correct the situation "within the family."
6 We are not trying to build a reputation for dragging
7 everything to this board. That is not the reason we
8 are in business.

9 MR. MC KEE: Oh, I know.

10 MR. VENEY: Our effort is to try and
11 help the local client and the local program board work
12 through situations.

13 We have, on a great many occasions, used
14 successfully the pressure and the good offices of the
15 regional office in those efforts. We have, perhaps, one
16 maybe two regional offices that are not as responsible
17 as we would like them to be; but in the main, the
18 Corporation staff is generally helpful.

19 MR. MC KEE: You just tell Mr. Lyons
20 who they are, right?

21 MR. VENEY: Mr. Lyons there?

22 MR. LYONS: No, no.

23 MR. VENEY: I suspect he may already
24 have some idea.

25 MR. MC KEE: My last point is, on this

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1 \$700,000 and this \$500,000. Now you mentioned in here,
2 Project SHARE? In Project SHARE, you have really a
3 subcontract. You said you gave 20 subgrants to a lot
4 of applicants to develop a local training program. This
5 was in the Housing Coalition, Middlesex County, New
6 Jersey.

7 Now I was wondering -- just a point of
8 information -- in terms of allocations in -- Is it better
9 the way it is, or is there another option where you would
10 have, say, a clients' council of Indiana, New York, or
11 Louisiana; and either the Corporation funded them
12 directly, or -- for what amount, I don't know -- or
13 you did it directly as the local Clients' Council.
14 Do you see my point?

15 For example, if a client has to go to a
16 board committee meeting like Ms. Moore coming here or
17 somebody goes to Mississippi, does the National Clients'
18 Council pick up the travel for clients who have to go
19 to various board meetings, or is that done by the local
20 clients' council. Should local clients' councils be an
21 entity where they get their own money from the Corporation
22 or from the National, like you did on the subgrants.

23 I just -- I'm uncertain as to how
24 funding allocations -- Mr. DeMoss is working on all of
25 those things. How, when you look at a group, say the

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1 National Clients' Council, the total of \$700,000 should
2 that be maintained or should it be decentralized locally
3 to various clients' councils? Of course, then, I guess
4 you would have 1,000 clients' councils popping up asking
5 either the National Clients' Council for money or ---
6 What is your recommendation should work -- that whole
7 allocation process for clients work?

8 Like, I think Mrs. Moore, when she came
9 to Mississippi, her funds came from some other
10 organization from the Atlanta center. It seemed to me
11 that there should be funds somewhere from the National
12 Clients' Council or state council to cover this kind of
13 work and activity.

14 MS. MOORE: Mr. McKee, since you are
15 closer from the ---

16 MR. MC KEE: Then I'll pass it on to you
17 if we don't run behind.

18 MS. MOORE: --- say you would be supporting
19 your own thing.

20 I, as a local -- state chairperson, would
21 not advocate that simply because one of the things that
22 you pointed out a few minutes ago. You'll have
23 organizations popping up that actually are not really
24 dealing with a clients' council problems or client
25 council issues.

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1 Now for this particular trip, when I was
2 asked to come, Mr. Veney's Board got the details as the
3 way it is covered in their budget as to support me. That's
4 because I'm here for a Client Council issue and in support
5 of Client Council.

6 Now when I came to Mississippi, I came at
7 your request. Rightfully, you supported it; although I
8 had to get the funds from someplace else. Had I the
9 money in my pocket, I would have, you know, just come
10 and submitted a travel request just like anybody else
11 would for whatever you are going for.

12 Normally, when we leave going to a regional
13 meeting or something, that's supported through our
14 program if we have the funds to assure that. That's
15 taken care of by when we do our budget. Clients on the
16 board are supposed to look at our budget, why they are
17 making it up, and see that there is money involved in
18 there so that we can have Client Council program
19 supporters so they are real programs.

20 Like our Client Council, the first time
21 after we got it started, we requested and presented to
22 our board of directors support from them, and showed them
23 what we intended to do with the money, and how it would
24 help us to include other clients that weren't on the
25 board become involved in our community.

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1 Well, they seem to allocate "X" amount of
2 dollars for our budget but it is still up under Legal
3 Service so that you don't have no mishandling of funds
4 or throwing dollars up in the air and everybody reaching
5 and getting some just because they are out there.

6 I personally think that -- Excuse me -- that
7 National Client Council is above reproach as far as
8 handling the funds and getting them to those that need
9 them when we need them.

10 MR. MC KEE: So you could also have
11 maybe a condition of the grants -- I don't know. Maybe
12 a portion of the program money should be available
13 for client involvement.

14 MS. HOLLIE: Yes. Mr. McKee, ever since I
15 have been involved with the Clients' Council, there have
16 been attempts to -- or I should say, resolutions passed
17 that have, at our meetings -- that have been addressed
18 by our board.

19 We have made attempts through clients that
20 we have worked with to impact the local budget making
21 process. We think that funding for local Clients'
22 Council activity should be supported by local programs
23 funds because we do not want to interfere in the inner
24 co-operation kinds of things that need to happen between
25 clients and their local entities.

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1 For that reason, what we really would
2 like to see happen -- and it does happen in some
3 programs, -- for instance, in the program that Mrs. Moore
4 is associated with. Some programs have established
5 line items and their budget, and do appropriate some
6 dollars for client involvement activity. Some have
7 no line items. We would like to see a policy, at some
8 point by the Corporation, which, in fact, would mandate
9 that along with rent, utilities, and other kinds of
10 costs, that there be an item that identifies what they
11 will be spending on client involvement activities.
12 Just like -- in fact, you did it with the private
13 attorney initiative. We don't really think 10 percent
14 would be too much.

15 MR. MC KEE: That was very helpful because
16 I haven't been able to get a handle on how that should be --
17 I -- talked to Mr. DeMoss about it; but how you -- how that
18 should be dealt with.

19 MS. HOLLIE: That would be a nice grant
20 condition. It would certainly assist our ---

21 MR. HARVEY: Would it replace your work?
22 Would it make you superflous if we were to do that?

23 MS. HOLLIE: No. It would make us able to
24 do our job much better.

25 MR. HARVEY: It would give you money to do

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1 it yourself.

2 MS. HOLLIE: We would be able, at that point,
3 to have access to clients more readily. We would be able
4 to provide them information that they need.

5 Much of the work that we have been able
6 to do has been relatively limited. We don't have an
7 awful lot of money to run a national organization; and
8 we have, like I said, on occasion been given a shot in
9 the arm with a one-time grant to do specific things; but
10 in the main, we don't have enough resources.

11 For instance, over the years, we have
12 always requested enough money to have a regional office
13 in every region. We just simply have never been able
14 to free up that much money.

15 We need the support system in place to
16 work with the problems and to work with the clients.

17 MR. LYONS: Well, I'm curious to know if
18 we assume that the main purpose of the allocation of
19 funds is to provide the legal representation needed, at
20 what point the support and the participation -- allocation
21 of funds tends to mitigate, again, our ability to provide
22 the representation -- that is to provide the lawyers,
23 the paralegals, and the other folks to represent clients.

24 I mean, if we establish a 10 percent or
25 a 15 percent or a 20 percent requirement for participation,

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1 do we get to a point where we are eroding the main
2 purpose of the legislation; that is to pay for the
3 legal representation?

4 MS. HOLLIE: We think that that enhances
5 the ability of the local programs to do their work. For
6 instance, many programs are -- simply have not conducted
7 adequate and legitimate priority setting processes. They
8 simply have not invested the money. If, in fact, there
9 were a requirement, maybe some of those programs would
10 have used some of their client involvement money to
11 involve clients in that process.

12 We see the ability to use that money
13 locally for clients to begin to be able to have more
14 meaningful work with the program attorneys. I think,
15 on many occasions, we have presented very good and
16 valid arguments for why clients need to be more
17 involved in what happens and in the decision-making that
18 goes on around programs.

19 I certainly hope that Legal Services never
20 gets into the mode of a service delivery -- strictly a
21 service delivery organization. There are so many nuances
22 to each individual community and to the client needs in
23 that community, that if I were an attorney, I wouldn't
24 begin to presuppose what that community needed.

25 MR. VENNEY: I know you well enough to

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1 suspect that that was also a leading question, which
2 gives us the opportunity to say that the clients are
3 not only observers, but, in fact, resources in the
4 delivery system; that there are any number of things that an
5 informed, educated client community, with the support of
6 the local program can, in fact, achieve in behalf of the
7 client community. So it is not simply priority setting.
8 It is not simply passive observation. It is active
9 participation in the delivery system, very much as you're
10 expanding delivery system to include further and further
11 involvement of the private bar.

12 It costs money. It costs money. And as
13 Nell has said, it is, I think, incredibly important
14 that the relationship not be between the Corporation and
15 local Client Councils; not between National Client
16 Council and local Client Councils, but between the
17 local program and the local council, working in concert
18 on those things that they have defined as objectives for
19 their program and looking at all of the available
20 resources and using those resources intelligently.

21 MR. LYONS: What do you do -- Do you know
22 me well. It was a leading question; and the intent of
23 it was to sort of have us think through whether or not
24 every goal of the Legal Services Corporation can be
25 compartmentalized and put into a formula where everybody

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gets a piece of the dollar -- a certain "X" number of
dollars.

There is some political downside to join
that in the sense that if the people who appropriate the
money believe the majority of the money and the main
purpose of the money is to fund one thing. And, you know,
we have these formulas where, you know, "X" gets 10
percent, "Y" gets 15, "Z" gets 20; and, you know, for
delivery of services, we've got \$.50.

MS. HOLLIE: But you see, it depends on
how you define delivery of service. I mean, delivery of
service does not necessarily mean an attorney sitting
down on this side of the table and the client on this
side of the table.

In fact, in a lot of cases, that is
inefficient. We are talking about preventive types of
service. I mean, that's a service delivery. We are
talking about community education of client, helping
clients who identify when they have a legal problem,
helping clients to know when they need to seek an
attorney. I mean, we are talking about things that can
happen locally to ease the strain on the diminished
resources of the local legal services program, while, at
the same time, delivering service to the client
community.

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1 MR. HARVEY: Howard or Harold?

2 MR. DANA: Harold.

3 MR. HARVEY: Harold, go ahead.

4 MR. DE MOSS: Bernie, tell me about the --
5 a little bit about the one-time awards; how and when they
6 come into the picture. Have you all submitted a
7 request for next year for a one-time award of any kind?
8 Where are we on that subject?

9 MR. VENEY: We have not, but we saw this
10 as an opportunity to begin to soften up the board. What
11 we would see as our primary need for next year is an
12 award to continue the kind of client board training that
13 we did in 1981.

14 MR. DE MOSS: Under your SHARE Program?

15 MR. VENEY: No. Under -- the SHARE Program
16 was a 1982 unique opportunity. The Corporation had, in
17 prior years, made grants to local Legal Services programs;
18 and those local Legal Services programs, in turn, to
19 client groups for activities.

20 Last year, the Corporation decided to make
21 the Client Council the grantor, if you will, by making
22 us the one-time grant of \$225,000. We, in turn, made
23 grants to a number of local activities -- 20 -- 22, I
24 guess the correct figure is at this point in time -- for
25 a variety of activities.

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1 We would, of course, like to continue
2 that; but as Clint has said, there are certain priorities.
3 We think a far greater priority, given limited resources,
4 would be in the training area rather than in the
5 continuation of something like the SHARE Project.

6 MR. DE MOSS: What percent of your
7 annualized funding, just roughly, goes to the educational
8 function of clients for their role and participation on
9 board? Can you quantify that in any way?

10 MR. VENEY: It would be rather difficult.
11 I mean, we could try and drag that figure out, but I
12 can't tell you how much staff time, for example, goes
13 into weekend sessions that show up, perhaps, only as
14 money to transport from, let's say, our Chicago office
15 to a meeting in Wisconsin or in Nebraska, or for me to
16 get to a meeting held in Vermont or in Atlanta. I mean,
17 it would only show up in that regard because we would not
18 be paying the cost of the clients who are coming
19 together. That would either be borne by the clients,
20 themselves; and in some instances, clients have held
21 fundraising events so that they could, in fact, come
22 together.

23 We, then, provide the technical expertise
24 in terms of staff; but there would be no way of knowing
25 exactly how much money is being expended in such a regard.

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1 MS. HOLLIE: I would say, just looking
2 at our prior activities, that we could reasonably say
3 100 percent of our budget is spent in that capacity,
4 simply in terms of resources. Our staff people do not
5 work 40 hours a week. As a matter of fact, most of
6 them work 60.

7 Our regional co-ordinators are on the road
8 a lot; and spent a lot of time where we don't have the
9 money for them to be on the road on the phone with
10 clients who call them with whatever particular problem.
11 And, in most cases, they are also trying to cover their
12 8:30 to 5:00 or 9:00 to 5:00 jobs in addition to their
13 on-the-road travel.

14 So, in that respect, I would say that
15 100 percent of our budget is spent in that capacity.

16 MR. VENEY: There is a multiplier effect
17 as well. I just sent a memo this past week citing the
18 activities of the California Clients' Council. The
19 California Clients' Council has, by its work with the
20 state bar of California, managed to make sure that on
21 all of the committees of the Legal Services section of
22 the state bar of California, there are eligible clients.
23 When the state bar and its committees meet, those
24 clients come together. They do the state bar business,
25 but they also deal with Client Council business; no cost

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1 to us. It doesn't show up anywhere; but that is one of
2 the ways that clients have found to replicate -- I'm
3 sorry. Not to replicate, but in fact, leverage of the
4 activities of other entities so that they can do Legal
5 Services things as well.

6 MR. MC KEE: Can you all tell me any
7 estimate of the turnover or rollover of client members
8 on local boards? What has been your experience? Is it --
9 do they change all the time?

10 MS. HOLLIE: I don't think we have any
11 idea. I don't really think we have a good grasp of that.
12 We do not receive copies of the refunding applications;
13 and I would guess the best way to determine that would
14 simply be to look at the names on all of them every
15 year over a period of time just to see.

16 MR. VENEY: Well, the numbers may not
17 change. While the people may not change, the information
18 certainly does; and I suspect that you may not have been
19 here when we commented that we anticipated, this year
20 particularly, -- '83 particularly -- there would be a
21 need for a refocus for some and a new focus for others
22 on how programs operate.

23 You will anticipate that program boards
24 will respond to the regulations and to the changes in
25 the Act that are being proposed; and the question becomes

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1 helping clients to understand why those changes are
2 going to be made; helping them as they implement those
3 changes.

4 Let me just take one more minute. When
5 the final decision is made about legislative advocacy
6 if that decision is such that programs can no longer, in
7 fact, do legislative advocacy, you are going to have a
8 lot of clients on those boards who are going to be
9 absolutely, totally furious. It is not sensible to
10 just let people be angry. You've got to help folk
11 understand how to deal with that particular situation
12 and how to look, perhaps, at other resources or how to
13 handle that need in the community versus, perhaps,
14 a restriction on an ability to perform that particular
15 activity.

16 That's the kind of thing that you
17 can't just simply send out a memo and say, "Here it is
18 folks." because it differs; and you have to give people
19 an opportunity to hear it, to absorb it, and to interact
20 with each other.

21 MR. MC KEE: Have you all put together
22 some sort of a standard manual or publication, or something
23 or other that describes and deals with the role and
24 function of the clients on local boards and that sort
25 of stuff?

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1 Is that available as a primary resource
2 that all client members on boards are furnished with
3 and ---

4 MR. VENEY: Do you think that that does
5 not particularly help? Let me give you an example.
6 In a few minutes, we'll give you this packet which
7 contains the materials from a client training program.
8 If you had been a client, gone through the training
9 program, this is what you would leave the program with.

10 Among the materials is an application for
11 refunding that we put together. Every program had to
12 fill one out. It's delightful. You look at it, and it
13 says what the program is going to -- what it is asking
14 for and what its staffing is. We use this, not to say
15 that your program fills out an application for refunding,
16 but to help the clients understand that by looking at
17 this application for refunding, they can get information
18 on the service area, the numbers of people in the service
19 area, the ethnic breakdown on the service area. They can
20 get information about the hard money and the soft money
21 that comes into their program. They can get information
22 about the affirmative action compliance with their program.
23 They can get information about salary levels, not for
24 individuals, but they can begin to define out whether,
25 perhaps, the program is paying more to a particular

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1 attorney with a similar rate of experience but another
2 ethnic group. So this is a gold mine.

3 You simply send this out and say, "Look
4 at it." That's not going to do it. To help folks go
5 through it and find out what they can do about monitoring
6 their own program, that is helpful. That's why the
7 training.

8 The training, parenthetically, as you
9 see from the training design starts upon a -- typically
10 on a Sunday afternoon and goes into Friday. Folks are
11 in sessions from 9:00 in the morning until 10:00 at night
12 in three-hour blocks of time. This is not a casual
13 slot. It is not for the squeamish at heart. It is hard
14 work.

15 MS. HOLLIE: And it is not together in a
16 booklet -- a one-concise booklet that you just send to
17 a client when you find that a person has been elected to
18 a board. That, again, as Bernie has said has not
19 appeared to us to be useful. It takes a little bit more
20 explanation than that; and over the course of several
21 years, we have developed materials that we use that we
22 put together in a packet the clients get when they come
23 to the training.

24 MR. DE MOSS: One final question: Just for
25 planning purposes in terms of the '83 budget, what is the

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1 minimum figure that you would like to have for '83?

2 MS. HOLLIE: That we would like to have?

3 I believe it is \$1 million ---

4 (Laughter!)

5 MS. MOORE: Double what we have!

6 MS. HOLLIE: We have submitted -- Has it

7 gone out? -- our refunding application for 1983. I

8 don't have it with me, but I believe it was something

9 like \$530 ---

10 MR. VENEY: It's exactly what it was

11 for last year. We recognize that the Corporation is

12 not going to get more money.

13 Where we think that the additional

14 money should go, is, as I said, into the training area;

15 and as you will see from this material, in '81, we were

16 able to accomplish our training at about \$350 per

17 trainee.

18 If you did some cost estimate of the

19 number of folk that we could reasonably expect to reach

20 at any given period of time and the amount of money, I

21 would suspect somewhere around an additional one-time

22 grant of \$100 or \$125,000 would be appropriate to begin

23 the process of providing client-board training.

24 Parenthetically, we have, in fact, trained

25 whole boards; that is, attorneys as well as clients, and

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1 found that to be extremely, extremely effective. We
2 found boards where the attorney members didn't know the
3 names of the client members; and the clients didn't know
4 the name of the attorney members; and you don't work
5 well making decisions if you don't even know somebody's
6 name.

7 We did a program in North Carolina that
8 Joe was a part of, as a matter of fact, and you may
9 recall; but we left that with very high praise from
10 the attorneys, as we have in other areas; and a -- in
11 fact, a scolding from the attorneys as to why they
12 haven't been included in our training before.

13 Because of the limitations of resources,
14 we'll train the clients until you have got enough money
15 for us to train the whole board.

16 MR. HARVEY: The grant application, Bernie,
17 does it contain an identification of priorities that you
18 have set or want to set?

19 MR. VENEY: No, it does not. It does not
20 call for that. We do not have the narrative. I did not
21 make an attempt to duplicate a narrative; but it is just
22 to help folk understand two things; one, the project
23 director and the chairperson of the board signs the
24 application. If the Chair of the Board signs that
25 application, it means that it should come before the

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1 Board. In a number of instances, that does not happen.

2 Secondly, to help people understand
3 when it does come before them, it is a document that
4 not only talks about money; and that is important, of
5 course, but it talks about fundings sources, it talks
6 about the requirements of funding sources. For example,
7 a program may get "X" amount of money for REGGIES but
8 that money is not moveable. They can't use the REGGIE
9 money to put somewhere else. We try to help people
10 through that through the use of this application
11 document.

12 You've got other groups. Let me ---

13 MR. MC KEE: One more -- one second.

14 We're into a big thing in Mississippi.

15 Norma Jean Hamilton said when we were
16 running out of time, "Mr. McKee, if ever again you have
17 a meeting and you are running out of time, never take
18 it out at the expense of the client representative himself."

19 I'm sure that Mr. Eisenberg and
20 everyone else will hang on a few minutes while we finish
21 these few points up.

22 According to Mr. Olson, who will ask
23 some questions, I have a question about this great
24 word, training. You do training, NLADA does training.
25 There are regional training centers. I think PAG does

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1 training. There is this whole training area.

2 It seems rather confusing to me in terms
3 of overlap. For example, a Middlesex, New Jersey, sub-
4 grant, you gave them, I guess, \$4,000 to do training
5 of tenants on housing, which, it seems maybe, why aren't
6 the lawyers doing that intially?

7 How do you overlap in your training with
8 some of the training that is done by the regional training
9 centers or by NLADA? Should you be given a bigger piece
10 of the training pie in terms of making people more
11 sensitive? I would think a lot of your training is
12 sensitization of lawyers, too, I would think, and
13 Board members.

14 But in this big area of training, it is
15 just so huge, and everyone is into the training -- not
16 game -- but everyone is doing training like heck.

17 I guess Howard will explain what his training
18 is and PAG will do what their training is, but -- just
19 give me your comments on this whole training effort. I
20 mean, it's just a term and everyone is doing training, and
21 the money is going for this training and that training.
22 Can it be better co-ordinated? Should you do more of
23 what someone else is doing? What do you think?

24 MR. VENEY: Anything can be better
25 co-ordinated. Anything can be better handled, I suspect.

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1 The training and resource centers -- the regional training
2 centers are regional centers. They do not, in fact,
3 provide training. They provide expertise in training
4 design, identification of consultants; and they may, in
5 fact, provide materials, but they do not, in fact,
6 provide training.

7 A member of the Client Council staff
8 sits on the advisory body and we get co-ordination from
9 that.

10 Once in a dream-world, Howard Eisenberg
11 and I sat down and talked about doing board training
12 jointly; NLADA and Client Council because then it would
13 give ---

14 MR. MC KEE: Where they would give you
15 some of their money or would you be a subcontract under
16 that?

17 MR. VENEY: Well -- I mean, however it
18 was done. The money arrangements are not the question.
19 The problem -- the question of the problem is getting
20 folks trained, because as quiet as it is kept, we found
21 training board members who had never read the Act, less
22 known, the regulations.

23 We thought that NLADA as a -- would bring
24 credibility in the training of the attorneys. In the
25 minds of the attorneys, Client Council would bring

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1 credibility in terms of the Client; and jointly, then,
2 we could provide better training for the entire boards
3 of local programs.

4 Yes, there may be some elements of overlap,
5 but I think that they are few. I think that we, in
6 Client Council, recognize that we cannot, in fact,
7 provide the substantive expertise in areas such as
8 housing. We can provide other expertise.

9 I would remind you, Mr. McKee, that
10 while the Legal Services attorneys are, in fact, able
11 to do a number of things and willing to do a number of
12 things, they are stretched almost as thin as Client
13 Council is; and it may be necessary for a group needing
14 substantive training to either reimburse the program for
15 expenses or, perhaps, reach out and get other assistance
16 because the program cannot simply afford to grant
17 the time to do some of the training that is necessary.

18 It's a complicated question, and one you
19 will, I'm sure, want to spend more time on; but I don't
20 feel that there is as much overlap as there is need.
21 There is not as much failure to co-ordinate as there is
22 a vacuum that needs to be filled.

23 MR. OLSON: I have a couple of miscellaneous
24 questions; one of which is: When you have client
25 conferences, do you charge registration fees; and if so,

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1 who pays them?

2 MS. HOLLIE: Yes. When we have client
3 conferences, we charge registration fees. The
4 registration fees, when clients come to our conferences,
5 their expenses are borne by the local Legal Services
6 program; and in that capacity, the program pays their
7 registration fees.

8 MR. VENEY: Correction. The only
9 conference that we have that a registration fee is
10 chargeable is our annual conference. That's once a
11 year.

12 MS. HOLLIE: Right.

13 MR. VENEY: Our training events, whether
14 they be local or regional, there is no registration fee
15 for those.

16 MR. OLSON: How much is the registration
17 fee for the annual conference?

18 MS. HOLLIE: Our annual conference
19 registration fee is determined on what we estimate it
20 will cost and how many people we think can reasonably attend.
21 In the past, that has ranged from \$120 -- \$100 to \$125
22 to, I believe at one time, \$130 ---

23 MR. VENEY: \$125 has been the most ---

24 MS. HOLLIE: \$125 was the top. Okay.

25 MR. OLSON: And typically, how many people

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1 would attend that?

2 MR. VENNEY: Our last annual meeting was
3 in excess of 450 clients.

4 MR. OLSON: Each paying \$125?

5 MR. VENNEY: No.

6 MS. HOLLIE: Not literally, because what
7 we have also done to assist and to not necessarily to
8 assist but to encourage programs to send more than one
9 person, we give -- allow a lesser fee when there are
10 more than "X" number of clients coming from a program
11 and those kinds of things.

12 Of course, again, when clients are able,
13 by whatever means, through their CAP Agencies or other
14 resources to come to our conferences, we do not send
15 them home if they do not have the registration fee. We
16 absorb the cost.

17 MR. OLSON: If that would typically be on
18 an annual basis, you might make \$50,000 on such a thing?

19 MS. HOLLIE: No.

20 MR. OLSON: To offset the cost of the
21 conference?

22 MR. VENNEY: Yeah.

23 MR. OLSON: --- and additional?

24 MR. VENNEY: It is reflected in our audit
25 and you would have that information available through

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1 your staff. I cannot think of any time when we, in
2 fact, -- Well ---

3 MS. HOLLIE: I think we made a profit
4 in '79, but we generally run a deficit on the conference.

5 MR. OLSON: Mr. Veney, you said that --
6 something about when Hal was asking about client turnover
7 on the Board, you said, "Well, people may not change,
8 but ideas do." Does that mean that you don't think there
9 is very much turnover of clients on boards in local
10 programs?

11 MR. VENEY: No, I think I responded in that
12 way because I don't think that is the issue this time.
13 I think whether there has been turnover or not, there is
14 a need for information.

15 MR. OLSON: I don't know if that is the
16 issue, but that is the question.

17 MR. VENEY: I'm sorry.

18 MR. OLSON: Is it likely -- do you think
19 there is substantial turnover on these boards, based on
20 your experience on it. Or take any one of the programs
21 with which any of you are familiar.

22 MS. HOLLIE: I can speak for my program.
23 In my program, we designate that we have a 30-person
24 board. Ten of those seats, therefore, are available for
25 clients.

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1 Since I have been involved with the Legal
2 Services program, there is not one person who has been
3 on that board, except myself, for more than three years.

4 A lot of programs have provisions, also,
5 in their By-Laws, which do not permit directors to serve
6 more than "X" number of terms; and so, again, that
7 encourages turnover.

8 Some people go off boards and become
9 involved in other capacities; and maybe two or three
10 years down the road may be back on the board; so it might
11 be the same person but not the same length in terms of
12 tenure.

13 MR. OLSON: I want to make ---

14 MS. MOORE: Excuse me, Mr. Olson.

15 MR. OLSON: Yes, ma'am.

16 MS. MOORE: My board is similar to what
17 Nell was talking about. When we first got on the board,
18 I was selected -- elected from my meeting with Ashland
19 Council. After that, I began to serve as a representative
20 from the Welfare Rights Organization while they --
21 someone in Washington came up with a big word about
22 self-perpetuating boards. That's when we had to go to
23 a formula which states that a director chosen from the
24 particular organization that they come from can be chosen
25 three times, to serve three years, which will give you a

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1 nine-year tenure.

2 I think maybe I've been around a little
3 longer than Nell or anyone else; but at this point, I
4 don't want to exclude Ms. Ellis out there because I know
5 she is the grandmama of us, too.

6 What I'm saying is that, you know, that
7 becomes -- that is a problem and it might seem that,
8 you know, the solution is to get different people in on
9 the board, but I feel that as long as the organization
10 that you represent feels that you can contribute to the
11 board and it is written in the By-Laws -- Say, for
12 instance, I'm on my first three-year term according to our
13 new By-Laws -- now when this three years are up and our
14 Welfare Rights Organization decides that they would re-
15 elect me to represent them on their board, then that
16 would be their prerogative because I represent a group
17 of people.

18 However, if they was, you know, to choose
19 to let somebody else, then that would be their
20 prerogative. In the meantime, if I thought that going
21 off the board was going to keep everything intact, I
22 would have been off the board 10 years ago. But the
23 Legal Service Board, have the tendency to have a turnover
24 of lawyers more so than you do clients. And clients,
25 almost have to stay there to re-educate those lawyers as

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1 to, you know, their responsibility in coming on.

2 To change over in our board is really
3 kind of, you know, sick in a way because we have board
4 members that were coming continuously as long as there
5 was a big fight and something to argue about. Then I
6 got elected as the board chairperson, which they never
7 had a low-income chairperson before; and I'm not saying
8 I got all the greatest ideas in the world, but I believe
9 board work. So you go and do your work and then you
10 go home and you don't have to socialize.

11 It doesn't make no difference whether
12 we can have a drink afterwards or before. It really don't
13 bother me. But the true lawyers that care about what is
14 happening on our board are the ones who continually come
15 under -- What's that word? -- my auspicy or whatever that
16 word is.

17 MS. HOLLIE: Uh huh.

18 MS. MOORE: And what I am saying is that
19 you weed them out. You don't let them stay. Now they
20 never before on our board have got a letter saying that
21 you are off. You don't come, you are just off. Some of
22 the most prominent people in our county have been told
23 that you cannot serve no longer because they are not --
24 they were there for the argument and the rhetoric, but
25 as lawyers, and excuse me, I know there is many of you in

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1 here, they do not have the dedication as a poor person do.
 2 When you know a job has got to be continually done,
 3 priorities change. Who know the priorities any better
 4 than the poor folks on the board.

5 But when the lawyers want to look at it
 6 and say, "Well, you know, this ain't something we want
 7 to deal with." you've got to be in a position -- you've
 8 got to be around long enough to get their respect.

9 You say, "Well, we've got to deal with
 10 this." We've got to set priorities and we tell him that
 11 we need to do such and such a thing.

12 Well, what I'm trying to say is that we
 13 do have mechanism to keep that long-term thing from
 14 going on because somebody in Washington thought it was
 15 better. Okay? But before then, it was going on and I
 16 think that some of the best people that lost their board
 17 tenure, based on the fact that you had to change and
 18 stop being self-perpetuating, which nobody ever chooses
 19 their own self. They act like everybody was in the room
 20 and you stood and hollered, "I appoint myself as a board
 21 member for the Legal Aid board." That is the way it
 22 happened.

23 Always, when we get to talking, he just
 24 gets so -- ugh, -- what I'm saying until I believe we
 25 is just talking one to one.

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1 (Laughter.)

2 I just forgot everybody else is out there.
3 I'm trying to make him understand. -- understand me.
4 It never works, but I think it do.

5 I'm just saying that it is not self
6 perpetuating anymore. I think Nell, like she said, she's
7 been there three years. I don't know how long she can
8 continue, but she's got to be re-elected after ---

9 MS. HOLLIE: I'm now in my second term
10 on my board; but since -- I am the client member of the
11 board who has been there the longest on my board. There
12 are some attorney members who have been there much
13 longer. Our board By-Laws do not have provision for
14 automatic termination or non-re-election of previous
15 board members. Many programs do, and that is, again,
16 a local decision.

17 Over the last four years or so since I
18 have been involved with my program, there has been a
19 significant change over in the attorney composition of
20 the board; and it has had a lot to do with varying or
21 different instructions coming out of Washington relative
22 to the composition and the turnover of boards. So we
23 have seen new blood coming on to the board; and it has
24 made it a little easier for clients on the board because,
25 you see, a lot of these boards that we were talking about

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1 were formed prior to the existance of the Legal Services
 2 Corporation; and a lot of these attorney members have had
 3 a difficult time accepting clients' participation because
 4 these boards prior to that did not have to have clients.

5 So, in many cases, that has been a part
 6 of the resistance. It's just an inability to rethink
 7 the function of the person serving on the board. That is
 8 changing.

9 MS. GARRETT: We have a very large turnover
 10 on clients, but I think you have to look at the particular
 11 areas and how the composition is formed.

12 We have about, -- I would say about 700
 13 groups, at least, in our city, and we solicit those
 14 groups for members of the five local advisory councils.
 15 Each advisory council, then, in turn, appoints two
 16 members to the board.

17 I have served on the board for eight years
 18 as of now. I've been the vice president of the corporation.

19 We have a large turnover. It is not
 20 particularly that the clients lose interest or anything.
 21 Sometimes the clients do get a job and they are no longer
 22 eligible at the end of their term; and then when we have
 23 our elections in two years, other people are selected.

24 Our clients are really subdivided because
 25 you are out in the community working in other aspects a

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1 lot of times doing other different substantive areas
 2 such as the housing. We have been very fortunate with
 3 the self-help training that a lot of times now we have
 4 found down in our Court system in particular. The
 5 client can go in and win their cases almost the same
 6 as they can with an attorney which frees up the
 7 attorney's time.

8 Many of the times we have a paralegal
 9 with them, and if there is loss, then on the appeal
 10 cases, then we return to the attorney.

11 We have tried to pick up some of the
 12 advocacy for the cutbacks in the programs.

13 Our clients are very, very active and
 14 there is an utter need for training all the time with the
 15 turnover. Also, the sensitivity is needed for the
 16 attorneys because when I first came on the board, my
 17 first meeting with our board, I was ready to walk out of
 18 the room. Everybody was in an argument over different
 19 things that was happening. They were very hostile to the
 20 clients.

21 Since then, we have a very good-working
 22 relationship; and when we hold our priority settings,
 23 we conduct a survey throughout the community organizations,
 24 throughout the actual clients coming in the office, clients
 25 that we know in other communities, and we set and we

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1 met with the staff as to what their knowledge as to the
2 number of cases that are handled in a particular field.
3 We came to hold hearings and came to agreements, which
4 we alleviated, I think, a lot of the hostilities that
5 were happening about that time with the cutbacks in the
6 fundings; and, you know, if there was any kind of change
7 in regulations, the first thing that happens is everybody
8 is apprehensive.

9 We have developed a pretty good network
10 within the community as to letting them know. The new
11 regulations that are happening, as Bernie has stated,
12 we are going to need to know exactly what they are, how
13 to handle them, and different ways of understanding;
14 and then, disseminating this material out into the
15 community as part of the client network; not just keeping
16 it for the board members.

17 MR. OLSON: Chairman McKee is yelling at
18 me here, so I want to go to -- I want to go back to
19 something Ms. Moore said, and say that I'm still not sure
20 that I agree with you on the self-perpetuating board.
21 Nobody has made a better argument.

22 I think that this is a very critical
23 question, how we insure that there is adequate client
24 influence on the way in which we have -- Legal Services.
25 I'll tell you how I get to this. A conclusion, and if

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1 -- then I want to ask you a last couple of questions
2 from Bernie.

3 I can't help but believe that one of the
4 fundamental flaws in dealing with the system as established
5 here under the Act is that it doesn't -- it does not
6 put purchasing power into the hands of the clients to be
7 able to choose their own attorney, determine which ones
8 are doing a good job; to be able to evaluate them them-
9 selves because clients can evaluate lawyers better than
10 anybody can in my opinion, even though there are many
11 people that argue that only other lawyers can evaluate
12 lawyers. I think that is a sceptical -- I'm sceptical
13 of that argument.

14 If the Act does not put purchasing power
15 directly into the hands of the clients, how do you
16 substitute for that power? You have to provide that
17 power some way; and what the Act did was to require that
18 the lawyers pay attention to the consumers and the clients
19 and involve them in priority setting and other issues.

20 I think finding ways to maximize that
21 involvement would substitute for the fundamental weakness
22 in that we can not put the purchasing power directly in
23 the hands of the client. So that's what, in my opinion,
24 this thing is all about.

25 What I -- want to say two things. First of

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1 all, if you do know of local boards that are not
2 properly constituted -- if there are local program
3 people who are not taking this seriously, I think that
4 not only violates a specific provision in the Act, it
5 violates some of the underlying philosophy of what we
6 are trying to do; and it under lines this concept of
7 mandating client involvement in order to substitute for
8 the fact that we don't have a free-market situation
9 occurring here. So, if you know of them, please don't
10 just think you are going to deal with them yourselves
11 and work with them.

12 I would suggest that you take it upon
13 yourselves to contact the board members, or the staff,
14 or the regional offices, or our new president, when we
15 pick somebody; or whatever -- whoever you want to contact
16 and any of us will pay attention. I know I will because
17 it gets to the fundamental issue of how you deliver
18 services that are desired by the people they are being
19 delivered for. So don't take it on yourself to -- if you
20 are frustrated in your initial attempts to get satisfaction.

21 Now, in -- and with respect to this
22 concept about grant conditions, ways to strengthen the
23 hand of clients, by golly, we've got an opportunity.
24 The grants are going out again for January; we've got
25 an opportunity between now and the December meetings to

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1 incorporate ideas like that. Give it to us in writing.
2 Somebody come up with that because we can't have all the
3 -- sometimes we don't have any of the good ideas, but
4 we sure know where to turn to look for them; and this
5 might be, I just think, an excellent idea and I'm glad
6 to -- If nothing else comes out of this, we may be able
7 to put into those grants some black-letter laws that are
8 going to be obeyed by the programs.

9 MS. MOORE: Well, Mr. Olson, it comes to
10 the point -- Okay. We don't pick lawyers from the bar
11 association. The bar association has to begin to make
12 it clear that those who they choose, select, or who get
13 the little short straw, or whatever process that they use,
14 that they claim because it is a job to be done and not
15 going the whole seat for that particular bar association.

16 In our evaluation of lawyers, I evaluate
17 lawyers and almost anybody I spend 10 minutes talking to --
18 By the same token, I guess we can do me likewise, as to
19 their dedication on the board.

20 Now we have one lawyer that we select as
21 low-income people. When that lawyer becomes -- to become
22 nonfunctional -- he begins to listen to everything and not
23 act in my behalf on the board, he no longer represents us.
24 We have one of those going out. It's a matter of me
25 sitting down and telling him directly, "You will receive

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1 a letter and you are getting it because you ain't doing
2 such and such a thing; and that is the end of it."
3 Then we have to look into the community and try to
4 determine, as board members -- low income board people --
5 who it is that we want to come on this board to
6 represent us.

7 We've got to look at the ones that might
8 want to - need the 10 percent, you know you can't get him
9 because that's a poor lawyer, and usually those are the
10 best ones ---

11 Mr. McKee is suggesting that I select
12 him to be on my board to represent the clients.
13 Unfortunately, we can't pay your travel.

14 (Laughter.)

15 But that beginning part of the evaluation
16 has got to come from within those bar associations. They
17 have to, when they come -- have to come with some
18 measure of dedication. The same thing with low-income
19 people.

20 You can have people represented on your
21 Board -- clients who do not serve the purposes of the
22 clients. They are there because they might get selected
23 from a low income group, but their major concern is not
24 the same thing that is happening to you. We've got to
25 find a way to include the new poor as they call them

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1 because all of a sudden they see that they are in the
2 same position that we are. They don't understand Legal
3 Services. They don't understand why they can't go and
4 get a bankruptcy -- something done -- because nobody
5 poor seen that as a priority. We didn't have ---

6 Oh, my gracious!

7 (Laughter.)

8 MR. OLSON: Well, Clarence, we are going
9 to tell Ms. Hamilton on you if you point to your watch
10 one more time.

11 MR. MC KEE: I know.

12 MR. OLSON: All right. But seriously,
13 you know, we can't solve all of the problems of the world.
14 The board can't ---

15 MS. MOORE: I like the idea that you
16 picked up on that one particular issue; and like you said,
17 if you don't do nothing else but come up with something
18 that is going to guarantee if we are going to be pressured,
19 that the whole system be into that same ---

20 MR. OLSON: Well, we can't alter the way
21 in which the bar representatives think; but the one thing
22 we can do is require certain steps to be taken by every
23 program to insure that there is consumer input into
24 the decisions.

25 Now, one quick question. When does the

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1 contract with you folks expire?

2 MR. VENEY: We are a grantee.

3 MR. OLSON: You are a grantee? I see.

4 So it is annual?

5 MR. VENEY: That's right.

6 MR. OLSON: And what -- Very simple.

7 Can you just describe in two sentences the extent to
8 which you folks are involved in legislative advocacy
9 currently?

10 MR. VENEY: To the extent the regulation
11 allows. We have done a great deal the past year
12 because clearly, the Legal Services Corporation and
13 its funds were in jeopardy.

14 If there is reauthorization for the
15 Legal Services Corporation, we are involved heavily in
16 the reauthorization efforts; but that does not occur
17 annually. So it depends on what the situation is.

18 There are times when I guess I don't
19 think any member of Client Council's staff or its board
20 is on the "Hill" for a year or a year and one-half; but
21 when we are faced with reauthorization questions, we
22 are there because the Congress requests that we are there
23 and because we think the interest of clients must be
24 represented.

25 MR. OLSON: Well, in calendar '82, what

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1 percent of your time would be devoted to legislative
2 advocacy?

3 MR. VENEY: '82? If five percent of
4 my time was devoted, that would be a great deal. Most of
5 staff does not do any legislative advocach at all.

6 MR. OLSON: Are you C-3?

7 MR. VENEY: Yes.

8 MR. OLSON: Thank you.

9 MR. MC KEE: Mercy me! Thank you very
10 much.

11 If you could follow up on Mr. Olson's
12 suggestions about the specific recommendations and ideas
13 in terms of those, it would be helpful.

14 Also, Mr. Harvey and I want to say,
15 because of the shortness of time, if you have specific
16 information you would like to submit, just send it to us
17 so we can get it in to the record.

18 Have you mentioned the priority setting
19 concepts that should be a part of that, too -- the
20 monitoring?

21 The next organization is the National Legal
22 Aid and Defender Association, which can take 60 seconds
23 to give us their total presentation!

24 Howard Eisenburg, you can introduce the
25 people.

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1 MR. HARVEY: Jerry, Howard, Clarence
2 has asked I be the M.C. on this one; so when you
3 gentlemen are ready -- Are you ready?

4 MR. BECKER: Yes, we are.

5 MR. HARVEY: Hold forth.

6 MR. BECKER: Members of the Board, my
7 name is Gerald Becker. I'm the President of the National
8 Legal Aid and Defenders Association. On my left is the
9 Executive Director of the Association, Mr. Howard
10 Eisenberg. On my right is Mr. Jody Smith, who is the
11 Head of the Civil Division of NLADA, most responsible
12 for the activities related to the Legal Services
13 Corporation.

14 Mr. Eisenberg responded to a request from
15 the then President of the Legal Services Corporation,
16 professor Caplan in July 22, 1982, concerning the functions
17 and purposes of NLADA. I think that that letter best
18 serves as an introduction to the Board of the activities
19 of NLADA, subject to one correction that Mr. Eisenberg
20 has furnished the Board. The Civil Program dues were
21 incorrectly stated to be .005, the total program budget.
22 In fact, those dues are .001, one-tenth of one percent of
23 the total budget. After that correction, I stand behind
24 that letter.

25 I would imagine that to most of you, if not

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1 all of you, the activities of NLADA are well known.
2 Since 1911 when NLADA was formed by the American Bar
3 Association, it has concerned itself with the activities
4 surrounding the delivery of legal services to poor people
5 in this country.

6 NLADA has fashioned a relationship over
7 the years of lawyers working both in the public and
8 private sectors. We have had long-standing relationships
9 with the American Bar Association and the minority bar
10 associations presently existing in this country.

11 Our Board of Directors is a board composed
12 of 20 individuals representing four sectors: public
13 members, private members. We have clients, members
14 representing the Legal Services programs, representing
15 the Public Defender programs, and the private bar.

16 I'm happy to announce that our Board is
17 a highly representative board made up of such individuals
18 as the former President of the American Bar Association,
19 the former President of the National Bar Association,
20 judges on both the state and federal level, and individuals
21 representing the broad spectrum of the private bar and
22 those concerned with the delivery of legal services in
23 the arenas of criminal defense as well as in legal
24 services.

25 I hasten, at this point, to add that I would

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1 feel more comfortable in responding to question that the
2 Board might have on particular issues. We were not able
3 to identify any individual concerns you might have, and
4 I think we could be more responsive if we had the forum
5 go that way?

6 MR. HARVEY: Gerry, thank you. Members
7 of the committees, do you have questions? On my far left,
8 Howard?

9 MR. DANA: I pass, Mr. Chairman.

10 MR. HARVEY: Harold?

11 MR. DE MOSS: Am I correct in understanding
12 that there is relatively little direct financial connection
13 between the Legal Services Corporation and NLADA?

14 MR. BECKER: The financial connection would
15 be pursuant to grants that have been awarded to NLADA
16 by the corporation over specific areas of concern, such
17 as the management project and the leadership training
18 project. The access project is another one.

19 Other than those grants, there is no
20 financial relationship between LSC and NLADA.

21 MR. DE MOSS: ARE there any of those types
22 of special grants under discussion right now or -- that
23 we would need to talk about or know about in terms of
24 the 1983 budget?

25 MR. BECKER: Mr. DeMoss, no.

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1 MR. EISENBERG: No, we have made a
2 decision not request 1983 funding for the access project.
3 The other two major grants, leadership and management,
4 we anticipate extending into 1983, and we never anticipated
5 making an '82 request.

6 Those are one-time only funds which are
7 entirely segregated. And if they are to be regranted,
8 we will have to come back and that will have to be
9 viewed anew. But that is not a decision now and will not
10 be for approximately a year.

11 MR. DE MOSS: Okay. Let me ask you, on
12 those existing -- when you say, will be extended into
13 '83, -- That's a matter of your implementation of a
14 commitment that LSC has already made and that's not a new
15 commitment of any sort?

16 MR. EISENBERG: Yes.

17 MR. BECKER: That's correct.

18 MR. EISENBERG: In fact, when they were
19 awarded, frankly, we did not know what the status would
20 be at this point in time, and we made a decision to
21 extend those two grants for two years to get the
22 maximum benefit into what may have been a year in which
23 there was no LSC funding. And since the primary purpose,
24 particularly the management grant is to respond to changes
25 in structure and environment, that was an important aspect

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1 of our implementation of that project.

2 MR. HARVEY: I have a question that I
3 will pass. The far right -- Bill Olson.

4 MR. OLSON: I am not sure I believe what
5 I heard or heard what I thought I heard. Did you say you
6 are not requesting funding again for the Access to Justice
7 Project? If that's so, that's a first before this
8 committee.

9 MR. EISENBERG: That's what I said.

10 MR. OLSON: Is there any reason?

11 MR. EISENBERG: Yes, because it does
12 some legislative advocacy, which we believe would be
13 restricted in one way or another, either now or in the
14 future; and we are seeking actively private foundation
15 funding for that purpose.

16 MR. OLSON: What is the Management and
17 Leadership Development Grant? I've seen it referenced
18 a few times and never well described; and I've seen it is
19 over \$1 million over, I guess, a year or more; and I
20 wonder what that is.

21 MR. EISENBERG: I can talk about management
22 a little bit; and then Jody, who has been primarily
23 responsible, I think, for the leadership, can tell you
24 best what we plan to do on that.

25 It became apparent to the Legal Services

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1 Corporation about a year ago that the future of the
2 structure of Legal Services was certainly in question,
3 and that there was a need to place in an entity that
4 continued to exist beyond the Legal Services Corporation,
5 if necessary, the funds to implement the response to
6 restrictions in the type of service and reduction in
7 funding.

8 The Management Project which amounts
9 to about two-thirds of that total amount of funding was
10 developed specifically to assist programs responding to
11 the decrease in funding; restrictions, personnel,
12 geographical problems that would exist because of the
13 changes in the legislation and the levels of funding.

14 It is entirely separated and a self-
15 contained project within NLADA. In fact, it is even on
16 a different floor in the building. It has its own staff
17 which are hired through the grant funds. No NLADA staff
18 is paid through the funds at all.

19 The purpose is, for example, -- I have --
20 we have, and we can certainly provide you a detailed
21 -- client by client, program by program response as to
22 what the project is doing.

23 LSC grantees will contact the director of
24 a project whose name is Wayne Pressel and say, "We have
25 this problem." In the State of California, we have many

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1 programs up and down the coast. In addition to that,
2 there are non-LSC programs which provide some types of
3 civil-legal services.

4 We have sustained a loss in funding of
5 25 percent, necessitating closing offices in counties
6 A, M, and Z. In addition to that, we see, on the
7 horizon, restrictions in legislative advocacy, the
8 representation of undocumented workers, and other
9 things.

10 It is necessary for us to decide: (1)
11 Geographically how we are going to fill in those holes
12 to serve as many clients with as few dollars as
13 possible. (2) How we can make certain that we are
14 complying with the regulations and the statutory
15 restrictions. (3) How we can make these changes with
16 as little staff trauma as possible.

17 The Management Project will respond to
18 that and we'll get additional information and will, if
19 appropriate, provide consultant assistants either through
20 the staff itself; and the staff consists of two
21 professional people, Wayne Pressel, who is an attorney
22 with a background in Legal Services, and Sue Corrigan,
23 who is not an attorney and not a Legal Services person,
24 but who has background in management, technical assistance,
25 and human development.

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1 They will either go themselves or will
2 pay for someone else to go and provide whatever
3 assistance is necessary.

4 So, by and large, it is responsive to
5 individual requests.

6 In addition, there are more cosmic
7 activities. The project is now in the process -- In fact,
8 I don't know if we have them here. I brought them to
9 hold up -- of developing a series of audio tapes with
10 workbooks on problems which are apt to arise generally,
11 but more specifically, in this time of transition in
12 Legal Services.

13 That includes such things as staff
14 relations, board relations, budgeting, planning,
15 subsistive work plan planning, and those entail materials
16 as to what the issues are in the process to go through, and
17 also are supplemented by audio tapes of people within the
18 community; expert consultants who would not individually
19 come or would be very expensive to bring on a national
20 basis. Those can be produced. It costs about \$10 a
21 set and are sent without cost to the various programs
22 around the United States.

23 In addition, there will be training, but
24 in a very limited sense. In response to Mr. McKee's
25 question, NLADA does not do much training on the civil

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1 side, but what we will do, through the Management
2 Project, is if there is a regional substantive training,
3 for example, we will put in a module on management and
4 send someone from the Management Project to discuss
5 particular issues of staff lay-offs, how a project
6 director who had never done much litigation or had not
7 been in litigation and develop a litigation experience,
8 how you deal with boards that may be appointed in a new
9 way. So that's the kind of training.

10 There will generally not be specific
11 training done exclusively by the Management Project;
12 and instead, we anticipate that that funding will last
13 until at least the end of 1983. Frankly, if it looks
14 as though this will not be refunded, NLADA, (1) will
15 seek alternative source funding, but it will probably
16 slow down in '83 in spending the money to make it go
17 as long as possible.

18 It is my understanding that while we are
19 spending about \$1.5 million over a two-year period, that
20 the prior amount of money spent by the Corporation for
21 similar purposes was about \$4 million annually. And so
22 this is a very substantial reduction in the over-all
23 costs, and we are very sensitive to the needs to make
24 each dollar go as far as possible.

25 I would be happy to supply the committee

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1 with a detailed, case by case scenario of what we have
2 responded to. We have the workbooks and tapes as well
3 as some other direct products of the project which we
4 will be happy to supply you with if you like.

5 MR. OLSON: Howard, does that -- I just
6 wrote myself a note and I am trying to put another
7 phrase to describe management and leadership development,
8 which ---

9 MR. EISENBERG: There are two separate
10 projects.

11 MR. OLSON: You just described ---

12 MR. SMITH: You just described the
13 Management Project.

14 MR. EISENBERG: I think Jody can give you
15 a better idea about leadership.

16 MR. OLSON: Okay.

17 MR. SMITH: Briefly, in terms of the
18 Leadership Project, the over-all concept is designed to
19 facilitate the Legal Services Community's provision of
20 the best Legal Services to our client. And obviously,
21 that is in pursuit of our over-all statutory mandate.

22 Specifically, the Leadership Development
23 Project is an effort to strengthen the conceptual,
24 substantive and interpersonal skills of persons who are
25 called on to fill leadership roles throughout the Legal

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1 Services Community.

2 At this stage, several activities have
3 occurred. On one hand, we have engaged a consultant
4 to undertake the development of the planning report
5 for the project; that consults and undertook a series
6 of interviews of persons who had been in the Legal
7 Services Community as well as other persons; discussing,
8 generally, the topic of leadership and components of
9 leadership.

10 The results of those interviews were
11 synthesized into a planning report; and in addition, at
12 the beginning of that planning report is a fairly
13 detailed, thorough conceptual analysis and discussion
14 of leadership from that person's perspective.

15 It's, from my view point, a fairly
16 thought provoking and provocative discussion piece.
17 We have circulated that planning report throughout
18 segments of the Legal Services Community in order to
19 get feedback and reaction. That's designed to give us
20 some sense of direction in this project.

21 The consultant, whom we engaged to do the
22 planning work, offered us three primary implementation
23 options. One was or is a Leadership Development Institute,
24 the second is a Fellowship Program, and the third was
25 a Seminole Paper Option.

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1 The Leadership Development Institute is
2 conceived as a ten to fourteen-day learning experience
3 which would be structured to offer, in an interdisciplinary
4 way, again conceptual training, substantive skills
5 training, as well as interpersonal skills training.

6 The Fellowship Program was envisioned
7 as an opportunity to ---

8 MR. OLSON: Jody, not to interrupt, but
9 who do you train? Leadership -- you say you train
10 -- strengthen the skill of people called on for leadership
11 within the Legal Services Community. Does that mean
12 you train only people who are say staff attorneys within
13 grantees, or are you training people who -- are you
14 training clients; are you people training people who
15 work for the Coalition for Legal Services? Who are you
16 training?

17 MR. SMITH: We haven't made a final
18 decision on who the participants will be. We need to
19 say that it is our expectation that we will put together
20 an advisory group which will include some persons in the
21 Legal Services Community, and also persons from some other
22 organizations outside of the Legal Services Community.

23 One of the things that we will be asking
24 them to give us advice on would be who should be the best
25 target population for this learning experience. I have

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1 said it, up to this date, that ---

2 MR. HARVEY: Jody, just a moment. Tell that
3 man I'm freezing. Don't turn that thing back on! Please.

4 MR. OLSON: Let me ask the question: I
5 thought you were going to ---

6 MR. HARVEY: I interrupted you, Bill.

7 MR. OLSON: When you jumped in, I was
8 convinced I knew what your question was going to be.
9 You were going to say, "Do you mean --" Let this be
10 my question. Do you mean we gave away \$1.5 million
11 in part to help train people and we don't know who we
12 are going to help train? That's what I thought you were
13 going to say, so let me ask that question.

14 Did we give away \$1.5 million and we don't
15 know who we are going to train?

16 MR. SMITH: No.

17 MR. OLSON: Oh.

18 MR. SMITH: I would say that it is clear
19 that as a threshold proposition, we are starting with
20 the notion of the Legal Services Community as potentially
21 persons that would be trained; and from our viewpoint,
22 that community involves staff persons as well as clients
23 as eligible persons. There will obviously be limited
24 opportunities to participate in this experience; so what I
25 am suggesting to you, then -- we haven't proceeded to

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1 a point yet that we have decided whether this will be an
2 experience which will predominantly respond to the needs
3 of, let's say, a project director as opposed to a client
4 eligible person. An ideal goal would be to try to put
5 together a diversified experience which meets the needs
6 of a variety of persons who are in the Legal Services
7 Community.

8 MR. OLSON: Fellowship Program?

9 MR. SMITH: The Fellowship Program was
10 conceived as an opportunity to give persons within
11 Legal Services chances to go into other programs and
12 to, in some ways -- I guess it might be best to describe
13 it as a mentor-type possibility where someone in an
14 outside organization might be recognized already as a
15 leader to give someone within Legal Services an
16 opportunity to spend some time with that person under
17 his or her direction or guidance in order to facilitate
18 the Legal Services persons leadership development and
19 vice versa; having some persons from outside experiences
20 potentially come into the Legal Services Program to, again,
21 offer us the benefit of their accumulated leadership
22 skills and development.

23 That option, in the planning report, was
24 not as fully developed as the Leadership Development
25 Institute. One of the requests or one of the things that

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1 we are doing now is flushing out that in more complete
2 terms.

3 The final option was the development of
4 a series of Seminole Papers, which would be circulated
5 in the community for discussion. Again, I guess the
6 best example would be trying to take a look at some of
7 the substantive law changes that are going on, doing
8 writings which might be, again, discussed on a community-
9 wide basis.

10 We have elected to go forward with the
11 Leadership Development Institute as our first option; and
12 as I just indicated a few minutes ago, one of my
13 responsibilities will be to take the leadership on making
14 the staff decisions for the Leadership Development
15 Institute as well as the formation of an advisory group
16 working closely with Gerry and Howard in fulfilling those
17 responsibilities.

18 MR. OLSON: I think my last question, then,
19 is, you say that with respect to the Fellowship Program,
20 taking LSC personnel and putting them in to work with
21 leaders of other groups. For example, what other two
22 or three groups might you be thinking of?

23 MR. SMITH: One of the possibilities that
24 we talked about -- Let me just say that the only option
25 that we have definitely made a commitment to at this

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1 stage is the Leadership Development Institute; and when
2 that is done, appraise and evaluate it. We'll take a look
3 at the future activities that should be pursued under
4 this grant.

5 While we did our preliminary discussion
6 of the Fellowship Program, one possibility that arose
7 was placing a person, who is now presently employed by
8 Legal Services Program with one of the Senate or House
9 Committees to get an understanding of what the legislative
10 process involves. That was not the only thing that we
11 held out as a possibility for that time; and this was
12 early on. We looked at it from one possibility.

13 Once again, I have to acknowledge that
14 the fellowship concept in terms of actually examples,
15 in more detail, was not as fully developed as the
16 Leadership Development Institute; and rather than try to
17 offer any more information, I would prefer to wait until
18 we have really studied that more closely. To take a
19 look at various experiences, that might be most worthwhile.
20 The type of resources that would have to be invested in
21 it and the type of return we could get.

22 That, again, was one example that was
23 discussed by way of simple illustration.

24 MR. BECKER: Mr. Olson, let me just --

25 MR. DE MOSS: May I ask a question?

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1 MR. BECKER: May I just, Mr. DeMoss, before
2 responding to your question ---

3 Mr. Olson, your question was asked twice,
4 I think, in terms of the groups that it involved. Please
5 understand that there has been no decision, nor will there
6 be a decision to allocate individuals into the group to
7 be served by this grant on the basis of a former
8 affiliation with some recognized organization. We are
9 talking about people who are in the Legal Services
10 Community: Managers, staff, clients. We aren't talking
11 to someone who belongs to an identified group and say
12 that we are going to train that person because that
13 person is in line with that group.

14 When the word, group, is used, I think
15 is should be used in the terms of a constituent member
16 of the over-all community rather than a member of the
17 Coalition, or a member of PAG, a member of NLADA. That's
18 not how we mean the word, group.

19 MR. HARVEY: Bill, are you finished?

20 MR. OLSON: Yeah. I'm not sure what that
21 you are saying that people may be members of PAG or the
22 Coalition, or whatever but they wouldn't be selected
23 because they were members of those groups.

24 MR. SMITH: Exactly.

25 MR. OLSON: So, for your purposes, it's

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1 not particularly relevant as to what groups are
2 involved with.

3 MR. SMITH: Exactly.

4 MR. OLSON: As long as you are involved
5 in Legal Services in some way?

6 MR. SMITH: Right.

7 MR. HARVEY: Ms. -- Anne?

8 MS. SLAUGHTER: I don't have any questions.
9 Bill answered all of my questions.

10 MR. HARVEY: Clint? You failed to have
11 a question before.

12 MR. DE MOSS: I'm displaying my ignorance
13 here, but let me do it.

14 MR. HARVEY: Go right ahead.

15 MR. DE MOSS: This was made when? The end
16 of '81 for the year of '82?

17 MR. EISENBERG: It was made at the end of
18 '81 as a one-time grant with the specific understanding
19 that were going to utilize it probably for a two-year
20 period. There was a specific understanding that it was
21 not to be used for one calendar year.

22 MR. DE MOSS: And I assume it has, in fact,
23 been funded?

24 MR. EISENBERG: Yes.

25 MR. DE MOSS: Okay.

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1 MR. EISENBERG: Out of 1980, one month.

2 MR. DE MOSS: Under the terms of the grant,
3 was there any continuing review by LSC of the design of
4 the Program, the Institute, whatever I mean. Do we have
5 any kind of joint participation or say-so with you as to
6 how this program is structured?

7 MR. EISENBERG: I'm not sure in the grant
8 documentation that there is that specific requirement.
9 In the Management Project, there was a specific selection
10 of the advisory board by the Corporation. That was done.

11 On the Leadership Program, Jody and I
12 had the program on regular intervals with both Mr.
13 Lyons and Mr. Askew on this exact issue to assure that
14 this is implemented in a way that we are all comfortable
15 with.

16 I think the idea is that once the design
17 is formulated, it will take on more of an independent
18 role. But in the design process, we have certainly met
19 on an ongoing basis with people from the Corporation who
20 have assisted us greatly in the development of that
21 concept.

22 MR. DE MOSS: Well, as I understand it,
23 then, really what I hear -- you all are still planning
24 and designing what it is you want to do with this grant.

25 MR. EISENBERG: We have now made a decision

1 to go forth with the Leadership Institute, with the
2 understanding that after that first institute is had,
3 it will be evaluated to assure that that is the most
4 appropriate utilization of the funds.

5 MR. BECKER: Mr. DeMoss, let me just
6 -- Again, there are two grants involved: the management
7 grant and the leadership grant. One is more progressed
8 than the other, the management grant; and we do have in
9 place that advisory board separate and apart from the
10 NLADA Board of Directors; a board that was chosen in
11 conjunction with representatives from LSC's staff.
12 The priorities are already beginning.

13 For the Leadership grant, we are in the
14 process of developing a board, too, that will be
15 responsive to the particular needs of that grant. And
16 I think you will see, as time goes on, the interchange
17 between our staff and your staff is, I think, wholesome,
18 complete, and on a very regular basis.

19 MR. LYONS: I have a question -- two
20 or three small ---

21 MR. HARVEY: Clint, do you have a question?

22 MR. LYONS: I just wanted to comment on
23 this grant.

24 MR. HARVEY: Go ahead.

25 MR. LYONS: I think it is important for the

1 Board to understand, at the time we conceived this grant,
2 what the thinking of the Corporation was -- the then
3 management of the Corporation.

4 We have learned from several experiences
5 a number of things. Number one, that we have people
6 in places that all of a sudden, with the speed up in
7 funding, the expansion of the Legal Services Program
8 that we have people managing multi-million dollar
9 organizations, in some instances, in communities whose
10 whole experience have been around lawyering in some
11 instances.

12 We felt that that level of responsibility
13 required experiences and skills beyond just the lawyering
14 skills that were broad.

15 The second thing, we began to learn as
16 the Corporation, itself, came under fire here for
17 activities were not acceptable to everyone in terms of
18 their perception of the intents and purposes of the
19 legislation.

20 This community, in many instances,
21 have become insular; and part of the problems we are
22 experiencing was the inability, a lack of communication,
23 a lack of leadership ability of the leaders who were
24 leading these multi-million dollar organizations, of the
25 lawyers who were representing clients to communicate, to

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1 understand the context of which they operate within the
2 community, the number of people who are interested in
3 the community; and in effect, an absence of leadership
4 ability which could not be cured by management training.

5 I mean, the ability to understand the social context
6 in which you operate, to understand that you must
7 communicate with the total community, whether or not
8 you agree with the people in that community or not.

9 It is essential to being a part of that community and
10 being accepted by diverse groups within that community.

11 And if you don't learn that and if your
12 leaders aren't able to understand all of that, then
13 very quickly, you get to the position that the Legal
14 Services Corporation -- the Legal Services Program
15 found itself in over the last couple of years -- valid
16 in some respects in that the leaders of some of these
17 organizations we fund and, indeed, perhaps the leaders
18 of the Corporation, itself, have become insular and
19 only talk to those people who shared, you know, views.

20 This project was envisioned to have somebody
21 design and institute an approach that went beyond
22 management training as a secular kind of being; or beyond
23 lawyer training and that sort of thing; and to begin to
24 develop the total perspective that leaders tend to exhibit
25 in being able to talk to each other, people who disagree

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1 with them and coming together trying to compromise about
2 helping or to operate on a particular level where every-
3 body has an interest.

4 And we saw it as a design effort; and we
5 asked NLADA to design such an institute for us.

6 MR. DE MOSS: Let me ask you, Clint, are
7 you comfortable from a staff standpoint that we are, in
8 fact, liasoning and co-ordinating with the NLADA in the
9 planning and the utilization of these funds?

10 I mean, are we getting input? Do we know
11 what is going on?

12 MR. LYONS: I have asked the Acting
13 Director of Field Services to continue to monitor that
14 grant and to communicate with the National Legal Aid and
15 Defenders Association about what their plans are in terms
16 of developing the design we asked them to develop.

17 Obviously I am concerned that whatever
18 is developed, (1) is within the parameters of what is
19 permissible in our Act; not that NLADA would violate that
20 but it is our responsibility to look at that; and (2)
21 that the basic goal that we had in mind, that is to
22 broaden the experiences of these people who make
23 decisions about these programs so we don't continually
24 have this -- You know, we have the kind of leadership in
25 place that is able to communicate ---

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1 MR. DE MOSS: Well, let me just say ---

2 MR. LYONS: The answer is, yes. I think ---

3 MR. DE MOSS: --- that I am not, by
4 my questions, intending to indicate any fundamental
5 opposition to this grant; but I do feel that personally
6 that it is a matter that as the funder of this grant,
7 we are very interested in being aware of how it is used
8 and taking advantage to whatever extent we can; and that
9 we are afforded an opportunity to have input on the thing;
10 to share in the planning and design of -- of the
11 utilization of the funds.

12 And particularly, in my own personal
13 view, I think with all of the changes that the -- that
14 it looks like we are going to have to deal with in terms
15 of grant contracts and fundings, and everything else to
16 comply with the Congressional mandates, that there may
17 well be some element of leadership discussion of that
18 sort of a problem, put into this program. I think it
19 would be very helpful and beneficial to everybody to
20 get a full overview and understanding of some of those
21 very complicated issues that we are all going to have to
22 wrestle with.

23 I want to encourage LSC staff to work with
24 NLADA and to the maximum extent possible, participate in
25 this and take advantage of whatever opportunities there

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1 may be to use this very planning function to get an
2 understanding at a leadership level of some of these
3 very complicated problems that we've got to work with.

4 MR. HARVEY: Harold, are you finished?

5 MR. DE MOSS: (Chuckling.) Yes, Dean.

6 MR. HARVEY: Please go on.

7 MR. DE MOSS: No, I'm through. I just
8 -- I've said my piece.

9 MR. HARVEY: I have a couple of questions --
10 yes, questions and a comment or two.

11 I want these gentlemen to identify --
12 Well, I predicate my question as the Chairman of the
13 Committee on the Provision of Legal Services, the Board
14 has returned to this committee the SAX Reports, I think
15 you know; and also as the committee to inquire or
16 re-examine a study called the Delivery System Study
17 and it is in that context that I am curious about your
18 program.

19 I would like to know, can you identify
20 for me a report which is called the Standards for
21 Proprietors of Civil Legal Services to the Poor. Are
22 you familiar with this document and this report?

23 MR. EISENBERG: Yes. I assume it is
24 the standards we have just addressed and promulgated
25 within the last year.

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1 MR. HARVEY: Those are your's. Right?

2 MR. EISENBERG: Pardon?

3 MR. HARVEY: That you have ---

4 MR. EISENBERG: The project that we
5 are doing. Yes.

6 MR. HARVEY: Okay. Is that a part of the
7 report you have been discussing, the project you have
8 been discussing?

9 MR. EISENBERG: No. No, separate, -- a
10 separate project. It was underway long before we got
11 involved with the two grants under discussion.

12 MR. HARVEY: Has Legal Services funded
13 this project?

14 MR. EISENBERG: Yes. They funded it
15 internally and to a small -- and externally with us.
16 Yes.

17 MR. HARVEY: What is the status of it at
18 the present time?

19 MR. EISENBERG: They are in--I guess
20 I am surprised you haven't seen it. It certainly has
21 been very widely circulated and it is an oversight;
22 maybe because you had not been appointed when they were
23 circulated.

24 They are in a written draft form for
25 comment. The comments have been fairly extensive; and we

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1 now basically compiling them -- those comments. -- with
2 the expectation that they will also be a final set of
3 standards; not -- I mean clearly not with the inframnature
4 of this Board, but in terms of the best -- best educated
5 members of the community; and the input that has been
6 going on now for three years in the development of these
7 standards.

8 MR. HARVEY: NLADA would be able to hold
9 these standards once it goes through the synthesis up
10 as what? Something akin to the ABA Standards for
11 professional conduct?

12 MR. EISENBERG: Similar to the standard
13 that we developed with the Department of Justice money
14 in the mid-'70's; standards for the Provision of
15 Criminal Defense services. Well, regional standards
16 as opposed to implementation standards.

17 MR. BECKER: I think that the standards
18 as developed, would not carry a sanction process. I
19 think that, as Howard said, they are aspirational in the
20 sense that they set guidelines. Hopefully they will
21 bring about a more responsive, more effective delivery
22 of legal services; but NLADA does not have the sanctioning
23 power to levy against a member who does not comply with
24 those standards.

25 It's hopeful that those standards will,

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1 in part, be used to effectuate a better evaluation
2 process to be conducted by whomever in terms of
3 deciding whether or not a particular program delivers
4 legal services, consonant with, at this point, the
5 ABA's standards for effective and zealous representation
6 of clients. It is not a sanctioning standard such as
7 the code.

8 MR. HARVEY: It seems to me, picking up
9 what Clint was saying a while ago, that there is a
10 critical tension in Legal Services, which we talked
11 about; and I think Bernard Veney and his associates
12 identified it to some extent; and Bill Olson did.
13 That critical tension is the relationship between
14 the client and the staff attorney, or the client and
15 the attorney that is provided to represent the client,
16 whether staff attorney or otherwise.

17 The critical attention is the one found
18 in the word, choice. Whether there is any satisfaction
19 to be provided to that client insofar as choice of
20 attorney and insofar as choice of remedy is concerned
21 because there really is not alternative available to the
22 poor person.

23 My question is -- I think that is what
24 Clint was talking about while ago. It seems to me there
25 is a bit of redundancy in what he was saying about your

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1 project with NCC; and the input problem in the local
2 community.

3 So much of this assumes, in your
4 standard, the homogeneity of the client, which is
5 something I think is conspicuously challengable
6 if not invalid. But my question is this: These
7 standards you proposed, how do they treat, if they
8 do -- I am admitting to Nell that I haven't seen this
9 document with these standards that you proposing that
10 they treat -- the ability of the client to have a voice
11 in the selection both of an attorney and of a remedy.

12 MR. BECKER: Dean Harvey, if I may
13 respond.

14 MR. HARVEY: Please.

15 MR. BECKER: Perhaps I was confused, as
16 I listened to discussions that you were having -- you and
17 members of the Board with Mr. Veney and members of the NCC.

18 I think the discussion, in part, was over
19 the choice of representatives of the bar to sit on the
20 Board of Legal Services programs. That is a different
21 issue ---

22 MR. HARVEY: That is correct.

23 MR. BECKER: --- than the issue of the choice
24 of an attorney to represent a client in a particular
25 matter. And I think that the difference relates to the

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1 fact that a tension exists when the bar representatives
2 to a particular program are those that are picked to
3 satisfy a percentage requirement rather than those
4 who are picked because of their interest in providing
5 effective delivery of legal services.

6 I think that you are right when you talk
7 about that as a critical tension between the client
8 community and the lawyer community.

9 In terms of the choice between a particular
10 client and a particular lawyer all over a certain set
11 of problems, the topic ranges from whether or not you
12 have a staff program or you have a Judicare program, or
13 you have an open panel program; a whole host of issues
14 where there is client dissatisfaction over the attorney
15 selected to represent that client.

16 Having been a Legal Services Lawyer and
17 having been a law school professor, and now in the private
18 bar, I know what those choices are about. I know what
19 it means for a client not to be able to have an effective
20 counsel because they can't communicate.

21 I think that the flexibility does exist
22 within the Legal Services program, both in the clinical
23 concept that I was director of at a law school and the
24 Legal Services concept that I was, as a member of the
25 staff, to make those changes; to bring out a relationship

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1 between the client and the lawyer that will serve the
2 best interests of both in resolving a problem.

3 I don't think that Legal Services programs
4 are any less adept than other programs to resolve that
5 choice question. I think the true problem over choice
6 is what you were talking about with Mr. Veney and others
7 of NCC; and that is the choice as to whom will be
8 representing the various communities within a certain
9 population as to the Legal Services program.

10 I think that we can discuss the staff
11 model, Judicare, open panel on a variety of issues, but
12 I have not seen either of the latter two models respond
13 any better than a staff program to the issue of choice
14 as between an individual client and an individual
15 attorney. And that is what I would like to address.

16 MR. EISENBERG: Well, maybe to respond
17 to your specific question; and frankly, I have not read
18 the standards in some months. My recollection is that
19 they do not speak to the issue of the system. That is,
20 they would be equally applicable in terms of a private
21 bar -- Judicare, private bar, pro bono, or staff program.
22 That is a local decision. That isn't a concept. That is
23 a local -- people at the local level make the decision.

24 In terms of remedy, clearly you go back
25 to the code of professional responsibility, which gives to

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1 the lawyer certain rights to make certain decisions
2 regardless of poor person or wealthy person, or
3 reserved to the client's certain basic fundamental
4 decisions as to remedies to pursue; and that is the
5 reference that is made in the standard to the best
6 of my recollection. Again, I haven't read it.

7 I'll be glad to ---

8 MR. HARVEY: These standards do touch
9 upon this area to the best of your recollection?

10 MR. EISENBERG: They certainly talk about
11 choice of -- control. They do not, to the best of my
12 recollection, talk about the method of whether you go to
13 a system where the clients have a choice of attorneys.
14 Do they really talk about local control? The issue is
15 local control of the delivery system. That is a
16 concept. The individual -- you don't say that the Judicare
17 system is preferable to a system in which there is a
18 staff attorney. That issue is not touched upon.

19 MR. DE MOSS: Let me ask a question.
20 As I understand it, this is in some sort of draft form
21 being circulated for comments. Was it sent to LSC for
22 comment?

23 MR. EISENBERG: Sure. It came -- I mean --
24 Who do you mean by LSC?

25 MR. DE MOSS: Staff. Yes.

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1 MR. BECKER: Yes.

2 MR. LYONS: Have we had a ---

3 MR. DE MOSS: Have we had a chance from
4 a staff standpoint, to comment on the thing?

5 MR. BECKER: I think the comment period
6 is still open.

7 MR. EISENBERG: Yes. The staff of the
8 Corporation. It is apparent from the questioning that
9 this Board has not; and that will be cured next week. I
10 promise you.

11 MR. DE MOSS: Has the staff responded and
12 commented in any way to your knowledge, Clint?

13 MR. LYONS: I have not. The individuals
14 who were mailed a document, and the regional office
15 otherwise may have commented on it. I have not commented
16 on it.

17 MR. EISENBERG: We received many responses
18 from LSC employees; and multiple responses from grantees
19 and clients. The clients had a separate two-day meeting
20 to do nothing else. They brought in people to go over
21 this so that they could understand it; and then they
22 submitted comments.

23 MR. DANA: Question?

24 MR. HARVEY: Yes. Howard?

25 MR. DANA: Am I correct that these standards

1 deal with the relationship primarily between the
2 lawyer and his employer?

3 MR. EISENBERG: No.

4 MR. DANA: As distinguished between the
5 lawyer and the client.

6 MR. EISENBERG: They deal with both, I
7 think.

8 MR. BECKER: They deal with both, but
9 clearly the question became recognizing the certain
10 problems that exist in the delivery of legal services
11 to poor people; whether or not we could provide some
12 input, both in the terms of the relationship the lawyer
13 has with the employer; and therefore, the questions of
14 docket control and over extension; at the same time
15 trying to offer some aspirational guidelines for the
16 lawyer's relationship with his or her particular client.
17 Both areas are addressed.

18 Again, the idea of the standards was not
19 to make a preference as to what type of program is set
20 up, but saying within the program, you should be
21 monital of these influences; be monital of these potential
22 pitfalls; and here are some suggestions as to best
23 avoid certain problem areas.

24 MR. DANA: Am I correct that we have
25 paid, on Page 29 of our book -- we have a recent LSC

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1 funding for NLADA summarized for '81 and '82?

2 MR. EISENBERG: Yes.

3 MR. DANA: Am I correct that all of that
4 money has been disbursed by the corporation?

5 MR. EISENBERG: Yes.

6 MR. BECKER: Yes.

7 MR. DANA: And that you are not now
8 requesting any comparable amounts for next year?

9 MR. BECKER: We are requesting nothing.

10 MR. DANA: And that ---

11 MR. DE MOSS: Let it go at that, Howard.

12 (Laughter!)

13 Stop ---

14 MR. BECKER: Of course, anything you care
15 to give us gratuitously will ---

16 MR. DANA: That was going to be my
17 question. Assuming we do not give you anything
18 gratuitously, is it your position that the restrictions
19 on recipients contained in the Continuing Resolution
20 do not apply to NLADA?

21 MR. EISENBERG: Yes, that is our position.
22 Although we have not -- the Board of Directors has not,
23 specifically, dealt with that issue; and we have not
24 received an opinion of counsel.

25 MR. DE MOSS: So if we were to tender you

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1 a dollar, you might well reject it?

2 MR. EISENBERG: I don't think I said those
3 words.

4 MR. DE MOSS: Under much due, deliberate
5 consideration; but our Board -- Mr. Dana has not
6 responded to the issues surrounding the Continuing
7 Resolution; and clearly, we think, at this point, that
8 we are highly viable and are in accordance with whatever
9 might possibly come down the road.

10 MR. EISENBERG: The only possible
11 restriction I could see relevant is legislative advocacy
12 which amounts to a miniscule part of our overall budget.
13 By miniscule, I can tell you that in 1980, it was
14 .11 of one percent. In 1981, it was - It was 1500 to
15 1 percent in '80; and 1100 to 1 percent in 1982. I'm
16 saying that wrong. It is 1.5 percent in 1980; and 1.1
17 percent in 1981. And it will be less than 2 percent in
18 1982. And we monitor that. We have retained tax
19 counsel, and we monitor that extraordinarily close;
20 and it is a very small part of our operation. And I
21 would think that there are ways of dealing with that.

22 By that, I mean it would seem strange to
23 place a restriction on that kind of level; but that is
24 the only thing that I can possibly think of that would
25 be, in any way, restrictive; and we get -- 80 percent of

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1 our money comes from non LSC sources, totally. So you
2 are talking about 20 percent of our income coming even pass
3 through through grantees.

4 MR. DE MOSS: But you -- If I hear you,
5 your position is the money you get -- the pass through
6 money does not, in effect, cause you to be a recipient
7 for purposes of the Continuing Resolution.

8 MR. EISENBERG: That I am crystal clear
9 on. I don't see how we can possibly be recipients
10 any more than landlords of offices -- people who own
11 the building on 15th street that has the corporation,
12 the Webb Publishing Company, Xerox, or anyone else as
13 a recipient.

14 MR. DANA: Does that mean that a re
15 recipient who is restricted in its activities by
16 Congress and the Continuing Resolution could give
17 money to another corporation who would not be -- who
18 would be free of that restriction, and thereby,
19 circumvent the restriction involved?

20 MR. EISENBERG: No, it doesn't mean
21 that.

22 MR. DANA: What does it mean?

23 MR. EISENBERG: It means that NLADA is
24 not subject -- not a grantee and is not subject to the
25 restrictions. I'm sorry to give you that kind of response.

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1 because I -- to me, we have an ongoing operation; we
2 are carefully monitoring both the income from the
3 Corporation and the activity that potentially could be
4 restricted. And that, I feel fairly confident about --
5 both of those issues; whether you are talking to go
6 to the issue of dummy corporations. I meant the whole
7 different issue that I don't think involves NLADA.

8 MR. DANA: Well, I hear you.

9 MR. EISENBERG: Well, I think -- That
10 might be an issue for somebody else; but I think the
11 issue, and I guess that does involve -- to what
12 restrictions on the grantees follow the money; and it
13 seems to me that that is a very thorny issue. It is
14 more complex than saying, "Well, if the restriction
15 is on the money, then NLADA or anyone else who receives
16 the money, the Webb Publishing Company, probably gets
17 a much higher percentage of total program than NLADA
18 does cannot, then, do legislative advocacy, which I
19 assume somewhere they do. It's a difficult issue.

20 MR. BECKER: Let me just respond ---

21 MR. DE MOSS: Let me just be sure of what
22 we are talking about here. We are talking about pass
23 through money, which, as I understand it, one of the
24 principle things is the insurance program you provide.

25 MR. BECKER: That's right.

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1 MR. DE MOSS: Are there any other
2 characters of that type of money that come under the
3 generic heading, pass through?

4 MR. BECKER: Dues.

5 MR. DE MOSS: Dues?

6 MR. EISENBERG: Well, we do not receive
7 them -- we do not receive the insurance money at all.
8 That goes to Lloyds of London through a broker in
9 Chicago; and we do not get any part of that at all.
10 The only money -- the pass through money is dues:
11 Programs, pay-outs, dues out of their LSC allocation.

12 MR. DE MOSS: Well, following up on
13 Howard's question, do -- where I thought he was headed
14 was: If a program opted to fund to NLADA some
15 substantial portion of its grant from LSC, that seems
16 to me like it would be a subterfuge of some sort
17 that we ought to be alert to. I'm not suggesting
18 anybody is ---

19 MR. EISENBERG: I'm happy when they say
20 it is one-tenth of one percent of their budget. I know
21 what you are saying that is. No one has even suggested
22 that.

23 MR. DE MOSS: Okay.

24 MR. BECKER: Mr. De Moss and Mr. Dana,
25 I think it is important to make sure the record is

1 completely straight on this. You don't have to engage
2 in nuances of language.

3 NLADA provides much more in the way of
4 services than the issue of lobbying on the "Hill." We
5 -- Our members get a very comprehensive insurance
6 program that is competitively cheaper than anything
7 available; and it is cost effective to Legal Services
8 Program.

9 Our members get technical assistance in
10 terms of a whole host of issues we have talked about today
11 and even more so. Our members get communication about
12 litigation, about a whole host of contemporary,
13 substantive legal issues.

14 We monitor our lobbying activities in
15 full compliance as a 501.c(3) and have outside task
16 counsel to assist us.

17 The percentage of these nonsegregated funds
18 is below two percent. There is a cap on what programs
19 give us in the way of dues. I don't think that the
20 example Mr. DeMoss has raised would ever come about.
21 In fact, I feel certain as I am sitting here facing
22 you; and I think that given all the various issues and
23 all the various services we provide, that this Board
24 can feel safe and sure that NLADA would not be that
25 corporation that would be a subterfuge to the purposes

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1 of the Act.

2 MR. DANA: I think it is important for
3 you to understand our concern. We are dealing -- must
4 deal, for the time being, with a Continuing Resolution
5 which is brand new.

6 MR. BECKER: I understand.

7 MR. DANA: And it takes a very, very
8 tough stand against legislative advocacy. And all of
9 us on this Board know that that is a real concern to
10 Congress; and we are struggling with how to implement
11 that.

12 It is clear to us that a -- that it is
13 -- if another organization could do what our grantees
14 are proscribed from doing; and if our grantees could
15 fund that other organization, that that would have the
16 effect of undermining what Congress was trying to do,
17 and, in fact, undermine the Corporation's continued
18 viability. And it is that that we are concerned about.

19 And while you just happen to be sitting
20 there, it could be any of these other organizations out
21 there that we -- that are both here today and that are
22 not -- who aren't -- that could be involved. So if the
23 questioning seems to be directed at you, I don't think
24 you should get unduly defensive about ---

25 MR. BECKER: I don't think I was. -- I hope

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1 I was more assertive than defensive. I've not been
2 known to be a defensive person.

3 I wanted to make sure the air was clear
4 as long as we were all here. I've not had the opportunity
5 to meet any of you before, and that is my fault. It is
6 a question of trading language.

7 We think that we both have activities
8 that will be accommodations to the new Act. We think that
9 our staff can work well with your staff and make me sure
10 that the intent of Congress is not undermined; and that
11 we at NLADA look forward to a continuation of the very
12 fruitful relationship that our organization has had with
13 yours in the delivery of legal services.

14 MR. EISENBERG: I would point out that
15 the 1.1 or the 1.5 percent include all the lobbying on
16 defender issues as well; and so of that 1.1, I wouldn't --
17 I wouldn't begin to say the majority was on defender
18 issues; but certainly a percentage is on defender issues
19 and has absolutely nothing to do with the Legal Services
20 Corporation.

21 We receive dues from Public Defender
22 members that support that aspect of the activity.

23 Thank you.

24 MR. HARVEY: Harold?

25 MR. DE MOSS: No, I don't have anything.

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1 MR. HARVEY: Clarence? Questions?

2 MR. MC KEE: Let's see. You say, on the
3 first page of -- By the way, Mr. Eisenberg was one of the
4 first persons at the first meeting of the Grant and
5 Contract Committee. Mr. Eisenberg was one of the
6 "flagship" witnesses there that day.

7 On your letter of July 22nd, you indicated
8 you still maintain a good relationship with the
9 American Bar Association as well as with the National
10 Minority Bar Association. How much of a liason do you
11 have with the National Bar Association, or Hispanic
12 Bar Association or organizations such as that; especially
13 composed of minority lawyers particularly in these
14 areas of leadership and training, et cetera.

15 MR. EISENBERG: The National Bar
16 Association now has two appointees to our Board of
17 Directors. This year we have spent considerably more
18 dealing with minority bars and getting them involved
19 in participation in the 10 percent set aside for
20 private bar than we have in legislative advocacy, just
21 to give you a percentage of how -- of where our priorities
22 are.

23 We have attended meetings of the Hispanic
24 Bar, and on the west coast of the Oriental Bar, as well
25 as involvement with the native American Bar.

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1 Our By-Laws provide that there is one
2 American Bar Association appointee, who is Judge Cecil
3 Poole of the United States Court of Appeals in the
4 Ninth Circuit in San Francisco. He is the ABA appointee.
5 Our By-Laws provide that the National Bar Association
6 appoint a person. And that, as of now, we harbor the
7 immediate Past President of the National Bar Association.
8 In addition, we have just created a new position for
9 a minority -- an additional minority bar association
10 because of the technical problem. That also turns out
11 to be an NBA representative, Professor Ralph Smith of the
12 University of Pennsylvania Law School. Although, I
13 assume that that slot will be filled by a non-NBA person
14 when that is up a year from now.

15 NLADA, I think, it's fair to say has
16 done more dealing with the non -- dealing with the
17 minority bars than any other group in the Legal Services
18 community. It has a commitment that our board made
19 a year or so ago and has renewed by extending minority
20 participation in all of our efforts.

21 We have just now, for example, created
22 two new positions on our Civil and Defender Committees,
23 which develop substantive policies for specific
24 representatives of minority bar associations; and the
25 President has just made those appointments.

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1 And we have ongoing and a very strong
2 priority in that area. I don't know if Jody, who is
3 more involved in the day-to-day operations of our
4 minority bar project wants to add anything.

5 MR. SMITH: You have carried it fairly
6 well.

7 Go ahead and ask your question.

8 MR. MC KEE: Is that in terms of, other
9 than the board memberships, which are important and very
10 good -- Do you do any active work in terms of local
11 bar associations, training in terms of the leadership
12 training, the management project, et cetera?

13 MR. SMITH: One of the concepts that we
14 have discussed and are currently developing into a
15 proposal to approach some private foundations for funding
16 would be geared towards activating and encouraging
17 minority bar involvement in policy-making positions for
18 the local programs.

19 To start with, the notion that historically
20 before the coming of Legal Services, in many instances,
21 the minority bar responded to a variety of the needs of
22 at least low-income minority persons. Then I would go
23 so far as to say low-income persons in general; and that
24 out of that relationship -- the history of that
25 relationship, has obviously come a positive report.

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1 One of the things we want to see happen
 2 is that minority bar persons remain within the Legal
 3 Services Community to bring the benefit of that history
 4 of involvement. We are also concerned that the minority
 5 bar community understands the ultimate outcomes of
 6 the Continuing Resolution as it relates to majority bar,
 7 making the appointments for Legal Services Programs
 8 Boards. Once that is clarified and expressed from
 9 you to the world, we want to make sure the minority
 10 bar community understands that so that we will have a
 11 continuing bar present on a local policy-making level
 12 as well as actively engaged in complementing the delivery
 13 of legal services as possible.

14 MR. MC KEE: Would either of you recommend
 15 a policy of the Board, for example, that would say -- a
 16 policy statement that of the 10 percent minority
 17 involvement money that we have talked about that a certain
 18 percentage of that should go locally to minority bar
 19 associations. For example, St. Louis and some other
 20 cities, the minority bar associations were having a baked
 21 food sale, et cetera to raise money to assist and work
 22 closer with some of the Legal Services organizations.

23 That seems that of that 10 percent, maybe
 24 we would just as a matter of policy say we would encourage
 25 some of that to go forth -- minority bar involvement.

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1 Would NLADA support that kind of policy?

2 MR. EISENBERG: Well, I think there may
3 be a better way of dealing with it. I think the
4 majority bar appointment position in the Continuing
5 Resolution is a ---

6 MR. MC KEE: That's another thing.

7 MR. EISENBERG: --- is a disaster; and
8 it is very unfortunate. And this Board should seek to
9 modify that. If this Board is concerned about bar --
10 general bar representation, it seems to me that that
11 provision will excude minority bar participation almost
12 by its very terms. In some areas, it will be done because
13 of a desire to exclude minority bars.

14 I think, if you want a provision like that,
15 there are standards where you deal with, I think,
16 secondly, the kinds of training we have done; and we have
17 had sessions all over the United States entirely funded
18 by NLADA.--No LSC money -- about getting minority
19 lawyers involved with the program.

20 We culminated in an enormously successful
21 two-day program during the National Bar Association
22 Convention in Atlanta in August; and that kind of
23 information sharing, plus the allowing and the actively
24 soliciting minority bars to get on the board seems to me
25 to be a better way than to cut up a pie in a way that may

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1 not fit individual communities.

2 I am not sure, from my experience in
3 northern Wisconsin where I was a Public Defender, whether
4 you could find a percentage of minority lawyers. Even
5 native American lawyers just don't exist there.

6 I think Congress mandating that the majority
7 bar appoint the percentage is a very unwise restriction
8 on ---

9 MR. MC KEE: Are you going to fight that
10 restriction?

11 MR. EISENBERG: Yes, sir. We have been.
12 And I hope this Board will say it is not a good idea.

13 MR. MC KEE: The idea I had in terms of
14 this policy was that it was basic. I know there will
15 be communities where there will be -- where there are
16 no minority bar associations; but it is kind of a
17 beginning. Whether they do it, certainly that would
18 be encouraged.

19 Last question. It's like the old 14th
20 amendment issue of, you know, purely, purely private
21 action -- does it have a 14th amendment taint.

22 Would you say that if I were prohibited
23 by doing certain things and I join an organization and
24 that organization undertook to do the things which I
25 couldn't do myself, that that is something that would be

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1 negative on me in terms of my open responsibility?

2 MR. EISENBERG: Why couldn't you do them?

3 MR. MC KEE: Well, let's take the Legal
4 Services Programs, for example, that are prohibited, or
5 will be -- from doing certain things and acts.

6 Now you say that 90 percent of our
7 grantees are members of NLADA. In '82 we -- The
8 \$330,000 in civil program dues, that's the whole Civil
9 Division?

10 MR. EISENBERG: That's the whole LSC-
11 non-LSC. Yes.

12 MR. MC KEE: I beg your pardon.

13 MR. EISENBERG: That's LSC and non-LSC
14 dollars.

15 MR. MC KEE: Oh. And you are saying
16 about 90 percent of that is from LSC funds?

17 MR. EISENBERG: Yes.

18 MR. BECKER: I think we said 75 percent.

19 MR. EISENBERG: Well, I calculated it ---

20 MR. MC KEE: Well, it's a ---

21 MR. EISENBERG: I calculated it at between
22 \$200,000 and \$250,000.

23 MR. MC KEE: Then we have -- that's the
24 program?

25 MR. BECKER: That's right.

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1 MR. EISENBERG: Yes.

2 MR. MC KEE: Now there are individual
3 members who pay \$40 a person out of their own pocket.

4 MR. BECKER: That's right.

5 MR. EISENBERG: That's right.

6 MR. MC KEE: Do you have any idea how
7 many Legal Services lawyers are members individually
8 of NLADA?

9 MR. EISENBERG: Not as many as I would
10 like them. No, but it's not -- If it is as many as
11 there are programs, it would surprise me. I would say
12 300.

13 MR. MC KEE: I would say all of that to
14 say that in terms of that old issue of even though
15 you may not be a recipient yourself; and even though you
16 many not request any more money, there is such kind of
17 a nexus between NLADA and Legal Services funds that
18 flow into it from dues at conferences or membership and
19 programs that that's what I think -- I was concerned
20 about in terms of the flow-through money down the line.

21 Could an organization that is a Legal
22 Services recipient be a member of an organization which --
23 not that you ever would, of course -- got involved in
24 things which they could not do themselves? Could they
25 be a member of the organization?

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1 MR. EISENBERG: Individually?

2 MR. MC KEE: No, program. Program.

3 MR. EISENBERG: Well, I think, in response
4 to Mr. Dana, I said, yes. I mean, if -- I mean, we do
5 a very small amount of legislative advocacy.

6 Now we have a great deal more money from
7 non-LSC sources. In fact, some sources that are not
8 tax-considered at all; and we do fee-for-service work,
9 which I would assume we could spend on whatever we want
10 like a consultant firm does.

11 MR. MC KEE: That's just an issue.

12 MR. EISENBERG: That is an issue

13 MR. MC KEE: But I think it is going to
14 pop up. Somebody will say, "We gave no Legal Services
15 money." Therefore, the hand in the face type thing. You
16 can't tell us what to do, et cetera. That's the kind of
17 an issue which I am sure is going to come up in early
18 spring.

19 MR. EISENBERG: We cannot -- we have not
20 segregated the funds that come in and decided -- We have
21 segregated funds for our grants.

22 MR. MC KEE: All right. Yes.

23 MR. EISENBERG: But as to all other
24 funding sources, they come in to the common pool. I
25 think that, for the Board, one of the -- It's a difficult

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1 issue because in addition to all the other services we
2 provide, there is a small percentage of legislative
3 advocacy. I think the unbalance proposition becomes
4 a -- whether or not the benefits of Legal Services in
5 terms of costwise outweigh whatever is done by NLADA
6 in a national sense in raising the issues with the
7 appropriate forums on matters affecting legal services.

8 That is something that, I think, we are
9 going to continue to explore with this Board -- staff to
10 staff, Board to Board, to resolve this matter.

11 MR. MC KEE: No, I just raised that
12 because there have been comments made around that, "We
13 don't get any money from the Corporation; therefore, you
14 can't tell us what to do." et cetera on this point.
15 When there is a very close nexus between what a group
16 is doing and the Corporation.

17 Last point: The Management Project and
18 Leadership -- What would this be in? -- Technical
19 Assistance -- Let's go to Access for Justice. You do
20 not want any more fundings for them, and if funding
21 comes to the Access for Justice Project from other
22 sources, could the Access for Justice Project continue
23 to do things that would be prohibited in terms of the
24 program if they were direct recipients?

25 MR. EISENBERG: Yes. That is the intention

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1 of seeking alternative funding.

2 MR. MC KEE: So then that's almost doing
3 indirectly -- That goes back, again, to the question if
4 the parent association are doing things which he could
5 not do; and he is a member of that parent association.
6 The question is their whole relationship. It's probably
7 confusing; but that is the large issue on the line.

8 MR. EISENBERG: I think the issue of
9 restraints on money is an issue that, obviously, you
10 would want to deal with, you would have to look at
11 very carefully; particularly where you may put so many
12 restraints on that this Corporation will be endangered.

13 I mean, one of the facts is that this
14 Corporation exists because of NLADA and those others
15 who have done a small amount of legislative advocacy;
16 and I think there are tremendous, not only first
17 amendment ramifications, but all kinds of ramifications
18 you might not envision.

19 As I said -- I mean, when I go to
20 Washington and see all the big corporations that have
21 legislative advocacy offices, there may be many people
22 who won't be able to do business with corporation
23 grantees because of that kind of restriction. I
24 think you have to think very carefully; and exactly what
25 it is that Congress intended to get. I mean, I don't

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1 think anybody has ever raised the kind of legislative
2 advocacy we do as being objectionable.

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Reporter
Scott
Heiner

1 which is thoroughly above board, and is not the kind of things
2 that I hear about from Deaf Smith County, Texas, where they're
3 upset about what's happened.

Typist
Barry
Williams

4 MR. MC KEE: Wait a minute -- wait a minute.
5 Two minutes for response. Ear? No, go ahead. He missed it.

Line 1

6 I'm not playing on NLADA. I'ts just some
7 general issues that are coming up, not so much from your
8 organization, but you know, just others.

Tape 5

9 MR. EISENBERG: But, I hope restraints on the
10 money would be looked at in the cosmic sense as opposed to
11 saying there are three organizations that we are concerned
12 about: NLADA, PAG, and the Coalition for example -- just hypo-
13 thetical examples.

14 MR. HARVEY: Let me ask you about the same
15 question, different context, not in the funding context -- a
16 return to the standards.

17 I remember you said, Howard, that the standards
18 are not to be offered to us for adoption; but just as generally
19 promulgated.

20 In the statute, in the Continuing Resolution of
21 1983, there are very substantial restrictions, as I recall from
22 reading it, on bringing class actions against the State and
23 Federal Governments, are there not?

24 MR. EISENBERG: Yes.

25 MR. HARVEY: Would you be willing to give an

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1 opinion on A -- are those restrictions self executing; B --
2 do they require regulations or -- do they require regulations;
3 C -- in either case, does that statute mean that a Legal
4 Services funded attorney or a person in relationship to Legal
5 Services Funded attorney cannot bring a class action against
6 a State or Federal Government?

7 And, if requested to do so by a client, does
8 that person defer, dismiss the client from service? What --
9 how does -- well, perhaps the other question I would ask is
10 this: Is there a violation of the statute, causing the attorney
11 to be reprimanded, or maybe dismissed by Legal Services if the
12 attorney calls? Let's just propose a hypothetical, which, of
13 course, will never occur; but he calls a law clerk for the
14 Federal District Court, and says, "Judge, the statute says
15 we can't bring the action, but why don't you appoint us to
16 bring the action, and then maybe we can litigate for you."

17 Do you have a comment on that?

18 MR. BECKER: Let me repond to that.

19 MR. HARVEY: Please.

20 MR. BECKER: We have, over the course of history,
21 in other situations where there have been prohibitions against
22 representation in certain types of cases, Legal Services have
23 had to go to judges, and to other representatives of institutions of
24 local communities, and say, "The Act takes precedent. The
25 Act controls, and Your Honor, we can't do this, or we

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1 can't do that."

2 The mere fact that there is occlusive appoint-
3 ment would not take it out of a prohibition. And what I'm
4 referring to, for instance, is criminal representation.

5 It was a serious problem years ago, particu-
6 larly in terms of rural areas, where the Legal Services Programs
7 were getting inundated with the appointment of individuals
8 in the criminal process, such that the program could not
9 exist, could not continue to do the work it was mandated
10 and funde for.

11 And, the Judge would, of course, say, "Well,
12 you're a member of the Bar, and you've got the responsibility
13 of taking the appointments. Yes."

14 But that appointment process had to be in
15 accordance with the Legal Services Corporation Act regulations,
16 and it had to be one that Legal Service lawyers were treated
17 no differently than anybody else.

18 So, the mere fact that a Judge appoints you
19 to take a particular case or to do a particular type of
20 action, if it is not in accord with the Act, the issue is
21 not resolved simply because it's a Judge.

22 And, I think that the issue of class actions
23 and other prohibitions potentially have the same ramifications.

24 Our Board has not discussed the Continuing
25 Resolution, nor have we discussed the issue of the Resolution

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1 and its prohibition as it would relate to the standards.

2 I think we'd be in a much better position to
3 respond to this Board formally once we've had a chance to
4 study the Resolution, its prohibitions, our activities, and
5 what we think that means for projects we have undertaken on
6 behalf of Legal Services programs.

7 MR. HARVEY: Okay. Thanks very much.

8 MR. EISENBERG: One of the things that would be
9 helpful in terms of discussion this afternoon, is to recognize
10 that there is going to be another Continuing Resolution that
11 is really going to govern the grants.

12 The CR that was passed on October 1st, is
13 not going to be the one that's going to watch the grants. The
14 one that passes in the post-election session is.

15 It would be very ehlpful to me, and I think
16 to a lot of people, if you would indicate some position on
17 what language should be in the new Continuing Resolution.

18 The problem, and I don't know if this is in my
19 role to tell you the process where that language came out,
20 and it was sort of a surprise to all of us.

21 It would be helpful to get some idea of where
22 this Board is and your discussions on it.

23 I, for — I would not assume that there is
24 no change that can be made in the Continuing Resolution.

25 MR. HARVEY: Howard, as I said at the beginning

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1 of the meeting, on October 29th and 30th, that's exactly what
2 we'll do, and that's in the notification system.

3 MR. EISENBERG: Okay.

4 MR. HARVEY: I quite agree with you.

5 MR. DE MOSS: Let me ask -- I hear you saying
6 that you are bothered by the majority bar provision. Did
7 you also have an opportunity, and did you submit any alternative
8 language to the Congress on that question?

9 MR. EISENBERG: Well, I'm not sure that ---

10 MR. DE MOSS: Or, do you have anything to
11 suggest as a position ---

12 MR. EISENBERG: My recollection is we did have
13 language that would have achieved the goal Mr. McKee referred
14 to, that is to assure that it was a -- if the issue was
15 assuring Bar participation in the government's -- that is --
16 to assure that it was more than just a, say -- I'll point
17 out the White Bar Association, and some jurisdictions that
18 want to exclude the minority bar; and that was our concern.

19 We did, indeed, suggest language that was not
20 accepted by those who felt strongly about the majority bar
21 provisions, and we do have that language. Yes.

22 MR. DE MOSS: Would you -- and I'm just
23 throwing off the top of my head -- is there any room in here
24 for any kind of proportional representation concept?

25 MR. EISENBERG: Well, sure -- I mean, it's

1 not up to me. I mean, my concern was -- what that was of the
2 wrong message for this Corporation to want to get out, that
3 it was trying to exclude and from my discussions and the meetings
4 we had around the country with minority lawyers,
5 that provision had a very troubling ring to it. And any kind
6 of a ---

7 MR. DE MOSS: Well, you understand, I know ---
8 and I don't want the inference to be left that this Board
9 had anything to do with that provision.

10 MR. EISENBERG: No, this Board had nothing to
11 do with that.

12 MR. BECKER: We completely understand that.

13 MR. EISENBERG: Sure.

14 MR. DE MOSS: But, it -- and consequently,
15 in terms of making a recommendation to the Congress, I think
16 we probably have to have some proposal alternative, and ---

17 MR. EISENBERG: Well, we'll be glad to send
18 you everything we have on it.

19 MR. DE MOSS: Anything -- any input or suggestion
20 that you might have on that, I think we would be interested
21 in seeing.

22 MR. BECKER: We'll send it. Thank you.

23 MR. HARVEY: Please send it directly. Time
24 is of the essence.

25 MR. EISENBERG: Yes, sir.

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1 MR. BECKER: Monday, it will go out, hopefully.

2 MR. HARVEY: Bill Olson?

3 MR. OLSON: Yes. Earlier, someone, I forget
4 who, suggested that we ought to make our judgements with respect
5 to whether LSC grantee dues should -- can flow to NLADA based
6 on some kind of cost benefit analysis; not a narrow legalistic
7 interpretation of the CR restriction on the -- tainting
8 the funds and such, to help us with that -- what are -- what are the--
9 I know what the costs are -- perhaps a quarter of a million
10 dollars.

11 What are the benefits? I understand you get
12 Cornerstone, Briefcase and Funding News publications and
13 an annual directory of National -- of Legal Aid and Defender
14 Offices.

15 As you say in your letter, Howard, the manual
16 says that you get discounts on registrations and car rentals
17 and such. To help us with the cost benefit analysis, are
18 those the benefits?

19 MR. EISENBERG: Well, I mean -- I'll give you
20 the answer nobody likes to give. NLADA dues, plus our
21 insurance benefits do not equal what programs could get
22 going in the private market; and that is just a factual situ-
23 ation.

24 So, if we did nothing else but supply insurance,
25 the cost benefit analysis accrues to NLADA's benefit.

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1 But this is not the argument I would prefer
2 to make, obviously. But, factually, you should know that.

3 I think NLADA has the ability to respond to
4 certain needs in the community, the Legal Services Community,
5 capital L, capital S community, -- that are not always
6 adequately responded to.

7 One of them we've talked about with Mr. McKee,
8 and that is the minority bar participation.

9 NLADA has spent at least \$75,000. in 1982,
10 of its own money; some of which came from LSC programs, to
11 alert the minority bar associations to the needs for involvement
12 and getting them activated in terms of participation.

13 That is one thing. I'm telling you specifically
14 things we are doing. NLADA set aside funds to be utilized at
15 a national level by clients, who -- so there would be no
16 question about it. Restrictions that may accrue to the
17 National Clients' Council but for clients to get together
18 and discuss, on an on-going basis, the ramifications of what
19 was happening, develop alternative models, discuss with the
20 national community where they really don't always have the
21 wherewithall to do that.

22 The changes in the funding levels, the structure --
23 Ms. Worthy, who is a member of our Civil Committee, has been
24 involved in many of those discussions as a direct NLADA kind of
25 expenditure.

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1 NLADA has been involved on an on-going basis
2 with attempting to bridge what I perceive, as a former defender
3 as an important problem, of getting Civil and Defender Programs
4 to work closer together.

5 We have, in several instances, in North Caro-
6 lina, in South Texas, and in a number of other areas, developed
7 programming jointly, to provide Defender and Civil Services
8 which ultimately accrued to the benefit of the Legal Services
9 program because it cost less to provide more services.

10 We have provided on-going technical assistance
11 long before, and without LSC's special funding; including,
12 non-LSC funds.

13 We do provide the ability to bring in interests
14 that normally would not be attracted to the Legal Services
15 Corporation.

16 We have corporate counsel on our Board and as
17 you see from the solicitation piece that we have sent you,
18 we work very diligently, with the Fortune 500, in getting
19 them to understand what we do, what Legal Service Corporation
20 does, in a way that has not been done by anyone else in the
21 community.

22 The piece of The Great American Tradition,
23 the brown booklet, while it was not produced with NLADA funds,
24 certainly many of the people identified in that were done
25 through NLADA long-time contacts of corporate counsel, chief

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1 executive officers, and people of that nature.

2 NLADA provides the link to a broader community,
3 and provides the flexibility that just is not available at
4 a national level, anywhere else, particularly in these days
5 of decreased funding.

6 I wish NLADA had more funding flexibility than
7 we have for that reason. The last two years NLADA has poured
8 in many more dollars into the civil area, than we have received
9 from ESC programs, no matter how you compute it.

10 And, it's a testament to our ability to raise
11 funds from other sources that we've done it.

12 But these are specific things, as well as
13 just the ability to communicate, no matter -- and this is not
14 a reflection on anybody in this room -- no matter who's in
15 charge of the Legal Services Corporation. We can still get
16 information out no matter if the Corporation is defunded today,
17 or if Congress -- or because of the Continuing Resolution,
18 closes you down. There needs to be that continuation.

19 And, I think we have done it and a cost benefit
20 analysis -- it's easy because our major benefit in and of
21 itself, is cost beneficial.

22 But, if you add everything else together, you
23 don't even have to talk about the Collar Car Rentals. That's
24 not a major issue.

25 MR. MC KEE: Bill, one second before you wind

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1 it up. Both Mr. Dana and the Coalition people have to leave
2 shortly.

3 So, what we should do, do you have any more
4 questions for NLADA?

5 MR. OLSON: Yeah, and the question is: I
6 notice that NLADA has their offices on the 1625 K ---

7 MR. EISENBERG: That's right.

8 MR. OLSON: And, that the Access to Justice
9 Project is on the East, or 1625 "K" ---

10 MR. EISENBERG: The -- you mean the Access to
11 Justice Project? That's true. Yes.

12 MR. OLSON: And, that the NLADA Management
13 and Leadership Development Grant that you said was at 1625
14 "K" but is on another floor?

15 MR. EISENBERG: Another floor. Yes.

16 MR. OLSON: It appears that the Coalition for
17 Legal Services is at 1625 "K" Street, Room 908.

18 MR. EISENBERG: Yes.

19 MR. OLSON: Is that more than coincidence they
20 would be located there?

21 MR. EISENBERG: No. It's not coincidental. I'm
22 not going to tell you it is. No, I mean, they pay their own
23 rent. It's a separate office. They do use our photocopy machine
24 and pay us for the photocopy, and do use our postal meter and
25 pay us for the postage.

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1 They have their own telephone lines, which
2 are separately paid for. But, we are on the adjacent floor.

3 The National Petroleum Institute is also at
4 1625 "K", but they don't share any of our resources.

5 (Laughter.)

6 MR. OLSON: Is the Coalition sub-letting?

7 MR. EISENBERG: No. They have a separate lease
8 for the separate lessor, and no, that is not our specs., in
9 any way, shape, or form.

10 MR. OLSON: Have you provided any funding to
11 the Coalition?

12 MR. EISENBERG: We have provided \$5,000. over
13 the two-year period total.

14 MR. OLSON: When did the Coalition come in
15 existence -- the beginning of '81?

16 MR. EISENBERG: No. Well, it was incorporated
17 in early -- yeah, early '81.

18 MR. OLSON: But, other than the \$5,000., you
19 folks don't provide on-going financial or in-kind assistance
20 to them of any sort?

21 MR. EISENBERG: Well, there may be some in-kind.
22 They do -- I said, they do use our photocopying machine, and
23 although they pay us for the actual copies, there may be
24 some additional rental -- the postal meter -- things like
25 that. They may use an office to sit in occasionally.

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1 But there is no incremental expense to NLADA
2 for any of that.

3 MR. OLSON: Okay.

4 MR. HARVEY: I'm sure Ms. Schwartz will pick
5 up, and pick up on your discussion.

6 If you have any more questions -- well, we
7 can pick them up after this break. But what we'll do is, hear
8 from the Coalition on Legal Services, and then take our break
9 because they do have to go, I understand, as well as Mr. Dana.

10 Don't you have to leave? Okay. Thank you
11 very much.

12 MR. EISENBERG: Thank you.

13 MR. BECKER: Thank you very much.

14 MR. HARVEY: And, I look forward to your
15 materials.

16 MR. EISENBERG: You will get that next week,
17 I promise, individually to each of you, as well as Mr. Lyons.

18 MR. HARVEY: Hand carried?

19 MR. EISENBERG: Well, not hand carried. I
20 mean, we're not that well off to be able to hand carry it
21 to everybody.

22 MR. HARVEY: You don't have to do that. Save the
23 money -- save the money. Let's take a break.

24 If anyone wants to, we could just stay here
25 but I don't think anyone wants to stay here. Josephine wants

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1 to sit through the whole thing.

2 MR. HARVEY: The next members of the committee,
3 the next organization to appear is the Coalition for Legal
4 Services.

5 Would you people identify the Coalition, and
6 who you are, and the like?

7 MR. EISENBERG: Surely. We thought in terms
8 of demonstrating who the Coalition is, it would be well for
9 you to see that it is indeed a Coalition of various organizations
10 within Legal Services.

11 You know me. Seated to my left is Charles
12 Dorsey, who is the Chairperson of the Project Advisory Group,
13 who is the Director of -- who is my Legal Services Director
14 in the State of Maryland.

15 To my immediate left, is Bernie Veney, the
16 Executive Director of the National Client's Council. To my
17 far right is Willie Cook, who represents Minority Caucus
18 on the Coalition Board of Directors, and is the Director of
19 Neighborhood Legal Services in the District of Columbia.

20 To his right, is Jody Smith, who is the Civil
21 Director of NLADA. To my immediate right is Berry Schwartz,
22 who is the Executive Director of the Coalition for Legal
23 Services.

24 I think it's important in viewing the Coali-
25 tion, to understand that this is not something -- the Coalition

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1 idea, that arose in response to the 1980 election, or to
2 the immediate crisis in Legal Services.

3 The Legal SERVICES community, is really made
4 up of a broad group of people, who share one overall goal.
5 That is, that high quality legal services be provided to poor
6 persons.

7 But each of us have a different perception
8 of precise issues, and perhaps different emphasis on the
9 way services should be provided.

10 For many years NLADA itself was the umbrella
11 organization, which was able to serve a broad range of interests,
12 and to serve what I call the United Nation function within the
13 Legal Services community.

14 But, when Legal Services was first funded by
15 OEO, and later through the Legal Services Corporation, the
16 infusion of that substantial sum of money, developed a number
17 of sub-group interests within the Capitol LSC family, which
18 could not adequately be housed in one organization that was
19 more diverse.

20 Each of these groups has individual interests
21 in addition to the overall goal of providing high quality
22 legal services, and there arose from time to time, differences
23 in terms of funding decisions, priorities, policies, statutory
24 language, within the community.

25 And, while most of these differences and

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16 1 disagreements could be resolved over a period of time, it
2 became necessary at several critic points, to develop
3 specific mechanisms for resolving those kinds of problems.

4 One of them was, when the Legal Services
5 Corporation was founded back five or six years ago, at
6 that point, an organization called Action for Legal Rights
7 was created, specifically to provide a broad range of
8 views on the issues that went into the initial statutory
9 language in the Legal Services Corporation Act, and the
10 initial regulations that were adopted by the Corporation.

11 In this way, a coordinated whole could be
12 put together, rather than individual organizations sniping
13 at each other and perhaps resulting in a statutory con-
14 figuration which was less acceptable to everyone.

15 Subsequent to the 1980 election, another
16 point in time arose, at which it became apparent that
17 Legal Services would come under attack, either for sub-
18 stantial modification or complete elimination.

19 The Community, in that time since the
20 Corporation was founded, had become more diverse through
21 expansion into many new areas in the country, through
22 the funding of programs through the recognition that
23 ethnic and racial minorities had particular problems that
24 had to be recognized, the Legal Services Community now
25 had a number of larger interests and smaller interests

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17 1 which had to be dealt with, and which had to come together to develop an overall strategy.

3 I think it is clear that one of our fears
4 was that if we were divided on individual issues, the
5 whole Legal Services system would come apart, and that we
6 could not develop an overall ability to save the Legal
7 Services Corporation.

8 The Coalition for Legal Services was found
9 after the 1980 election, and incorporated as a C-4 Corporation in the District of Columbia.

11 The organization is a coalition. It is
12 represented on the Board, by appointed representatives
13 of the National Client's Council, the National Association
14 of Indian Legal Services Programs, the Farm Worker Caucus,
15 Women in Legal Services, the Rural Advocacy Group, the
16 Minority Caucus, the National Organization of Legal Services Workers, which is the union representing many Legal
17 Services Workers, the Organization of Back-up Centers,
18 as well as the Project Advisory Group and NLADA.

20 In addition, there are three eligible
21 clients on the coalition board, selected by the client
22 representatives of the national organization.

23 The primary function of the coalition is
24 to coordinate an exchange of views and information.

25 The Coalition maintains separate offices

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1 at 1625 "K" Street, which are paid for by The Coalition,
2 out of Coalition funds.

3 The Coalition does not solicit donations
4 from LSC grantees, and in fact, we've actively discouraged
5 such contribution.

6 Since its foundation, the -- since its
7 formation, the very large majority -- and in 1981, the only
8 year for which we have no audit, it was over 98 percent
9 of the fund, came from individual contribution, persons
10 around the United States, concerned about Legal Services.

11 As a C-4 corporation, the Coalition has
12 broad flexibility in terms of the amount of lobbying it
13 can do.

14 As a matter of fact, only 25 percent of
15 the time, approximately, and the resources of the Coali-
16 tion, are spent for that purpose.

17 The Coalition has two fulltime staff per-
18 sons, Berry Schwartz being the Executive Director. In
19 addition, there is one fulltime secretary, and one part-
20 time project coordinator.

21 We believe this response to the issues of
22 funding and function and purpose, we have come because we
23 recognize that the Coalition is an item of interest for
24 The Board.

25 We are pleased to respond. We have as many

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19 1 of the Board members who are going to be here anyways,
2 are here.

3 Many of the Board members wanted to come
4 to indicate to this Board, that the Coalition is indeed
5 a coalition, and a broad interest, and represents people
6 of differing views who have come together to save the
7 Legal Services Corporation.

8 And, my colleagues and I would be pleased
9 to respond to any questions that you might have.

10 MR. HARVEY: To start to my far left, Jo-
11 sephine?

12 Do you have questions or comments?

13 MS. WORTHY: The one thing that I see the
14 whole group, and I'm aware that there are clients on the
15 Coalition, and I don't see that.

16 MR. EISENBERG: Well, Clara Garrett was
17 here. She is on the Coalition Board, and she had a 1:20
18 appointment.

19 Clara Garrett ---

20 MS. WORTHY: Okay. I just wanted to make
21 people aware of the fact, and, I heard you mention there
22 are clients on the Coalition, I just wanted to say that ---

23 MR. EISENBERG: Clara Garrett, Mary Ellen
24 Hamilton, and Rachel Miller are members of the Coalition
25 Board of Directors.

20

1 MS. WORTHY: Okay, I knew that representa-
2 tion was here, I just wanted to let people know why they
3 were not seated.

4 MR. HARVEY: Howard?

5 MR. DANA: I would like to clear up -- Mary
6 and Rachel -- I have a plane to catch, and I am -- well,
7 I'll be leaving shortly, but I've enjoyed the presentation.

8 MR. DeMOSS: Me? What have you all re-
9 ceived in the past, and are you asking for anything this
10 year?

11 (Laughter.)

12 MR. EISENBERG: Nothing -- and, no.

13 (Laughter.)

14 MR. DeMOSS: That's all the questions I
15 have.

16 MR. HARVEY: Bill Olson?

17 MR. OLSON: Just go back to the word no-
18 thing, I think that first of all, the Coalition for Legal
19 Services, as an entity which is not a recipient of ours,
20 is not one that, you know, if we ask a question -- nobody
21 has to answer any questions, because I don't think you
22 are coming to us for funding, as you say, and therefore.
23 it's all information and of great interest to us as to
24 what's going on in the community, and I was in that spirit
25 and with the understanding that I don't care if you feel

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1 that some of this information is privileged, let me just
2 ask -- how -- and feel free not to answer -- when was
3 this formed?

4 MR. EISENBERG: It was incorporated in
5 February of 1981. The -- I think you have before you, the
6 initial letter that was sent to individuals to raise funds.
7 That was about when it was founded, es-
8 tablished.

9 MR. OLSON: And Berry, when did you come
10 on the scene?

11 MS. SCHWARTZ: December of '81.

12 MR. OLSON: Was there any Executive Director
13 before you?

14 MR. EISENBERG: Yes, a person named Charles
15 Bosley.

16 MR. OLSON: When you went over the list
17 of people to -- or, persons who are on the Board of Di-
18 rectors, you gave organizations with each one of those,
19 and I wasn't sure if you were saying that the names are
20 for information purposes only, or the positions, or if
21 indeed, those organizations designate people to serve on
22 this Board.

23 MR. EISENBERG: Those are organizations
24 designating people.

25 MR. OLSON: So, in other words, the

22 1 National Client's Council designates you, Mr. Veney, and
2 Mr. Dorsey ---

3 MR. DORSEY: One client.

4 MR. OLSON: And, PAG makes a designation
5 of one person?

6 MR. DORSEY: Two people, one client repre-
7 sentative, and one representative generally from PG.

8 MR. OLSON: And, is that you at the
9 moment?

10 MR. DORSEY: No, it is not.

11 MR. OLSON: Who is that?

12 MR. DORSEY: Melville D. Miller, who is
13 the Chairperson of the Coalition.

14 MR. OLSON: Well, what are the other or-
15 ganizations -- did you -- were those the ones you rattled
16 off there, National Organization of Legal Services Workers
17 and NLADA and -- you mentioned one Organization of Backup
18 Centers.

19 MR. EISENBERG: Yes.

20 MR. OLSON: I'm not sure what that is.
21 I've never heard of it before.

22 MR. SCHWARTZ: There has historically been
23 a working group, a sort of discussion group of the dif-
24 ferent national support centers, which was seen by --
25 this pre-dates me, but I -- my understanding of the

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23 1 intention in forming the Coalition, is that it be -- I
2 think at one time Howard said a United Nations, that to
3 the extent that there were different types of grantees,
4 or types of workers in Legal Services, that saw themselves
5 as having any sort of unique interests that we wanted to
6 invite them in, so different perspectives could be heard.

7 And so, the organization of Legal Services
8 back-up centers is one of those groups.

9 MR. OLSON: Is that an organization with
10 which the Corporation has contact, Clint, on a regular
11 basis?

12 MR. LYONS: I'm sorry?

13 MR. OLSON: Is that -- see, I got you.

14 (Laughter.)

15 MR. OLSON: Actually, I didn't want to ask
16 you the question at all. It was just too tempting when
17 I -- is the National -- what is it called? The Organi-
18 zation of Backup Centers -- is that one which the Cor-
19 poration would have a relationship and bring them in on
20 just for advice, and such?

21 I've just never come across it. Dan never
22 told me about it ---

23 MR. LYONS: No. Most of all, the categories
24 of grantees that we fund, based on their common interest,
25 like the support centers, may form an organization.

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The National Support Centers have an organization, professional organization, which they call the National Organization of Backup Centers, and they meet to discuss, to talk about whatever they want, and -- but we have no form of relations with them, as a Corporation.

We deal with the grantees. Periodically, they may want to talk to the Corporation officials, and present ideas, and make requests on behalf of, like continue support of support centers and that sort of thing.

So, that's the relationship we have.

MR. OLSON: Does anyone know if that organization -- just for example, that organization would be a dues organization, so the support centers pay dues to it, or how -- if it's funded, or has a staff, or how they pay for their operations?

MR. VENEY: No, as far as I know, it has no dues, and as far as I know, it has no staff. It elects from among its membership a chairperson, who from time to time, does whatever chair people do.

MR. OLSON: Okay. Earlier, Howard had said that only 25 percent of your pleasure was on lobbying, which everyone seems to have almost none of their money ever spent on lobbying, but -- it gives rise to the question what's the other 75 percent?

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1 Because, I thought that's what you did,
2 I thought it was a lobbying organization. There must be
3 more.

4 MS. SCHWARTZ: Well, I am a registered
5 lobbyist, and so that proportion of my time, which I
6 calculate as 25 percent, is spent legislative advocacy.

7 But, the bulk of the function of the coa-
8 lition is this sort of clearing house kind of role, for
9 the different organizations, the dissemination of infor-
10 mation, analysis of changes in legislation or regulations
11 that might come to bear on Legal Services programs, et
12 cetera.

13 MR. OLSON: I think we have as much problem
14 defining lobbying as the Congress does, when they passed
15 their -- what was it -- 46 Act, or something like ---

16 MR. EISENBERG: Well, let me say candidly ---

17 MR. OLSON: All of it's legislation oriented
18 and it's oriented toward -- it was -- aren't you saying
19 the Coalition -- didn't you say Howard, before the Coa-
20 lition was formed post-1980, in response to a perceived
21 threat from the Administration, the Hill, to the Corpo-
22 ration, and it seems like it would be stretching it
23 somewhat to say that -- it's not -- I don't see anything
24 wrong with it being involved in legislation, if it's a
25 C-4, and it's all proper, isn't that what it does?

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MR. EISENBERG: No, it's not. I mean,

2

part -- I have two levels of response; one is that your

3

perception of how much lobbying goes on by the National

4

Organizations, I think, is inaccurate.

5

Secondly, many of the things ---

6

MR. OLSON: I haven't stated a perception.

7

MR. EISENBERG: Well, I mean, you say no-

8

body does it. The fact is that there isn't that much

9

lobbying done, that there's a lot of other work that needs

10

to be done from the National level, one of which is talk-

11

ing to you about legislation.

12

When I say Bill Olson, you should change

13

the Minority or the Majority Bar provisions of the --

14

you should advocate to the Congress that the Majority Bar

15

provisions of the Continuing Resolution be changed, that's

16

not lobbying.

17

You may lobby, but I'm not lobbying. If

18

I should explain to somebody that calls up and says what

19

did Congress do yesterday on the Continuing Resolution,

20

I read them the Continuing Resolution -- that, under no

21

definition, is lobbying. It has to do with legislation,

22

but it's not -- I mean, and there is a very definite

23

definition of what lobbying is, and everybody accepts it.

24

MR. OLSON: Well, yes -- and that's -- we

25

have people come before us from the National Support

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1 Centers that argue that any dissemination of information
2 with respect to their own membership was not lobbying,
3 which flies in the face of the concept of grassroots
4 lobbying and the ways in which -- which is now being re-
5 gulated by different people.

6 But, the point is that when Berry says
7 we serve a clearing house function -- we disseminate in-
8 formation, we analyze changes in legislation, well the
9 analyzing the changes sitting at your desk is one thing,
10 but when you disseminate information in the field, and
11 put out mailings or whatever, I mean that -- if that isn't
12 lobbying, grassroots lobbying, I'm not sure what it is.

13 MS. SCHWARTZ: I think that one thing that
14 might be helpful in understanding the -- our day-to-day
15 functioning, or the day-to-day functioning of many of the
16 organizations that you're dealing with today, is to
17 understand the tremendous uncertainty in which Legal
18 Services Workers, Legal Services clients, are having to
19 operate, in the past 18 - 20 months.

20 And, so a great deal of the work of the
21 Coalition for Legal Services, is taken up with simply
22 responding to these inquiries, so that when Howard makes
23 reference to having to answer the question what did
24 Congress do, what does this provision mean, what does
25 that provision mean, quite literally, a great deal of

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28 1 energy does go into that, because you have Legal Services
2 attorneys that are in the midst of on-going representa-
3 tion, or whatever, who very much need to have some under-
4 standing of these sorts of provisions, and so, I think
5 we would quite truthfully say that a great deal of our
6 time has to go into that sort of information dissemina-
7 tion.

8 That's not necessarily the same thing as
9 trying to change something, it's just disseminating in-
10 formation about what has happened.

11 MR. VENEY: Well, let me give a further
12 example, I mean, your question would have a very chilling
13 effect.

14 I mean, Dean Harvey quite properly chas-
15 tised Client Council at one point, for not having dis-
16 seminated widely enough HR-3480, -- asked us to mail to
17 our membership HR-3480 so that this Board could have
18 the benefit of client reaction to HR-3480.

19 Are you suggesting that our mailing of
20 HR-3480, so that clients could in fact respond to you,
21 would be constituting an act of lobbying?

22 MR. OLSON: Well, I'm not sure exactly
23 what does -- I do know that we've had a lot of -- we've
24 had a lot of fuzziness about this term.

25 We sat here, actually it was in Mississippi.

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29 1 and we discussed one particular support center, that said
2 that they mail a legislative alert to their members, on
3 a as-needed basis, which spurred some substantial amount
4 of time, and Howard was the one that raised this question
5 when the person said we're telling people, we're giving
6 information up-to-the-date, accurate information, with
7 respect to pending legislation on the Hill, telling peo-
8 ple what committees it's in; what the status of the Bill
9 is, what the arguments are against it, or for it, but
10 that's information dissemination, that's not lobbying.

11 Now, there's -- at some point, it's in-
12 formation dissemination, at some point, it's lobbying,
13 and I'm not sure I have any more wisdom than the combined
14 Congress of the United States that's had problems defining
15 the same term.

16 I'm just saying that I think it's somewhat
17 disingenuous to speak in terms of all the work that's done
18 in disseminating information as having no function what-
19 soever, nor no purpose, no intent, no motivation, no
20 nothing, to stimulate a reaction from the field.

21 You folks are a C-4. C-4, classically,
22 is an organization that's designed to stimulate some kind
23 of involvement by its members, and if you write a letter
24 that says, as you know, the Heritage Foundation and the
25 Conservative Caucus that advocated the elimination of

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1 LSC, and longtime Legal Services foe Howard Phillips has
2 organized a committee to defeat Legal Services, and we
3 want to develop a network, advocating Congress and the
4 media, coordinate the activities, preserve the Corpora-
5 tion.

6 Now, you can say that that's providing
7 information, but it seems to me it's emotive, and that's
8 fine, when you're a C-4, you're allowed to do it.

9 My problem is not in that area. I -- the
10 terminology bothers me that any kind of dissemination of
11 information is not considered by many, many people to be
12 lobbying, when I think it is -- I don't know about the
13 case you raised, but this -- but what I'm concerned
14 about is this: Does the Coalition take positions on
15 legislation, as a C-4?

16 It would, would it not? And has it? I
17 guess the record shall indicate that Berry and Bernie
18 shake their head yes, ---

19 MS. SCHWARTZ: Yes.

20 MR. VENEY: Yes.

21 MR. OLSON: Is -- what positions, for
22 example, has it taken, besides the fact it wants to con-
23 tinue the Corporation?

24 MR. SCHWARTZ: We have taken a position
25 against any restrictions on the ability of Legal Services

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31 1 attorneys to fully represent their clients, pursuant to
2 the Code of Professional Responsibility.

3 So, we've certainly taken a position and
4 communicated that position to the Congress, with respect
5 to any number of the provisions in, for example HR-3480.

6 I mean, there's no question about that.

7 MR. OLSON: Okay, well that's -- it seems
8 to me fine for the Coalition, but problems that I have is
9 is there not a point with beyond which -- particularly
10 if a complete ban, or virtual ban on lobbying, as we've
11 seen in the recent Continuing Resolution, goes into ef-
12 fect, and in fact it has gone into effect, as of October
13 1; does that restrict organizations such as Client's
14 Council, and PAG, which are recipients of Corporation
15 funds, from entering into, as organizations in designa-
16 ting people to sit on boards, from taking that kind of
17 a spearhead role, with respect to the lobbying that goes
18 on through the Coalition?

19 And, that would be a question, I think,
20 many of you might have a response to. It's a question
21 I have, I think it's a question we have to ask, in light
22 of the passage of the Continuing Resolution by the Con-
23 gress.

24 MR. VENEY: Well, I mean, that again goes
25 to how many levels down you go on putting restrictions
on the money.

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1 The PAG is not a recipient -- a direct
2 grantee, Client's Council is.

3 NLADA, for most purposes is not, though in
4 some respects it is.

5 The Coalition, on the other hand, the money
6 it gets, is predominantly almost exclusively, from individ-
7 ual people, many of whom do work for Legal Services.

8 And, out of their pay, they write a check
9 to the grocer, and they write a check to the Coalition,
10 because they believe in what the Coalition stands for.

11 They might donate money to a political
12 candidate, which would be in-permissible by a Grantee.

13 I'm not sure -- I mean, I would not think
14 that anyone would seriously say that an individual could
15 not contribute money to the Coalition, or to a political
16 candidate.

17 That's an individual's decision. I hear
18 the concern about saying grantees give money to NLADA,
19 and NLADA lobbies, and we're concerned about that.

20 But, now you're going the next step, and
21 saying NLADA gives a teeny amount of money to the Coali-
22 tion, or ---

23 MR. OLSON: Well, I'm not saying that.
24 Let's focus on National Client's Council, for example,
25 which is a recipient, and it designates people to sit on

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1 the Board of an organization, it's a seat for a lobbying
2 organization.

3 Does that give you pause, now that the
4 C.R. is into effect?

5 MR. VENEY: We do not expend any funds for
6 that purpose.

7 We do not give the Coalition any money.

8 MR. HARVEY: Mr. Veney, are you paid se-
9 parately, during the time that you sit on this Board, or
10 today as a representative of the Coalition?

11 MR. VENEY: No, I sit -- I must confess
12 that I am doing something very unusual, because I was
13 here as a representative of Client Council, I am not off
14 today.

15 I function as a representative on the
16 Coalition Board -- when I function as a representative on
17 the Coalition Board, I am off.

18 MR. HARVEY: Are you a member of the Board
19 of the Coalition of Legal Services?

20 MR. VENEY: Yes, I am.

21 MR. HARVEY: You participate in meetings
22 of the Board of the Coalition of Legal Services?

23 MR. VENEY: Yes, I do.

24 MR. HARVEY: Meet regularly with the Board?

25 MR. VENEY: As regularly as the Board meets.

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35 1 I mean, I don't know what regularly means.

2 MR. HARVEY: Well, my next question was --
3 what's the answer to that.

4 MR. MCKEE: What's the next question?

5 MR. VENEY: I'm sorry, I don't know the
6 next question.

7 MR. HARVEY: Well, the next question is,
8 N.C.C. is paying you a salary, and are you being paid as
9 the President, Leader, Director, or a committee book says,
10 a very prominent person, while you are participating as
11 a Director, or person in the Coalition.

12 You're not ---

13 MR. VENEY: I have vacation time, which I
14 use for this purpose.

15 MR. HARVEY: Your meetings are held during
16 your vacation time?

17 MR. VENEY: I take a day off Dean Harvey.

18 MR. HARVEY: I see.

19 MR. OLSON: Well, you know, ---

20 MR. VENEY: Can I -- can I ask a question?

21 MR. OLSON: This -- this --- go ahead.

22 MR. VENEY: Because by extension of what
23 I think you're asking, would programs be prohibited from
24 paying Bar Association dues?

25 Or, are you going to attempt to control

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36 1 the activities of Bar associations?

2 Because, I would hold that that -- for me
3 anyway, would be about tantamount to the same thing.

4 MR. OLSON: I don't think there are any
5 Bar associations that designate people to sit on the Board
6 of -- of this C-4, that's doing this lobbying.

7 MR. VENEY: Oh, but there are certainly
8 Bar associations that have Legal Aid Committees, that have
9 designees of LSC recipients that are by virtue of that,
10 ex-officio members of Bar associations that do do lobby-
11 ing.

12 MR. OLSON: Well, okay, let's get to that
13 in a minute, because that's another interesting question,
14 I don't know the answer to.

15 And, I think that all of us are trying to
16 search for ways to implement this Continuing Resolution
17 and carry out our duties as Directors, and I don't have
18 all the answers.

19 But, I do have -- I am given pause by a
20 circumstance under which an organization, which is a re-
21 cipient, designates people to serve on the Board, whether
22 there's a cash-flow, or not.

23 When -- you know, this is -- this gets in
24 the whole area of whether you put a restriction on an
25 authorization bill, or a appropriations bill.

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1 If that same restriction were in the au-
2 thorizing bill, which doesn't speak in terms of no money
3 appropriated hereunder, it would -- seems to me then that
4 would be a distinction without a difference, because you
5 give no money to the Coalitions.

6 I can't understand why there should be
7 a difference, necessarily, because the restriction is
8 incorporated in the C.R.

9 I can't understand why there should be
10 a difference -- why you can say because we give no dollars,
11 we can still use our name, and our office -- our good
12 offices, and our official support to the organization,
13 because there's no actual cash that's transferred.

14 MR. VENEY: Well, I think I said before
15 Bill, when Client Council was before you, that there were
16 a number of things that we might have to look at when
17 The Act was -- I'm sorry, when legislation was finalized
18 and when you had done your regulations, I think that is
19 still true.

20 I am sure that we are not in violation of
21 anything at this moment in time. Your point may be well
22 taken in terms of designees, and we may yet in fact act
23 to withdraw.

24 However, we have the continuing feeling
25 that it is critically important that client input be had,

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38 1 and the vehicle for client input in the legal service
2 community, is the National Client's Council.

3 We would in fact, be most upset, if in
4 fact the Coalition was going offer on the development bill
5 an agenda, or positions, that did not have the benefit
6 of client input, and that is why our participation.

7 I -- as far as I know, there is no other
8 organization concerned with the delivery of civil legal
9 services, other than the Client Council, who could fill
10 that role.

11 MR. OLSON: Well, I see -- I'm sure no
12 one is going to be completely persuaded by this, but I'm
13 delighted for the Coalition to be there.

14 Let it advocate what it wants with respect
15 to the restrictions that are in the statute, with respect
16 to the funding levels that you want, and that is free
17 and robust today.

18 That's the way it's supposed to be. Let
19 any other organization that has a position participate.

20 The only time at which I think this Board
21 has a role, and indeed an obligation, to intervene into
22 the debate, is to see if there has been an impermissible
23 use of resources which have been provided by the taxpayers,
24 and that's the extent to which I'm interested.

25 MR. VENEY: I think you ---

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MR. OLSON: So ---

REPORTER:

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MR. VENEY: I think you have alerted us to

Scott
Heiner

3

a possible future of impermissible use, and we will be

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guided by that alert.

5

MR. OLSON: It's something all of us are

TYPIST:

Barry

Williams

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going to have to grapple with as we go through these next

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few months.

Tape #6

Line #9

8

Clarence?

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MR. MCKEE: It seems to me that PAG --

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is there nothing that the Coalition could, or would, or

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should do, that either PAG individually, or NLADA in-

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dividually, or the Minority Caucus individually -- couldn't

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do on their own, and achieve the same purpose, except for

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this C-4, --

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For example, PAG or NLADA, in terms of the

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basis issues of the Legal Services Program, concern about

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the Continuation, concern about funding, and other basic

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issues like Minority Bar involvement, could not any of

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the components of the Coalition, be just as effective and

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assertive as the group itself, or a Coalition?

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That's the only point -- it seems that any

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one of the groups involved in it, could do the same kind

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of effort basically, and alert people to it.

24

MR. DORSEY: My response to that Clarence,

25

is that I think we have different constituents.

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1 MR. McKEE: Uh-huh.

2 MR. DORSEY: Which ---

3 MR. McKEE: The clients being the ultimate
4 constituents?

5 MR. DORSEY: The clients are our reason
6 for existence. And, you know, from my point of view, the
7 Coalition is able to focus and to coordinate the opinions
8 of all the different constituencies which we represent.

9 MR. McKEE: Okay.

10 MR. DORSEY: At the same time, The Coali-
11 tion does not impose its decisions on the constituent
12 organizations.

13 So, if you ask me, I would say that your
14 question requires a negative answer. The individual or-
15 ganizations would not -- could not perform the same
16 functions as the Organization.

17 MR. McKEE: Okay. Go ahead.

18 MS. SLAUGHTER: Mr. Chairman?

19 MR. HARVEY: Go ahead. Yes, Anne, go ahead.

20 MS. SLAUGHTER: I think I'm having a pro-
21 blem with the definition of the dissemination of infor-
22 mation and lobbying.

23 I think that's where I'm really, you know,
24 hung-up. And, I wish somebody could, you know, sort of
25 go into a little detail on that.

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MR. DORSEY: From my point of view, ultimately that is a legal question, which has to be decided.

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And, it is not unusual for me to see lawyers disagree as to what this, that, or the other means.

4

5

And, you know, there is clearly -- I think -- a difference of opinion as to what these terms mean in respect to the Continuing Resolution.

6

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8

MS. SLAUGHTER: Well, I think before anything can be done, I think we all should have the same opinion of what it really means, before we can say who's right or who's wrong.

9

10

11

12

And, I think that's where the problem is right now, is that there's difference in opinions between what information is, and what lobbying is.

13

14

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MR. EISENBERG: It is a difficult issue. Part of it is that Mr. Olson did identify some of the issues as to who it goes to.

16

17

18

There is a distinction made, in the tax code, and the regulations between if it goes to members as opposed to non-members, as people who pay dues.

19

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21

There is also a distinction made between what the -- I mean, based on the intent. You can disseminate information if there is no intent to elicit a response, but it's different if there is an intent.

22

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And, sometimes, different people can read

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42 1 the same piece of paper, and arrive at different con-
2 clusions.

3 But, there is a body of law and where
4 NLADA has, but I've gone over in great detail. We iden-
5 tified portions of our publications as lobbying, and
6 count them against that percentage that I keep misstating.

7 But, it's not as easy -- I correctly stated
8 it at 1.5 -- that's the correct number -- it's not as easy
9 as all that to say is dissemination of information lobby-
10 ing.

11 Well, it might be sometimes, but other
12 times, it's not going to be. And, I'm not sure we're
13 ever going to get -- you're going to feel better about it,
14 because I have grappled with this in various contexts,
15 and it's not an easy issue.

16 MS. SCHWARTZ: Another part of the answer,
17 with respect to our -- I think it's -- if Bernie will
18 forgive me, I think a lot of us look at this from the
19 perspective of being lawyers.

20 And, I think that too many of us, in terms
21 of when you take it down to the relationship between the
22 lawyer and the client, for example, and in informing the
23 client about his legal -- his or her legal rights and
24 responsibilities, in terms of the impact of the law on
25 that client, there's really no difference between a law

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43 1 that might have just passed a legislature, or that is
2 pending in the legislature, and a court decision, for
3 example, in terms of the binding nature of that law,
4 on the client's affairs.

5 So, that when we sit in a law office, in
6 that context, there really is no difference between the
7 source of that law and our obligation to lay that out to
8 the client, so that the client can assess what impact
9 that has on his or her affairs.

10 So, I think that's what we mean when we
11 talk about the dissemination of information, and if you
12 take it to the context in which most of us operate, we're
13 talking there too, about the need to disseminate infor-
14 mation to people that are working in law offices, about
15 what the state of the law is again, whether it's a court
16 decision, or something that's pending or has passed in
17 Congress, the need to explain what is -- what a legisla-
18 ture has considered or has passed, so that the law offices
19 we're talking about, can take that into account, as they
20 run their operations.

21 So, I -- that's how I choose to look at
22 the dissemination of information activity. And, as I
23 say, that takes up a substantial amount of my time.

24 I could spend more of my time on lobby-
25 ing, but frankly, the demands in the dissemination of

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44 1 information area, have been immense in the last few weeks
2 and months.

3 MR. DeMOSS: We'd all agree, wouldn't we,
4 that if a letter or a pamphlet, or whatever is sent out,
5 has in it exhortative language that says this is bad for
6 you, and you need to do something about it, and what you
7 need to do is contact your state legislator, or your con-
8 gressman, or senator, or whoever -- and ask them to either
9 vote one way or the other -- that's lobbying.

10 There isn't any question about that, is
11 it? I mean ---

12 MS. SCHWARTZ: Although I would still say
13 that the Code of Professional Responsibility and other
14 sorts of pronouncements like that, create a -- call it a
15 zone or whatever, in terms of an attorney's advice to
16 an individual client, in terms of what's in the client's
17 best interest?

18 But, I don't think there's any disagreement
19 with you on the part of all of us, on the fact that that
20 kind of, you know, widespread mailing going out, would
21 absolutely be grassroots lobbying.

22 MR. DeMOSS: And would you -- would not
23 you all agree with me that there has been a substantial
24 amount of that in the past by a variety of organizations,
25 I'm not going to ask any one of you, but within what you

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45 1 call the Legal Services community.

2 In fact, some of it probably from organi-
3 zations that do directly receive their funds from this
4 organization.

5 MS. SCHWARTZ: There has been a certain
6 amount of it, but again, consistent with the law as it
7 existed, which you may or may not be embarked in ---

8 MR. DeMOSS: I'm not going to quarrel the
9 question of what's happened in the past, but -- and, the
10 Congress obviously had in mind, or has in its mind, and
11 I will yield to Howard's closer touch with the Congress,
12 and he inferred that it may not be in the next continuing
13 resolution, but at least it's in this one, that there is
14 something that the Congress said -- we don't want that
15 going on.

16 Don't you all agree with that?

17 MR. DORSEY: We would agree -- you know,
18 I hate to sound like a lawyer, but I don't think that --
19 substantial -- in a legal sense, isn't that something --
20 we would disagree with substantial in a legal sense, in
21 terms of your statement that there's been no substantial
22 lobbying.

23 MR. DeMOSS: Well, it's apparently been
24 enough that it has gotten up to the Congress, and whoever
25 is in the Congress, is in charge of seeing that a bill

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46 1 gets put through and that whatever goes into that bill,
2 gets in there -- you've got to have something to get it
3 in there, either a forward push by somebody pushing on
4 it, or a lot of unhappiness on the part of other people,
5 saying this ain't right, and something ought to be done,
6 and that's the context in which I use substantial.

7 That it has produced in fact, an action by
8 the Congress, and what it seems to me that we've all got
9 to address, is the fact that this was intended to effect
10 some change.

11 And, if it's in the next Continuing Re-
12 solution, we're all going to have to live with it, for
13 1983, at least.

14 And, it would seem to me that what we
15 need to do, is try to -- because this Board is going to
16 have to try to define in some way, -- or should, it seems
17 to me, what are the things that have gone on in the past,
18 that ought not to go on under for the year 1983 -- if
19 this restriction is in there?

20 And, the sending out of mass mailings,
21 with language in it that is not just purely factual in-
22 formation, but it says this is something bad, or good,
23 or -- and you need to take some action, that seems to me
24 to be clearly prescribed, if that language is in the
25 Continuing Resolution.

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Do you all agree with that?

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MR. VENEY: Just one very quick reaction

to that, and that is that I had been waiting for a member of the committee to make the statement -- I think that in Albuquerque, last week, or two weeks ago, whenever -- two weeks ago last year -- I think your staff provided you with a very good position paper, and I think the Board has asked the staff to make certain changes and look at it in the light of the Continuing Resolution.

But, I think when you have your meeting on the 29th and 30th, you will have before you, a regulation which will be designed to do what it is you're talking about.

And, that is to look at current situations and set parameters that we all can live with and work by, to get around the problem that the Congress obviously had.

MR. DeMOSS: And, let me respond one further, or make a question -- Mr. Veney said it is a legal question, and that probably is ultimately correct.

But, I don't think we ought to resolve it, as the basis of who gets to the Courthouse first, and who gets the judgement on the question.

MR. VENEY: That's Dorsey -- and I'm Veney.

(Laughter.)

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1 MR. DeMOSS: I'm sorry, I apologize. I
2 got you confused.

3 (Laughter.)

4 MR. DeMOSS: Mr. Dorsey said that. It
5 seems to me that our attitude ought to be, that we could
6 recognize that there is an area of restriction here, that
7 we've all got to do our best to live with, and we all ought
8 to make a positive honest effort, to amend whatever may
9 have been done in the past, in light of this restriction,
10 if it is in there for '83, -- to comply with That Act.

11 And, I would hope we're not talking about
12 this Board taking a position as to what it thinks is
13 lobbying, and then you all, somewhere out there, filing
14 a suit to resolve it, as a matter of legal decision.

15 I just don't think that's -- that's what
16 I want to see happen.

17 MR. DORSEY: That certainly is not what
18 we would want to see happen also. And, you know, we
19 would hope that we would have the opportunity of looking
20 at staff recommendations.

21 And, you know, it is because of our willing-
22 ness, not to get into unwarranted debates and controversy,
23 that we think that that has to be the communication
24 between the Corporation and field programs Coalition, in
25 trying to resolve these things before they erupt in

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49 1 dispute.

2 MR. HARVEY: If we might go back -- I'm
3 sorry, Harold ---

4 MR. DeMOSS: I'm through.

5 MR. HARVEY: If we might go back to Harold
6 DeMoss' point, I think, about legislative history of the
7 Continuing Resolution, as long as you're here, and if
8 you'd be kind enough to tell me about your organization,
9 I really know nothing about it, except what I read about
10 it from time to time.

11 As I recall Howard, you said you organized
12 in February of 1980, when you were incorporated at that
13 time, is that correct?

14
15 MR. EISENBERG: That's correct.

16 MR. HARVEY: Who were the incorporators?
17 Were all of you incorporators of the Corporation?

18 MR. EISENBERG: Just about, yes.

19 MR. HARVEY: Persons who were here today?

20 MR. EISENBERG: Basically. I mean, I don't
21 have the Articles of Incorporation; but, basically, that's
22 true.

23 MR. HARVEY: Now, let's see, you've given
24 the Committees a document, signed by Clinton Bamberger.

25 I don't -- identify Clinton Bamberger here

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50 1 today, although I think I can identify him.

2 Was he your predecessor, Berry Schwartz,
3 who was he?

4 MS. SCHWARTZ: No, he ---

5 MR. VENEY: No, I think that simply was a
6 solicitation letter, signed by Clint Bamberger.

7 MR. HARVEY: Oh, well, what is his capacity
8 in the Coalition?

9 MR. VENEY: He doesn't have any -- he
10 doesn't have any connection with the Coalition.

11 MR. EISENBERG: He's given the Coalition
12 individual money.

13 MR. VENEY: Yeah.

14 MR. HARVEY: If I give you money, can I
15 send a letter, in your name -- is that what that means?

16 What is this?

17 MR. EISENBERG: He authorized that --

18 MR. VENEY: No.

19 MR. EISENBERG: -- letter to be sent.

20 MR. HARVEY: You authorized that letter to
21 be sent?

22 MR. EISENBERG: No, he authorized, ---

23 MR. VENEY: No.

24 MR. EISENBERG: He authorized that letter
25 to be sent.

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1 MR. EISENBERG: Everyone whose name is on
2 there saw the letter, and authorized it to be sent out.

3 MR. HARVEY: I only see one name.

4 MR. EISENBERG: Oh, I'm sorry, you're
5 looking at the alumni letter that ---

6 MR. HARVEY: May 26th, 1981 -- it's stat-
7 ionery that says Coalition for Legal Services, Inc.,
8 1625 "K" Street, NW, Room 908 or 903 -- Washington, D.C.
9 to Legal Services alumni, it's in two pages.

10 MR. VENEY: Right, and Clint Bamberger
11 was asked to send that letter on behalf of the Coalition,
12 to Legal Services alumni.

13 I think that's the answer to the question.

14 MR. HARVEY: Okay. Yeah, I'm really talk-
15 ing to the record, of course, which -- of which this letter
16 so far, is not a part.

17 But, there is a paragraph in this letter
18 again going back to Harold DeMoss' question that is as
19 follows:

20 It is the sixth paragraph on the first
21 page, and I quote: "The Coalition needs money to help
22 to keep the struggle going -- substantial contributions
23 from everyone who shares our goals.

24 The opposition is well financed. Howard
25 Phillips, (Remember him from Nixon's OEO), is conducting

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1 a national direct mail fund-raising and opinion campaign
2 for the sole and explicit purpose of ending the Legal
3 Services Program."

4 And then this sentence: "We need money
5 to support an effective information and lobbying campaign".

6 Now, I would assume that that is a solici-
7 tation for the purposes of lobbying. Do you agree with
8 that? The letter says that.

9 Now, is that what the statute was directed
10 toward? The Continuing Resolution, Mr. DeMoss?

11 MS. SCHWARTZ: Mr. ---

12 MR. EISENBERG: But, there's no LSC funds
13 involved in that at all, though.

14 MS. SCHWARTZ: Yes.

15 MR. EISENBERG: I'm not sure ---

16 MR. HARVEY: I understand that distinction
17 Howard, but, I thought a moment ago that you said Bernard
18 Veney was an incorporator of the organization?

19 Weren't you?

20 MR. VENEY: That's right.

21 MR. HARVEY: Okay. Just -- I hear -- as
22 Brother Dana says, I hear your response.

23 MR. EISENBERG: What -- I'm not sure I
24 understand the question.

25 MR. HARVEY: Well, my specific question

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53 1 is the statute, the Amendment of Continuing Resolution,
2 1983, directed at this kind of conduct, a solicitation
3 which says we need money for a lobbying campaign".

4 MR. EISENBERG: Had it been funded by the
5 Legal Services Corporation.

6 MR. HARVEY: Or grantee programs, or
7 contract programs ---

8 MR. EISENBERG: That's all individuals.

9 MS. SCHWARTZ: That wasn't ---

10 MR. EISENBERG: That was not sent to any
11 program, Dean Harvey. That was sent to individual people
12 who in fact were no longer in Legal Services programs.

13 They were alumni primarily in the private
14 practice of law, that's what alumni means.

15 MR. HARVEY: Well, if it's the case that
16 the Legal Services Corporation is supporting some segment
17 of the Coalition of Legal Services, then is at least argued
18 with the case that the statute reach that segment, doesn't
19 it?

20 Some section of the -- segment of the
21 Coalition of Legal Services, then the statute reaches it
22 I would think.

23 MR. VENEY: I have a reaction as a non-
24 lawyer, I mean it's exactly the point, I think, that
25 Harold was making earlier, that -- I mean, yeah, I guess

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54 1 we could get into the questions of whether any portion
2 of the money that goes to the Coalition is in fact Legal
3 Services money.

4 It is our contention that we have insulated
5 that C-4 very thoroughly from Legal Services money, that
6 when it gets its money, it gets its money not as a dues
7 assessment, but as the individual desire of individual
8 people, to contribute to an organization which is going
9 to do certain kinds of things, and we client counsel --
10 I mean I think the lawsuits point is one I will have to
11 take to my Board almost immediately, we'll have to review
12 given the change in the Act, given possible regulations,
13 whether or not we can in fact continue to be in the Coa-
14 lition despite the fact that we provide no funds for the
15 Coalition.

16 MR. DeMOSS: Let me amplify on the Dean's
17 point here, and I wish I had the paper, and I'm using it
18 purely as an example from my recollection.

19 I remember receiving -- I think it was
20 from a program in North Carolina, a newsletter, which
21 had an extensive discussion of issues about the condinua-
22 tion of Legal Services program, and other items that were
23 in there -- if that same language, that the Dean read
24 here, had been included in a newsletter sent by a program
25 to all of the -- whoever it sends its newsletter to,

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1 requesting that there be contributions for funds to
2 organize an activity.

3 There isn't any question in anybody's mind
4 that that's no longer permitted under the continuing re-
5 solution, and if something like it is for '83, that's what
6 we're going to have to live with.

7 Is there any doubt in anybody's mind about
8 that?

9 MR. HARVEY: No.

10 MR. EISENBERG: No.

11 MR. HARVEY: Clarence?

12 MR. McKEE: I'll just conclude this with
13 a comment, it goes back to somebody talked about earlier,
14 common sense.

15 And, lawyers can argue all day long about
16 the First Amendment, but a lot of these things that either
17 wind up in terms of the law and the statute, originate, I
18 think, as one of the people in support centers said in
19 one of the meetings, because people are not exercising
20 common sense.

21 For example, technically it's granted that
22 maybe the Corporation doesn't give any particular organi-
23 zational group money.

24 Then you can always make a legal argument
25 well, "X" doesn't get any money, therefore, we can do "X",

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1 "Y" and "Z", but what happens, forgetting the legal side
2 of this, and we all live in this political world, what
3 happens in the political world is, Congressmen get a
4 communication, or C-1, forgetting the political persuasions
5 of the Congressmen, and they see on it Legal Services,
6 or, they see within the text, Legal Services.

7 They really don't care usually, from what
8 they tell me, whether it is a funded group of the --
9 getting public money -- all they see is they attach that
10 taint I talked about before; the name Legal Services
11 is then applied to the conduct that's coming either through
12 the mail, or in speeches, or in newspapers.

13 And, when Petersens (phon.) are writing
14 letters of this sort generally, throughout the program,
15 and if you just keep in mind a particular political view-
16 point that they disagree with, should never be implied
17 and directed in such a way that it defames this whole
18 group of people.

19 For example, the comments about conserva-
20 tives that was in here.

21 Now, there are many conservatives, I'm
22 sure, in the Congress, and in the Country, who are great
23 advocates of the Legal Services Program.

24 They disagree with some of the methods
25 and methodologies within it, but they're strong advocates

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1 of it.

2 And, it's from the point where people dis-
3 agree over how something should be done, and it's taken
4 to be as a black or white situation, where all of this
5 antagonism comes up in the Morehead C.D. (phon.) the
6 language.

7 And, it's a matter as one of the Support
8 Center people said, in terms of their newsletter. I
9 think it was the lady from New York.

10 She said it was a matter of me reading
11 this, and saying well, you just don't use that kind of
12 a language to get the message across.

13 And, emotions and political philosophies
14 takes over the brain on some of these things, and a
15 Congressman gets it and the ultimate person getting hurt,
16 in an effort which started out as being very meaningful
17 and beneficial to the survival of the Program, or the
18 clients, turns out in essence, hurting possibly clients,
19 because of restrictions that come out of the Congress
20 a year and a half later, after the material's gone out.

21 So, I think it goes back to common sense
22 and discretion and everybody knows, it's like obscenity,
23 everybody knows it when they see it, apparently.

24 People know when they write things, and
25 write letters, and they know what words they're using,

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58 1 and they know who they're going after, and it's a matter
2 of just judgement and discretion.

3 You can take this same letter that the
4 Chairman was reading, eliminate certain words, I would
5 find no one would have a problem with it. I mean, it's
6 a very objective letter.

7 It's when either a person who says he's
8 a liberal or person says he's a conservative, get all of
9 that confused in trying to help somebody, and what happens
10 is, I think, is what happened in a lot of the 3480 re-
11 strictions, the ultimate people getting hurt and burned,
12 are the very persons that everyone here is supposed to
13 be trying to work the best for a client.

14 And, they -- then we get caught up into
15 the legal game. That's my observation on this whole sub-
16 ject. It's just a matter of common sense, discretion,
17 and what people say, and how they say it, without saying,
18 getting into personal, political attacks. That gets
19 people inflamed more than ever.

20 The Congressmen say well, all I saw was
21 and one told me. Well, I didn't know so and so and so
22 told me, before he voted for these restrictions. I
23 didn't know if they get any money, but I saw Legal Ser-
24 vices over everything, and it just taints the whole Legal
25 Services community.

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1 So, people within your Coalition, I think
2 have a great responsibility and obligation for those ul-
3 timate beneficiaries, their clients, to make sure that
4 present emotions don't take over thought processes so
5 the people aren't hurt down the line.

6 Are there any more questions?

7 MR. COOK: Yeah, well, I have another com-
8 ment.

9 There are some other responsibilities that
10 we have, too. You mentioned one that you agree with, I
11 think it is also our responsibility, to be advocates when
12 we think those people who are proposing restrictions are
13 restrictions that are detrimental to this community

14 MR. HARVEY: I agree with you.

15 MR. COOK: For instance, you talked earlier
16 with Howard about the class action restrictions. I think
17 it isn't enough, Mr. DeMoss, for us simply to accept that
18 restriction.

19 I think what we have to do as a community,
20 is to -- with our clients and the rest of that community,
21 determine what kind of impact, negative or positive, that
22 restriction is going to have on that community, and it is
23 one of our jobs to be advocates for this community, not
24 simply to accept what certain Members of Congress feel
25 is or is not good for the community.

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1 So, you know, we aren't to be just people
2 responding to criticisms from the Congress, or various
3 people on the Hill, or in the Executive, but we are also
4 to be advocates for our community.

5 So, you know, I think that all of those
6 restrictions are very bad ones. The 6, on the Continuing
7 Resolution, so I don't think we ought to simply resign
8 ourselves to those restrictions as ones that must be
9 implemented.

10 I think we have also responsibility, if
11 we think that -- if the total community thinks that those
12 restrictions are bad restrictions for this community,
13 then we ought to be advocates trying to either eliminate
14 those restrictions, or modify them.

15 So, you know, they -- there are some dual
16 responsibilities there, as it relates to those restrictions.

17 We are not just passive people who carry
18 out edicts passed by people on The Hill. It is partly
19 our responsibility to be aggressive advocates, on behalf
20 of our clients, and this community .

21 MR. DeMOSS: I agree with you. All I was
22 saying is -- my whole discussion was of how -- about
23 how those edicts got there, in terms of how things can
24 be done and structured, so, even if they do get there,
25 of course you're advocates.

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61 1 I'm just saying it's how things have oc-
2 curred, and I think you have to be advocates, it's all in
3 how it's done.

4 MR. COOK: All I'm saying, I also probably,
5 Mr. McKee would disagree with you as to perhaps how some
6 of those edicts came about.

7 One of the things that people have to under-
8 stand is that this program, from the very beginning, has
9 been "a controversial program".

10 And, if you actually look at it from a
11 common sense point of view, as you suggest, I venture to
12 say that we will never be free of controversy.

13 Why -- because it happens to do with the
14 basic nature of the program. We represent people, issues
15 and ideas, who -- which are not popular generally in this
16 country.

17 And, like it or not, that is one of the
18 problems, when you try to address those kind of problems,
19 whether it be as a lawyer going into Court for a client,
20 whether it be on a legislative front, you are going to
21 encounter people who have different views about that
22 particular community.

23 So, I don't think that the edicts neces-
24 sarily have to do with what we say and how we say it,
25 it has to do with the basic kind of difficulty that we

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62 1 face, and have always faced, in Legal Services.

2 We represent unpopular -- generally un-
3 popular clients, and generally unpopular ideas, to a
4 large segment of people in the community, and on The
5 Hill.

6 So, I'm simply saying that, you know, 1982
7 is no different in terms of -- I mean, the nature of the
8 debate may be different, but in terms of the fact that
9 we have come under attack, that has always been the case,
10 since OEO started.

11 So, you know, I think what we've always
12 said to the Board when it came in in '76 or '75, when-
13 ever that was, is that one of the things that's impor-
14 tant for this Board, is that they understand too, exactly
15 what posture we find ourselves in, and not simply run
16 for cover every time there is some level of criticism
17 from wherever that criticism comes -- recognize the dif-
18 ficult job that we have.

19 We are not popular, our client's not po-
20 pular, the issues are not popular, sometimes we stand
21 out there alone.

22 And, there are sometimes when we must
23 say, even though we are standing out there alone, no Mr.
24 Congressman, or Ms, Congressman, we do not agree with
25 your perception of what you think ought to be done in

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63 1 the way of restrictions, because those restrictions
2 hurt this community.

3 Now, I cannot think of any -- well, we
4 talked about Legislative advocacy, but it doesn't mean
5 there are a number of others there.

6 You know, how in the world can we as
7 lawyers represent our clients, with a class action re-
8 striction, as contemplated by some of the people who are
9 talking about that.

10 It is absolutely insane to talk about
11 Legal Services lawyers being restricted on behalf of poor
12 people, in that particular way.

13 I mean, there are some things that we've
14 done in the past 15 years that could not have been ac-
15 complished in any other way, except as per class action.

16 You know, we -- I -- I don't mean to go
17 on in terms of ad libitum, it does some very simple
18 examples, NDC, for instance.

19 In 1974, we have a situation where the
20 Welfare Department in D.C. was not processing welfare
21 applications in a timely fashion, per Federal law.

22 Now, if we had tried to bring individual
23 lawsuits on that particular issue, we would never have
24 had the resources to resolve that kind of question.

25 That question could not be resolved in

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64 1 an effective an efficient manner, except in a class-
2 action contest.

3 I think it's no question that in that
4 particular lawsuit, which we won, by the way, was very
5 beneficial to the large segment of low income people,
6 who apply for A.F.D.C.

7 Now, with our -- with the numbers of
8 lawyers on the staff in the D.C. Program, there is no
9 way that we could have brought those individual lawsuits
10 to deal with that particular purpose, and, all I'm say-
11 ing is, it is a tool that is extremely effective and
12 efficient for lawyers, -- lawyers who deal with middle-
13 class, and upper-income class or client, why should poor
14 people be denied that kind of right?

15 All I'm saying is, just because the
16 restriction is there in the Continuing Resolution, we
17 shouldn't just simply respond to that.

18 I'm simply saying that we ought to take a
19 look at what our needs are as a total community, and say
20 to The Congress, we think you're wrong.

21 And, that's why I think this Board ought
22 to say on the class action, The Congress -- you are wrong
23 there.

24 This community needs to be able to deal
25 with that class action litigation, because it helps in

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1 a very fundamental way, our community, and that we
2 shouldn't just simply say that the restriction is one
3 that was passed by Congress in the context of the Con-
4 tinuing Resolution, and accept it at that, and then go
5 about making regulations to implement that particular
6 thing.

7 We would hope that this Board, along with
8 all of the other members of the community, the various
9 segments here, would persuade The Congress, in its wisdom,
10 that that is a very, very bad restriction.

11 And, there are others. In fact, I could
12 go down the list in terms of the other six. I mean, you
13 know, even -- let's take just the legislative advocacy
14 in its general terms, not dealing with some of the details
15 you're talking about here.

16 It is quite -- I mean, a number of the
17 members on that Board of lawyers, it is clear -- it should
18 be clear, that a lot of things that affect poor people,
19 aren't things that are -- aren't things that happen as
20 a result of a lawsuit.

21 Many of the things that happen to our
22 clients, are a result of legislative actions taken by
23 state legislatures, local city councils, et cetera.

24 It seems to me that if we are going to
25 have bills that are going to be amicable to the interests

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66 1 of poor people, that we as lawyers, ought to be in a
2 position, to deal with that kind of response from Legis-
3 lators, because what they do in many instances, have more
4 of a negative effect on our clients, than anything that
5 ever comes out of a case that's decided by a Judge.

6 And, you see, I think it's just simply --
7 it is just simply improper for The Congress to be dealing
8 with poor people, in that way.

9 What we are seeing in 1982, and in terms
10 of a pattern over the last 20 months, or so; is an attempt
11 to tie one or two hands of lawyers in Legal Services,
12 behind their backs, in terms of representing poor people
13 in this country.

14 And, I don't see those kind of restrictions
15 on -- in terms of middle-class clients, in terms of upper-
16 income class clients, and I don't see why there ought to
17 be those kind of restrictions for poor people.

18 MR. DeMOSS: Let me just simply make some
19 comments. There's a lot of merit to what you say, and
20 I have not decided, in my own mind.

21 But, what we are faced with is an Act of
22 Congress, that says here is some money that you are to
23 distribute, subject to these restrictions,

24 There is no way, in my view, practically,
25 that we can hope to intelligently change that, within the

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67 1 year that these funds are more than likely going to be
2 committed to, and we have to live with that restriction.

3 Now, I have recognized Mr. Eisenberg feels
4 that there's some opportunity that the Permanent Contin-
5 uing Resolution, if that's what you want to label it,
6 may not have these in there, and that's -- I can recognize
7 that's a possibility.

8 But in terms of this Board, taking any
9 definitive decision and implementing it, via The Congress,
10 it's going to be the next Congress, that that's going
11 to occur in, and it's going to take some time and some
12 effort and some explanation and everything else.

13 Because, the issues that we're talking
14 about here, have not just popped up in The Congress with-
15 out a lot of lobbying and information in the Congress'
16 mind, about the need for them and everything else.

17 So, what I see is that we're going to have
18 to -- in all probability, we're going to have to live
19 with the question of a restriction that deals with no
20 lobbying for this next year.

21 MR. COOK: Mr. DeMoss, the only thing I
22 saying in response to your comment was this, I mean --
23 that is one way to look at it.

24 All I'm saying is why not also take the
25 position that in addition to having to live with it, that

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68 1 we might want to try to change some peoples minds in that
2 regard.

3 In other words, not just react to what
4 The Congress says and does, but also hopefully, with the
5 right people to try and influence what they say.

6 So, you know, just as we talk about -- I
7 mean, we can talk about living with restrictions, but we
8 can also talk about changing some of those restrictions,
9 or at least modifying some of them.

10 All I'm saying is, let's not simply ap-
11 proach it from the standpoint of we are going to have to
12 live with it.

13 Let us also include in our arsenal, a
14 position that articulates the position that we are going
15 to advocate for a better position. That's all I'm saying.

16 Let's not resign ourselves to defeat un-
17 necessarily.

18 MR. HARVEY: Well ---

19 MS. WORTHY: Well, I was just listening to
20 Harold DeMoss, and he was saying that -- they're saying
21 okay, here's some money, but there are some things that
22 you're going to have to stop doing.

23 If you're going to give me some money,
24 and tell me just leave it sitting in the bank, don't pay
25 your rent, then I don't need your money.

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69 1 If we are going to get money to service
2 poor people, and clients, then we as a Board, I think Hal,
3 are going to have to talk about those things that are
4 helpful to us, in order to use this money.

5 And no, you're saying there are a lot of
6 restrictions that are going to be there, if we get this
7 money.

8 But, if you're going to put on those re-
9 strictions there with that money, then what good is it
10 doing clients.

11 And, I think what I am speaking of is
12 what clients have been telling us around the country,
13 this is where they could get \$241,000,000. and they put
14 all those restrictions up there, what good is it going
15 to do us?

16 If our lawyers are not going to be able to
17 represent us well, what good is it going to do us?

18 Now, I'm not going to say this Board would
19 be able to change any minds, but I think we should stand
20 up and say, to advocate for our clients, and what's going
21 to benefit them.

22 You also said there were some reasons why
23 Congress is putting all these restrictions on us, because
24 something has been said on that Hill, to make them put
25 these restrictions.

70

1 If something has been said on The Hill,
2 to make them put the restriction, evidently they have not
3 heard how those restrictions are going to hurt us.

4 So, they need to hear that from us, if
5 someone is going on that Hill, and saying ah-hah, Legal
6 Services is doing this and that and the other, so you
7 need to put some restrictions.

8 Evidently, there has not been enough ad-
9 vocacy on that Hill, pertaining to the problems of poor
10 people.

11 And, they need to hear more of that.
12 Somebody's spending a lot of time advocating up there for
13 changing, and putting restrictions on poor people, and
14 that's why it bothers me when they tell me we cannot have
15 any advocates on the Hill for poor people.

16 It bothers me very much when no one can
17 stand up and speak for my rights, as an American citizen,
18 whether I'm getting food stamps or welfare forever.

19 But, yet and still you can put restrictions
20 out there, and say don't come up here and talk -- but
21 someone has talked about what Legal Services is doing,
22 in order to support poor people, therefore, you better
23 put some restrictions out there.

24 These things bother clients around the
25 country, clients who -- the reason Legal Services was

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71 1 set-up, was because people felt that there were poor
2 people out there, that needed some representation.

3 But, you're telling me that we're going
4 to have to stop this representation for poor people, that
5 we, as a Board, are not going to be able to say yes,
6 Mr. Congressman, we realize there are some problems, but
7 then some of those things that you have looked at, are
8 detrimental to the poor people that we, as a Board, sit
9 here to represent.

10 We have to respect Congress and whatever,
11 but we definitely have to respect those people that we
12 took an oath, to represent.

13 And, if we're not going to do that, then
14 we don't need to sit here as a Board.

15 We need to stand up and say what we feel,
16 even though we may not change the rest -- the restrictions,
17 or whatever.

18 But, we need to stand up and be counted
19 for what we believe in, that we took an oath to believe
20 in, as a Board.

21 If we can't do that, then you are hurting
22 us, and we are hurting the thousands of people around
23 the country, that we are supposed to represent.

24 MR. HARVEY: Uh -- what did you say,
25 Clarence?

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72 1 MR. McKEE: Oh, go ahead -- Mr. Dorsey
2 and his people have a plane to catch, and he's agreed that
3 what we'll do is go right into the PAG group, and then
4 we'll take a break after that.

5 I mean -- I think that his people came a
6 long ---

7 MR. HARVEY: It's diet time.

8 (Laughter.)

9 MR. McKEE: -- came a long way and it
10 was short notice, and I would hate to have them in any
11 way not get a chance to say what they want to say.

12 From the discussion we've had already, a
13 lot of the discussion has already been brought out anyway,
14 but, if we could have Mr. Dorsey and his group come for-
15 ward, and then they will not take long, and we won't have
16 that many questions, because I think a lot of questions
17 have been answered.

18 MR. HARVEY: Before you go ---

19 MR. McKEE: Mrs. Moore had a question ---

20 MS. WORTHY: I think the next time ---

21 MR. HARVEY: There's a comment I want to
22 make to Mr. Cook, and I think I should in view of what
23 Josephine's eloquent -- in view of her eloquent remarks;
24 I think it's distinctly possible that the results of some
25 class actions, are very detrimental to poor people.

73 1 That -- there is no uniformity in judge-
2 ment on this, that maybe there are people in Congress who
3 march to different drummers on how you help poor people,
4 that if our responsibility to help poor people, and I re-
5 call the statute say that we have a responsibility to
6 assist persons in need of legal assistance, and poor
7 people are presumably those people, and I quite agree
8 they are; if the impact from litigation which has been
9 brought, particularly to class action, is economically
10 detrimental to poor people, then maybe it should not
11 have been brought, even though it's available.

12 So, I think the judgement call on this,
13 is not clearly one way or the other. And, I think that's
14 important to remember.

15 I can quickly -- I've been involved in
16 perhaps as many class actions as anybody on the Board,
17 maybe even the staff as well, and I think that it is
18 quite possible that results of class actions are very
19 harmful to poor people, particularly the economic impact
20 of them.

21 And, if that is the case, then there is
22 no uniformity of presentation to The Congress, that's my
23 view.

24 I don't think this is clearly one way or
25 the other, as black or white. I think there's a great

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74 1 shade of gray there, as to the applicasy of the class
2 action, --

3 MS. SCHWARTZ: Mr. Harvey, you're -- excuse
4 me.

5 MR. HARVEY: -- that's my comment in
6 response to your statement, Mr. Cook.

7 MS. WORTHY: Let me say this in terms of
8 what Clarence has said.

9 I think that that these time relationships
10 could have been prevented, if people would have had time,
11 if they would have been notified of this meeting before-
12 hand, and I sort of resent having to rush through it
13 having these people to rush through.

14 So, in the future, I would recommend that
15 we not call a meeting, and have a time limit on it.

16 MR. DeMOSS: I'm wide open on the time.

17 MR. OLSON: We'll stay as long as necessary,
18 but the problem is ---

19 MS. SLAUGHTER: But, the other people ---

20 MS. WORTHY: But, the people can't, because
21 they were given limits on -- notices on this. And, I
22 think in the future, this should not happen.

23 MR. OLSON: Well, the United States Congress
24 gave us limited notice on when they passed the Continuing
25 Resolution, but it was no insult to the Corporation.

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1

I think -- yes, ---

2

MS. WORTHY; These people have to go.

3

MR. OLSON; Yes, but I have one comment

4

with respect to Mr. Cook and Jo's comments.

5

I think it is somewhat an overstatement,

6

to say that someone, somehow, is intervening here, and

7

telling people that they cannot have their voice heard

8

on The Hill.

9

What is being said here, is that the tax-

10

paer -- that funds taken from taxpayers, the United States,

11

cannot be given to the Legal Services Corporation, and be

12

used to pay for lobbying to go on on the Hill.

13

The money that's appropriated by The Con-

14

gress cannot be spent, to be thrown back at them in the

15

form of a massive national grassroots, whatever -- lobby-

16

ing campaign, and that's what the Congress is saying.

17

Anyone has the right, and indeed if you

18

want to consider it -- obligation, to make any kind of

19

First Amendment petition to your elected representative.

20

But, to call this a -- to say that just

21

because the United States Government doesn't want to pay

22

for it, that you somehow lost fundamental constitutional

23

rights, I don't understand that.

24

And, I think that we've got to look at

25

these things reasonably, to say that no matter what the

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REPORTER:
Scott
Weiner

1 Congress says, we have an -- even if they prohibit lobby-
2 ing, I'm not sure, Mr. Cook, if you said this -- but,
3 regardless of the lobbying restrictions of The Congress
4 might impose, I have an obligation to tell The Congress
5 that they are wrong in a series of restrictions.

TYPIST:
Barry
Williams

6 And, I would submit that to the extent
7 that this restriction applies to recipients, well then by
8 golly, we've got an obligation to not engage in those
9 acts which The Congress has prohibited, and that's a very
10 important limit on our obligations, to tell The Congress
11 what you'd like to tell The Congress.

Tape #7
Line #3

12 MR. VENEY: Bill, I think there's two dis-
13 tinctions we made here. One distinction clearly --

14 MR. OLSON: Why -- why don't you let Mr.
15 Cook ---

16 MR. VENEY: I'm sorry. I'm sorry ---

17 MR. COOK: First of all, you know, I think
18 it's fine for you to summarize in the way that you see
19 that issue.

20 I don't necessarily agree with that char-
21 acterization. In my response to Mr. DeMoss, the thing
22 that -- the point I was highlighting, was that there are
23 a number of ways to approach these restrictions, and
24 criticisms generally.

25 One is that we have to accept that because

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1 there are certain kinds of actions that dictated that.

2 And, one way simply is to say that we
3 accept that.

4 All I'm saying is, there are other ways
5 to look at our responsibility, and how we should act.

6 And, one of the things that I would hope that this Board
7 does, and this community does, is not simply to react to
8 those kinds of restrictions, even if they come from Con-
9 gress, or proposals, but that we also take the view that
10 it is our job to be advocates, and if The Congress even
11 thinks that their proposals are good, if we think that
12 they are detrimental to this community, it seems to me
13 that we ought not to simply accept, but we ought to go
14 about trying to do something about changing that.

15 That was just my point.

16 MR. OLSON: As long as what you do to
17 try to make the changes, are consistent with law.

18 MR. VENEY: Bill, I think the point that
19 I would like to make, and I don't want to usurp the dis-
20 cussion, Charlie will be right back and we can't get to
21 PAG until he returns anyway, so I mean, just continuing
22 for a minute ---

23 MR. DeMOSS: Clint has a couple of comments,
24 too.

25 MR. VENEY: Yeah, but I mean the simple

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78 1 point of fact is, that what Willie is asking for, what
2 Jo is asking for -- is that this Board, which does have
3 the capacity to go and tell The Congress, which has more
4 than the capacity -- the responsibility, to tell The
5 Congress, what it is that this program needs to survive,
6 not simply be a reactive body that says because someone
7 in the past had an individual problem, that he managed to
8 persuade a committee and therefore the Congress had to be
9 enacted, that that simply not be the plan of action.

10 The Congress has put you in place, the
11 President has put you in place, and clearly they look to
12 you to guide not only us, but the Congressional activity
13 as well.

14 What you will be asked, as you testify
15 before the Oversight Committees, how much money do you
16 need -- the question Mr. DeMoss was asking a number of
17 us today; what do you need it to do; what changes in
18 the Law, do you need to make it work.

19 And, I take you back to your own discussion
20 about the attorney's fees questions.

21 Was that a good thing for The Congress to
22 do, in terms of it's got to come out of the Corporation's
23 pocket, rather than out of individual programs.

24 You're going to have to make some decisions
25 about that.

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1 And, I was much -- I guess, pleased --
2 heartened by Dean Harvey's comments earlier today which
3 indicates that much of your meeting, if not all of it,
4 on the 29th and 30th, will be taken up with consideration
5 of questions.

6 I would hope that it is in fact, going to
7 be a -- I hope it's going to come out in the way that
8 we'd like it to, in terms of your suggesting that there
9 are a number of issues that you would like to see The
10 Congress change.

11 But, it is not simply an active acceptance,
12 passive acceptance of something that somebody has done.

13 MR. McKEE: Thank you very much. Now,
14 Charlie, how many people do you have?

15 MR. HARVEY: They're ready.

16 MR. McKEE: You're ready just to proceed
17 with PAG?

18 MR. DORSEY: Whatever the Board wishes.

19 MR. McKEE: Yes, and then we will take
20 a break and there are two people that have questions,
21 we'll do that afterwards.

22 MR. EISENBERG: Thank you very much.

23 MR. McKEE: But -- could you ask your
24 question first?

25 MR. EISENBERG: Thank you.

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1 My question is not related to PAG --
2 my question is related to some of the discussion that
3 has already taken place.

4 Now, it would not be very long. I just
5 have a couple of questions, one is directed to Dean
6 Harvey, and it relates to the generalization or statement
7 that in fact, some class actions have had economic dis-
8 advantages for poor people.

9 And, I would ask for some clarification
10 on that, and not necessarily now, but I would like to
11 know -- I mean, I agree with you in the sense that --
12 but most of those class actions are not brought by the
13 Legal Services community.

14 And, so what I'd like to know, is if in
15 fact, the class actions that you speak of have been brought
16 by representatives within Legal Services programs, on
17 behalf of poor people, or whether or not those class
18 actions were in fact, brought from other areas.

19 That -- and so that's the kind of infor-
20 mation -- I would like perhaps, I don't know if you
21 have the time to have available when the discussion does
22 take place around the restrictions on the Acts, I'd be
23 very interested in that kind of information.

24 MR. HARVEY: When time permits, I'll be
25 happy to respond to you, give the information. I could

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81 1 do it right now, but I think we ought to go on to PAG.

2 MS. HOLLIE: Thank you. The other com-
3 ment that I have, but was related to Mr. Olson --

4 MR. McKEE: Excuse me -- one of the pro-
5 blems is, this is being recorded. The recorder cannot
6 pick up your remarks, unless you speak into a microphone.

7 MS. HOLLIE: Well, that's okay. I'll
8 tell him separately. It's not necessary that everyone
9 hear it, but ---

10 MR. McKEE: We are making a record here,
11 is what I'm trying to say. There is a -- and, presumably
12 all the comments should be picked up, I mean, and that's
13 why you're being asked to speak into the microphone.

14 The little one -- that's his. The recorder
15 is the little one. That's it.

16 MS. HOLLIE: Now, the question relates to
17 the whole thing around taxpayers pay for this, that and
18 the other.

19 And, people feel about paying for certain
20 things that other people do. And, I guess that I would
21 like for us to -- in approaching this, develop some
22 rationale that also relates to -- I pay for attorneys.

23 When I pay my utility bill, attorneys who
24 lobby in the legislature for bills that directly are
25 against my best interest.

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But, that's the part of the operating cost of that utility company, and are part of the expenses associated with running that company.

4

And, I mean, you go throughout our society, no one ever pays totally for everything they agree with.

6

And, I would like for this Board, at some point, to entertain to move beyond Legal Services, in terms of just brainstorming process, and look at how people, including poor people, pay for legal services that is directly against them.

11

That simply is just an observation that I would certainly like to -- discussion I'd like to take place within the context of a Legal Services representative, for or against poor people.

15

Thank you.

16

MR. HARVEY: Thank you. Mr. Dorsey?

17

MR. DORSEY: Yes, Members of the Board, we appreciate your invitation to come to appear before you.

19

We would have wished that we had had more opportunity to prepare for this meeting, and I think that we should go on the record as saying this.

22

And, we also would like to have had an idea of those concerns which you would like to have particularly addressed.

25

I feel as though I'm appearing in Court,

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83. 1 without having had the benefit of discovery.

2 (Laughter.)

3 MR. DORSEY: Or, for that matter, not
4 having had the benefit of looking at the Bill of Complaint,
5 which has been filed against us.

6 So, you know, we come to you in this state.

7 First of all, a little bit of discussion
8 about the Project Advisory Group, and I might say that
9 the marathon meeting that you have held this morning, is
10 reminiscent of the types of meetings that the Project Ad-
11 visory Group holds, going on and on without proper breaks
12 for taking care of the necessities.

13 (Laughter.)

14 MR. DORSEY: The Project Advisory Group
15 began in '67 - '68 in the office of Legal Services, in
16 the offices of Economic Opportunity, when, back in those
17 days a number of project directors were gathered together
18 from around the country, to give advice to that Office
19 of Economic Opportunity, as to what policies should be
20 followed by that organization.

21 Over the years, there has been an evolution
22 in the Project Advisory Group. We were incorporated in
23 1978, I believe, after having gone through a change
24 whereby the Project Advisory Group began to represent
25 not only project directors, but clients, staff and Legal

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1 Services.

2 And, we see ourselves as performing that
3 function in Legal Services.

4 We, in coming to this meeting, decided
5 that we would only bring half of our Washington staff,
6 with us.

7 We have Ahn Tu, who is Staff Coordinator.
8 Also with me, I have the chair of our staffing committee
9 Joseph Bartylak, Director of the Land of Lincoln Legal
10 Services, from Alton , Illinois.

11 The Project Advisory Group is a field
12 directed, field led organization. We have two people in
13 D.C., we do not feel that we need more than two people
14 in D.C.

15 The leadership, the work of this organi-
16 zation, does ceom from the field.

17 We recognize that we, as other organizations
18 in Legal Services, exists only because of and for the
19 benefit of clients.

20 We are governed by a steering committee,
21 composed of five members selected by each of the nine
22 regions of the Legal Services Corporation.

23 The requirement is that there be a large
24 project director, a small project director, a para-legal,
25 a client, and one other staff person.

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85 1 There are also other members coming from
2 various of the interest groups in Legal Services, such as
3 the Minority Caucus, ALSBUT meets with us, the Native
4 American Organization has representation and so on.

5 We meet, by by-law, three times a year,
6 and we usually have another meeting, which is an annual
7 meeting, when the chair, and two vice-chair persons and
8 the secretary-treasurer of the Project Advisory Group,
9 are elected.

10 Between meetings of the steering committee,
11 business is carried on by the offices, and for members
12 of the executive committee, who are elected by the steer-
13 ing committee.

14 We operate largely by committee, there is
15 or there are a number of committees, including committees
16 on legislation, committees on training, Funding Criteria
17 Committee, which attempts to effect the ways that monies
18 are allocated in Legal Services, committees such as that.

19 I guess -- in the past, we have had oc-
20 casions to differ with the Legal Services Corporation, as
21 fully structured, and with the Board of the Legal Services
22 Corporation.

23 One of the past-presidents of the Legal
24 Services Corporation, Thomas Earlich, after some particu-
25 larly difficult periods when we were not in accord with

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86 1 The Corporation, I was of the opinion that had the Project
2 Advisory Group not existed, it would have to have been
3 invented by The Corporation, for the proper conduct of
4 business.

5 We attempt to be a direct link between
6 the field, and this Board. And, in the past, we have had
7 significant communication with this Board.

8 We look forward to the possibility of that
9 continuing in the future.

10 We would like to appear before you regularly.
11 We would like to work with your staff in developing po-
12 sitions, we would like to be heard.

13 Perhaps what I'd better do at this point
14 is to stop, and perhaps respond to any questions that you
15 might have.

16 MR. McKEE: Harold?

17 MR. DeMOSS: Always start on the left, huh?

18 (Laughter.)

19 MR. McKEE: I'm leftward leaning.

20 MR. DeMOSS: My -- you know what my first
21 questions are going to be -- what have you got in the
22 past, and what do you want next year?

23 MR. DORSEY: We do not receive anything
24 directly from the Legal Services Corporation. Our dues
25 is based on the allocation of Legal Services to field

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1 programs.

2 We would like to see an increase in that
3 allocation to field programs, which would increase our --
4 the base of our dues.

5 MR. DeMOSS: What is that formula, or that
6 math involved there, that you're talking about?

7 MR. DORSEY: The formula is \$115. per
8 \$100,000. of Legal Services Corporation funds. This
9 generates about \$180,000. a year in our dues.

10 MR. DeMOSS: And, is that purely volun-
11 tary on the part of those participating programs?

12 MR. DORSEY: It's completely voluntary.
13 As a matter of fact, those programs who refuse to pay
14 dues still get our newsletter, and we respond to them
15 in any way that we can.

16 MR. DeMOSS: Is it -- I guess I had it in
17 my mind, that the Project Advisory Group had some anal-
18 ogies, and that's all I'm going to say, to sort of a
19 union representative.

20 Do you subscribe to that? I mean, is --
21 do you vision your most important function, to be the
22 representation of the field personnel with this Board,
23 and the National office?

24 MR. DORSEY: No, we don't Mr. DeMoss. We
25 see ourselves, rather as a Congress of Legal Services

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1 people. And, we attempt to articulate, and focus the
2 issues that arise in Legal Services, give people an op-
3 portunity to discuss those, and hopefully come up with
4 some field consensus on the issues that appear in Legal
5 Services.

6 Most recently, I guess the steering
7 committee attempted to deal with fund balance problem,
8 and we did come up with a recommendation to this Board,
9 suggested by Dennison Ray, as to how fund balances should
10 be dealt with.

11 So, we do not attempt to be a union of
12 Legal Services people, except in the broadest sense of
13 the term union.

14 But, we do see ourselves as a Congress
15 of Legal Services people.

16 MR. DeMOSS: And, what are -- just as easy
17 as you can knock them off the top of your head -- what
18 are the types of issues that you speak in behalf of all
19 of the members of your organization on?

20 MR. DORSEY: Well, in the past, we have
21 been vocal on funding issues, on regulations, on legis-
22 lation, training, on para-legal issues.

23 Those, I would think, are the major issues.

24 It was interesting hearing the discussion
25 about the standards study, which took place this morning.

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1 As we see it, it began when some issues
2 were raised around evaluations at a steering committee
3 meeting, a couple of members of the steering committee
4 decided that they would like to do some research on that.

5 We came to the Corporation, and said look,
6 this is something that really should be done. A number
7 of people in the field became involved, and a very good
8 process took place, which resulted in the articulation
9 of standards, which I would urge members of the Board to
10 take a look at.

11 I think that that resulted in something
12 that will be beneficial not only to Legal Services lawyers,
13 but to lawyers anywhere, in terms of looking at the
14 standards, in the civil area.

15 MR. DeMOSS: On the issues that you take
16 a position on, how do you determine the sense, or feeling
17 of the members on those issues?

18 I mean, is that -- take place at the
19 three general meetings that you described?

20 MR. DORSEY: That's correct. The three
21 meetings of the steering committee.

22 And, they are people congregate -- we
23 attempt to meet in different portions of the country, so
24 that people from those areas would be able to come in,
25 and attend the meetings.

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1 The steering committee meetings, are open
2 meetings.

3 MR. MCKEE: No, Harold covered mine. Thank
4 you.

5 Ms. Slaughter?

6 MS. SLAUGHTER: I don't have anything.

7 MR. MCKEE: Mr. Olson?

8 MR. OLSON: In order to begin the process
9 of opening up a dialogue with the Board, particularly
10 since that's such an important role that you envision
11 your place in the community; perhaps we could begin to
12 get an analamous for your publication, -- the Board mem-
13 bers -- because that's something, -- I know I've seen an
14 occasional issue of your newsletter, and usually it
15 mentions something about me.

16 So, I -- those are the ones that I tend
17 to see.

18 (Laughter.)

19 MR. OLSON: If you could just for the sake
20 of preserving these for my great-grandchildren, perhaps
21 if you could send to the Board maybe this years issues,
22 we'd be interested to see what it is that you're all about.

23 I can frankly say for myself, that I have
24 less understanding of PAG than I do, I think, any of the
25 other groups, and I've had less contact with the group,

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1 except for what I thought was really an excellent memo,
2 that Denny presented at the Preparations and Audit meet-
3 ing.

4 And, some helpful thought to us in coming
5 up with the response in fund balances -- I thought that
6 was very good, and I'd like to know more about your
7 organization, other than what I've seen, because I'm sure
8 there must be something more than the references to
9 maybe you talk about.

10 So, or the other Board members.

11 MR. DORSEY: Yes, we certainly would be
12 willing to do that. We do send, I think, Newsletters to
13 the leadership in the Corporation.

14 But, we certainly would be willing to
15 include Board members on our mailing list.

16 MR. OLSON: Great. Oh -- I forgot to ask
17 you -- one of the things you say sort of interesting,
18 it jumped off the page at me, is that you have a Board
19 where this -- perhaps it's a steering committee, that
20 includes one representative of a staff program, or maybe
21 it's this one staff attorney -- is there any representa-
22 tion officially, in your organization -- any judicare
23 attorneys or pro bono, or some other delivery mode besides
24 staff?

25 MR. DORSEY: Yes. For instance,

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1 Esther Lauderand (phon.), who runs the pro bono program
2 in Boston, has been a member of the steering committee
3 for a long period of time, we certainly are welcome --
4 welcome all deliveries of legal services funded through
5 Legal Services Corporation.

6 There have been occasions in the past when,
7 oh yes -- judicare programs, I'm thinking of Jim Martin,
8 in West Virginia -- West Virginia plan.

9 Gene Potunk has participated from time to
10 time, from Wisconsin.

11 So, yes.

12 MR. OLSON: So, in other words, on issues
13 that would relate to delivery modes, how would you resolve
14 what would appear to be a normal conflict among members
15 of your organizations, in terms of what you would recommend
16 to the Board?

17 MR. DORSEY: Sometimes, we don't agree.

18 And --

19 MR. OLSON: Sometimes, we don't agree.

20 (Laughter.)

21 MR. DORSEY: And, we take no position.

22 What we try to do, is to achieve consensus. And, -- you
23 know, what consensus -- people do in that respect, too.

24 But, where there is an overwhelming
25 sentiment that this is what the policy should be, then

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93 1 that is the position that we take,

2 MR. OLSON: What -- what legislative --
3 it's hard to -- if I say lobbying, it's not going to be
4 broad enough.

5 What kind of legislative activities are
6 you folks involved in?

7 MR. DORSEY: We are involved in some grass-
8 roots lobbying. There are occasions when our newsletters,
9 to programs, advocate that they get in touch with their
10 legislators.

11 We engage in that way. We do have some
12 contacts from The Hill, which we utilize. There are times
13 when we are asked to come to D.C. to testify.

14 I usually -- well, during the times that
15 I have been Chairperson, I have bid for the Senate and
16 the House, both on authorization, and appropriations.

17 MR. OLSON: Is that the role Ahn Tu plays,
18 primarily, with respect to being in D.C.?

19 MR. DORSEY: Ahn is the person who does,
20 on an on-going basis, our work in D.C.

21 MR. OLSON: Do you want to add anything
22 to your role with respect to lobbying?

23 MS. TU: No, except to say that very little
24 amount of my time is spent on lobbying.

25 MR. OLSON: I had a feeling.

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(Laughter.)

2

MS. TU: I do have to file my lobbying report, and it is a matter of public record. And I have, you know -- it is a matter of public record.

5

MR. OLSON: Okay, I think that's all I have.

6

7

MR. OLSON: Oh -- I'll ask you this, too. Have you folks made a contribution to the Coalition for Legal Services?

8

9

10

Or, do you provide in-kind assistance, or both?

11

12

MR. DORSEY: We have contracted with the Coalition, to perform certain functions for the Project Advisory Group.

13

14

15

MR. OLSON: Who per -- they perform the services, or you perform the services?

16

17

MR. DORSEY: They perform the services on behalf of our organization.

18

19

MR. OLSON: And, you pay them?

20

MR. DORSEY: Yes. By way of contract.

21

MR. OLSON: What are the services?

22

MR. DORSEY: In depth analysis of some of the issues, some legal research, concerning issues which currently face Legal Services programs, which we anticipate will face Legal Services programs.

23

24

25

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95 1 MR. OLSON: And, what kind of compensation
2 do you provide to them?

3 What type of compensation for the work that
4 they do.

5 MR. DORSEY: You mean, how much?

6 MR. OLSON: How much are you paying? Yes.

7 MR. DORSEY: I believe in the current year,
8 we are paying them \$40,000.

9 MR. OLSON: If -- since you're also in-
10 volved in the Coalition, let me just ask if that's not
11 a possible contradiction with what Berry had said.

12 Didn't Berry say that 98 percent of all
13 their money came from individuals, and that only 2 percent
14 came from non-individual contributions.

15 And, unless their budget were some several
16 millions of dollars, which may be -- I doubt it -- but,
17 that would -- where would the \$40,000. fit in, do you
18 know?

19 MR. DORSEY: Bill, I do not recall what
20 Berry said. I am not in the position to state what the
21 budget of the Coalition is, because I do not serve on that
22 Board.

23 MR. OLSON: Well, I -- yeah.

24 MR. DORSEY: So, that is a question whose
25 answer I don't have.

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1 MR. OLSON: That may well be. She said
2 98 percent of all funding came from individuals. And,
3 if they get \$40,000. from PAG alone, then one would won-
4 der if she might have been speaking of contributions as
5 opposed to fee for service, or whatever, I don't know.

6 But, I think we may explore that further.
7 But, she doesn't have to answer, of course. It's a free
8 country.

9 Again, the only inquiry that I have, is
10 not what the Coalition's doing -- that's their business;
11 but, what they're doing with funds that are provided by
12 The Congress -- and, we do raise -- we do get into this
13 second level problem, since we give the money to the
14 grantees, they give it to you, and then you do something
15 with it.

16 I don't know if that's second or third
17 level, but it's certainly not direct. And, I'm not sure
18 the extent to which the statute applies, but I think
19 these are -- these again, are issues that are going to
20 be raised over the near future.

21 I appreciate your candor and help.

22 MR. MCKEE: It seems to me that PAG of
23 all of the Coalitions and groups, is probably more --
24 other than the Client's Council, is more representative
25 of the Legal Services Community.

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1 For example, when you have one director
2 from a large project, each of nine regions -- one from
3 a large project, and one from a small project, staff
4 attorney, para-legal, client; then you have a requirement
5 that one has to be a minority, and one has to be female?

6 MR. DORSEY: That's correct.

7 MR. MCKEE: Okay. And, that includes
8 migrant and native American programs?

9 Now, it seems to me that the whole discus-
10 sion that we had on the Coalition, when I asked everybody
11 what can the Coalition do, that any individual group
12 couldn't do; and it seems to me that as you look at all
13 of the organizations, that PAG seems to be a bit more in
14 touch with the "grassroots of an individual program,
15 or in regions, or in various supports" than some of the
16 others might be, because that's -- you're a project dir-
17 ector yourself, and you're working with project directors
18 and staff attorneys and para-legals, which to me seems
19 a bit more representative of the census and the feelings
20 of actual Legal Services groups.

21 And, that was the point I was making ear-
22 lier, that everything you do, seems to be more-- seems
23 to be more to me, that kind of an effort of a coalition,
24 or a group, you see.

25 I would like to have you give us, within

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1 as short amount of time as we did with the National
2 Client's Council, or NLADA your recommendations on this
3 grant condition situation, as in terms of the local Board
4 representation -- have you seen that as a problem in your
5 experience with the clients on your -- and PAG, that a
6 lot of Boards are not meeting up to their responsibilities
7 in terms of having the right number of eligible clients?

8 MR. DORSEY: I can say that that has been
9 discussed from time-to-time, at steering committee meet-
10 ings.

11 It, in my opinion, does not appear to be
12 an overriding problem. I'm sure that the National Clients
13 Council is a lot more sensitive to that than I would be.

14 MR. McKEE: You're a good person to ask
15 this, since you're a project director -- what do you
16 think of the idea of the grant condition regarding eli-
17 gible clients and priority setting?

18 Should that be a condition to a grant as
19 we talked about earlier?

20 Because the people we asked that of, were
21 not project -- there was not a project director, and I'd
22 like to hear what a project director thought of that
23 concept.

24 MR. DORSEY: Well, speaking only for
25 myself, I think that the priority setting process, is

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99 1 not as easy a one, as it appears on the surface,

2 And, we have done priority setting in our
3 program, but we started off with a period of education,
4 so that clients were aware of the full gamut of things
5 that we could do.

6 In my observation of the years I've been
7 practicing law, if you stop somebody on the street, and
8 say, you know, what can you use a lawyer for -- they'll
9 say domestic cases, and representation in criminal cases.

10 And, I think that the legal representation
11 goes a lot broader than that.

12 So, I think that it's necessary for there
13 to be an educational component, to any priority setting
14 process.

15 I have seen occasions where priorities have
16 been set, without that educational process, and they are
17 not followed.

18 I have seen priority setting processes
19 that have taken place without active participation of
20 staff members, and I have seen those priorities not
21 placed in effect.

22 I guess what I'm saying is that, you know,
23 I think that there should be priority setting processes,
24 but they have to be well thought out, and well planned,
25 because it is tricky business.

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1 MR. McKEE: She really wants to rush, but
2 since there was a short time frame, as Ms. Slaughter was
3 saying, I -- would you feel free just to send us any
4 views you have on that whole priority setting concept,
5 or the -- and the grant allocations?

6 Just whatever your views are on those
7 subjects, just feel free to send them, so you can have
8 them, because as she said, you didn't have a chance to --
9 and sometimes when you get to a meeting, you think of
10 more things to ask than you would in a letter anyway.

11 If you could just do ---

12 MR. DORSEY: Yes, we hope that we'll be
13 able to be heard from at the October and the December
14 meetings.

15 MR. McKEE: Okay, you should send some
16 material to us ---

17 MR. DORSEY: We will do that also.

18 MR. McKEE: Thank you very much. Can I
19 make one last point on -- no, you're fine -- class actions,
20 these great discussion on class actions, this morning,
21 before we take a break.

22 Now, there's restrictive language in that
23 statute. It's very important in meetings in rooms when
24 people start talking about all these big subjects, that
25 they always let people know what the subject matter is

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101 1 that they're talking about.

2 For example, and Ms. Wieseman can correct
3 me if I'm wrong -- I believe that the restrictive rider
4 on class action says "No LSC funds for class actions,
5 against Federal, State or Local Governments, pursuant to,
6 or according to regulations that are promulgated by the
7 Board."

8 And, it's in that area, that it seems that
9 the Minority Caucus, PAG, and all these organizations,
10 could -- in terms of that language that's already there,
11 say okay Board, here's how we think you should draft that
12 kind of situation.

13 We could always go and get to the Congress-
14 men about this, but in terms of what it says to do, the
15 Board's discretion, and all the aspects and people talk-
16 ing about class actions, it would be good if all the or-
17 ganizations, the Clients Council, and PAG, said okay,
18 if you're going to draft this regulation, because Mr.
19 Stubbs would love to have the help, I'm sure -- if you're
20 going to draft that regulation, here's what we think
21 you should make sure that's left in there, and important
22 in terms of Federal, State and Local Governments.

23 We'll come back around 3:20, and hear from
24 the Reggie Program, and the regional offices. And, it's
25 important, I think in terms of the Reggie Program, to

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102 1 have the regions, someone from the regional office and
2 the Reggie program, coming close together.

3 Is 3:20 enough time?

4 MR. DeMOSS: Do we need that much time?

5 I mean, everybody needs a break, but ---

6 MR. McKEE: 10 minute break then, fine.

7 MR. DeMOSS: It's hardly enough to go try
8 to get something to eat.

9 MR. McKEE: They're probably closed now,
10 aren't they?

11 MR. DeMOSS: So, let's make it a rest
12 break, and ---

13 MR. McKEE: Stretch?

14 MR. DeMOSS: I've already had mine, so ---

15 MR. McKEE: It's quarter of 3:00, how about
16 10 of 3:00, or five of 3:00?

17 Off the record.

18

19

20

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22

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24

25

104 1 administering the Smith Fellowship Program.

2 We pledge to continue that partnership,
3 by striving to maintain the consistent, high-quality of
4 administrative leadership and support, that the legal
5 community has grown to expect from us.

6 The product of our efforts will continue
7 to be the recruitment into Legal Services of those ex-
8 tremely bright, aggressive and progressive young lawyers,
9 who seek to practice poverty law, in a manner that will
10 have an affirmative impact on the practice of poverty law.

11 We are proud of our record in administering
12 the Smith Fellowship Program.

13 We are proud of the able, imaginative
14 and dedicated people who graduate from the ranks of the
15 Smith Fellowship Program, into distinguished careers of
16 advocates for equal justice.

17 That our Smith Fellows remain in Legal
18 Services, is evidenced by the fact that recently over
19 30 percent of those individuals employed as Project
20 Directors of local Legal Services projects, are former
21 Reggies.

22 We would also like to point out that under
23 the stewardship of Howard University School of Law,
24 minority and female recruitment and input into the Legal
25 Services field, has markedly increased.

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105 1 As recently as 1980, over 80 percent of
2 the minority lawyers employed in the Legal Services, were
3 alumni of the Smith Fellowship Program.

4 As you know, we currently have about 220
5 Smith Fellows serving in over 150 LSC funded programs in
6 the United States, and its territorial possessions.

7 Many of these fine young lawyers, are
8 working on Indian Reservations, and migrant camps in
9 sparsely populated rural areas, and in urban ghettos;
10 that they work for the sum of \$15,000. per year, when
11 their academic records qualify them for positions of much
12 higher incomes, as evidence of their commitment to legal
13 services for the poor, that they usually remain in public
14 interest law for a career, is evidence of their dedication
15 to an ideal, -- equal justice for all, regardless of
16 their clients ability to pay.

17 Howard University School of Law has a
18 proud tradition of dedication to defending the rights of
19 minorities, and the poor.

20 In that area, we have been in the forefront
21 of American law schools for a half a century.

22 We continue to strive to uphold our proud
23 tradition, because we think that the service to the
24 Pro Bono Public, is the highest calling to which a
25 lawyer can aspire, because it is the ideal of American

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1 democracy, equal justice under law.

2 As the good Mr. Smith said himself, "The
3 administration of American justice, is not impartial.

4 The rich and the poor do not stand on an
5 equality before the law.

6 The traditional method of providing jus-
7 tice is operated to close the doors of the courts to the
8 poor, and has caused a gross denial of justice in all
9 parts of the Country to millions of persons."

10 The denial of equal justice is as great
11 today, (in many ways), as it was when "Justice and the
12 Poor" was published in 1919.

13 And, until the problem is remedied, there
14 will continue to be a crying need for the partnership
15 that exists between the Legal Services Corporation, and
16 the Howard University School of Law.

17 We look forward to continuing our fine
18 relationship with the Legal Services Corporation, and
19 wish you and your fellow LSC Board Members, a successful
20 tenure at the helm of the Legal Services Corporation.

21 Sincerely yours, Wylie A. Branton, Dean."

22 Dean Branton, as a graduate of Howard
23 University School of Law, very proud of that university's
24 commitment to this area, and that will be appended to
25 the minutes of the meeting.

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1 As well as will be the Annual Report of
2 the Reggie Program.

3 I might add, I'll make a comment towards
4 the end, that if 80 percent of the lawyers in the program
5 of the minority lawyers, are graduates of the Reggie
6 Program, it almost implies that affirmative action and
7 Legal Services, by some persons, either project directors
8 who hire people -- they're using Reggie for affirmative
9 action purposes, maybe to the detriment of going out and
10 recruiting minorities apart from the Reggie Program, and
11 I don't think that the program should be intended, or
12 to be utilized by local program or project directors, in
13 their hiring practices -- as, well, we'll go get a Reggie,
14 because we'll find a minority there.

15 And, that's the one concern I want to ask
16 you, if that's the pattern that you have seen in terms
17 of the local programs, and the placement of Reggies?

18 Mr. Davis, you are -- introduce yourself,
19 and it's yours. If you could summarize it -- I think the
20 Dean did a great job.

21 MR. DAVIS; My name is John W. Davis, I
22 am the Executive Director of the Reginald Heber Smith
23 Community Lawyer Fellowship Program, which as, is noted
24 in the record through the Dean's letter, administered by
25 the Howard University School of Law.

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1 I'd like to first thank Mr. McKee, Chair-
2 man Harvey and the Board of LSC for inviting us and
3 giving us this opportunity to make this presentation
4 before the Board.

5 The presentation itself, however, will not
6 be formal.

7 I think that for the most part, the write-
8 up on the Reggie Program, which is contained in the Board
9 book, and was done by one of the staff members at LSC,
10 actually represents an excellent capsulization of what
11 the Reggie Program is about, in terms of its philosophy,
12 and highlights, basically the major activities of the
13 Reggie Program, as we carry out our philosophy under the
14 contract with the Legal Services Corporation.

15 So in that respect, it may be better, if
16 I respond to the specific questions from the Board members,
17 as opposed to getting involved in any presentation, which
18 may be somewhat duplicative of what's already written in
19 the Board book.

20 But, to respond to the question that you
21 asked me, Mr. McKee, that does tend to be a problem with
22 the Reggie Program, in terms of the fact that in many
23 instances, we don't view the projects as hiring minorities
24 through the Reggie Program, as a problem as much as the
25 fact that sometimes projects tend to count Reggies as

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1 members of their staff for affirmative action purposes,
2 as opposed to counting them as members of their staff,
3 for retention rights, such that it may appear on certain
4 reports to LSC, that projects enumerate "X" number of
5 minorities on their staff, but in reality, when it comes
6 to retention rights, those minorities are not so counted.

7 MR. MCKEE: How do you mean, retention
8 rights?

9 MR. DAVIS: Well, for instance, a Reggie
10 Fellow, is not in the strictest sense of the word, a staff
11 person, part of the regular staff complement, of the
12 local Legal Services project.

13 The project is allocated "X" number of
14 dollars by Legal Services Corporation, and uses that money
15 to hire staff people.

16 The Reggie Fellow that's assigned to the
17 staff of that project, is not counted as among the staff
18 complement, for the purposes of funding by Legal Services,
19 although they may be counted by projects in some sense,
20 as members of the Minority staff.

21 At the expiration of the Fellow's term,
22 the project is under no requirement, or obligation to
23 in fact retain the Fellow on their staff, as a bona-fide
24 staff attorney.

25 MR. MCKEE: What is the retention rate?

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110 1 MR. DAVIS: Retention rate, surprisingly
2 enough, is probably about 70 percent.

3 MR. MCKEE: Could you outline to the
4 people here in the Board, the selection process, how does
5 it work, do programs ask for Reggies, do regions ask for
6 Reggies, is it based on the number of attorneys that they
7 need in terms of their complement?

8 Do they base it upon the number of minor-
9 itys attorneys they might need?

10 MR. DAVIS: Well, the process is this,
11 from the standpoint of selecting which programs get Reg-
12 gies; programs submit utilization proposals at a point
13 in each contract year, there is a mailing that goes out
14 from the Legal Services Corporation, which requests pro-
15 posals from LSP's, from Legal Services projects, for the
16 utilization of Reggie Fellows.

17 Within that proposal, the project outlines
18 the specific need the Reggie will meet, utilizing the
19 Reggie Fellow, the client population to be served by the
20 Reggie Fellow, the primary activities that's anticipated
21 the Reggie Fellow will be involved in, in order to meet
22 the client need, and the like,

23 In turn, we recruit Fellows from all the
24 law schools in the country, and we go through rather
25 extensive recruitment and selection process, and the

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1 Fellows are then assigned to those projects to whom a
2 Reggie slot has been granted, so that in a given year,
3 most of the projects in the country, will in fact,
4 submit proposals for the utilization of anywhere from
5 one to four to five Reggies.

6 And, certain of the projects are selected
7 among the competition, to in fact receive Reggies, and
8 those are the projects to which Reggies are assigned.

9 MR. McKEE: So, that the regional offices
10 have an impact in their number request per region. I
11 note in our paper it says while the Reggie selection pro-
12 cess is underway, LSP's submit proposals to LSC Regional
13 Offices, requesting funding for Reggies.

14 An allocation is made on a regional basis
15 by a team comprised of a Reggie staffer, an LSC Regional
16 Office, and a client representative.

17 MR. DAVIS: That's basically correct. The
18 solicitation for proposals comes out from LSC Headquarters
19 through the regional offices.

20 The proposals themselves are submitted to
21 the Regional Director, and that's been the case for a
22 number of years.

23 In years past, the Regional Director
24 reviewed the proposals, evaluated them, and then made
25 recommendations to LSC Headquarters, as to which projects

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1 in the Region, should get Reggies and how many.

2 And, Headquarters would make the final
3 determination. Now the proposals still come to the Re-
4 gional Office, but the proposals are evaluated jointly
5 by a committee composed of one person from the Reginald
6 Heber Smith Program staff, one person from the Regional
7 Office -- usually the Reggie liaison person assigned to
8 that office, and one person from the National Client's
9 Council.

10 And, that committee of three persons meets,
11 evaluates the proposals, and rank orders them for the
12 purposes of recommendation, and then makes recommendation
13 as to which of the projects should get priority for Reg-
14 gie slots.

15 And, that recommendation is then passed
16 on to Headquarters at Legal Services, and with some kind
17 of either concurrence with the recommendation by the
18 Regional Office, or with the regional office making their
19 own separate list of recommendations.

20 MR. McKEE: I'll let Mr. DeMoss get into
21 the questions of the budget and explain that whole for-
22 mula that you have, but training -- you do your own
23 training, is that correct?

24 MR. DAVIS: This year, we do. In the
25 years past, for the past several years up to this year,

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113 1 the substantive law training, the litigation training,
2 had been conducted for the Reggie Program, by the Office
3 of Program Support of Legal Services, which component of
4 Legal Services, is no longer in existence.

5 So, that this year, we are doing our own
6 training.

7 Now, there is an orientation that we con-
8 duct annually for each new class of Reggies, which we
9 in fact, the Reggie Program Staff, is solely responsible
10 for.

11 And, this year we will be doing the sub-
12 stantive law training, of the Reggies, which will occur
13 in December of this year.

14 And, a number of years ago in our history,
15 all of the training was done by the Reggie Program. For
16 the past several years, I think the last three or four
17 years, the technical training, the substantive legal
18 training, has been conducted by the Office of Program
19 Support.

20 MR. MCKEE: It seems that training Reggies,
21 would be an ideal vehicle also, to train. NLADA is doing
22 some training, I guess, for attorneys and project directors
23 and PAG does some training -- do you see a role of the
24 Reggie Program at all, in private bar sensitivity?

25 MR. DAVIS: I think to a degree, in the

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1 same way that the Reggies, each Smith Fellow who's placed
2 in a project, becomes an ideal kind of liaison between
3 the project and the community in some sense, I do see some
4 ways that Reggies can fulfill part of the private bar
5 mandate of the Corporation.

6 It's kind of difficult in some sense, for
7 Reggies to fulfill a role, unless it's very, very clearly
8 defined, unless it's well thought-out, because of the fact
9 that Reggies are usually new lawyers with the Program,
10 and do not have a background in Legal Services work, 90
11 percent of the Reggies are recent graduates of law school,
12 who have yet to take the Bar Exam., so they must concentrate
13 a certain amount of their energies in preparing for that.

14 And, the other factor is that a number of
15 the Reggies are placed in communities where they may not
16 have a total amount of familiarity with that community,
17 and especially with, you know, the Bar set-up, and what
18 have you, so that they may not always be in the best posi-
19 tion to effectuate that kind of liaison as between Local
20 Legal Services Projects, and the private bar.

21 MR. McKEE: I'll hold some more of my
22 questions, and let the other members ask some questions.
23 I wanted to get back in terms of what I was saying earlier
24 about rhetoric and language in newsletters, and go over
25 some of your great language that you used in some of your

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115 1 newsletters.

2 But, I'll start to my right this time now.

3 Dr. Olson?

4 Speaking of the right ---

5 MR. OLSON: Why do I always get put on
6 this end of the table?

7 (Laughter.)

8 MR. LYONS: I'm over here too ---

9 (Laughter.)

10 MR. OLSON: I think, first of all I want
11 to -- I'm sorry if anything was discussed while I was out,
12 but let me just ask, how many total participants are being
13 funded right now in the Reggie Program?

14 MR. DAVIS: There are 116 Reggies in the
15 first-year class, which class went into employment August
16 the 9th of this year.

17 There are 105 second-year Reggies making a
18 total of 221.

19 This is down from approximately 295 a year
20 ago, to 290.

21 MR. OLSON: And of those, how many are
22 minority in various categories, women or blacks or His-
23 panics, do you know off-hand?

24 MR. DAVIS: I would say probably of the
25 first-year Reggies, probably 60 percent of the total are

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116 1 minority, and I'm -- you know, not currently aware of
2 what the basic breakdown is as amount particular minority
3 groups.

4 Of the second-year Reggies, probably
5 about between 40 and 50 percent is a minority.

6 MR. OLSON: When you say minority, you
7 don't include women in that, do you?

8 MR. DAVIS: No.

9 MR. OLSON: I've never figured out that
10 some people -- or that some people do, in using the term
11 minority, because actually that's a majority.

12 MR. DAVIS: Well, for affirmative action
13 purposes, it frequently helps your numbers.

14 MR. McKEE: Pardon?

15 MR. DAVIS: For affirmative action pur-
16 poses, the inclusion of women as a defined minority, fre-
17 quently helps your numbers.

18 MR. McKEE: An effected class.

19 MR. DAVIS: Exactly.

20 MR. OLSON: In Fiscal '82, it says in
21 our materials, that the grant is -- or the contract --
22 this is a contract, isn't it?

23 MR. DAVIS: Uh-huh.

24 MR. OLSON: And, when does the contract
25 expire?

117 1 MR. DAVIS: The contract expires July 31,
2 1984.

3 MR. OLSON: When was that contract signed?

4 MR. DAVIS: That contract was signed pro-
5 bably in -- originally signed in 1979, and amended in
6 1981, in early 1981.

7 We're currently operating under a two-year
8 extension of the previous contract, or a two-year modifi-
9 cation.

10 MR. OLSON: When would that have gone into
11 effect, July 31, 1982?

12 MR. DAVIS: The extension, yes.

13 MR. OLSON: Which would have been just a
14 matter of a few months ago?

15 MR. LYONS: No, what happened, the original
16 contract was due to expire July 1st -- July 30th, 1982,
17 and July -- or September of 1981, the Board modified the
18 three-year contract, to add a two-year extension, the two
19 year extension being from the expiration of the original
20 contract, which was July 30th, 1982, to July 30th, 1984.

21 MR. OLSON: Why was that, Clint?

22 MR. LYONS: What was what?

23 MR. OLSON: Why was it extended for two
24 years, before it was expired -- before it had expired?

25 MR. LYONS: Because the members of the

118 1 Board felt that they should extend the contract.

2 Now, what the Board did was leave funding
3 for the contract, contingent upon the budget decisions
4 made by the Board of Directors at budget time every year.

5 The contract did not, absolutely commit
6 funds to the contract, but the Board felt that -- that
7 Board, at that time, felt that this was a program that
8 they wanted to see continued and extended, and that's what
9 they did.

10 MR. OLSON: It was sort of like an authori-
11 zation subject to appropriations in subsequent years?

12 MR. DAVIS: Exactly.

13 MR. OLSON: So, this is -- is the program
14 then on an annual funding cycle?

15 MR. DAVIS: It is.

16 MR. OLSON: January to December?

17 MR. DAVIS: No, it's on -- a funding cycle
18 that actually goes from August 1, to July 31; such that
19 the funds that we're currently operating under, come out
20 of Fiscal '82 budget of Legal Services Corporation.

21 MR. OLSON: Can you help me, Clint? I -- if,
22 now, if the funding cycle is August 1 through July 30th,
23 and it's an annual funding cycle, does that mean on August
24 1 of 1982, we made a definite commitment of funds for that
25 fiscal year?

1 MR. LYONS: No, The contract -- the --
2 the -- the -- the -- the decision of the Board --

3 MR. OLSON: That's easy for you to say.

4 MR. LYONS: The decision of the Board, as
5 to the commitment of the funds, runs about nine -- 10
6 months, add the actual utilization of the funds by the
7 Reggie Program.

8 For example, in its budget decisions,
9 in 1981, the Board made the decision to give money to the
10 Reggie Program for its fiscal year, which began August 1st,
11 1982.

12 MR. OLSON: Through September 31, 1983?

13 MR. LYONS: Right.

14 MR. OLSON: And, if you choose ---

15 MR. DAVIS: Through July 31, 1983 --

16 MR. OLSON: I'm sorry, yes.

17 MR. LYONS: And, if you choose to fund
18 this contract, assuming you're going to make your budget
19 decisions in December, then you would be committing funds
20 for the fiscal year beginning August 1st, 1983.

21 MR. McKEE: Through '84.

22 MR. LYONS: Through '84, through the end
23 of the contract,

24 MR. OLSON: Now, when you say that the Board
25 made its decision to fund the program through July 31, '83,

120 1 does that mean the monies were turned over at that point?

2 Or, a commitment was made at that time?

3 MR. LYONS: The monies -- the commitment
4 is made, the monies are turned over on a quarterly basis,
5 beginning at the beginning of the Reggie's fiscal year.

6 So, we sort of have money in the bank.

7 The Reggie money is sitting in the bank.

8 MR. OLSON: Earmarked.

9 MR. LYONS: Earmarked, nine months in
10 advance.

11 MR. OLSON: Is that -- is there a reason
12 that this is funded in an unusual way? Does it have to
13 do with the academic cycle of the schools?

14 MR. LYONS: Well, that's the whole history.
15 When I came on board, I found that the funding cycles
16 were sort of out of sync, with respect to the Reggie
17 Program.

18 They always have to start their funding
19 their fiscal year, in the Summer, because the classes
20 graduate in Spring, and those people are ready to go to
21 work in August.

22 So, since -- you know, the Corporation
23 had its fiscal year ending September 30th, we put it on
24 a cycle whereby we had to fund about -- we had to make
25 the budget commitment nine months in advance of the

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121 1 actual allocation of the funds.

2 Otherwise, we would be too late in the
3 following budget cycles.

4 MR. OLSON: So, all the \$4.1 million that's
5 now been committed, comes from fiscal year '82 funds,
6 LSC funds?

7 MR. LYONS: Right, that's correct.

8 MR. OLSON: Okay. Now, my question is,
9 if -- now, so I guess the -- if -- the first time this
10 Board will make a decision on this program, is at the
11 December budget meeting, but that decision, whatever it
12 is, wouldn't be effective until August 1 of next year?

13 MR. LYONS: They wouldn't use the money
14 until August 1 of next year, right.

15 MR. OLSON: Okay. Now, it seems that
16 this is -- I'm sure a very simple question, but -- if
17 you take \$4.1 million, and divide it by 221 people, you
18 get what seems to me to be a very high dollar amount per
19 attorney, or law school graduate in the program.

20 What does that come out to ---

21 MR. LYONS: Well, I can tell you what
22 comprises the budget, and you can figure it out. We
23 first ---

24 MR. OLSON: I think it's about \$5,000.
25 isn't it?

122 1 MR. LYONS: No, no, no.

2 MR. DAVIS: No, no -- it comes out to
3 about \$4.1 million, divided by 221 attorneys, would come
4 out to be something less than \$19,000. per year.

5 MR. LYONS: What we pay, we pay salaries
6 at \$15,000. for the first year, \$15,900. I believe the
7 second year, plus a fringe percentage.

8 MR. DAVIS: Which is 12 percent.

9 MR. LYONS: And, I think there's about
10 90 or \$100,000. overhead to the University, and some
11 training money, and staffing money for the staff of the
12 Reggie Program, and that's the total amount.

13 MR. OLSON: The salaries are all fixed
14 for every participant?

15 MR. DAVIS: Exactly.

16 MR. OLSON: Regardless of where they go
17 in the country?

18 MR. OLSON: And, it's \$15,000. the first
19 year?

20 MR. DAVIS: Yes, it is, for the first
21 year, and \$15,900. for the second year,

22 MR. OLSON: And, then there's a 12 --
23 there's 12 percent fringes, and there's an overhead to
24 Howard, which ---

25 MR. DAVIS: It's about \$80,000.

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1 MR. OLSON: Okay. Well, that is better
2 math than I had, and it comes out with a much more pleasing
3 result than the other.

4 I'll have to do my math before you call on
5 me the next time, Clarence.

6 But, ---

7 MR. MCKEE: It took me two years.

8 MR. OLSON: Did you have a calculator?

9 (Laughter.)

10 MR. MCKEE: That was the problem.

11 MR. OLSON: Okay, I will defer.

12 MR. MCKEE: Mr. DeMoss?

13 MR. DeMOSS: You're going right -- left,
14 in other words?

15 MR. MCKEE: That's right.

16 MR. DeMOSS: What is your estimate --
17 percentage-wise, I know you said that the women are not
18 characterized as a minority, but, what would be your
19 estimate of the number of women involved in the Reggie
20 Program?

21 MR. DAVIS: Probably around 40 percent.

22 MR. DeMOSS: And, the funds, the disburse-
23 ment of funds, as I understand it, goes quarterly from
24 LSC National, to the Local Program, which has one of
25 these?

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1 MR. DAVIS: No, no -- it goes to the
2 Reggie Program.

3 MR. LYONS: Howard University, and Howard
4 University mails out checks to the programs who have the
5 Reggies.

6 MR. DeMOSS: And then do the programs
7 issue a payroll check to the Reggie individuals?

8 MR. LYONS: That's right.

9 MR. DAVIS: Based on the pay cycle of
10 whatever that program is, every two weeks or whatever it
11 is.

12 MR. DeMOSS: And -- I assume that they
13 pay them when you fund to them?

14 MR. DAVIS: They do.

15 MR. DeMOSS: What is the -- explain, or
16 add on a little bit, about the contingency factor as to
17 whatever option may exist in this Board, in light of
18 budgetary action by The Congress, and if you would,
19 what -- explain what was done in light of last years
20 budgetary reduction, as to these programs.

21 MR. DAVIS: Alright. Essentially, the
22 contingency factor is, although we operate under a con-
23 tract that's for a term of years, the funding decisions
24 as to the amounts that will be given to the Reggie Program,
25 given to the University to administer to the Reggie

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125 1 Program, is done on an annual basis, which means that
2 each year, the Board makes the decision as to how much
3 money the Reggie Program will get for that particular
4 year of the contract.

5 The \$4.1 million that we receive now,
6 represents a 25 percent reduction from previous years,
7 and it was decided at the time, that the Board was going
8 to make a 25 percent cut to the funding allocations to
9 the various field programs, that they would basically
10 apply that across-the-board, and would include the Reggie
11 Program in that basic cut.

12 MR. DeMOSS: What is the -- you said there
13 was a retention rate of approximately 70 percent?

14 MR. DAVIS: Exactly.

15 MR. DeMOSS: At that point, those individuals
16 simply become a standard employee of the local program,
17 they are fitted into the local programs budget?

18 MR. DAVIS: They are. And, in many
19 instances, the person who becomes the staff attorney,
20 the Reggie Fellow, in making the transition to staff
21 attorney status, may therefore inherit a larger caseload,
22 or may continue to devote a substantial part of their
23 activities to community work.

24 MR. DeMOSS: Okay.

25 MR. DAVIS: But, usually it's the former.

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1 MR. DeMOSS: Are the Reggies, as of the
2 time they become -- they start drawing, are they licensed
3 attorneys?

4 MR. DAVIS: They're -- some are. There's
5 no requirement that they be. The requirement is that
6 they take the Bar examination in the jurisdiction of their
7 assignment, the next available Bar examination in the
8 jurisdiction of their assignment.

9 But, probably -- you know -- 85 -90 percent
10 of the Reggies are not licensed attorneys at the time
11 that they begin their work.

12 MR. DeMOSS: But, some time during that
13 first year, they would be expected to get their license.

14 MR. DAVIS: They're required to take a
15 Bar exam at the very next occasion.

16 MR. LYONS: There is one clarification
17 that Leigh Ann brought to my attention, she's been doing
18 some research on the Reggie program, and has done quite
19 a good job, -- is that the recruitment for the class to
20 enter the programs August 1, 1983 -- that recruitment,
21 effort is already done.

22 So, ---

23 MR. DAVIS: I have a ---

24 MR. LYONS: The issue is in the event that
25 we don't fund it, and I assumed that all appropriate

127 1 contingencies and waivers have been given to that class.

2 MR. DAVIS: They have. That's basically
3 in the application that, you know, it's contingent upon
4 funding.

5 Let me follow up right there, the recruit-
6 ment has already begun, what does that consist of? You
7 mean, you have already identified people who have been
8 selected, or you are in the process --

9 MR. DAVIS: That -- that means that ---

10 MR. DeWITT: -- of interviewing and going
11 through the selection process?

12 MR. DAVIS: That means we have actually
13 begun on-campus recruitment at law schools around the
14 country.

15 We mail out applications to the placement
16 office at each law school, as well as notices to various
17 organizations within the law school, informing them that
18 the Reggie Program will be recruiting that year.

19 Now, traditionally we send out the notices
20 and the applications in the Spring, for that Fall recruit-
21 ment.

22 This year we sent out the applications and
23 notices right about the time that school began on most
24 of the campuses.

25 And, we are already making our visits to

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1 the campuses, to hold our recruitment sessions, which
2 primarily consist of usually a second-year Reggie,
3 someone who has been a Reggie, who is working with us,
4 to appear on campus at a designated time and place, and
5 discuss with those persons so interested, what the program
6 is about, the goals and objectives of the program, the
7 application procedure, and what have you.

8 MR. DeMOSS: If, in light of whatever has
9 happened, or will happen on budget questions in the
10 Congress, this Board should decide to reduce the funding
11 of this program, or eliminate it, what would be your
12 estimate as to the number of the Reggies that would move
13 over to permanent status in their program?

14 MR. DAVIS: That's a question that I
15 really cannot answer.

16 It would probably be reduced somewhat,
17 because of the fact that the Reggies who do, who are
18 brought on as permanent members of the project staff, are
19 usually Reggies who have completed their second year.

20 And, so in terms of this year's first-year
21 class, I can't really say what percentage of those people
22 would be retained.

23 That would of course depend on, you know,
24 vacancies that occur on staff and projected hiring and
25 what have you.

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129 1 MR. DeMOSS: If -- if you -- and, I'm just
2 speculating here, that's all I'm doing -- if we said that
3 we were going to cut the Reggie Program in half, for
4 instance, the two-year people that are now in the Program, ---

5 MR. DAVIS: The second-year people.

6 MR. DeMOSS: The second-year people, would
7 come up for expiration of their contracts, prior to the
8 time that the new funding level went into existence, and
9 that they would then be at the normal place that they
10 would have been otherwise as to the question of going on
11 the permanent staff or not.

12 MR. DAVIS: Right. Yes. It would be the
13 first-year people who would be the most drastically af-
14 fected in that case.

15 And, of course, the decision would have
16 to be made administratively on our part with concurrence
17 of The Corporation, as to -- if the funding were reduced
18 how would those cuts be applied.

19 Would that mean that there would be no
20 second-year class next year, as opposed to -- you know --
21 just a first-year class, or would there be some people
22 retained from the current first-year class, and given
23 second-year status, with the balance of the monies going
24 towards bringing in the people.

25 That's always a decision that has to be

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130 1 made.

2 MR. DeMOSS: Well, but if the Board opted
3 to say we are going to eliminate from the '83 funding,
4 a portion equivalent to the second-year students going
5 out of the program prior to that funding starts, you
6 would then have a funding commitment for the class that
7 you are now, in fact, recruiting.

8 MR. DAVIS: You mean to bring them on to
9 a second year?

10 MR. DeMOSS: To bring them on. Isn't
11 that correct?

12 MR. DAVIS: That is correct, I mean, if
13 that stipulation were applied, the money would be used
14 only for the purposes of refunding those Reggies who
15 are currently in their first-year.

16 MR. DeMOSS: And, would that mean then,
17 that you would not be able to implement any recruiting at
18 all, of the class that you are now starting the recruit-
19 ing process?

20 MR. DAVIS: No. The funds devoted to
21 recruitment and selection of a first-year class, would
22 begin in August of 1983, that -- those funds come out of
23 this years budget.

24 In other words, we actually make the
25 selection of those people who will begin as Reggies, in

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131 1 August of 1983, we make that decision in late February
2 of this year, which will be, you know, February of 1983.

3 We try to make our employment contemporan-
4 eous with those of other employers, in order that we
5 may be competitive.

6 We'd be in a position that we waited too
7 long of having most of the people exercise other options,
8 because -- you know -- most law firms, for instance, tend
9 to notify people that have worked for them, say, during
10 the Summer, by November or December of those peoples
11 senior year in law school, as to whether or not they are
12 going to be extending an employment offer to them.

13 Other firms do their general recruitment
14 in the Fall, or make a decision right around January or
15 February as to whom they will extend employment offers.

16 MR. DeWITT: And, the recruitment that
17 you -- or, the commitment that you seek from a Reggie
18 applicant, would be that it's -- it's what -- is it
19 that he commit at least one year and then if available,
20 he would have a second year, and if the program wanted
21 him, they'd have a second year?

22 MR. DAVIS: Exactly.

23 MR. DeWITT: But, there's no commitment
24 at the time you select and hire a Reggie, that he is
25 going to have two years of Reggie program?

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1

MR. DAVIS: Correct. Right, At the

2

time that we extend the employment offer, the contract

3

and the terms of the offer state that it's for one year.

4

And, in fact, that -- the offer is that

5

the Reggie will be assigned to a specific project, at the

6

same time we notify them as to whether or not they are

7

selected, we also -- if they are selected, we notify them

8

to which project they will be assigned.

9

MR. DeMOSS: Can you give any just rough-

10

house figures, I know you said there's roughly a hundred

11

and some odd programs that have Reggies?

12

MR. DAVIS: Yes,

13

MR. DeMOSS: What is the range of numbers

14

of Reggies, that is reflected by that? I mean, is there

15

a program that has 10, and a program -- I mean, is there

16

a range from one to 10, or ---

17

MR. DAVIS: Because of the reduction of

18

funding, we made a decision that we would not renew two

19

Reggies at any given project, except under special

20

circumstances.

21

And, we have a circumstance that exists in

22

probably two or three projects around the country so far as

23

second-year reggies are concerned, wherein the project

24

has two Reggies to begin with, and the project could not

25

make a decision as to which Reggie they wanted to retain.

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133 1 We were not able to make a qualitative
2 decision at that point, you know, without input from the
3 project, as to which Reggie should be terminated and which
4 Reggie should be renewed.

5 And, with some projects we made agreement
6 that what we would do is fund the Reggie on a 50 percent
7 basis, with the proviso that the project attempt to pick
8 up the other half of the Reggie salary, which results in
9 some Reggies being renewed for a year, I think in those
10 two instances.

11 And, in one set of instances, the Reggies
12 are each renewed for six months, and in another one, they
13 are each renewed for a year, with us picking up 50 percent
14 of each ones salary so that essentially the single slot
15 is divided as between two people.

16 In the current first-year class, I think
17 that without exception, there's only one Reggie per pro-
18 ject.

19 Now, that is excepting Community Action
20 for Legal Services of New York, which is a funding source
21 for a number of local Legal Services projects, such as,
22 you know, Mobilization for Youth, Manhattan Legal Services,
23 Legal Aid Society of New York, Harlem Legal Services, and
24 the like, there is one central funding source that receives
25 the money, but the Reggies themselves are assigned to

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1 individual projects, to which that funding source is a
2 recipient.

3 MR. DEMOSS: Okay, one other set of
4 questions, then I'll be through.

5 What, if you can quantify it, what is the
6 relation of time that a Reggie puts on these what you used
7 the label for Community Action type works, as opposed
8 to time on legal matters normally going through that
9 programs office.

10 MR. DAVIS: It's 25 percent, and 75 percent
11 of the time spent doing the standard duties of the staff
12 attorney when the Reggie is basically in almost a trainee
13 position as a staff attorney, the other 25 percent is
14 devoted towards working, you know, with the community.

15 And, that may entail different things. In
16 fact, the Reggie may be doing things that a staff attorney
17 ordinarily does but the Reggie may be doing that with more
18 of a community orientation, or it may be doing it because
19 that is one of the priorities that the project has set
20 jointly with their client, and the clients would like an
21 attorney devoted to working on certain kinds of activities.

22 And, therefore, the Reggie is designated
23 to do those kinds of things. It may take the form of
24 community education, it may take the form of working on
25 a particular kind of case.

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1 It may take the form of working on drafting
2 model legislation, what have you,

3 MR. DeMOSS: If the Reggie program were
4 terminated, or put on a phase-out program, what alter-
5 natives would you suggest that we should undertake, to
6 do in other fashions, the recruitment effort that the
7 Reggie Program has been doing?

8 MR. DAVIS: I'm not sure, except that I
9 think that probably about the only thing that you could
10 do that would be an alternative in that fashion, is to
11 set up a recruitment unit that would in fact get itself
12 involved in doing fulltime, you know, year-round
13 recruitment, which the Legal Services Corporation has done
14 in the past.

15 The problem is is that because the
16 recruitment people do not involve themselves in any way
17 with selection, people don't get as involved in that
18 recruitment phase.

19 For instance, when people from LSC go and
20 recruit, they may have "X" number of people who attend
21 that recruitment session there may be four, five -- 10.

22 When we hold a recruitment session, we
23 usually have large numbers of people who are interested
24 in it because the Fellowship Program has -- it has a
25 status in the legal community. It stands for something.

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1 A lot of times people take fellowships
2 when they would have more money if they came on as a
3 staff attorney, but they like the idea of being so
4 honored.

5 MR. DeMOSS: One final question, and this
6 will be a joint question to you and Clint, because I
7 realize it may not be one that you know the answer to.

8 Other than the Reggie Program, how many
9 minority lawyers come into the Legal Services Program,
10 from other sources of recruitment activity, or -- I
11 mean, what would be your estimate of the number of minority
12 lawyers that we have in the program, that did not come
13 from the Reggie Program?

14 MR. DAVIS: Well, I was going to say 20 --
15 25 percent, but I -- you know ---

16 MR. LYONS: I don't know. We could compile
17 those figures, I think, but I really don't know, except
18 to say that ---

19 MR. DeMOSS: 20 to 25 percent of all staff
20 lawyers?

21 MR. DAVIS: Minorities.

22 MR. DeMOSS: All minorities -- so, you'd
23 be saying of all minorities, a fourth came from sources
24 other than Reggie Program, and three fourths came from
25 Reggie Programs?

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REPORTER:
Scott
Heiner

1 MR. DAVIS: Yes. Now, that's a rough
2 guess, based on who was in the program a couple of years
3 ago.

4 MR. DeMOSS: What would be your reaction,
5 Clint?

TYPIST:
Barry
Williams

6 MR. LYONS: I don't really know. I'd
7 have to look into the figures. We do have -- we do
8 compile through the grant application process, figures
9 on the number of minorities and women that staff the
10 Legal Services Programs.

END OF
TAPE 9

11 But, whether or not, you know, the source
12 of that employment is through the Reggie Program or not,
13 is something that we'd have to look through.

14 MR. DeMOSS: If it can be developed in
15 some way, I think I'd be interested in knowing what is
16 happening, absent the Reggie Program, in terms of involve-
17 ment of minority lawyers.

18 MR. LYONS: I think I can safely say that
19 the Legal Services Program nationally, does compare
20 favorably to other employment situations for minorities.

21 But of course again, I don't know how
22 many of those Reggies -- those minorities, but four and
23 five -- six years came in through the Reggie Program.

24

25

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1 1 MR. DEMOSS: The question I keep thinking
2 about. What would be your estimate of the number of law
3 schools from which the Reggies come? I mean, are we
4 talking about a few, or are we talking about a pretty
5 broad spectrum of law schools?

6 MR. DAVIS: I think -- I think that -- I
7 don't think we put those figures together for this year,
8 but I think, either, last year or the year before, just
9 in itemizing it, I think, that we had 155 first year
10 Reggies who represented something like 85 or 90 law
11 schools.

12 And frequently we will, you know, we will
13 end up with one person from a law school, but there are
14 law schools who, because of their programs -- because of
15 their curriculum, tend to provide experiences, academic
16 experiences, an exposure for the students wherein they
17 get a great deal of involvement with Legal Services pro-
18 jects and with public interest law work, and as a result
19 those students tend to be more oriented towards programs
20 such as the Reggie Program.

21 For instance, Antioch, which also received
22 money from the Legal Services Corporation, every year we
23 would have a number of applications from Antioch, you
24 know, and we may pick several of their lawyers in any
25 given year.

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1 MR. MCKEE: Okay, thank you very much.

2 MR. OLSON: Mr. Chairman, just to save
3 money for -- in the typing of the transcript, I would move
4 we would strike each time Hal said, "I have just one more
5 question."

6 (Laughter.)

7 MR. MCKEE: Before I turn over to Mr.
8 Harvey, in case Mr. Olson has questions, I have a question
9 then a comment.

10 What is the \$15,000 based upon? That
11 salary figure, when was that determined and how long ago,
12 if a lawyer should get \$15,000 and is it competitive?

13 MR. LYONS: I said that salary, and ---

14 MR. MCKEE: They should come after you,
15 then.

16 (Laughter.)

17 MR. LYONS: And what I did was to survey
18 -- do a sampling of the salaries of first year and
19 second year attorneys throughout the national programs.
20 And the average I came up with was in, say, the neighbor-
21 hood of \$15,000.

22 MR. MCKEE: Now, if you take -- if I jump
23 back to the minimum excess, which I'm still trying to
24 understand, you say that it had a formula of two attorneys
25 per -- two attorneys at \$35,000 an attorney? Is that the

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1 way that was initially set up?

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MR. LYONS: The estimate works out in terms
3 of ---

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8

MR. MCKEE: So, on the minimum excess
formula, in terms of allocations and funds, you're taking
general Legal Services attorneys at a rate of, generally,
\$35,000, in terms of figuring a formula? Which means
that the Reggie salaries are about \$20,000 below that?

9

10

What is the average salary in the Legal
Services ---

11

12

MR. DEMOSS: Remember that that figure, as
I recollect it, includes overhead carry cost.

13

14

15

16

MR. DAVIS: Yes, that's an attorney ---
MR. DEMOSS: That's not all just salary.
MR. DAVIS: That's an attorney unit is
what they mean.

17

18

19

MR. MCKEE: Okay.
MR. DEMOSS: Yeah, attorney unit. All
costs per attorney unit. So, ---

20

21

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25

MR. DEMOSS: How do the Reggie salaries at
\$15,000 compare with the non-Reggie salaries, or do you
have in a program, for example, a Reggie at \$15,000 and
then a non-Reggie recruited attorney who's making \$18,000
and \$19,000, forgetting the senior slots.

MR. DAVIS: In some instances we do. In

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1 some instances Reggies are paid less than what a staff
2 attorney would normally make in a program.

3 There are a few instances in which Reggies
4 may be paid more. But, it really depends on the program
5 itself. The programs set their own salaries. We set the
6 salaries for Reggies. The programs set their own salaries
7 for their staff attorneys so that we do have situations
8 in which Reggies are making less. And it depends on the
9 program.

10 We have a similar kind of situation, for
11 instance, where a Reggie is assigned in Alaska and I think
12 the starting salary may be over \$20,000 a year for a first
13 year attorney, but that Reggie is paid \$15,000.

14 Now, the program is ---

15 MR. MCKEE: They starve in New York or
16 Washington.

17 MR. DAVIS: Well, the program is free to
18 supplement the salary of a Reggie, or supplement the
19 benefits of a Reggie at their own cost. And there are a
20 few programs, very few, who, in fact, do that.

21 MR. MCKEE: Let's switch from the defunding
22 to the increase in funding concept. For example -- I
23 think it's a great program now.

24 If the program were to be increased in
25 terms of dollars, -- you say is it four million dollars

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1 now, basically?

2 MR. DAVIS: Yes.

3 MR. MCKEE: What do you think the ne --
4 without saying we need a thousand more, what do you think
5 the need is in terms of more Reggies based upon what you
6 have now? You have 200 you said?

7 MR. DAVIS: 221 total.

8 MR. MCKEE: 221? What would you comfort
9 able -- the 25 percent decrease that was taken out last
10 year across the board, if that were put back in, how many
11 more Reggies would you be able to get, or do you see the
12 need for getting a greater number? And not having it
13 utilized by programs as an affirmative action mechanism?
14 I think -- you said Demoss' question was very good about
15 that.

16 MR. DAVIS: Well, if our budget were re-
17 stored to its 1981 program level, that would result in a
18 net increase of about 70 additional Reggies, and, of
19 course, they would go to various ---

20 MR. MCKEE: Would that be 35 programs?

21 MR. DAVIS: No, not necessarily.

22 MR. MCKEE: Okay.

23 MR. DAVIS: That might be 60 programs, or,
24 you know, or whatever. But, the Reggies are in a crying
25 need. You know, Legal Services, basically, overall is

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6 1 just entirely under funded, such that all projects only
2 reaching a percentage of the number of poor clients that
3 they could, in fact, service had they sufficient funds.

4 But, there would be a net increase of 65
5 or 70 additional attorneys if we returned to 1981 funding
6 levels. And what we would essentially do is through the
7 funding process, or the allocation process, look at those
8 projects in which there is the most defined need for a
9 Reggie, both in terms of attorney resources and in terms
10 of where that project is in terms of trying to serve the
11 needs of a particular community and the manner in which
12 it's attempting to serve the needs of a particular com-
13 munity.

14 MR. MCKEE: Have any programs refused
15 Reggies in terms of the -- they all need as many as they
16 can get, I would think.

17 MR. DAVIS: Never to my knowledge.

18 MR. MCKEE: Great. Last point. I was
19 talking earlier, and this is a bit of humor, earlier
20 today we were talking about dialogue, discussion, and
21 rhetoric and the implications of it in terms of Legal
22 Services Program. I could not help but notice the language
23 in some of your news letter reports, which is, you know,
24 very good language, but I want to quote something to you
25 which I think would be great in a speech. But, when it's

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1 put in to a Legal Services funded package, as he drinks
2 the water, -- are you ready for this answer? It can
3 create a negative ring generally -- pretty much what I
4 was talking about this morning. What I'm discussing is
5 for example, the Director's Message. You said this was
6 taken out of context.

7 "There are too many radical ideologues
8 staying up very late at night trying to find newer and
9 better ways to further disenfranchise and disadvantage
10 our clients. They need courage to defeat them. They
11 need courage to defeat the religious ideologues who
12 attempt to impose a single dangerously oppressive psuedo-
13 religious philosophy on this nation."

14 Now, I may not disagree with that. My
15 point is, in terms of what I said earlier about rhetoric
16 and what you put in to things that have overtones, that,
17 maybe, I think, better in terms of a speech than it would
18 be in terms of a news letter which will be gleaned by
19 people and say, "Oh, gosh, see what they're doing with
20 our money now."

21 But, you see my point? Probably not, but

22 ---

23 MR. DAVIS: I do see your point to a de-
24 gree.

25 MR. MCKEE: Just comment on it generally.

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MR. DAVIS: Well, first of all, it is taken out of context.

2

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MR. MCKEE: Okay.

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25

MR. DAVIS: In fact, I was just searching for the exact -- I think that there's a mis-cite in terms of -- I think that there's a mis-cite in terms of what that's taken from. But, in each issue of the news letter I do provide the Reggies with a message because they only hear from me, usually, during training and orientation, and the news letter is an additional opportunity for me to provide some insight to them as to what is going on.

Usually, I try to make the messages as informative as possible. And this was just gear the Reggies to the concept that what is required of them is really a superhuman task.

And the thing that I probably disagree with is the fact that the whole purpose of the news letter is to further the idea of comradery, and, actually, to inspire and rededicate the Reggies to the spirit of their mission.

You know, as to that particular comment, I think that's basically true. Legal Services is constantly under attack, and the situation is that there are interest groups who are constantly attempting to defeat Legal Services. I mean, every year, when the authoriza-

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9 1 tion process starts, the appropriation process, there are
2 people who are organized to either restrict, inhibit, or
3 defeat all together the efforts of the Legal Services
4 Corporation.

5 I think we need to be aware of that. We
6 need to be aware of the fact that, you know, we're in a
7 unique position and that we're constantly between a rock
8 and a hard place. And I think the fact that we are suc-
9 cessful is one of the reasons why ---

10 MR. MCKEE: Try being on a board.

11 (Laughter.)

12 MR. DAVIS: Well, I think that the fact
13 that we are successful is the reason why people are
14 constantly shooting at us, but, nevertheless, you know,
15 I mean, that should not deter us from our mission, and we
16 should be aware of the fact that we will, probably, never
17 be popular; that we will, probably, never, you know, get
18 the kind of support and popularity that we need; that
19 no matter how well we serve our clients, they do not see
20 it as enough because, indeed, the resources that we have
21 to bring to bear on their problems are, in fact, not
22 enough.

23 And, you know, in terms of what I said --
24 getting back to what I said, was, basically, a fact. And,
25 you know, some people may view that as inflammatory. Some

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1 people, you know, may view that as even a political state-
2 ment. But, I don't think it is. I think it's just a
3 bare statement of fact as is the preceeding comment in
4 Footnote 3.

5 MR. MCKEE: I didn't read that one.

6 MR. DAVIS: Oh, okay. Well, what I said
7 there ---

8 MR. MCKEE: It's too long.

9 MR. DAVIS: --- in Footnote 3 and 4 are,
10 basically, facts that I, you know, would invite dialogue
11 about in terms of people just wanting to ask me why I made
12 that statement and that kind of thing.

13 But, the Reggies need to be aware. These
14 are young lawyers. These are enthusiastic lawyers. One
15 of their most salient features that they bring to the
16 program is their energy and enthusiasm. But, sometimes
17 they get out there and they're overwhelmed by the sheer
18 weight of the problems. Sometimes, they are very, very
19 discouraged by the obstacles that are placed in their path
20 as they attempt to serve their clients. Sometimes, just
21 reading about what is happening to the Corporation and
22 the very uncertainty under which they labor operates as
23 a tremendous, you know, frustration to their efforts.
24 And, certainly, no one comes to Legal Services with an idea
25 that they're going to have a secure future, but people

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11 1 would just like to know that on the one hand their efforts
2 are appreciated, and on the other hand, that there is some
3 support for their activities. And when they hear it from
4 me, I think it's important.

5 MR. MCKEE: I have no more questions.

6 Mr. Harvey and Mr. Olson may have.

7 MR. DEMOSS: I may have one, too, if you'll
8 let me.

9 MR. MCKEE: Wide open.

10 MR. OLSON: Do you want to go next, Bill?

11 MR. HARVEY: About your last answer ---

12 MR. MCKEE: Your chairing.

13 MR. HARVEY: I'm chairing he says. All
14 right.

15 I'm curious, why is this so, assuming that
16 you say -- what you've said is correct, why is there this
17 constant attack upon, you said, Legal Services generical-
18 ly, I think you may mean the Reggie Program, when I don't
19 perceive this with regard to all other educational pro-
20 grams, other legal -- Reggie is a legal educational pro-
21 gram. It's a four million dollar legal educational pro-
22 gram. That's what it is. And I don't notice that kind
23 of attack being directed, say, at the Harvard Graduate
24 School, which produces lawyers who litigate, who take
25 positions which are very unpopular. It hasn't seemed to

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1 cause a diminution in the contributions to the Harvard
2 Graduate School.

3 It produces lawyers who can go to all blue
4 chip law firms, the barons of the east, like Sullivan and
5 Cromwell, or the southwest, like Bracewell and Patterson.

6 MR. DEMOSS: I'm flattered you put me in
7 that category.

8 MR. HARVEY: Such institutions as that,
9 they litigate. I haven't seen that -- what is there about
10 Legal Services that makes it unique according to you and
11 your news letter to attract such negative sparks and
12 lightening bolts that this seems to be such a recurring
13 problem? I really don't know. What is it?

14 MR. DAVIS: Well, ---

15 MR. HARVEY: Assuming your perception is
16 correct, and it's a big assumption, but what is there
17 about it that does this?

18 MR. DAVIS: Well, the program's always
19 been controversial. The whole concept, you know, going
20 back to the days of Reginald Heber Smith, and he was,
21 certainly, the first person to begin to document the need
22 for legal services to the poor.

23 But, you know, even when Mr. Smith was,
24 you know, really pushing legal services to the poor as
25 part of the effort of every organized bar association in

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13 1 the country, on the local level, it was met with a tremen-
2 dous amount of opposition. It was always thought of as
3 controversial. And understanding that Reginald Heber
4 Smith began his efforts attempting to get legal aid pro-
5 grams to become part of the institutional efforts of the
6 organized bar to address the needs of all citizens.

7 But, -- you know, I mean -- I think it's
8 just plain that Legal Services has kind of a, you know,
9 of a star studded history in terms of the kinds of efforts
10 that have been made on an annual basis, on a regular
11 consistent, insistent basis to either inhibit this program,
12 restrict this program, or otherwise, you know, legislate
13 this program out of existence.

14 I think it has to do with the fact that
15 anytime you have something, any program, that comes up
16 where you're using public funds to service people, that
17 program's going to be somewhat controversial. I mean,
18 every year there are extensive debates on food stamps, on,
19 you know, the welfare appropriation under Health and
20 Human Services.

21 Every year when EEOC comes up for reauthor-
22 ization and appropriation, there's a tremendous amount of
23 debate and a tremendous amount of opposition entered into
24 the record to either, restrict the agency, the activities
25 of that agency, or the scope of its authority, or its

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14 1 funding.

2 So, I think that, you know, whereas you
3 have things that are legislated in the public interest,
4 there's always going to be a debate as to where the re-
5 sources of this country are best be placed, where the tax
6 monies are best be spent, and recognizing that poor
7 people have, probably, the least amount of influence on
8 the legislative process, poor people's voices are, proba-
9 bly, least heard by legislators, be they national, you
10 know, state or local then -- whenever anything comes up
11 to benefit them. And I think this is, basically, true of
12 any interest group that is not, you know, well healed and
13 well funded sufficient to really give them some input in
14 to the legislative process. There are going to be these
15 kinds of problems.

16 MR. MCKEE: I guess you're saying not many
17 Harvard lawyers, or silk stocking district law firms
18 represent poor people, so therefore they're not going
19 go under the attack.

20 MR. DAVIS: Exactly, and, you know, to
21 give you an example, we don't get that many kind -- we
22 don't get that many applications each year, for instance,
23 from Harvard. But, I think that, you know, the mission
24 of Legal Services is drastically different than, you know,
25 than that of any other organization within the legal

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15 1 community. And, certainly, it's the only institution
2 within the legal community that is funded through govern-
3 ment money, and that in and of itself is a problem.

4 Additionally, if we look at the strict
5 cannons of ethics, you know, I mean, the very existence
6 of Legal Services is because of the fact that, you know,
7 that the organized bar, lawyers in private practice,
8 lawyers in general have not taken on the kinds of respons-
9 abilities towards seeing that all clients are represented
10 regardless of their ability to pay that they should have.
11 And that's definitely a problem.

12 If every lawyer who is licensed to practice
13 in these United States took 15 or 20 pro bono cases a
14 year, we, certainly, wouldn't have the crying need for
15 Legal Services that we may have, but, in fact, that
16 doesn't occur and it's not likely to occur.

17 And so, you know, we have to deal with
18 the resources that we have. We do deal with the agency
19 that we have, and the programs that are designed to meet
20 the needs that otherwise are not being met.

21 MR. HARVEY: Well, perhaps, you're right,
22 but my perception is not entirely compatible with yours.

23 I note, for instance, that in the United
24 States we spend tremendous funds on public defender pro-
25 grams, which is outside the ambit of Legal Services Corpo-

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1 ration. It does not seem to generate the tremendous
2 controversy that LSC has over the years.

3 In this state alone, millions of dollars
4 are going to public defenders every year. Just that it's
5 allocated and appropriated doesn't seem to spark that
6 kind of dispute.

7 So, to my mind the question remains open
8 as to why, assuming your, as Clarence would say, "rheto-
9 ric", or your written words are correct, why that kind of
10 inflammatory response, as you described it, occurs with
11 reference to this program. I think it's a question that,
12 in the long pull after we have someday, hopefully, fin-
13 ished the day to day routine in the Corporation, we need
14 to address.

15 What is there about this in its historical
16 perspective that has caused such animosity to be directed
17 at it or toward it? And I want to contemplate that
18 question.

19 I have a specific question to ask you, and
20 that is how many ---

21 MR. DAVIS: Excuse me. Excuse me one
22 moment, Dean Harvey. Do you mean the inflammatory
23 response towards the Reggie Program or towards the Legal
24 Services Corporation?

25 MR. HARVEY: No, I thought you were speak-

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1 ing more generally about LSC, in general.

2 MR. DAVIS: I was. Right.

3 MR. HARVEY: My specific comment, or
4 question is: What is the Bar passing rate of Reggie --
5 maybe, you commented on this when I was out of the room,
6 but Reggie Program people, what is the Bar passing -- the
7 Bar examination pass rate of those people? Do you have
8 any data on that?

9 MR. DAVIS: We do. We do have, because
10 passage of the Bar is one of the conditions of renewal for
11 a second year. About 75 percent. Between 75 and 80
12 percent in a given year.

13 MR. HARVEY: Pass the Bar?

14 MR. DAVIS: Exactly.

15 MR. HARVEY: I have no more questions.
16 Harold?

17 MR. DEMOSS: It's my general understanding
18 that as of right now the Corporation and all of its pro-
19 grams are reasonably in compliance with Equal Employment
20 Opportunity requirements. Am I correct in that? Don't --
21 I thought I remembered somewhere that there was a summary
22 statement that we were, generally, in compliance.

23 MR. LYONS: I think that's true.

24 MR. DEMOSS: If the Reggie Program were
25 reduced or terminated, would that jeopardize in anyway our

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18 1 compliance?

2 MR. DAVIS: Well, you know, I mean, it's
3 axiomatic that if the majority of the minorities in Legal
4 Services have come to the Reggie Program, then, certainly,
5 you know, the greatest single source of minority recruit-
6 ment within Legal Services, if the Reggie Program were to
7 disappear, then that single source of minority recruitment
8 would disappear. So, I would just have to say that it
9 would have some impact -- a significant impact.

10 MR. DEMOSS: Well, let me ask you about
11 that because if we were talking about what is now fact,
12 that is that we are roughly in compliance, whatever may
13 be the Affirmative Action quotas for all those other
14 terminologies that get done, and you are looking at a
15 situation which in my view is a realistic one in that, for
16 the foreseeable future, there's not going to be a substan-
17 tial increase -- significant increase of the number of
18 all lawyers in the Legal Services Program, then if this
19 program were reduced, phased-out, or terminated, shouldn't
20 the status quo remain?

21 MR. DAVIS: Subject to attrition and, you
22 know, voluntary departures within the program, I think
23 that would be -- I don't know if it would be safe to say
24 or not, but that should reasonably follow.

25 MR. DEMOSS: Okay. That's all.

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1 MR. MCKEE: Mr. Olson?

2 MR. OLSON: I wanted to go back, just for
3 a minute, to Footnote 4 because you had said that your
4 comment critical of radical ideologues and religious
5 ideologues was taken out of context, and I've read that
6 over three or four times trying to conceive of a context
7 in which it would not appear to me to be a rather rash
8 statement. And I wanted to ask you if you could provide
9 us the context?

10 MR. DAVIS: Yeah, I'm going -- I guess that
11 what I'll do is -- I can provide you with the entire
12 article, if you'd like, as soon as I can find it. That
13 says Volume 3, Number 2, and I guess my problem is that
14 I was looking in Volume 3, Number 2 and I couldn't pick
15 out the specific paragraph itself.

16 MR. MCKEE: You could always just submit
17 it when you find it.

18 MR. DAVIS: I found it. Okay.

19 I guess, the basic -- the article is,
20 probably about, slightly over a page long. The basic
21 thrust is that no matter how bad the times may be, we have
22 got to constantly strive to serve. And it -- I think this
23 article was written in July of 1981 at a time when we
24 first heard that we were going to be proposed for a 25
25 percent cutback along with everyone else. And basically,

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1 no matter how few our numbers, the task that we had to
2 discharge was, basically, the same, and we need to be
3 aware.

4 One of the things that I say, in that same
5 statement is, and let me just quote to you, "but we have
6 got to have some courage in the conduct of our personal
7 lives, also. We've got to become a lot less hedonistic.
8 We have gotten so strung out behind ourselves that we
9 can't seem to focus on anyone else. Even those of us who
10 have elected to serve the people are separated from those
11 we serve by geography, by the big cars we drive, by the
12 clothes we wear. There's a kind of schizophrenia extant.
13 We want to serve the people, but we, also, want to set
14 ourselves apart from them through our material goods.

15 I'm not quite sure how serious we can be
16 about serving poor people when we have to have designer
17 clothes and luxury foreign cars and plethora of other
18 material goods, or when we worry about how far we have to
19 drive to serve them, or what kind of an apartment we can
20 get in that community, or that serving the poor might
21 interfere with our love life.

22 Some of us only want to serve the poor on
23 the west coast or in the southwest, or in a large city, or
24 a New York city, or some specific metropolitan area. We
25 can't see fit to serve wherever we're needed in whatever

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1 manner.

2 Those of us who put those kinds of condi-
3 tions upon our service to the poor need to seriously
4 re-think whether or not we're in the right business because
5 our commitment, our courage, is questionable.

6 Our predecessors in this struggle had to
7 stand up to an openly hostile society and brave hired
8 goons and plain loonatics to try to bring equal justice
9 to the fields and farms of Mississippi, and Alabama, and
10 Texas, and California, and etcetera, and to the pavements
11 and projects of New York, and Chicago, and Birmingham,
12 and Dallas. If they could risk their lives in those times
13 and environments, then we can risk a little comfort and
14 convenience in these times. Courage must be the watch-
15 word."

16 That's what I mean, I guess, when I say
17 "somewhat taken out of context", because of the fact that
18 that's just one specific reference to the kinds of things
19 that we have to deal with in terms of serving the poor,
20 and where our priorities ought to be if we are, in fact,
21 actually committed to making this justice system work for
22 all people and upholding the oath that we have taken as
23 attorneys.

24 MR. OLSON: But, even having heard the
25 context, I find it difficult to understand the message

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1 because I just can't believe that this is the language
2 -- I -- let me ask you this. Does this fairly reflect
3 your own view, even as you sit here today, with respect
4 to the people you say they're radical ideologues? I
5 don't know -- who're you referring to? Let me ask you
6 that.

7 MR. DAVIS: The Klu Klux Klan, you know ---

8 MR. OLSON: Nick Pack?

9 (Laughter.)

10 MR. DAVIS: I don't know Nick Pack.

11 MR. OLSON: The Moral Majority? Are they
12 part of the religious ideologues?

13 MR. DAVIS: Yeah, I'm sure that I was
14 referring to them in that respect.

15 MR. OLSON: Pseudo-religious philosophy,
16 dangerously oppressive?

17 MR. DAVIS: Uh-huh.

18 MR. OLSON: Do you think that people who
19 support pro-life principles are religious ideologues who
20 are trying to impose a pseudo-religious philosophy?

21 MR. DAVIS: I think insofar as they try to
22 impose that through the passage of federal laws. I think
23 so, yes.

24 MR. OLSON: People who oppose the Equal
25 Rights Amendment?

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1 MR. DAVIS: Not necessarily, because I
2 don't associate that with a religious group.

3 MR. OLSON: People who support tuition
4 tax credits?

5 MR. DAVIS: If those tuition tax credits
6 are to go to schools that discriminate, yes.

7 MR. OLSON: Well, I have a -- you know,
8 I don't want to debate the merits of the principles
9 because I think you and I might have a very different
10 approach to -- have very different political philosophy,
11 and, indeed, your earlier statement there saying that you
12 don't believe that the -- this system, which I think you
13 were referencing the American -- the United States Consti-
14 tution, the American system of jurisprudence, this system
15 was never intended to obtain equal justice for Blacks,
16 Asians, Hispanics, Indians, and other minorities; never
17 intended for equal justice for poor people; freedom was
18 never intended to ring for all Americans.

19 I'm somewhat at a loss to respond. It's
20 not my -- it's somewhat mind boggling to think that that
21 is a political philosophy that you think you need to
22 articulate in order to rally the troupes and to inspire
23 the Reggies to the spirit of their mission. It would
24 raise the question as to what their mission is in your
25 opinion.

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1 MR. DAVIS: Well, I don't think that that
2 statement that you just read from is a political philoso-
3 phy. I think that it's just a fact. I mean, it's a fact
4 that certain, you know, groups of people were excluded
5 from the protection of the Constitution, and that it took
6 a series of amendments to the Constitution.

7 And over a hundred years ago, and even in
8 this century as long as just, you know, less than 20 years
9 ago, it's taken a series of Congressional Acts just to
10 insure that there was a mechanism by which the rights to
11 vote are enforced.

12 So, you know, there's a circumstance where
13 in this country, and I think we have to admit it, that we
14 do have, you know, a sorry history of living up to the,
15 you know, the concepts of equal justice for all. And I
16 think that once we do, in fact, admit it, we can begin
17 to address the manners in which we are, in fact, going
18 to insure that the basic guarantees of the Constitution
19 would adhere and inure to the benefit of all people. And
20 I think that we, as attorneys, have, in fact, a higher
21 standard of care to, and a greater burden to bear in the
22 insurance that, in fact, this Constitution works for all
23 people. Because when we take our oath, we take our oath
24 to make the law work. We take our oath to preserve the
25 principles of democracy and to use the law for the benefit

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25 1 of all people.

2 And, you know, and there are lots of --
3 there are a lot of factors that interfere with the ideal
4 carrying out of the principles of justice, not the least
5 of them of which is history. And, certainly, not the
6 least of which is, you know, like, socio-economic factors.
7 But, the fact remains there is a job to be done. The
8 fact remains is is that our greatest resource in this
9 country is our people, and in any country the greatest
10 resource is the people.

11 And what we've got to do is find ways to,
12 rather than pull apart, to pull together and make the
13 system work for all people. This is your system. This
14 is my system. This is all of our system, and we all have
15 a basic responsibility to do what we can to insure the
16 basic principles of justice and brotherhood are, in fact,
17 made a reality in everyday American life.

18 And I think that when that happens -- when
19 that happens, a lot of other problems that, you know, that
20 plague the human condition, that plague this country as
21 a whole, are going to go out the window. And, you know,
22 and I, you know -- I worry about it, you know, as a
23 father because the fact that I want to insure that the
24 best possible system in the world exists for my children
25 to grow up in.

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1 And in the same way that, you know, that I
2 have, you know, I have lived throughout my life seeing
3 lots of ways in which the American system has acted to
4 actively discriminate against me and my family.

5 I do, nevertheless, want to make whatever
6 contribution that I can to insure that my children have
7 it better than I did in the same way that my parents
8 worked to make sure that I had it better than they did.
9 And, you know -- I mean, I just see that ---

10 MR. OLSON: Well, the concepts of working
11 together and brotherhood are a far cry from radical
12 ideologues, religious ideologues, pseudo-religious phil-
13 osophy, etcetera.

14 Let me ask you: You said that you were
15 speaking historically. Would it be fair to say that you
16 -- do you believe that currently the United States
17 Constitution and our American jurisprudential system is
18 designed to, or intended to, achieve equal justice to
19 quote your phrase?

20 MR. DAVIS: No, I -- I -- it's not that I
21 currently believe that. It's just that I currently do not
22 believe that all of the problems that, you know, that were
23 brought, you know, into this country have dissolved. I
24 think that we still labor under the present effects of a
25 lot of past discrimination.

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1 I think that the badges and incidents of
2 slavery still exist to a great extent, and, you know, --
3 I mean, we talk about it in a lot of ways, but, I mean,
4 we're talking about the fact that, you know, there are
5 groups of people who have just, you know, secured the
6 franchise in this century.

7 MR. OLSON: Well, let me just ask the
8 question very simply.

9 Do you believe that the United States
10 Constitution and our system of courts and lawyers and
11 justice is now intended to achieve equal justice for all
12 Americans?

13 MR. DAVIS: I believe that that is the
14 setup. I believe that it is, in fact, intended for that.
15 I believe that we still have a long way to go in terms of
16 making that a reality because one of the ways that it
17 becomes a reality is when everyone has access to legal
18 counsel.

19 But, you know, one of the problems is if
20 legal counsel is conditioned upon the amount of money that
21 you make -- the amount of money that you have at your
22 disposal, then the system is not going to work perfectly
23 for you.

24 MR. OLSON: Well, I hate to -- I almost
25 hate to confuse the concept of the Reggie Program with

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1 this, but since this is the news letter of the Reggie
2 Program, I guess we have to discuss it, and I just would
3 say for my point of view that I think that your attempt
4 to establish comradery among Reggies in an attempt to
5 continue to motivate them is -- could be more easily
6 viewed as an attempt to describe a condition of class
7 warfare, or something that is not devisive, not inspiring
8 brotherhood, not inspiring harmony, but inspiring exactly
9 the opposite. And it seems to me to be counter-productive
10 toward the overall goal, and I don't know what extent
11 resources are devoted to this kind of pulication and
12 dissemination of it. But, I would think that that should
13 -- I would hate to have that taint what, otherwise, might,
14 and I still don't know very much about the program, but
15 otherwise might be a very fine program.

16 And I would ask one last question, which
17 is how you can accomplish so much with \$80,000 because
18 unless I read this wrong, your staff now has several
19 people on it?

20 MR. DAVIS: The \$80,000 is the overhead
21 figure that goes to the university to provide space,
22 maintenance and what have you, utilities to the Reggie
23 Program, and to, also, pay for the cost of the fiscal
24 administration of the grant. You know, the cost of send-
25 ing out all the checks, keeping the books, computerizing,

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1 the payments, and what have you. There is a direct cost
2 figure built into the budget that pays for staffing; that
3 pays for the cost of conducting the orientation; that pays
4 for printing, for mailing, all the direct costs of the ---

5 MR. OLSON: Do you know how much that is,
6 annually?

7 MR. DAVIS: It runs at right around 10
8 percent. Between 8 and 10 percent of the contract.
9 Reggie salaries take up about 87 percent of the contract.

10 MR. OLSON: So, it's, perhaps, 360 to
11 \$400,000 per year?

12 MR. DAVIS: Approximately, yes.

13 MR. OLSON: And where does that money come
14 from because if you take, like we did before, if you take
15 the 4.1 million and divide it by 221, we got something
16 like 19,000. Does that -- is that in that number, or are
17 there other sources of funding that you have?

18 MR. DAVIS: No, no. There are no other
19 sources of funding. The cost of the administration of
20 the project are going directly under the contract, and
21 they're itemized when we -- prior to each actual contract
22 year beginning, we submit a budget to LSC for approval
23 detailing the exact manner in which we will spend the
24 funds that are allocated.

25 MR. OLSON: So, the 4.1 million includes

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30 1 the 15,000 or 15,900 to the ---

2 MR. DAVIS: The salaries of the Reggies.

3 MR. OLSON: --- attorney with 12 percent of
4 the overhead, the \$80,000 to Howard and the eight to ten
5 percent staff cost?

6 MR. DAVIS: Uh-huh. Exactly.

7 MR. HARVEY: I want to make a comment that
8 I think there's some magnificent historical and theoretical
9 basis for Legal Services Program and Corporation, but none
10 of it is identified in the language you've used.

11 I think that -- or, I suggest to you that
12 as long as you seek a kind of utilitarian result in the
13 use of developing this program, then likely the attacks
14 upon it will continue. That really is not utilitarian
15 result is not the philosophical foundation for this
16 program. It never has been and never will be. But, it
17 does have a very superior philosophical foundation.

18 And I would recommend to you, as a fellow
19 educator, that the Reggie people become familiar with
20 that philosophical foundation. I alluded to it briefly
21 in a statement I made to the august members of this
22 board on March the fifth, and I think you ought to begin
23 to pick up on literature like that. I'm not saying my
24 statement is literature, but at least the ideas which I
25 borrowed from other people. Those ideas are found in the

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31 1 literature of the law, and literature generally, and
2 literature of religious groups, which you have apparently
3 attacked, and disseminated to Reggie people.

4 It may be that if this is evidence of the
5 kind of information they're receiving, then their educa-
6 tional program is deficient, seriously deficient. And
7 maybe, perhaps, the frustrations they feel, if I can
8 assume frustrations based upon your words, stem in large
9 part because they're philosophically deficient in under-
10 standing the program with which they're associated.

11 MR. DAVIS: Dean Harvey, your comments and
12 the rest of the Board member's comments are well taken.

13 The point I would like to emphasize is that
14 although my remarks may seem in some ways inflammatory,
15 there are situations where the Reggies, themselves, are
16 faced with, you know, with calls and threats from the
17 Klu Klux Klan in going out to interview farm workers who
18 have problems, or are physically removed from migrant
19 camps and what have you, where they, themselves, receive
20 a lot of the kinds of treatment that their clients re-
21 ceive.

22 And one of the things, I think, that really
23 melds the Reggies to Legal Services, the concept of Legal
24 Services, and one of the things that really strikes such
25 a tremendous ambience between the Reggies and their

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1 clients, is the fact that the Reggies work very, very
2 closely with the clients in many respects.

3 They go out to the client communities to
4 work with them, to interview them, when they can't come
5 to the office. They frequently work on a basis where they
6 go out and ride circuit, and what have you, and frequently
7 they, themselves, especially the minority Reggies, because
8 they may be mistaken for someone else, or they may not
9 be readily apparent that they're attorneys, or whatever,
10 that they receive some of the same kinds of abusive treat-
11 ment that some clients are subjected to.

12 And when I get letters from Reggies, when
13 I get calls from Reggies, and they complain about this
14 kind of treatment, you know, I tend to react to it in
15 certain ways because I'm very, very familiar with what it
16 is they're talking about. You know, and I make that
17 point and nothing more.

18 I think that the philosophy of the Reggie
19 Program is exactly consistent with the philosophy of the
20 Legal Services Program and the Legal Services Corporation.

21 MR. HARVEY: That might be one of the
22 problems of the Legal Service Corporation. You're right.
23 Go ahead.

24 MR. DAVIS: When I say that, I say that in
25 terms of the Reggie Program being part of the Legal

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1 Services community, part of the Legal Services family,
2 and existing for the same purpose, which is to serve low
3 income clients.

4 One of the things that I think that is good
5 about the Reggie Program, an additional salient feature
6 is the fact that we pride ourselves in the kind of rela-
7 tionship that we have to the client community. The
8 client community is very, very involved in interviewing
9 candidates for Reggies; is very, very involved in making
10 the recommendations on the selection of programs which
11 shall receive Reggies. The client community is very, very
12 involved in delivering the orientation to the Reggies.
13 So, the Reggies understand the needs and wants of clients.
14 So, the Reggies don't make the typical kinds of mistakes
15 that some attorneys make in attempting to represent low
16 income people.

17 So, you know, we're proud of those ties,
18 and, you know, we think that in that way we're consistent
19 with the goals and philosophies of Mr. Smith and the
20 intent of the Legal Services Corporation as it was design-
21 ed by Congress.

22 MR. HARVEY: Okay.

23 MR. OLSON: Let me ask one last question.
24 I've been asking this all day. I might as well ask it
25 now.

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Have you folks provided any financial assistance or in kind assistance to the coalition for Legal Services?

2

3

4

MR. DAVIS: No, we have not.

5

6

MR. OLSON: Do you have any contact with them?

7

8

9

10

11

12

MR. DAVIS: We do. We're on a mailing list that receives material from them, and that's, basically, the contact with them. We are members of the project advisory group -- dues paying members of the project advisory group. We are not dues paying members of NLADA. That's basically it.

13

14

15

MR. OLSON: Okay. Thank you.

16

17

18

19

20

21

(Laughter.)

The mission of the program sounds to me like where part of all of our differences of view are. And one of the definitions that I have seen talked about in the past is that the mission of the program is to be General Counsel to the poor.

22

23

Now, I -- does that fit consistently with your view?

24

25

MR. DAVIS: Well, to a degree. I mean, when you think of General Counsel, you think of someone

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1 who represents a particular organization, or a business,
2 or what have you.

3 I think that one of the things that we
4 emphasize to Reggies is that -- do not make the mistake
5 of approaching your clients as if you are a gift to them.
6 When you interview a client, when you provide service to
7 the client, provide service of the highest caliber possi-
8 ble. Try, as much as you can, to keep that client inform-
9 ed about the progress of his or her case.

10 Do not assume that because the service is
11 free that the client is less interested in the outcome,
12 when, in fact, the client may be more interested in the
13 outcome, and approach the client as if you would a client
14 who is, in fact, paying your salary.

15 That -- many times attorneys will treat
16 a client in a certain manner because the service they're
17 providing is free, and that is not the same kind of
18 service that they would provide if, in fact, that client
19 were paying them a quantum meruit fee.

20 And because that client is not paying you,
21 in fact, a fee does not mean that your professional oblig-
22 ation to represent the best interest of that client in
23 your daily conduct in pursuit of that client's case
24 lessens in any way whatsoever.

25 MR. DEMOSS: Let me pose this question.

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1 In my mind, it sounds to me like part of
2 the problem that we've been having is that to some extent
3 this program has been conceptualized by some people as
4 being to provide General Counsel to the poor, by which is
5 meant the type of representation and interest that first,
6 a General Counsel in a corporate sense gives to his
7 client, and secondly, because it is General Counsel to the
8 poor, there is the inference that there -- the poor is
9 a large definable class, or entity, which needs a General
10 Counsel.

11 I view this program and believe in it for
12 a somewhat different mission, and that is the mission to
13 provide individual legal services to individuals who need
14 those services and are unable to pay for them. And there
15 is a frame of reference in my mind difference there in
16 that that latter mission does not include the things that
17 I seem to be hearing you need to talk to these people and
18 encourage them and everything about because of the
19 circumstance that they may find themselves in, or that
20 they need to be motivated in some sense to get involved
21 in this because of what I hear to be a larger mission and
22 goal and larger task than what I perceive the mission of
23 the individual lawyers to be.

24 MR. DAVIS: Okay. I think I understand
25 that fairly clearly. I don't think that your concept of

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1 the mission of a Legal Services attorney, or a Reggie
2 attorney, is that much different than mine. You have to
3 understand, in fact, that the Reggies do not work under
4 my supervision. The Reggies are assigned to individual
5 Legal Services projects. They work under the direction
6 of that project director. The work that they do is
7 governed by all the regulations and all of the policies
8 and procedures that obtain to that individual Legal
9 Services project.

10 The only thing that may be different is
11 their salary structure and that a certain amount of their
12 time is to be spent carrying out those activities which
13 have been identified as priorities by that project's
14 client community.

15 And, you know, the Reggies' mission in
16 that respect, then, is the same as the mission of any
17 other Legal Services attorney. And ---

18 MR. DEMOSS: But, they do come through a
19 selection training, let me use the term, and I'm not using
20 it in a derogatory sense, indoctrination ---

21 MR. DAVIS: Orientation.

22 MR. DEMOSS: --- orientation, which depend
23 on how far you orient and on what subjects, that you are
24 trying to give them as to why they have been chosen to go
25 out and do this job in this context that they're going to

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1 find themselves in.

2 MR. DAVIS: The orientation is more to give
3 them a very, very good frame of reference as the kind of
4 job that they are going to. Orientation is conducted by
5 people from projects. It's conducted by clients and by
6 staff. In fact, the staff of the project plays a minimal
7 role in delivering the orientation because it's more
8 designed to acclimate them to the environment in which
9 they will be working to understand the requirements of the
10 project and, in effect, in that respect, it's very, very
11 important because the fact that some Reggies come to the
12 program with the idea that they are free agents, when,
13 in fact, one of the things that they have to be aware of
14 right away is the fact that they work under the immediate
15 direction of the project director; that the duties that
16 they will have 75 percent of the time are the exact same
17 duties as any other staff attorney; that for 25 percent
18 of the time they are not to be, you know, community work-
19 ers who roam the community at will, but they will be
20 working on those projects which have been identified as
21 a priority by that particular LSP's client community
22 through a joint priority setting process. And to let them
23 know what the requirements of their contract are in terms
24 of reporting -- they already know how much money they will
25 make. Let them know how they will be paid. Those kinds

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1 of things. And that's, basically, what the orientation is
2 about.

3 And a tremendous of the time in orientation
4 is spent, in fact, hearing from the clients in terms of
5 what they want from their lawyers and the kinds of things
6 that they envision that a Legal Services lawyer would do
7 for them.

8 MR. MCKEE: Mr. Lyons has one point, but
9 all I'll say is that probably as long as the Reggie Pro-
10 gram is under the auspices and direction of Howard Univer-
11 sity School of Law and the great traditions of equal
12 justice that it's always stood for and with Bonnie Bratton
13 and all the people there, I think we don't have much
14 cause for concern as to the directions that it's going.

15 I understand that there's a Reggie in one
16 state now who is going to have to leave the program
17 because of threats on -- anonymous phone calls at night
18 and things of this sort.

19 Thank you very much, and I think one of
20 our -- a former Reggie wanted to say a few things.

21 MR. LYONS: I just wanted to say thank you,
22 John, for your presentation.

23 MR. MCKEE: It was very good.

24 MR. DAVIS: And thank you for giving us
25 the opportunity to come before you.

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MR. MCKEE: I think anyone who can go head to head with Mr. Olson and Mr. Harvey on these controversial issues should be dean of a law school. I'll tell Whiley to look out for you.

5

Thank you, very much. Now, you wanted to get in to the Regional office.

7

When is your plane? I thought it was five.

8

MR. HARVEY: It's at 5:30, and I need to ---

9

MR. MCKEE: Okay. Thank you.

10

I'm sorry. From Northern Virginia is ---

11

MS. MCDIARMID: Marjorie McDiarmid.

12

MR. MCKEE: Marjorie McDiarmid.

13

MS. MCDIARMID: Uh-huh.

14

MR. MCKEE: And Jody ---

15

And Bucky is her supervisor, right?

16

(Laughter.)

17

Bucky, do want to speak for them?

18

MR. HARVEY: Chicago and Northern Virginia

19

Regional Offices called.

20

MR. ASKEW: Dean Harvey, we were prepared

21

to make some formal presentations to you about the role

22

and responsibility of the Regional Offices as well as the

23

changes that the Regional Offices have been through over

24

the last seven years, since the creation of the Corpora-

25

tion. We, obviously, given the time of day, don't want to

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1 do that. I think ---

2 MR. HARVEY: Are you folks scheduled to go
3 back tonight? Do you have a time crunch?

4 MR. ASKEW: Marjorie and I are staying over
5 tonight.

6 MS. MCDIARMID: Time's not a problem.

7 MR. ASKEW: Time's not a problem for us.

8 MR. HARVEY: Why don't you lead off your
9 formal presentations and then we'll see if there are any
10 questions.

11 MR. ASKEW: Okay. What I will do is give
12 you a very brief overview of the Regional Offices in
13 general, and, then, ask Marjorie and Jody to speak to you
14 about their two particular offices.

15 When the Corporation began in 1975, there
16 were ten Regional Offices under the auspices of the
17 Community Services Administration that employed, approxi-
18 mately, 20 people.

19 The Corporation decided to not accept what
20 the Community Services Administration had done in terms of
21 placement or staffing of Regional Offices, or functions
22 of Regional Offices, and undertook a fairly lengthy and
23 thorough study of the appropriate role for Regional
24 Offices and ultimately decided to create nine Regional
25 Offices as apposed to 10 and did change the functions of

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1 the Regional Offices quite a bit from what they had been
2 under the Community Services Administration. Those func-
3 tions have continued to grow and change as the Corporation
4 itself has grown and changed and, even now, we're in a
5 situation this year where some of those functions are
6 changing because of new priorities for the Corporation,
7 such as private bar involvement.

8 But, very quickly, I can tell you that in
9 1975, as I mentioned, we had 20 employees. By 1980, the
10 nine Regional Offices were employing, approximately, 125
11 employees. Out of the total 315 employees of the Corpora-
12 tion, approximately, 125 were in the Regional Offices.
13 With retrenchment and with the reductions in funding, we
14 are now down to 60 employees in the Regional Offices out
15 of the total of, approximately, 115 -- 150 Corporation
16 staff of the total program. So, we have been through a
17 substantial reduction in the last year.

18 The functions of the Regional Offices have
19 went, as well, over the last seven years or so, and given
20 the changes in the last year and a half, have, also,
21 undergone substantial change.

22 You picked two Regional Offices to hear
23 from today that are particularly interesting I think
24 because they -- these two regions have been through a good
25 bit of the change we've seen in the last year and a half.

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1 As you know, the Corporation grew from
2 \$70,000,000 in funding in 1975 to \$321,000,000 by 1981.
3 Much of the expansion of Legal Services, completion of
4 have been in access, that had a huge impact on the work,
5 particularly of these two Regional Offices. The Midwest,
6 in Marjorie's region, especially in Virginia and West
7 Virginia, were very underserved in terms of Legal Services
8 when the Corporation began. And, so, a huge amount of the
9 Regional Office time from 1976 to 1980 was devoted to that
10 expansion process, soliciting grants to serve new areas of
11 the country, going through a process to decide as to the
12 ultimate grantees that would receive the money to provide
13 services, and, then, actually assisting in a start up of
14 those new programs. We grew from 1975 to 1980 from,
15 approximately, 230 some odd programs that we funded to
16 the total of 325 today. So, approximately, 100 new
17 programs were started in that period of time.

18 These two Regional Offices with the Atlanta
19 Region and the Denver Region were particularly involved in
20 those expansion activities because those were the areas of
21 the country where most of the new programs were being
22 started.

23 The Regional Offices, also, up until last
24 year had a substantial responsibility and some funds at
25 their disposal for the provision of a technical assistance

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44 1 to programs, which was assisting much of what you've heard
2 this morning from NLADA about the project they're provid-
3 ing now, Management and Technical Assistance, was done by
4 the Regional Offices previous to the last year and a half.
5 They, also, continue to do that now, but they don't have
6 the sort of staff size and the resources at their disposal
7 that they used to.

8 The nine Regional Offices are now staffed
9 at varying levels based on the size of the region and the
10 needs of programs in those regions. The largest office is
11 the Atlanta Office because it has the largest region by
12 far in terms of numbers of programs and numbers of poor
13 people in that region. The smallest Regional Office is
14 our Boston Office, which has four staff people. The
15 Atlanta Office is authorized at a level of 13 staff people.

16 As a matter of discussing the functions
17 currently that the Regional Offices are performing, I
18 would emphasize four or five things that are of prime
19 importance nationally, and then Jody and Marjorie could
20 speak about particular things within their region.

21 One, the completion of annual reports on
22 each program is still a priority for each Regional Office
23 to do, which is the completion of a -- what used to be
24 called a monitoring report, now is called an annual report
25 on every program that the Regional Office has under its

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1 jurisdiction. Because of reductions in staff, we have
 2 gone to a little bit more extended schedule for the
 3 completion of those, but that is still a matter of prime
 4 importance within the Regional Offices so that the Corpor-
 5 ation has on file, in the Regional Offices and nationally,
 6 a report on each program in terms of its compliance with
 7 the Act and Regulations and lots of more detailed informa-
 8 tion on each program than exists in the refunding applica-
 9 tions.

10 Secondly, the audit reports and financial
 11 management of programs is still a high priority item, not
 12 only for the Regional Offices; but for the national Corp-
 13 oration in conjunction with our audit division. It's
 14 something that we think the national program, the Corpora-
 15 tion as well as each local program, have done a spectacu-
 16 lar job with over the last seven years is financial
 17 management, and that continues to be a high priority for
 18 our work.

19 Thirdly, which is a new item in terms of
 20 Regional Office priority is the whole private bar involve-
 21 ment, private bar initiative, that began last year and --
 22 in the compliance area, making sure the programs are in
 23 compliance with the Corporation's requirements on the
 24 ten percent private bar involvement, but, also, assisting
 25 programs and helping them to come into compliance and

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1 providing them with guidance and any resources that they
2 can draw upon to assist programs to comply. October 1
3 was the -- was one magic date that we just past, and I
4 think the rate of compliance has been quite good and the
5 new activities of programs has been very encouraging to
6 us.

7 Fourth, the Regional Offices continue keep
8 very close contact and oversight of programs within their
9 region. We see the Regional Offices to be our key link
10 to field programs from the national Corporation in terms
11 of policy, implimentation, and compliance with our Act and
12 Regulations. Most of that work is done through the Region-
13 al Offices and by the staff of the Regional Office. That
14 continues to be a prime focus of their activities.

15 Lastly, and Clint and I, both, being former
16 Regional Office staff people, ourselves, believe very
17 strongly in the importance of our Regional Offices and
18 rely quite heavily upon the Regional Directors, mostly,
19 but, also, their staff people for imput and involvement
20 as we make policy at the national level to make sure that
21 we are well grounded in what is going on in our programs,
22 what the needs are, what the problems are that need to be
23 addressed, and we rely quite heavily on these people to
24 keep us grounded to make sure that we are in touch with
25 that.

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1 While I was waiting for this presentation,
2 as a matter of curiosity to, which I've never done, I
3 added up the experience of each of our Regional Directors,
4 and it's exactly ten years experience in Legal Services
5 work. Some have experience outside Legal Services, but
6 the average length of the experience in Legal Services of
7 the Regional Directors is ten years. So, they are a well
8 experienced group, a very skilled group of people that we
9 rely upon quite heavily.

10 You have chosen two people here, and I
11 didn't get to see Bernie before he left, but I think he
12 would authorize me to say these are not the two Regional
13 Directors that he said are insensitive to clients. These
14 are two of our more experienced Regional Directors, and
15 I would simply like to ask them to speak to you about
16 their particular region, their staff, and some of the
17 work that they do. And, then, from there we could go on
18 to any questions that you would like to put to them.

19 MR. HARVEY: Go ahead.

20 MR. ASKEW: This is Jody Raphael, who is
21 the Director of the Chicago Regional Office and before
22 working in the Regional Office, Jody was employed in this
23 program, the state wide program in Indiana.

24 MS. RAPHAEL: Well, not state wide agency.

25 MR. ASKEW: Right.

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1 MS. RAPHAEL: I'll ask Bucky to pass out
2 the maps.

3 I will abbreviate, or go through, my
4 presentation rather quickly. I think you have the patience
5 of Job. I think -- you've been here eight hours, and
6 that's really extraordinary.

7 The Chicago Region, as you can see from the
8 colored map, includes ten states; Illinois, Indiana, Iowa,
9 Kansas, Minnesota, Missouri, Nebraska, North Dakota, South
10 Dakota, and Wisconsin. Within these states there are 36
11 programs funded by Legal Services Corporation serving a
12 potential 4.07 million eligible indigents, or 14 percent
13 of the country's poor persons.

14 Funding for our region now amounts to
15 \$28.9 million dollars. The map, as you can see from the
16 map, we have a very diversified picture in terms of size
17 and coverage. Our largest program is the \$3,000,000
18 program serving the City of Chicago, and our smallest
19 receives \$37,000 from Legal Services Corporation serving
20 one county, a suburb of Minneapolis.

21 Our oldest program in the region is,
22 probably, Kansas City, Missouri. It was founded in 1910
23 by the local Bar Association. And our two newest programs
24 are celebrating their first anniversaries of service this
25 month.

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1 Our programs, in 1981, closed 192,348
2 individuals. So, that is the number of services -- of
3 people that received services in 1981 in Region 5.

4 The other map that Bucky handed you, which
5 is a little bit harder to read, gives you a graphic
6 picture of the expansion of Legal Services in the Midwest
7 Region. At the close of 1976, a little over 50 of our
8 859 counties had legal services available. As you can
9 tell from the map, these were located, with a few excep-
10 tions, in the major population centers.

11 In 1977, 124 counties were added through
12 grants of some \$2,000,000 in expansion funds. By the
13 end of 1978, over \$5,000,000 additional dollars had added
14 174 new counties. \$5,000,000 the next year, in 1979,
15 added 261 new counties. And as late a 1980, we added
16 coverage for 222 counties in our region with 4.6 million
17 dollars in additional funds.

18 Now, to give you an idea of what this means,
19 since 1977, the Regional Office, through the open grant
20 making process, helped develop 12 brand new Legal Services
21 organizations, most of which were sponsored by local Bar
22 Associations. And we have supervised and assisted in the
23 creation of 15 new entities, which were created by means
24 of merger agreements with the pre-existing programs.
25 These new programs, as a result of mergers, are many of

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50 1 them less than four or five years old, and they are locat-
2 ed in Iowa, Kansas, and Northern and Southern Illinois in
3 the main.

4 For the Regional Office, the work load is
5 really staggering and continues to this day. We think it
6 takes about three years, really, for a program to become
7 totally operational and established in its community.

8 To begin with, we assist the local Bar
9 Association, for example, to establish a Board of Direct-
10 ors which conformed to Section 1607 of the Regulations.
11 What -- usually, while an Executive Director search is
12 under way, then, the Board has got to set up program
13 books and establish all the basic financial systems which
14 are required by our audit division to be in place within
15 90 days of the funding.

16 When the Director comes on, then additional
17 staff is hired, and, then, they've got to be trained in
18 the use of the fiscal systems and all of our audit require-
19 ments. The Director and the staff and the Board, then,
20 have to adopt a wide ranging number of program policies
21 which are required by our Regulations. Examples of these
22 would be financial eligibility, definition of a fee gener-
23 ating case, client preference procedures, and so on.
24 Then, we get into personnel policies, standard operating
25 administrative guidelines, legal work management systems,

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1 and, then, when those basic systems are in place, the
2 program will begin to let the community know that it's
3 ready to serve them, and then, it's got to begin some
4 public relations drives to get the word out to community
5 agencies and clients and local Bar that the program is
6 ready to go. All of this is done under the supervision
7 and the guidance of the Regional Office.

8 I've been in the Regional Office for three
9 years and several new programs have been established in
10 Missouri. And our newest programs are in the State of
11 Missouri. In order to establish a program located in
12 Hannibal, Missouri and serving 14 rural counties in
13 Northeast Missouri, we made five trips, one a month,
14 usually lasting two to three days, and we attended all the
15 Board meetings, the monthly Board meetings, of the new
16 Board of Directors, and met with the newly hired staff.
17 We, then, used our technical assistance funds, which
18 Bucky alluded to, to send fiscal and administrative ex-
19 perts to the program to help them set up the books and
20 review all the financial systems which are required.
21 Then, we took the Program Director, who is hired, and
22 forced him, against his will I must say, because he
23 thought he was ready to go and open the doors, to visit a
24 program of similar size which we had in Wisconsin. And
25 we wanted him to view that program in operation; see all

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1 the systems. We wanted the Board members of the Missouri
2 program to talk with the Board members in Wisconsin and
3 see a program that was operating on sight.

4 About nine months after the program was
5 operating, we, then, sent a monitoring team in, which
6 consisted of outside experts, and I'm going to describe
7 the monitoring in a second, so that we could test all the
8 systems and make sure that the program was in complete
9 compliance. So, we wanted an outside look at everything
10 to make sure that the program was in compliance and was
11 delivering, at a minimum, some quality legal services.

12 We make a formal yearly monitoring visit
13 to each one of our 34 programs. And this monitoring
14 program is combined with an on-going system of supervision
15 and oversight. This complete oversight program takes our
16 staff to his or her assigned programs two to three times
17 a year for well over one week's time on the program. We
18 can do this, although we have long distances, we have
19 a manageable number of programs at this point with the
20 staff that we have. We employ six staff attorneys and
21 two support staff. All our experienced lawyers who have
22 practiced law in Legal Services and many, also, in private
23 practice.

24 The formal monitoring visit is undertaken
25 with the assistance of independent experts to help us

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1 assess the quality and efficiency of the services the
2 program offers. We use private practitioners. We've used
3 state and local Bar leaders, law professors, Legal Services
4 attorneys, usually, experienced litigation experts from
5 other Legal Services program.

6 We review at that yearly time the entire
7 operations of the Legal Services Program from client
8 eligibility determinations intake and case acceptance
9 policies to legal work supervision and case closing sys-
10 tems. We, at the same time, try to assess the quality and
11 quantity of the services that are being provided. In order
12 to do this, we interview attorneys and paralegals in depth
13 about their cases and their work.

14 The program utilizes the compensated private
15 Bar component, and we have a great deal of private Bar
16 involvement in our region. A random sample of private
17 practitioners is interviewed. Some members of the pro-
18 gram's Board are interviewed and very frequently, but not
19 always, members of the community are interviewed about
20 their perceptions about the services that they believe
21 the program is offering.

22 A formal written report is prepared in the
23 uniform national format summarizing the services and the
24 compliance with all applicable law, regulations, and
25 current LSC policies. The Program's Director is given the

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1 opportunity to comment on the accuracy of the report
2 before it's placed into the program file. As you can tell
3 from the formality of this annual monitoring visit, we have
4 to stagger these throughout the year, and we will generally
5 schedule them one year from the date of the last visit
6 to the program.

7 Let me jump ahead. Once we undertake the
8 monitoring, we always -- we, then, are engaged in the
9 follow up activities, which are the activities which will
10 bring about our return to the program. Follow up can be
11 as uncomplicated as making sure that a policy required by
12 the regulations is modified or changed, but it can include
13 providing technical assistance to the program to solve the
14 problem.

15 In our region, one of the areas of concern
16 over the past few years has been the training of brand
17 new Legal Services staff. For example: One of our pro-
18 grams in an extremely rural area hired, as a Director, a
19 local attorney who had spent his time in the area practic-
20 ing criminal law as a Public Defender. The staff was
21 totally unfamiliar with the basic areas of poverty law,
22 like social security, disability, welfare law, mortgage
23 foreclosure, landlord/tenant, and so on, and so we explored
24 ways under which that new staff could become quickly versed
25 in these areas. This was a Judicare Program. So, the

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1 representation would be done by the private Bar component.
2 But, we wanted quality decisions to be made about accept-
3 ance of cases and referrals to the private Bar component.
4 In the end, this common problem in our region is usually
5 solved by linking the new staff with more experienced
6 program staff within the same state who can come in,
7 provide some training, give them some training manuals
8 and materials, and serve as telephone backup when ques-
9 tions come up. We attend Program Board meetings to explain
10 the need for revamping program policies or procedures.

11 There are other activities which I would
12 like to quickly run down, which would give you a feel for
13 the type of oversight that we're involved in. We attend
14 Program Board meetings to explain and clarify new Legal
15 Services Corporation policies or requirements. We review
16 in our region monthly financial reports submitted to the
17 Regional Office by all programs to make certain that
18 spending patterns will not result in either, deficits or
19 fund balances. We review the quarterly case service
20 statistical reports to keep up to date with the quantity of
21 the services that are being provided. We require Board
22 minutes to be submitted to the Regional Office of all of
23 our Program Board meetings, and we read those pretty
24 carefully to see what -- to make sure the program has an
25 effective working Board and to spot issues which the

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56 1 Board is considering which may raise questions about
2 current Legal Services Corporation policies or their
3 interpretations of them. We rather thoroughly review the
4 program's annual audit, and we follow up on all the issues
5 that may be presented by the audit. The suggestions --
6 most of the programs will use, as you know, a local
7 auditor. Most of the auditors will make a wide ranging
8 suggestions for improvement of the fiscal systems.
9 Examples of suggestions this year were, for example,
10 institution of better systems for reviewing bank reconcil-
11 iations, implementation of more formalized budget predic-
12 tion procedures, implementation of a monthly general
13 ledger and financial report that reflects actual receipts
14 and dispersments from the program journal, not those just
15 which have cleared the bank, so that the Program Director
16 and Board can have a more accurate financial picture of
17 the program on a monthly basis, an establishment of ideal
18 internal controls on a small program that has only limited
19 support personnel.

20 We, also, as you probably know, under the
21 audit guide, review and approve single purchases of
22 equipment or property having a purchase price in excess
23 of \$5,000 or leases, when the purchase price would have
24 exceeded \$5,000, and consult in contracts in excess of
25 \$2,500.

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1 Our internal policy in the Chicago Regional
2 Office mandates a thorough in-house review of these equip-
3 ment purchases pursuant to the guideline. We will look
4 at the cost and purpose of the equipment relative to
5 program size, the program's ability to use the equipment
6 and whether the equipment could be purchased at a lower
7 cost, or whether it should be leased, and so on.

8 We approve all program bylaw changes,
9 Board changes prior to their implementation as is required
10 by Legal Services Assurances. We scrutinize these proposed
11 bylaw changes carefully to make certain that the program
12 in no way retreats from the letter and spirit of the
13 Regulations and the Act, that it have a governing body
14 that reasonably reflects the interest and characteristics
15 of the eligible clients in the area to be served, and
16 contains attorneys and eligible clients selected by a
17 variety of appropriate groups within the area.

18 At this point, I would like to follow up
19 on the discussion this morning. We are, in our monitoring,
20 we do a complete compliance check and the Board composition
21 is one of the areas, which, of course, receives scrutiny.
22 The problem is not that, in our region anyway, and that's
23 all I can speak for, all of our program Boards will be in
24 compliance. There will be names; there will be the
25 proper percentages. The problem really comes in the fact

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1 that, as in various Boards, the clients may not be attend-
2 ing Board meetings. So, actually effectively participa-
3 tion is minimal. This can be true for attorneys of some
4 programs because of their extreme rural area have great
5 difficulty in getting a quorum, for example, especially
6 in the winter in our northern region. So, we will explore
7 with the programs, perhaps, a quarterly meeting schedule
8 that might avoid February or January, and other ways to
9 improve the participation of both, attorneys and clients
10 on the Board. But, in our region there is not a situation
11 where we have a noncompliance in terms of Board, you know,
12 strict Board composition.

13 We review procedures for Executive Director
14 search when a vacancy in the Directorship occurs to
15 insure that the program undertake the broadest possible
16 open search for a Director, consistent, also, with
17 Affirmative Action requirements.

18 We review implementation with special
19 grant conditions of grantees. Bucky talked to you briefly
20 about the private Bar instruction. And, of course,
21 October 1, implementation of the plans has begun. Each
22 of my staff is responsible to make sure that the programs
23 to which they were assigned has implemented a plan that's
24 in strict compliance with the instruction.

25 During the past month, some of my staff has

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1 made visits to Legal Services Programs where we were
2 concerned for reason or another about the implementation
3 of this program instruction. One program, for example,
4 kept changing its plan. The Board minutes kept reflecting,
5 you know, -- the plan kept undergoing all these rather
6 radical changes. We were very concerned. We weren't
7 even sure what the final plan approved by the Board was,
8 and we're very concerned about the program's ability to
9 carry it out since it kept changing it.

10 We have been providing technical assistance
11 to programs as they implement the program as structured
12 in the private Bar involvement. This has been going on
13 throughout the summer. Programs have been receiving
14 expert help and recruitment of private Bar practitioners.
15 Many of our Program Directors, or people responsible for
16 private Bar components in our region, have been visiting
17 the Boston Pro Bono. They have been visiting Greg Hartley
18 in Springfield, Missouri, or Wisconsin Judicare to see
19 these systems in operation and to receive a help from
20 those experienced Judicare Directors.

21 So, through the aegis of the Regional
22 Office, we are able to put the new people together with
23 the experienced people for onsite assistance.

24 My children always say that I'm on the
25 phone constantly, and I think that is true. One of the

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1 ways -- one of the major activities is the provision of
2 information, usually over the telephone to -- and this
3 is information about current policy and requirements,
4 which I think is the best way for us to insure that
5 programs are in compliance with the Congressional Act and
6 with Board policy. We talk to Program Board Chairs, Bar
7 Leaders, Program Directors, Program Administrators, Local
8 Program Auditors, community agencies, members of the
9 public, foundations, some of the same people you, probably,
10 talked to on the phone, including newspaper reporters,
11 who are seeking information about local programs, or Legal
12 Services Corporation policy.

13 Not all of our work is accomplished on a
14 one to one basis with the programs. Obviously, when we
15 see overall trends and patterns in our region, we try to
16 come up with more efficient and economical solutions to
17 deal with these problems. We schedule twice yearly meet-
18 ings in which our Project Directors come, and then we can
19 use that opportunity to lecture them about new policies
20 and what they mean and what that means for politation.
21 Programs are often grouped together and brought together
22 for training when we think they are experiencing similar
23 problems. We collect materials about service delivery
24 and we will distribute them. We have files and files of
25 all the standard operating procedures and forms, for

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1 example, as I said, used by judicare programs which we
2 have been sending out all summer long.

3 One of the things that I want to conclude
4 with is the linkage with the Regional Office with the
5 Office of Field Services. Of course, we are part of the
6 Office of Field Services. The Office of Field Service
7 monitors us each year, and in this formal monitoring
8 meeting, which is, usually, an onsite visit to our
9 offices, our budget and personnel needs will be discussed
10 on a one to one basis with, or in the past, with Mr. Lyons
11 and Mr. Askew, and we were formerly evaluated at that time.
12 About every other month we are summoned to headquarters
13 to make sure, face to face, that we understand what the
14 current policies are when new regulations, say, are
15 formally adopted and then published. The federal
16 register is rather rigorous training, so that we have
17 a uniform understanding throughout the nation about what
18 these policies mean because we are the link to the program
19 in terms of answering questions and making sure that these
20 things are carried out.

21 In the past, there has been training for
22 Regional Office personnel, which, I think, has declined in
23 the last nine months due to the press of other duties.
24 That training has been enormously useful because staff in
25 the Regional Office need ongoing training and expertise.

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1 Most of us came from the practice of law, came to the
2 Regional Office for a variety of reasons, and not only
3 do we need training in what the law -- Legal Services
4 Corporation Act and Regulations might be, but we need
5 training to give us the continued expertise to assist our
6 programs. We've received training in systems for non --
7 fiscal systems for non-profit corporations, law office
8 technology, law office management, effective use of private
9 Bar and service delivery, personnel and evaluation systems
10 and updates of poverty law, which are going to be neces-
11 sary for accurate program evaluations.

12 MR. ASKEW: Thank you, very much. Joe
13 Bartylak -- excuse me.

14 MR. HARVEY: I was just going to say
15 thank you, very much.

16 MR. ASKEW: Joe Bartylak, who's a Director
17 in Jody's region, is here and he'll certify that every-
18 thing she said is true and correct. Right?

19 (Laughter.)

20 MR. OLSON: You're, therefore, in compli-
21 ance.

22 (Laughter.)

23 MS. MCDIARMID: I'm Marjorie McDiarmid, the
24 Regional Director in the Northern Virginia Regional Office.
25 Unfortunately, I didn't bring you a map. You can, prob-

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1 ably, imagine. We are Michigan, Ohio, West Virginia and
2 Virginia. You may ask yourself why? The answer is that
3 the Northern Virginia Regional Office was the last Region-
4 al Office that the Corporation formed. They took two
5 states out of old Chicago; two states out of old Philly,
6 mshed, and that's us. As a result, thereof, probably,
7 what characterizes our region more than anything else is
8 the lack of ability to characterize our region in any
9 easy way. We have large rural programs, for example, the
10 West Virginia Legal Services Plan, which is a Judicare
11 Program in West Virginia. We have large urban programs,
12 such as Detroit. We have very small rural programs, such
13 as Wooster-Wayne in Ohio; \$47,000 is what they get from
14 us. We have very -- fairly small urban programs.
15 Petersburg, Virginia is a good example.

16 What we try -- we also have 47 of them.
17 It's the second highest number of programs of any region
18 following Atlanta. What we try to do to adjust to this
19 plethora of different needs and problems is to assign our
20 staff based on what, for lack of a more eloquent term,
21 I've termed "clumps", large urban, large rural, small
22 urban, small rural, to perform the liaison duties and
23 some of the oversight responsibilities with respect to
24 those programs. We, also, have duties that the entire
25 office takes on. For example, in the area of private Bar

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1 involvement, that was an entire office project. As we
2 process this year's grants, that will be an entire office
3 project.

4 When I start to talk about the functions
5 of Regional Offices, even when I'm talking to people who
6 I'm thinking about hiring, a sort of glazed look starts
7 to get into their eyes, and this time of the evening I
8 can well imagine that that may hit you too.

9 There are essentially, as I see it, four
10 functions that the Regional Office performs. And I want
11 to just give you those four and then concentrate on one.

12 The four are acting as an information
13 source back and forth from the programs to LSC headquar-
14 ters in D.C.; sometimes supplying information to head-
15 quarters; sometimes supplying information from headquar-
16 ters to the program. We do have the kind of contact which
17 nobody in D.C. can hope to have with the programs in our
18 area.

19 The second function is what, probably, most
20 people think about when they think about bureaucracies.
21 It's paperwork. Grants, processing, request permission to
22 buy capital equipment, Jody's talked a little bit about
23 that, receipt of audits, review of annual applications for
24 refunding, that sort of thing.

25 The third function is enforcement of the

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1 Act and Regulations, and that is pretty much what the
2 name implies. I'm going to talk more about that later on.

3 The fourth function is technical assistance.
4 We have, because of the reductions in force, had to cut-
5 back on our technical assistance function, and we don't
6 have the funding that we had at one point to do that. We
7 do, however, still meet a plethora of needs from field
8 programs for information on should I -- I'm thinking about
9 automating my financial system. What kinds of machines
10 should I think about? What kinds of records do I want on
11 those machines? What backup system should I maintain?
12 How do I train my staff? Where do I find out about the
13 best prices? Etcetera, etcetera, etcetera. Or, I want
14 to train my Board. I have a lot of new Board members who
15 aren't familiar with Legal Services. Where can I get
16 information about Board training materials? Can somebody
17 come out and help me do that kind of thing?

18 So, those are, essentially, the four
19 functions of the Regional Office. Let me talk about
20 enforcement of the Act and Regulations. I think the
21 first thing that you need to understand is that there are
22 a whole variety of standards that we look to in determin-
23 ing whether a Legal Services Program is well run, well
24 managed. The Act, obviously, is the first and foremost,
25 and that contains the basic -- well, you've read it -- the

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1 basic aspirational standards and some very specific
2 provisions. For example, priority setting. The Regula-
3 tions fairly well track the Act, although there are some
4 that either, put a gloss on it, or such as the Regulation
5 on FOIA spell out a lot more in a lot more detail than
6 the Act, itself, contains.

7 Next comes the audit and accounting guide
8 of the Corporation. I don't know whether you've had a
9 chance to familiarize yourself with that document. I
10 think the Corporation, and I'll put in a plug for a
11 headquarters office here, the Corporation is widely re-
12 garded as being among the leaders in not for profit
13 management, financial management control. And the audit
14 and accounting guide, which is a very detailed set of
15 criteria as to how records are to be maintained and what
16 audits are to contain and all that sort of thing, is one
17 of the tools to which we look.

18 Following after that are some even more
19 detailed instructions with respect to financial management
20 which go under the name of the fundamental criteria, which
21 we use in reviewing programs for financial compliance. A
22 sub-category under the financial stuff is the LSC property
23 manual which tells people how they are to purchase various
24 sorts of capital equipment, what needs approvals, how
25 those approvals are gained, what reversionary interest the

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Corporation maintains in capital equipment, that sort of thing.

(Transcript continues next page.)

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1 MS. DIARMID: In terms of internal
2 things from the corporation, another source that we look
3 to very heavily is the opinions of the General Counsel's
4 office.

5 Those have been compiled over over time.
6 We keep a record of them by the regulation to which they
7 pertain, and refer to them, virtually, constantly to tell
8 us what interpretations we ought to be giving to programs
9 with respect to issues that arise.

10 Then, of course, there are the instructions
11 and policies of the corporation. For example, an
12 instruction would be the private bar, involvement
13 instruction; policy would be a manner which I know you've
14 paid some attention to recently, the fund balance issue,
15 and the policies of the corporation with respect to that.

16 So, that we have those sets of guidelines.

17 Then there are some things which are not
18 internal to the corporation. They're shared with others.

19 One which we pay a great deal of attention
20 to, because of the mandate of the Act that we do so, is
21 the Code of Professional Responsibility, published by
22 the American Bar Association and the various Code of
23 Professional Responsibility which have been adopted
24 by our states. And there are some variance from the ABA
25 code and our states, but not anything particularly major,

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1 except some specialized requirements in Virginia with
2 respect to Legal Aid programs.

3 Another general source that we look to,
4 upon which the audit and accounting guide is based, are
5 what are referred to as the generally accepted accounting
6 principles of the CPA's in this country with respect to
7 management of financial matters.

8 Sometimes we're called upon to deal with
9 statutes which are, in some ways, related to legal
10 services work. Equal opportunity, Freedom of Information
11 Act, the recent federal enactment on Handicapped Access,
12 are examples of that.

13 The final thing that we look to -- and I
14 think, in a sense, it's the most difficult to talk about,
15 and, yet, the one which, I suspect, for the members of
16 the Board is, in a way, the most self-evident -- is the
17 generally accepted standards in the professional. It's
18 hard to say what those are in terms of a detailed list.

19 The folks in my office, whose background
20 is in accounting; always say that we, lawyers, are much
21 too loose in terms of our definitions of what's
22 acceptable and what's not acceptable practice.

23 But the corporation has gained over the
24 years of its existence and borrowed from in the years
25 prior to its existence a body of recognized practice and

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1 procedure on what constitutes an appropriate way to
2 handle clients that goes far beyond the Code of
3 Professional Responsibility, what constitutes an
4 acceptable way for a law office to do business. And we
5 rely on those standards, and we rely on those standards
6 very heavily.

7 The draft standards, which are now being
8 circulated for comment by the NLADA, attempts to get
9 at some of those issues. It still doesn't cover the
10 entire waterfront. And I'm not sure that as a legal
11 profession we're ever going to be able to cover the
12 entire waterfront in terms of this, this, this, this,
13 this, this, and this are what you must do when you can't
14 vary, and you can't adjust to local conditions.

15 But, anyway, we take that whole amalgam
16 of material, ranging from the Act through everything that
17 I've mentioned, and we try to secure the goals set forth
18 in the Act of high quality, effective, efficient,
19 economical legal services.

20 And in doing that, we do some very
21 unglamorous things. We read a lot of paper. We get a
22 lot of reports, ranging from the application that
23 programs send in when they're refunding through
24 policies which programs are required to enact pursuant to
25 our regulations, the audits, the reports that we refer to

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1 as the CSR's, the reports on what programs are doing by
2 way of case loads, types of cases, sorts of results that
3 are achieved, types of clients, and, then, sometimes
4 there are reports on specialized activities. For example,
5 I'd put in that category the reports that we've received
6 with respect to private bar involvement, and those vary
7 from year to year.

8 But all of that paper is read, digested,
9 and, in some way, we hope fed back to field programs. I
10 try to make it a rule that we don't ask for paper which
11 we aren't going to use, and which they can't see some
12 purpose in.

13 So, reviewing that, commenting on it,
14 asking further questions, trying to secure additional
15 information, telling people to go back and do it again,
16 eats up a fair chunk of our time.

17 Another chunk of the time, which is
18 devoted to enforcement activities, is in responding to
19 requests for information from field programs. There are
20 any number of instances in which a field program will
21 call and say, "I have such and such kind of case. Is it
22 permissible" -- let's take, for example, the new alien
23 rider that went on the funds this year -- "Is it
24 permissible to represent a client under X, Y, Z set
25 of circumstances?"

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1 We'll get out the Act, get out the
2 regulation, if there are already existing General
3 Counsel's opinions on that, we'll get those out. If
4 the answer is not fairly straight forward on the face of
5 those documents, we'll sometimes ask for an opinion from
6 General Counsel on issues like that.

7 And that goes on a fair amount of the
8 time. Sometimes it's a request for information from
9 third parties. For example, client who doesn't feel that
10 -- I don't want to set-up a complaint situation here,
11 because I'll talk about that separately.

12 But a client who's not familiar with the
13 priority-setting process in their area, wants some
14 information on how to go about contacting the appropriate
15 people in a program to have input into that, might get
16 in touch with us.

17 A bar association that had a question
18 about private bar involvement might well get in touch
19 with us and ask about who they should be dealing with in
20 their local areas, who knows what's going on, we try to
21 fulfill that role.

22 And then there are all kinds of requests
23 that come to us for approvals on various things, mainly
24 in the area of expending money, consultants, capital
25 acquisitions, that kind of thing.

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6
1 And, again, that tends to be a discussion
2 back and forth between us and, particularly, when it's
3 a program asking for information, with them sending us
4 something, and us responding, trying to clarify whatever
5 the situation may be.

6 Another activity which we undertake that
7 has an impact on enforcement is the responding to
8 complaints. The number of complaints that we run in our
9 office I don't think is very high. Most complaints are
10 dealt with the client grievance procedure in the local
11 program or by state advisory council, or whatever the
12 local mechanism may be.

13 But there are a number that get through
14 to us, and they range from the client who feels
15 that they should have been represented, and because of
16 the cutbacks or because of program priorities it's not
17 able to be represented, through people who believe,
18 outside parties frequently -- opposition parties in
19 litigation who believe that our program has done something
20 improper, and we conduct an investigation with respect to
21 that.

22 On-site visits comprise, perhaps, the
23 biggest chunk of time, although given the list I've given
24 you, not necessarily the biggest chunk of volume of
25 paper produced of our activities.

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1 We do -- Bucky did tell you that annual
2 is a term of art at this point, and we're operating on
3 an 18-month cycle, but we do see our programs on that
4 kind of formal basis at least once during that period.
5 We see them on an informal basis much more frequently
6 than that.

7 But those reports deal with compliance
8 issues. They deal with management of the program,
9 quality of legal work, financial controls. Feeding into
10 that are our internal standards on compliance review,
11 our conducting of what we call fundamental criteria
12 reviews, which are reviews of financial situations, and
13 our review of the legal work of programs.

14 Another element that goes into the
15 enforcement activities and would not, I suspect,
16 immediately come to your mind as an enforcement activity,
17 is training and other informational work.

18 We have changes that happen with respect
19 to the Act and regulations. We have changes with respect
20 to things such as private bar, instructions of the
21 corporation. It is imperative that the information with
22 respect to those changes gets out to field programs, and
23 we do that, sometimes through the vehicle of project
24 director meetings, where we bring the project directors
25 to one central place to convey the information,

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1 sometimes through the vehicle of us going out to speak
2 to boards, speak to groups of project directors. We
3 have state meetings in each one of the states that we
4 get to on a random basis -- well, not random, but
5 periodic basis.-- conveying that kind of information.

6 The final thing that we do with respect to
7 enforcement is liaison with various headquarters' offices.

8 I referred to complaints. Some of those
9 come through various offices of the corporation sometimes.
10 Right now, they come through the General Counsel's office.
11 Sometimes they come through the Office of Government
12 Relations, with, of course, the new office of the
13 Inspector General, that will be focused, but getting
14 that kind of information back and forth is critical.

15 We work with the audit division in
16 securing and reviewing audits. We work with the
17 General Counsel's office, as I have indicated already,
18 in terms of securing opinions with respect to the Act
19 and regulations. We work with, certainly, OFS in terms
20 of conveying corporation policy.

21 I don't know if that even begins to give
22 you a sense, because a lot of what I talked about here
23 are terms of art, things that mean something to me
24 that I'm not sure that they mean to you. But that's what
25 our work entails.

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1 It's not terribly exciting on the face of
2 it. You know, telling people that you sit at a desk and
3 review audits doesn't put sparks in your eyes, right?

4 MR. OLSON: To be distinguished from the
5 work of this board.

6 MS. McDIARMID: Right.

7 (Laughter.)

8 MS. McDIARMID: Which is thrilling at all
9 times.

10 The pay-off comes in doing it well, in the
11 sense of professionalism about how it's done, and the
12 pay-off comes in terms of having better functioning
13 programs, and programs that can better serve the needs of
14 clients.

15 I don't know what else I can say.

16 Questions?

17 MR. HARVEY: Bucky, I think you produced
18 two stars. Thank you. Thank you both very much.

19 To go back to a couple of things,
20 Marjorie, first, how many people do you have in the
21 regional office?

22 MS. McDIARMID: We have five professional
23 staff at this point.

24 MR. HARVEY: Total, and, what, secretarial
25 staff to supplement that?

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1 MS. McDIARMID: Well, myself, a deputy
2 director, one staff attorney, two what we call management
3 specialists, who are people with financial and managerial
4 background, and an administrative assistant and a
5 secretary. That's our complement.

6 MR. HARVEY: For 47 programs?

7 MS. McDIARMID: Correct. It's not enough.

8 MR. HARVEY: Do you spend a great deal of
9 time on the road between Arlington -- what are you --
10 you're in Arlington?

11 MS. McDIARMID: We are blessed in my
12 region. I come originally with the corporation from
13 Seattle, so, I have two different perspectives.

14 MR. ASKEW: Seattle Regional Office?

15 MS. McDIARMID: Seattle Regional Office.

16 In this region, we're blessed by the fact
17 and cursed by the fact that we can get everywhere in about
18 two hours by plane. Blessed by it, in that, we don't
19 have to spend lengthy periods of time on the road.
20 Cursed by it because everybody expects us to be there
21 whenever the crisis strikes. So, that, yes, I would say
22 that we spend somewhere between 40 to 50 percent of our
23 time on the road. That's dropped off a little bit this
24 year, simply because we don't have the staff to do it,
25 but that's rough.

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1 MR. HARVEY: Do you go to Marquette,
2 Michigan, when Lake Superior is frozen over, in two hours?
3 Extraordinary.

4 MS. McDIARMID: Yeah. I should have said
5 except for the UP. To get to the UP, you have to go
6 through Detroit, wait two hours, and change to a very
7 small plane, which may or may not land because the
8 Sault's fogged in. I've landed there several times.
9 I've never been able to take off from Sault Ste. Marie.
10 You always have to bum a ride. The last time I ended up
11 in a pick-up truck driving down to Petoskey to get out of
12 the Sault after a visit up there.

13 But I used to go to Alaska in the middle
14 of the winter, so, it doesn't matter.

15 MR. HARVEY: Jody, how many persons do
16 you have?

17 MS. RAPHAEL: I have six staff attorneys,
18 including myself and two support staff.

19 MR. HARVEY: Well, your territory is huge
20 for six.

21 MS. RAPHAEL: That's our problem. We
22 have 34 programs. The number of programs that each staff
23 person gets is managable to -- however, the person who
24 is assigned Kansas, for example, which is one program,
25 really does travel around and covers a lot of

12

1 territory. In order to monitor the program, one needs
2 a whole week, and a bigger team that's deployed to the
3 different offices.

4 MR. HARVEY: Do you have much of a
5 relationship, either of you, with the local and state
6 bar associations, inner-relationship in your office or
7 is it directly with the regional -- I mean the local
8 programs?

9 MS. RAPHAEL: Well, the local programs,
10 of course, are heavily involved with their local bars
11 and the state bars. We, depending on the bar association
12 -- it's not true for all 10 of our states -- but in about
13 three or four of our states, we are very -- we have very
14 close relationships with the state bar and the state
15 bar personnel. They will call us. We are usually asked
16 in four or five states, and this, again, is where
17 Marjorie -- people will assume that we are available, so
18 we are constantly asked to make speeches at mid-year
19 meetings, annual meetings, and so on, about what's
20 happening at Legal Services Corporation, interpreting
21 various policies. We're explaining policies to bar
22 leaders next week. Next Friday, I have to attend a
23 conference of county bar leaders in the State of Illinois,
24 which will be held, happily, up in Chicago, to give
25 them an up-date, again, about what's happening with

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1 Legal Services Corporation, what funding level is and so
2 on.

3 MS. McDIARMID: Most of the contacts in my
4 region are also with the local programs, but I think
5 there isn't a state bar association in the region with
6 which I haven't had some contact in the last six months.

7 MR. HARVEY: What kind of equipment do you
8 have in your own offices; computers and record-keeping
9 data systems? Is there uniformity in your offices, or
10 among the regional offices in that respect?

11 MS. McDIARMID: No. We have the cheapest
12 word processor we can lay our hands on, and we have a
13 quip machine, which is capable of sending, for example,
14 if headquarters needs to send us out a memo over a matter
15 of hours, they can put it on the machine and it stinks
16 up our office for the time that it's coming in.

17 MS. RAPHAEL: All we have is a Xerox
18 word processor, one screen and one keyboard, and so, we
19 will -- that is usually tied up producing the annual
20 program report, because we can take last year's and the
21 theory is that you can update without having to retype
22 the whole thing over. Unfortunately, with all the
23 changes that programs have had to make, even in the
24 location of their offices, and the bulk of it often is
25 retyped. It's very hard to continually update it. But

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1 that's the only piece of equipment that we have.

2 MS. McDIARMID: And, of course, the Xerox
3 machine.

4 MS. RAPHAEL: Xerox machine.

5 MS. McDIARMID: Copying.

6 MS. RAPHAEL: Copying machine, and tons
7 and tons of files, storage files.

8 MS. McDIARMID: Right.

9 We're still in the pen and quill age in
10 terms of how files are maintained.

11 MR. McKEE: Now, let's see, you're not
12 reviewing the grant applications? Are you in that
13 process?

14 MS. McDIARMID: My instructions as I
15 walked out the door to---

16 MR. McKEE: Pardon?

17 MS. McDIARMID: My instructions as I
18 walked out the door to my staff were go to it.

19 MR. McKEE: On that, the regional office
20 is the first stop if there's going to be a grant
21 condition where the grant condition goes on, am I right?

22 MS. McDIARMID: Right.

23 MR. McKEE: Have you imposed that
24 condition that you know of? What areas are they generally
25 in? The most common problems are complaints. For

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1 example, this morning, the discussions on find
2 involvement and eligible clients in boards---

3 MS. McDIARMID: Right.

4 MR. MCKEE: ---assuming that no one has
5 missed the meeting, or that the problem of absence is not
6 because of whether -- if a Board of Directors has 30
7 seats, and they have four clients, being statutorily six
8 to go---

9 MS. McDIARMID: Sure.

10 MR. MCKEE: ---haven't been appointed.

11 MS. McDIARMID: Right.

12 MR. MCKEE: What do you do in that posture?
13 Do you come across that? Is this as great a problem as
14 it is said to be?

15 MS. McDIARMID: We have come across, I
16 think, in my experience three instances over the last
17 five years or so that I've been---

18 MR. MCKEE: What do you do then?

19 MS. McDIARMID: If the problem is failure
20 to appoint, and it's not just a happenstance that
21 everybody happened to have gone off at the same time,
22 and they're going to fill the slot, but if it really is
23 a situation of failure to appoint over a length of time,
24 special condition is one way to handle it.

25 MR. MCKEE: What is the special -- what

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1 would a special condition be?

2 MS. McDIARMID: That the program bring
3 itself within "X" period of time. On that one, probably
4 90 days, because there wouldn't be any reason why it
5 would take longer than that.

6 With the requirements of 1607, with respect
7 to eligible clients on the board.

8 MR. McKEE: And if they don't?

9 MS. McDIARMID: If they don't, then---

10 MR. McKEE: Of course, the application is
11 left to you by then in that 90-day period. Is it back
12 in Washington then? This comes once a year for you, right?

13 MS. McDIARMID: Yeah. Special conditions
14 can only be attached at the beginning of the year. If
15 they don't do it, essentially our options are suspension
16 or defunding.

17 MR. McKEE: Have you ever recommended that,
18 or has that ever occurred in the last five years?

19 MS. McDIARMID: We have in cases of
20 board composition recommended defunding if the situation
21 were not corrected within "X" period of time. In the
22 case that I'm thinking of, that problem was corrected
23 within a period of time.

24 MR. McKEE: Would it be better instead
25 of saying if it's not corrected and sent onto Washington

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17
1 that you withheld sending it to Washington until it was
2 corrected, which would mean, then, that -- that would
3 assure that within the 90 days they would come to
4 compliance or would not---

5 MS. McDIARMID: We have---

6 MR. McKEE: Once you send it out---

7 MS. McDIARMID: ---we have done,
8 effectively, that by what has in the past gone under the
9 name of short funding, which is to essentially delay
10 decision on a grant application until certain problems
11 are corrected.

12 MS. RAPHAEL: There's a little
13 misconception that may be creeping in about the way
14 we do our work in the sense that---

15 MR. McKEE: Well, Clint has said that you
16 work very hard.

17 (Laughter.)

18 MS. RAPHAEL: We don't do our compliance
19 reviews in the month of October, so that if I have a
20 problem with a program---

21 MR. McKEE: You say the compliance review,
22 is that the same thing as the funding review?

23 MS. RAPHAEL: Well, in other words --
24 what I'm trying to say is if I've got a -- let's say, I
25 had a program that did not have a board that met the

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1 requirements of 1607, then I know that, and I am working
2 to solve, at least in my office, I am working to solve
3 that problem, and I don't -- in that instance, I don't
4 -- the regulation in the law is clear. Special grant
5 conditions to me doesn't add anything particularly. I
6 will go to the program director and the program board and
7 say you've got to come into compliance; otherwise, you
8 will, perhaps, be jeopardizing your funding, because this
9 is requirement for receipt of the funding.

10 MR. MCKEE: When you go to the board, a
11 project director is kind of the man or woman in the
12 middle of this whole thing, I would think, that's got
13 clients here, on one side, and got a chairman of the
14 Board of Directors to whom he or she owes a job, on the
15 other side, and all of the politics that may be going on
16 in the city, though.

17 MS. RAPHAEL: Well, if we're talking about
18 a situation where we have non-compliance with the Act
19 or the regulation, which is fairly straight forward --
20 it's not a question of whether the services are this
21 or that quality -- we will generally approach the
22 employee of the Board, who is the director, and raise the
23 issue with him or her. If the Director is unwilling to
24 take the steps necessary, then we will often have to
25 approach the employer of the director, and after all, we

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1 are contracting to provide services to the Board of
2 Directors, and he's just -- he or she's just an employee.

3 And I think most regional offices will
4 try to get that problem solved and make sure that that
5 problem is solved rather immediately, and not -- so, we
6 don't wait and look at a refunding application and pick
7 up at that point that we have a problem of non-compliance.

8 And in our region, anyway, we have been
9 remarkably successful. I think when we go to a project
10 director or a board chair, and explain to them that
11 they're out of compliance with the basic requirement,
12 we find a general alacrity to remedy the situation as
13 quickly as possible.

14 In my opinion, if I weren't able to get
15 immediate compliance, or a plan -- a work plan -- to
16 come into compliance within 90 days, let's say in that
17 Board situation, I would have very serious problems
18 about continuing funding of the program. And then at the
19 refunding time, or at any time during the year, I could
20 notify the program that I had problems with continued
21 funding.

22 MR. McKEE: Probably get the project
23 directors out of a lot of heat if you just went right to
24 the Board, you know, and said you are a contractor and---

25 MS. RAPHAEL: Well, I think most directors

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20 1 would take the opposite approach.

2 MR. MCKEE: Oh, really.

3 MS. RAPHAEL: I think they would rather be
4 given the opportunity to solve the problem---

5 MR. MCKEE: I see, do it themselves.

6 MS. RAPHAEL: ---not have it go to their
7 superiors.

8 MR. MCKEE: Their superiors who are the
9 ones who create that problem.

10 MS. RAPHAEL: Ultimately, they are
11 responsible, but I think most project directors would
12 like the opportunity to rectify it before it becomes a
13 Board matter.

14 MR. MCKEE: Another point is: How do you
15 -- this word "priority setting", so many words in the
16 statute are fudgy. When you look at these applications
17 and they say -- how do you judge the whole area of
18 priority and who's involved in the setting of a priority
19 and the determination of it?

20 MS. RAPHAEL: Well---

21 MR. MCKEE: Come the clients---

22 MS. McDIARMID: Okay. The regulations
23 essentially require two aspects; one, that there be a
24 process in place in the program to do it. And that that
25 process has to be spelled out by written document, which

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1 we have when we review in the office.

2 The other portion of it is that they
3 actually carry out the process and do it.

4 It does get to be difficult to assess
5 whether every conceivable group has had input on the
6 priority issue, for example.

7 We can't look at a set of priorities and
8 say these are clearly wrong, because the very definition
9 of priorities is that they be locally established.

10 Frequently, if there is a bone of
11 contention in a community about that, we'll hear about it.
12 And that's, you know -- we do the check in terms of is
13 the process in place; are they, in fact, generating the
14 priorities; can they give us a logical explanation of
15 what they're doing.

16 If someone feels that they have been
17 omitted from that process, they will frequently get to
18 us, and then we deal with it as a complaint.

19 MR. McKEE: Two more quick ones.

20 You mentioned reversionary interests?

21 MS. McDIARMID: Right.

22 MR. McKEE: The question came up at our
23 first meeting in May about a program buys a building---

24 MS. McDIARMID: Right.

25 MR. McKEE: ---who ultimately has the

1 interest in that down the line if something goes wrong;
2 the corporation or the local program?

3 MS. McDIARMID: As long -- well, first,
4 what money did they buy it with? If they used LSC money---

5 MR. McKEE: Say fund balance monies.

6 MS. McDIARMID: That's LSC money.

7 As long as the program continues to be
8 our grantee, they have the interest.

9 MR. McKEE: Okay.

10 MS. McDIARMID: But in any arrangement
11 that we sign off on, we do have to sign off on purchases
12 of buildings, there has to be a clause, paragraph,
13 condition, whatever, that the program signs off on that
14 says if we cease fund you, for whatever reason, the
15 interest reverts to the corporation, and then we have
16 regulations with respect to what happens to it then.

17 Normally speaking, it would go to the
18 new grantee in the area, because we would continue to
19 fund a grantee if it wasn't the same grantee that
20 previously received the funds.

21 MR. McKEE: What do you think? Is it
22 better and more economical for programs to go buy
23 buildings at, say, \$200,000, and own it, as opposed to
24 paying \$6-7,000 a month for five and six years for rent?

25 MS. McDIARMID: Okay.

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1 MR. MCKEE: Well, the argument has been
2 that, well, if we buy this now, this is our building,
3 we buy it now and it's a one time shot, et cetera---

4 MS. McDIARMID: Right.

5 MR. MCKEE: They can appreciate it or
6 depreciate it, et cetera.

7 MS. McDIARMID: Right.

8 MR. MCKEE: Where if they were paying rent
9 in some of the cities where the rent is very high on a
10 montly basis over a five, six year period---

11 MS. McDIARMID: Right.

12 MR. MCKEE: ---eight year period, the cost
13 of that would far pay the cost of the building.

14 Is that how you generally approach that?

15 MS. McDIARMID: Normally speaking, yes.

16 I mean the analysis is what's rent in the
17 area costing, what's the resale value of the building,
18 and what value does it have, what overhead cost is it
19 going to be to the program in terms of making the purchase,
20 basically, the same sort of analysis that you would go
21 into were you a private entity buying a piece of property,
22 because that's what our grantees, essentially, are.

23 MR. MCKEE: I can't think of anything
24 at ten after 6:00 to ask, unless Mr. Olson has something.

25 MR. OLSON: Absolutely.

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(Laughter.)

MR. OLSON: Everybody's falling asleep, and I want to make sure that if you don't leave here thinking that we think less of you than P.H.E. or fine scouts, or whatever---

MR. McKEE: We work for you, of course.

MS. McDIARMID: We work for you.

(Laughter.)

MR. OLSON: I'm sorry. There will be no mercy.

(Laughter.)

MR. OLSON: Several questions in very quick order. I don't need long answers at this hour either.

But applications for refunding have now been received, where are they in the flow?

MS. McDIARMID: Two copies are, or should be in headquarters and two copies should be in the regional office.

MR. OLSON: When were they received?

MS. McDIARMID: The deadline was October 15th, Friday.

MR. OLSON: Yesterday.

Can the Board get copies of the applications for refunding that were sent to the programs; the form? Is it a standard form like they used

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1 last year with a pink cover?

2 MS. McDIARMID: Yes.

3 MR. ASKEW: Yes.

4 MS. McDIARMID: This one is blue.

5 MS. RAPHAEL: This one is blue.

6 MR. ASKEW: It was changed slightly, but
7 pretty much the same.

8 MR. OLSON: This thing. (Indicating.)

9 MS. McDIARMID: Yes.

10 MR. OLSON: And it was revised since this?

11 MR. ASKEW: Yes.

12 MR. OLSON: Can we get this, because I
13 don't have the foggiest idea what we sent out to the
14 programs?

15 What happens next?

16 MS. McDIARMID: Well, as I say, I just
17 finished talking to my staff about it, because I'm going
18 to be at a training program next week, trying to teach
19 folks how to practice law.

20 There are budget pages. Those are going to
21 have to be reviewed.

22 There are pages that deal with staff
23 composition.

24 MR. OLSON: Well, they get reviewed at the
25 regional office---

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1 MS. McDIARMID: Yes.

2 MR. OLSON: ---and simultaneously at
3 headquarters?

4 MS. McDIARMID: I don't know what
5 headquarters is going to do with its two copies.

6 MR. ASKEW: We're doing it a little bit
7 differently this year.

8 In the past, all of the copies -- most --
9 well, three copies went to the regional office, where
10 they were reviewed for accuracy, for completeness, for
11 any problems, and then ultimately sent on to the Office
12 of Field Services for processing.

13 This year, we ask that, because we were
14 behind in the process, we asked that the programs send
15 copies to us, because some of the information that is in
16 the refunding package is for other divisions of the
17 corporation, other than the Office of Field Services --
18 the EEO division, the Office of Information Management,
19 which does the fact book, needs to take the information
20 out of the grant package to compile its facts that are
21 used in terms of changes in the program, and the
22 Controller's Office.

23 So, the regional offices do a fairly
24 thorough review of the application for completeness,
25 accuracy, and take out of it what they need, and then they

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1 forward them on to us around the first of November for
2 processing within the division.

3 Other divisions of the corporation are
4 already now started on compiling the information that
5 they need from the applications.

6 MR. OLSON: So, OFS gets them from the
7 regions by November 1st?

8 MR. ASKEW: That's right.

9 MR. OLSON: Now---

10 MS. McDIARMID: With the addition of any
11 special grant conditions, such as Mr. McKee---

12 MR. OLSON: That's my next question. I
13 don't understand this. Are there -- for individual
14 programs, for example, where you might have a particular
15 problem, and you have a particularly recalcitrant,
16 non-cooperative attitude, can you impose specific, unique,
17 grant conditions on a specific grant, and is that---

18 MS. McDIARMID: We can request that OFS-DC
19 recommend to the President that he impose such conditions.
20 We initiate the process, which then---

21 MR. OLSON: Can you give me an example of
22 that kind of a unique condition?

23 MS. McDIARMID: This is not one that's
24 particularly enforcement oriented, but if we know that a
25 project director is likely to leave within a year, and

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1 we frequently have information about potential applicants
2 that the program doesn't easily have access to, we have
3 a condition that we use fairly standardly on grants in
4 my region, that asks that we be notified of the top three
5 applicants for the position, so that we can provide any
6 information that may be available.

7 Sometimes there's none, sometimes there's
8 some information, but that would be an example.

9 In terms of an enforcement kind of one---

10 MR. LYONS: Installation of a supervisory
11 system or something like that, case management systems,
12 new accounting system, bringing a Board in to compliance
13 within a reasonable amount of time, any number of things
14 that relate to the practice and management of a program,
15 either in the legal work, the accounting systems, or
16 anything that relates to the enforcement of the Act as
17 a practical matter.

18 MS. RAPHAEL: I know one -- the year in
19 which we didn't have an attained resolution until quite
20 late, December whatever it was. It was unclear that the
21 programs -- what they would be getting, and, so, we had,
22 I think, pretty standardly last year, said that once the
23 budget figure became known, the programs would submit to
24 us budget for our approval as to how they would be
25 spending the money. Because, at that time, we didn't

1 know we'd take a 25 percent, 20 percent cut, 30 percent
2 cut, or whatever it was going to be. We didn't have that
3 241 figure, and, so, the programs didn't know what amount
4 to be applying for.

5 So, basically, I think at that point they
6 applied for what they had gotten in 1981, and then, using
7 that budget, and then we required them as a special grant
8 condition to give us a budget at the 75 percent figure.

9 MR. OLSON: Well, that would apply to
10 everyone, so that's not a unique practice.'

11 MS. RAPHAEL: It's a standard---

12 MR. ASKEW: It's a general grant condition,
13 basically.

14 MR. OLSON: Obviously, the Office of
15 Field Service originally comes up with a standard grant
16 conditions, but do those ever get before any committee
17 or before the Board for review?

18 MR. LYONS: We, the management of the
19 program in the past, has taken the view that a grant
20 make a specific grant-making decision as it relates to
21 particular grantees are the function of the President
22 and the staff of the corporation, and the Board, in its
23 committees, sets broad, general policies. By that, for
24 obvious reasons, I mean you don't want to put Board
25 members in a position of reviewing particular grants,

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1 for the purpose of, you know, insulating them from any
2 kind of perception or charges of---

3 MR. OLSON: No, I'm not really speaking
4 about the unique grant conditions. What I'm more speaking
5 about is like these general grant conditions that are
6 what, Tab E, or something, of the document?

7 MR. ASKEW: Right.

8 MS. RAPHAEL: Oh, yeah.

9 MR. ASKEW: Frequently, the 10 percent
10 requirement on programs was a general grant condition
11 last year, and I think that came before the Board before
12 it was---

13 MR. LYONS: Yes. Any kind of policies
14 that the Board adopts, or any committee comes up with,
15 that they want to be a part of their policy direction of
16 this national program, we have to choose the mechanism
17 by which we will implement and enforce that policy.

18 Sometimes it's by grant condition.
19 Sometimes it's by regulation. Sometimes it's by
20 instruction. There are all kinds of vehicles and
21 mechanisms to do that.

22 But the answer is that the Board's
23 policy directions are frequently enforced and carried out
24 through such mechanisms as grant conditions or
25 instructions.

1 MR. OLSON: I think maybe this is an end
2 -- our chairman, but I would suggest that something like
3 this, Bill, be addressed by the Board, perhaps, at the
4 December meeting, and I know I mentioned this to Clarence
5 once or twice, but he's mentioned to me, but I don't
6 think we've ever followed up on it. I would hope that
7 this is something that be sent around with a cover memo
8 saying that this is what's going to be used unless there's
9 some further changes by staff or by the Board, so that
10 we're -- we focus on whatever document you're now using.

11 MR. HARVEY: I think it's a good suggestion.

12 MR. LYONS: Let me be clear about what
13 you're telling us to do.

14 MR. HARVEY: Is this the chairman you're
15 talking to?

16 (Laughter.)

17 MR. HARVEY: There's two or three of them
18 up here.

19 MS. McDIARMID: I think it may be the
20 assurances page.

21 MR. OLSON: The assurances page. Exactly,
22 yeah.

23 MR. LYONS: You want to be able to have
24 that review by committees and by the Board?

25 MR. OLSON: Well, I think it ought

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1 to be just -- first of all, I think the whole application
 2 for refunding, as it's now constituted, which has
 3 been sent out to all the programs, and returned filled out,
 4 presumably, by everyone by now, ought to be sent to the
 5 Board, and, more specifically, with respect to these
 6 general grant conditions -- they're termed assurances,
 7 but they're really grant conditions -- that these things
 8 be -- the Board have an opportunity to review them before
 9 the paperwork go forward into final form for the fiscal
 10 '83 -- calendar '83 grants.

11 Okay, here's my point -- first of all,
 12 is it JoAnn or Jody?

13 MS. RAPHAEL: My real name is JoAnn. I've
 14 never been called that from the day -- hour of birth.
 15 So, the nickname is Jody.

16 MR. OLSON: Okay, JoAnn.

17 (Laughter.)

18 MR. OLSON: See, you'll remember me, I'm
 19 the first one since the hour of birth.

20 MS. RAPHAEL: Yes, William.

21 MR. OLSON: Do you remember the hour of
 22 birth or is that a family story?

23 (Laughter.)

24 MR. OLSON: I don't understand why in
 25 every regional office I've been exposed to has had this

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1 quirk. Your responsibility is very substantially to do
2 what Ms. McDiarmid was telling us about. It's to enforce
3 the Acts and the regs. It's to insure that the audit
4 and accounting guide is in force, and inspect the audit
5 or the reports of the auditors and such, and to keep an
6 eye on the financial operations of these recipients,
7 and I can't for the life of me understand how you can do
8 it.

9 At least in the northern Virginia office
10 -- and just because I live in the next county doesn't mean
11 I'm prejudiced, but, at least, in that office, you say
12 you've got two people who you term as management
13 specialists, some financial people. What I can't figure
14 out is how in Chicago, Ms. Raphael, you can carry out
15 the responsibilities of the regional office with six
16 lawyers and two support personnel, unless the lawyers are
17 an awful lot better schooled than anybody sitting up here
18 on financial matters?

19 MR. LYONS: Pretty good, Bill.

20 (Laughter.)

21 MS. RAPHAEL: Two of our -- one of our
22 lawyers has an accounting background. Brother is a CPA.
23 But he is quite well-schooled, and at this point, we
24 think -- so, he's doing the bulk of the financial review.

25 MR. OLSON: Did you say his brother was

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1 a CPA?

2 MS. RAPHAEL: Yes. He comes from an
3 accounting family.

4 MR. OLSON: Well, I am reassured.

5 (Laughter.)

6 MS. RAPHAEL: We do a lot. We do a lot
7 with outside financial consultants, and consulting firms,
8 and CPA firms, whom we will send to the program to do
9 the review, and we do put them on monetary teams.

10 We just don't feel that we enough work in
11 our region right now for a full time fiscal expert.

12 Most of our programs -- a lot of them are
13 computerized. A lot of them are on automated systems.
14 Many of them present us with monthly reports certified
15 by their auditors as to, you know, everything down to the
16 dollar and cents in the bank and the amount of fund
17 balancing. And a lot of the systems, especially in our
18 brand new programs, are -- they're just absolutely
19 automated, and they're absolutely -- and some of them
20 even are -- have outside people come in and do their
21 bookkeeping for them, for example.

22 MR. OLSON: How many programs in your
23 region?

24 MS. RAPHAEL: 34.

25 MR. OLSON: You have 34 programs. You

1 have annual audit reports that come on every single one
2 of those 34 programs, right? You've got management
3 letters with respect to improvements with respect to a
4 lot of them every year. You've got this -- what I don't
5 understand, but Clint calls fundamental criteria review
6 to review their internal accounting procedures for every
7 one of those 34. You've got files on specific accounting
8 problems which may arise with each of the 34, potentially,
9 and you don't have enough work for one person?

10 MS. RAPHAEL: No, because it's not --
11 because we just don't have that many problems.

12 MR. OLSON: And you bestow millions of
13 dollars?

14 MS. RAPHAEL: Yeah, if you look at our
15 management letters and our audits, our audits, this year,
16 were absolutely clean. I don't think we had one question
17 cost in our whole region.

18 The suggestions in the management letters
19 were really meager. We can use those as a blueprint
20 to follow up on, but sometimes we're very hard put to
21 find any suggestions for improvements, because I think
22 it is so -- it has become so mechanized that I think,
23 in my region, anyway, with these brand new programs,
24 these systems have been set-up afresh by experts, by
25 expert CPA firms. So, we don't---

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36 1 MR. OLSON: Maybe you can help out the
2 northern Virginia office. They need two people.

3 MS. RAPHAEL: Well, I think maybe you
4 have -- your programs are also older, aren't they, too?
5 It's quite different from region to region.

6 MS. MCDIARMID: I think that the historical
7 experience does make a real difference, as well as size
8 of programs, and that kind of thing.

9 Most of ours are not automated. Most of
10 our programs are just beginning to try to deal with
11 automated financial systems.

12 Many of our programs are smaller than the
13 programs that Jody has, and a larger program can afford
14 the overhead of a sophisticated financial system that a
15 smaller program cannot. So, we spend a fair amount of
16 time on technical assistance and review in the financial
17 area.

18 MR. LYONS: Let me just give you a bit
19 of history, Bill, on the difference in the regions.

20 We had to undertake the retrenchment
21 whereby we cut back a huge percentage in staffing of our
22 regional office, I required each regional director to
23 undertake an exercise whereby they identified the most
24 critical problems in their regions, and asked them to
25 propose to me budgets based on the staffing that was

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1 required to address those prior times problems. As a
2 matter of fact, I had each one of them come into
3 Washington to review those plans with me, and thereby
4 we got away from, based on the cutbacks, from a kind of
5 standard operation we have whereby we had two management
6 specialists, accountants in the office, four lawyers, or
7 six lawyers, or eight lawyers, those kinds of things.

8 So, the retrenchment effort did sort of
9 force us to broaden our ties.

10 Jody has had a situation where she decided,
11 based on that requirement, to focus most of the attention
12 based on, I assume, the fact, which I accepted, that
13 the financial systems in her region were up to speed and
14 well-managed, and that the operation we had at head-
15 quarters in terms of reviewing those financial audits did
16 not require, as a matter of priority, the kind of
17 attention to that area as Marjorie's or some other region
18 may require.

19 MR. OLSON: Well, you guys are the experts.
20 I'm just sitting here as a lay person trying to grapple
21 with my statutory responsibilities, but I'm befuddled.
22 I think you ought to fire the lawyers, and hire some
23 CPA's. I cannot for the life of me---

24 MR. LYONS: Nobody has accused this
25 program of -- this is one of the few governmentally-

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1 funded programs that has not been accused, as has been
2 the case in many of the poverty programs, of
3 misappropriating or mismanaging its money.

4 The problem in this program has been the
5 controversy, and the view that some of the lawyers, in
6 their representation efforts, may have overstepped the
7 bounds of the intent of the Congress in the representation
8 of those clients, but there have been very few charges
9 that this program, on a fiscal unit level, and other
10 levels is mismanaged.

11 MR. OLSON: Well, you see, there's a --
12 that, I think, constitutes too narrow a view of what the
13 accounting profession and auditors can do for you, and
14 it's just -- my experience is not in this area, but
15 dealing with these people -- dealing with people who are
16 accountants, and such, with one non-profit organization
17 I'm on the board of and such, we get a lot of help from
18 them.

19 They can come in and take a look at a
20 budget, and be able to tell you more than a lawyer can
21 looking at it, in terms of whether -- in terms of
22 appropriate allocation of resources, whether things are
23 flagged, whether they -- you can tell a lot about
24 priority setting by budgets, and I -- well, maybe, you
25 know, the people -- I don't really mean to be contentious,

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1 except to keep you awake.

2 But I can say that it never made sense
3 to me. Bucky and I were sitting out there in Denver, and
4 I said, "Don't you have any management people around?"
5 And he said, "Well, we had one, and he left, and we
6 haven't gotten around to replacing him, but we have five
7 lawyers, and two secretaries", and I didn't understand
8 it then, and I couldn't understand it now.

9 MR. LYONS: Well---

10 MR. OLSON: It's not because of
11 mismanagement. It's because I think that that's an
12 expertise and a specialty that brings all sorts of
13 expertise, and experience, there on the kind of management
14 issues that auditors and accountants seem to be able to
15 understand, and lawyers only fumble around in.

16 MS. RAPHAEL: No, I agree with you.

17 I just -- a point I want to make about
18 my region is that many of -- a lot of our programs, and
19 maybe it's even half or three-quarters, are now signing
20 contracts with auditing firms, and the auditors are
21 coming in each month, and doing the financial statements,
22 you know, closing the books for the month, writing up
23 all kinds of -- doing exactly -- sitting down and doing
24 monthly budget forecasting based on the balance sheet,
25 and presenting us with this package on a monthly basis

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1 now. So, these are the kinds of audit services that, I
2 think, when you were talking -- debating the single
3 auditor issue, that, factually, what's happened out there
4 is that programs are using these audit firms on a monthly
5 basis in a very cost-effective way.

6 So, in a sense, they've sort of replaced
7 us.

8 MR. OLSON: But I would submit that---

9 MS. RAPHAEL: From having to do that
10 initially, so, we can certainly look at the paper that
11 is produced.

12 MR. OLSON: I appreciate that, and I
13 think that's a good point.

14 But I would submit that the auditing firms
15 that are doing the work for those 34 programs would tell
16 you of that, that they could profit from having one or
17 two people in the regional office who were experts with
18 the same specialty to be able to talk the same language
19 they do, and to be able to provide you the kind of
20 oversight information that would make your job even more
21 efficient, and effective, in assuring compliance with
22 the statute, the Act---

23 MR. ASKEW: Let me say one thing.

24 We do have an audit division of the
25 corporation, which is staffed by CPA's, which does review

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1 every audit report submitted by a program, and then works
2 with the relevant regional office if any follow-up is
3 required, number one.

4 Number two, we have an audit guide that
5 my understanding is that it's a model in the industry,
6 especially in the non-profit industry that most auditing
7 firms, especially the Big 8 would tell you, is a fantastic
8 audit guide that allows the local CPA firms to have most
9 of the information they need.

10 Third, we require every local---

11 MR. OLSON: I've actually read, by the
12 way.

13 MR. ASKEW: Good.

14 Third, every program---

15 MR. OLSON: I didn't charge for it, but I
16 read it.

17 MR. ASKEW: ---is required to have an
18 audit committee of its Board of Directors that, similar
19 to our audit and appropriations committee, that meets
20 with the auditing firm to do exactly what you were saying,
21 which is to get guidance from the auditing firm about
22 needed changes, to deal with them on the management letter,
23 those things.

24 And, fourthly, to think that Marjorie's
25 two people spend 100 percent of their time on fiscal

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1 issues of fiscal management is really not the case. Those
2 people have broader skills than simply fiscal skills, and
3 they get involved in lots of management issues, other
4 sorts of issues, in working with programs than simply
5 fiscal management stuff.

6 MR. OLSON: I'm sure you're right.
7 I've got to ask one last thing, which is:
8 Do you review support centers if they
9 happen to be in your region?

10 MS. McDIARMID: If they're in the region,
11 yes. I don't have any.

12 MR. OLSON: You don't have any?
13 You don't have any?

14 MS. RAPHAEL: I have clearinghouse.

15 MR. OLSON: You have clearinghouse.

16 MS. RAPHAEL: For legal services.

17 MR. OLSON: But they don't receive money
18 any more, do they?

19 MR. LYONS: Clearinghouse?

20 MR. OLSON: Yes.

21 MR. LYONS: Yes.

22 MR. ASKEW: They're not a support center,
23 no, but they do receive a grant from the corporation, yes.

24 MR. McKEE: I don't know how much that it
25 is, but---

1 MR. ASKEW: The grant?

2 MS. RAPHAEL: It was---

3 MR. ASKEW: It was \$900,000 for a
4 15-month period.

5 MS. RAPHAEL: Right.

6 MR. McKEE: When does the 15 months expire?

7 MR. ASKEW: December 31st.

8 MR. McKEE: \$900,000.

9 MR. ASKEW: That included -- they are the
10 regional computer-assisted legal research facility, so
11 that money is included in that amount.

12 MR. OLSON: So, you would treat clearing-
13 house and other regional offices that had -- who is DC?

14 MS. RAPHAEL: Philly.

15 MR. OLSON: Who is---

16 MR. ASKEW: Philadelphia.

17 MR. OLSON: That makes sense.

18 MR. ASKEW: Excuse me. The support centers
19 are dealt with directly by the Washington office of the
20 corporation. They're not under the jurisdiction of the
21 regional offices.

22 The clearinghouse we treat differently,
23 and it is under Jody's jurisdiction, but it is not a
24 support center in that sense.

25 MS. RAPHAEL: No. And the contract

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1 provides for oversight specifically by the---

2 MR. ASKEW: By the regional office.

3 MR. OLSON: So, support centers do not
4 fall under regions?

5 MR. ASKEW: No.

6 MR. OLSON: How about state support
7 centers?

8 MR. ASKEW: Yes, they do.

9 MS. RAPHAEL: Yes, sure.

10 MR. OLSON: They fall under regions?

11 MR. ASKEW: Right.

12 MR. OLSON: The national support centers
13 do not?

14 MR. ASKEW: Right.

15 MR. OLSON: Thank you.

16 MR. HARVEY: But you said -- that was
17 going to be my question, Bill, about support centers.
18 Do you have jurisdiction over them?

19 You said, Marjorie, you have one, is that
20 what you said?

21 MS. McDIARMID: State support centers, I
22 have seven, eight grantees that receive some state support
23 money.

24 There are three state support centers,
25 plus some of our local grantees also have a portion of

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1 state support that they deal with.

2 MR. HARVEY: Did the clearinghouse submit
3 an application to you for refunding with---

4 MS. McDIARMID: Yes, it did. Yes, it did

5 MR. HARVEY: So, that's pending now?

6 MR. ASKEW: Yes.

7 MR. OLSON: \$900,000.

8 MS. McDIARMID: Yes.

9 They have some supplementary requests.

10 MR. MCKEE: Now, would that be something
11 that goes through the regular channel, like a grant, like
12 a program, or is it something that the Board would see
13 for the clearinghouse?

14 MS. RAPHAEL: No, they were not given --
15 they were, as you know, were originally a division of
16 the corporation, and then they received a grant over the
17 past 15 months for their operations, but it's my
18 understanding -- it's pursuant to. It's a contract, and
19 it was -- it can be viewed as a -- in my opinion, a
20 one-time arrangement.

21 MR. LYONS: The issue of the clearinghouse
22 will come before the Board.

23 MS. RAPHAEL: Would be a board decision.

24 MR. LYONS: It would be a board decision
25 as to whether or not it's funded further.

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1 MR. HARVEY: What about the other support
 2 centers, Bucky? Does that go through your office, thence
 3 to Clint, and then the Board?

4 MR. ASKEW: That's right.

5 MR. HARVEY: Same type of check in
 6 management which Marjorie and Jody described. Do you do
 7 that, or do you have other people that do that?

8 MR. ASKEW: I have a staff that does that
 9 that reports to me.

10 The support centers, before the
 11 retrenchment of the corporation, were under the
 12 responsibility of the Research Institute of the
 13 corporation, which was disbanded during retrenchment, and
 14 that responsibility was transferred to the Office of
 15 Field Services.

16 We have a unit in my division that is on
 17 national and state support, but it basically is
 18 responsible for oversight management of the national
 19 support centers, and they report directly to that -- to
 20 that unit as opposed to the regional offices.

21 MR. HARVEY: I've always been fascinated
 22 by the geographical division of the support centers.
 23 Jody has a great chunk of Louisiana Purchase. Marjorie,
 24 the Northwest Territory, and I don't think any single
 25 address for those organizations has found that territory

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1 probably six times the size of France.

2 MR. ASKEW: That's always a very sensitive
3 issue to me, because none of them are located in the
4 south.

5 MR. HARVEY: I'm wondering, really, what
6 is it that they support, except the East Coast and the
7 West Coast? I guess I have to admit to Indiana bias on
8 this subject.

9 MS. RAPHAEL: You just sound like a
10 project director in my region.

11 MR. HARVEY: More power to them.

12 (Laughter.)

13 MS. RAPHAEL: We'll be happy to receive
14 additional in Chicago. I think it's a natural place.

15 MR. OLSON: Are all national support
16 centers funded by contracts?

17 MR. ASKEW: Yes.

18 MR. OLSON: And do they all expire at
19 12-31-82?

20 MR. ASKEW: I don't think so. I think
21 there are some that are a July 1st contract year.

22 MR. OLSON: Can somebody give us a list
23 of those?

24 MR. ASKEW: Yeah.

25 MR. OLSON: The expiration date of those.

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1 Because if we don't have to deal with -- well, I guess
2 we'd have to deal with it anyway.

3 MR. ASKEW: Right.

4 MR. MCKEE: Yeah, the ones ending in
5 December have filed applications, submitted their programs,
6 I would think---

7 MR. ASKEW: Right.

8 MR. MCKEE: On grant conditions that we're
9 talking about, let's assume that all the applications are
10 in Washington now, have left your houses, and Bucky is
11 sitting up as the right wing ideologue in the wee hours
12 of the night signing applications or whatever, now, what
13 if, say, at the December Board meeting, after discussions
14 and reports from the contracts committee or after seeing
15 the staff report on support centers, or after we make a
16 report to the Board on certain areas of policies and
17 grant conditions -- for example, if on minority bar
18 participation, or clients on the Board, or a change in the
19 priorities, for example, in terms of national or state
20 support -- the Board, then, says as a blanket grant
21 condition on all of these grants, we want "X", "Y", or
22 "Z", they don't have to go back as a condition to the
23 people that get signed to agree?

24 The minute they accept it, they're
25 agreeing to the grant? So, then---

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1 MR. McDIARMID: The condition letter has
2 always -- that comes from the President has always in
3 the past said cashing this check means you accept these
4 conditions.

5 MR. McKEE: So, therefore, in December,
6 or whenever we do this, we can make recommendations
7 and have the statement of policy, or conditions, either
8 based upon what the Congress does, or whatever, on all
9 of these, which would make it effective the minute
10 that check was cashed, correct?

11 MR. ASKEW: Right.

12 MR. LYONS: Yes.

13 MR. McKEE: Okay. Okay.

14 The last, training, you said that -- are
15 you going to a training session or something? What
16 training is that? You're going to conduct a training
17 program?

18 MS. McDIARMID: Yes.

19 MR. McKEE: Is that under your regional
20 office money for training?

21 MS. McDIARMID: No, that particular one---

22 MR. McKEE: The NLADA's---

23 MS. McDIARMID: ---would cobble together
24 mainly with money from one of the regional training centers.

25 MR. McKEE: That was my next question.

50
1 The regional training centers; where are
2 they, and what they do? We give them two million dollars,
3 is it?

4 MS. McDIARMID: Jody's got one. I haven't.

5 MR. LYONS: We've allocated two million
6 dollars in the budget for regional training development.

7 MR. McKEE: On this regional training
8 development, the region is in charge of -- who trains?

9 MS. RAPHAEL: Well, the idea was that
10 the training center would be composed of people with
11 expertise in training design and training delivery, who
12 would look at the training needs in the region, and---

13 MR. McKEE: They're within your shop?

14 MR. ASKEW: No.

15 MR. McKEE: They're not?

16 MS. RAPHAEL: Well, the training -- no
17 the training center is located in Indianapolis, and it
18 is part of the Legal Services organization of Indiana.

19 Its duty, though, it's received
20 funds, and its duty is to facilitate training. It doesn't
21 put on training, but it facilitates training. The
22 philosophy behind that was the regional office should not
23 be doing training. The Corporation should not be doing
24 training. The programs have got to have training as a
25 regular in-house activity of attorneys and paralegals,

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1 and support staff. And the smaller programs have go to
2 band together with other smaller programs, or larger
3 programs have got to figure out a way, or groups of
4 programs, to get people trained in an efficient manner.

5 And the idea was that the training center
6 would take a look at the whole regional and all the needs,
7 and figure out a way to help the local programs deliver
8 training or get training put on.

9 MR. McKEE: Any region has a training
10 center?

11 MS. RAPHAEL: No.

12 MR. McKEE: You said Indianapolis---

13 MS. RAPHAEL: The Indianapolis training
14 center serves both our two regions.

15 MR. LYONS: Let me just back up a minute
16 and explain what the regional training centers are
17 and what the history of it is.

18 Training has been viewed in the
19 corporation over a period of time as a product of
20 developing techniques and approaches to training, as well
21 as training delivery.

22 The corporation itself, for a number of
23 years, through its Office of Program Support undertook
24 that effort.

25 In 1981, and prior to that, the corporation

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1 began to take a direction of decentralizing training,
2 so, in 1981, the corporation in cutting back its oper-
3 ations, cut out the Office of Program Support, it
4 decentralized all of its training development efforts
5 in five regional training centers throughout the country
6 that are sort of independent contractors, who may be
7 housed in a legal services program, or as part of a state
8 support effort, to do this training development that
9 the Office of Program Support previously did, the Board
10 of the corporation allocated for that purpose, for those
11 five regional training development efforts, two million
12 dollars. One is in Indiana.

13 MR. McKEE: Okay, that helps me out a bit.

14 This morning when NLADA was talking about
15 training, they used similar words that you did a moment
16 ago, concepts and the governmental training. NLADA does
17 some training, and PAG does some training, and there is
18 regional training. Is there an overlap on the---

19 MS. RAPHAEL: Well, no.

20 MS. McDIARMID: The PAG, client's
21 council, and the regional training centers are---

22 MS. RAPHAEL: PAG does not do training.

23 The training that I'm talking about, and
24 the regional training centers are concerned about,
25 I think, is the less exciting, the less razzle dazzle

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1 skills training for attorneys, basic skills training for
2 young attorneys, trial skills training, kinds of in-house
3 programs that law firms provide.

4 Many law firms, I know from personal
5 experience in Chicago area, send people to various
6 outside training programs, like the NEA training in
7 Boulder or the NEA training in Chicago, and so on.
8 That costs \$900 tuition. Most of our programs cannot
9 -- don't have that kind of money to put into that.

10 So, one of the types of training that
11 the regional training center is getting into is, can we
12 get some pro bono -- can we get the people that do the
13 training at NEA and so on and get them to make a pro bono
14 contribution to assist as trainers, and can we mount these
15 types of skills training locally, or at least in certain
16 parts in our region, because it's our feeling that
17 because of monetary problems the attorneys are not
18 getting that kind of support -- for example, not getting
19 that kind of skills development, and training opportunities
20 that they would get if they worked in private firms,
21 and that's a real important part in terms of quality
22 client services is the training of the people.

23 I don't think we have used our law school
24 faculty to the extent -- it should be possible to put
25 together the little program out in Black Hills with its

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1 five attorneys can really get it together, and, so, can
2 we put a couple of states together, get some law schools,
3 get some private practitioners, and put together a
4 training program, have it last a week, get people in, and
5 get them trained.

6 That's the kind of training that I -- as
7 an example, NLADA is not talking about that kind of skills
8 training.

9 MR. MCKEE: I think we'll leave in about
10 five or six minutes, but I just have two little things.

11 MR. OLSON: You know, we had a pool before
12 this meeting started, and Clarence bet that he was going
13 to end at 6:50, and he's going to drag it out until
14 6:50 to win that dollar.

15 (Laughter.)

16 MR. MCKEE: How much money of our budget
17 goes to regional office concept in structures and things?

18 MR. LYONS: Three million dollars.

19 MR. MCKEE: Sometimes I think that maybe
20 we ought to unretrench and bring training support, all
21 that -- you can all relax -- bring it back into Washington
22 the way it was before and see how that works. I don't
23 know.

24 It seems like there's too much out there
25 all over in terms of the spreading around the country

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1 that it's just hard to track, but I guess if you
2 understand how it developed and the matter as to why, it's
3 easy to understand, but it seems like it's---

4 MR. LYONS: That is the key.

5 MR. MCKEE: I still wonder if we shouldn't
6 come back a bit, I don't know.

7 MR. OLSON: Could someone describe it
8 to us in a written form, if it doesn't exist, Bucky,
9 since you're the acting director of the Office of Field
10 Services?

11 MS. RAPHAEL: Describe what?

12 MR. OLSON: We have had this explained to
13 us; the way in which we train people, and the differences
14 between all the different kinds of training. This would
15 be a great memo for you, Bucky.

16 (Laughter.)

17 MR. OLSON: This would rival Clint's
18 fund balance memo, which will go down in history.

19 (Laughter.)

20 MR. LYONS: I'm going to have that one
21 published.

22 (Laughter.)

23 MR. OLSON: You also had it implemented,
24 which is even better, but, seriously, this is something
25 that Clarence and I have talked about. I think this

1 Board is terribly interested in having effective training
2 to have effective advocates, and I am skeptical that
3 the way in which we currently approach is not the best.

4 I absolutely agree with Clarence. I don't
5 know what the solution is. I don't really understand
6 the way in which it's developed, but just because it
7 developed that way doesn't mean it's the best way, with
8 all due respect to historians in the group. And I think
9 we ought to take a look at it, and I'd love to see
10 something from the great Dr. Askew.

11 MR. ASKEW: You've been asking for this
12 for six months, I think.

13 MR. OLSON: Well, actually, I got one of
14 the things I was asking for for six months. Clint sent
15 it to me, and I thank you, Clint, it was a list of the
16 sources of information by local programs, and -- as a
17 matter of fact, I even worked it into a couple of
18 questions today. So, consider it worthwhile. I really
19 do appreciate that. I think that was a good review, and
20 if it hadn't existed before I asked for it, maybe
21 somebody else will benefit from it.

22 MR. LYONS: I must say, you do your
23 homework, and you do spare us the action on some things.

24 MR. HARVEY: We thank you, Marjorie, Jody,
25 thank you very much.

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1 The comments have been very, very good.
2 It's 6:45. We'll take a small break,
3 and we'll be done by midnight.

4 (Laughter.)

5 MR. HARVEY: Thank you very much.

6 Clarence and I conclude as chairpersons,
7 things, or sometimes men.

8 MR. MCKEE: Chairmen.

9 MR. HARVEY: And we thank you all very
10 much. I especially want to extend our sincere thanks
11 and appreciation to Clint, and the corporation staff,
12 to Ann Tracy, Dennis, LeAnn, Marjorie, Eric, for coming
13 out -- I've forgotten your name---

14 FROM THE FLOOR: Mary.

15 MR. HARVEY: Mary. Thank you very much.

16 I think it's been very succesful day, and
17 very informative, at least for me, and I hope it has been
18 for everyone else.

19 Thank you for coming. Take your earplugs
20 out and we'll give you a round of applause.

21 (Applause.)

22 THE REPORTER: Thank you.

23 (Whereupon, the at 6:50 p.m., the above-
24 entitled conference was concluded.)

25

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In the matter of: Joint Meeting

Before:

Committee on the Provision of Legal Services
and

Date:

Special Committee on Grant and Contract Procedures

On October 16, 1982

Place:

Airport Hilton
North Ballroom
Indianapolis International Airport
Indianapolis, Indiana

represents the full and complete proceedings of the
aforementioned matter, as reported and reduced to type-
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