

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

TELEPHONIC MEETING OF THE
DEVELOPMENT COMMITTEE

OPEN SESSION

Friday, December 17, 2010

4:31 p.m.

Legal Services Corporation
3333 K Street, N.W.
Washington, D.C. 20007

COMMITTEE MEMBERS PRESENT:

John G. Levi, Chairman
Martha L. Minow, Vice Chair
Charles N.W. Keckler
Herbert S. Garten, Esq. (Non-Director Member)
Thomas Smegal, Esq. (Non-Director Member)
Frank B. Strickland, Esq. (Non-Director Member)

OTHER BOARD MEMBERS PRESENT:

(None)

STAFF AND PUBLIC PRESENT AT THE CORPORATION'S OFFICES:

Victor M. Fortuno, President and General
Counsel (via telephone)
Patricia Batie, Corporate Secretary and FOIA
Officer, Office of Legal Affairs
David L. Richardson, Comptroller/Treasurer
Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel, Office of the Inspector General
Charles Greenfield III, Program Counsel III, Office
of Program Performance
Terry Brooks, American Bar Association Standing
Committee on Legal Aid and Indigent Defendants
(via telephone)
Don Saunders, National Legal Aid and Defenders
Association (via telephone)

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

2 (4:31 pm.)

3 CHAIRMAN LEVI: This meeting was duly
4 published in the Federal Register, I think, a week ago.5 It's the first meeting of the Development Committee.
6 And I'd like to call it to order and ask for a motion
7 to approve the agenda.

8 M O T I O N

9 DEAN MINOW: I move the agenda. It's Martha
10 Minow.

11 CHAIRMAN LEVI: And Charles, you seconded it?

12 PROFESSOR KECKLER: I will gladly second it,
13 John.

14 CHAIRMAN LEVI: Thank you. All in favor?

15 (Chorus of ayes.)

16 The second item is to consider and act on a
17 calendar year 2011 initiatives and agenda for the
18 committee. I want to throw out a few ideas related to
19 that that have been -- and I'm sure others of you may,
20 and none of this is written in stone.21 The first is (telephone breaks up) Board
22 understand the development operations of our grantees.

1 And by that, I also mean what their best practices
2 are, how they're going about it. Some of them have
3 told me that they have money in their boards for
4 development operations. Others have suggested that
5 they do not.

6 Who's joined us?

7 MR. SMEGAL: Tom Smegal.

8 CHAIRMAN LEVI: Good. Well, we're on item No.
9 2, which is the series of things that -- the
10 initiatives for 2011.

11 So I was saying the first thing, I thought,
12 was to better understand the development operations of
13 our grantees. I don't know whether this is an arena in
14 which the Board, Vic, has ever looked, has it?

15 PRESIDENT FORTUNO: No. I don't believe it
16 is.

17 CHAIRMAN LEVI: And some of the grantees have
18 told me that they have development operations. Others
19 of them tell me that they don't. Those that have them
20 sometimes say they don't have enough of them.

21 So I'd like to better -- I think it would be
22 helpful to us to understand what those are; then,

1 possibly, to be able to help the grantees share best
2 practices among themselves. I'm told that, for
3 example -- and you might know this, Vic -- when there's
4 a capital expenditure for a building or what have you,
5 do we oftentimes get asked to pay for that?

6 PRESIDENT FORTUNO: LSC is oftentimes asked
7 for permission, as is required, to use LSC funds to
8 purchase real estate.

9 CHAIRMAN LEVI: Yes.

10 PRESIDENT FORTUNO: It will be used for the
11 down payment, and it's used to pay off the note, either
12 in whole or in part. So yes, LSC is consulted, and in
13 fact has to consent to it. And we do follow up on it
14 to ensure that our interest in the property is
15 perfected.

16 CHAIRMAN LEVI: Yes. So related to the first
17 question, then, the second question I have, as it
18 relates to our grantee community, is whether or not
19 they've ever engaged in capital campaigns, either for
20 real estate, for capital expenditures. Have they ever
21 thought about that? Do they know how to go about it?

22 This is a fairly common phenomenon in the rest

1 of the 501(c)(3) world, and I wonder if we could help
2 learn about that from our grantees and possibly be in a
3 position to, occasionally, when they need it, help them
4 launch that.

5 PRESIDENT FORTUNO: This is Vic. I think
6 you'll find that it runs the gamut. There are some
7 that are very sophisticated and run very sophisticated
8 operations and campaigns, and there are others that are
9 not so much so.

10 CHAIRMAN LEVI: Yes. First, (telephone breaks
11 up) initiatives that I thought that people have
12 mentioned to me in the year is that there is a sense, I
13 guess, among a lot of the grantees that they cannot
14 approach, on behalf of the grantees, the large
15 foundation community.

16 They believe that for -- even though I
17 understand that the field likes to have these
18 unrestricted grants or undesignated grants from LSC,
19 there is a sense that for at least certain kinds of
20 projects, whether it's technology or it's with a
21 particular issue or a particular area of the country,
22 that we might be able, on behalf of the entire

1 Corporation or on behalf of a region or an issue, to
2 approach on their behalf the larger foundation
3 community or corporate giving community that they feel
4 they do not have access to. So that's another thing
5 that I believed we might want to look at.

6 And of course, then, the fourth thing that
7 relates to all of that is internally at LSC, how would
8 we go about supporting all of that if we believe that
9 any of those ideas are worth exploring?

10 So that's what I had on my list. I'm throwing
11 it out to the rest of you. Martha, Charles,
12 particularly Herb, Frank, Tom, any of you want to chime
13 in? I can't see your faces. Vic, from your
14 experience, if there's something that you think we
15 should add to that list, please speak.

16 PRESIDENT FORTUNO: I don't know that it's so
17 much something to add to the list, but just something
18 to be mindful of. And that is that in terms of raising
19 funds, we are registered in the District of Columbia.
20 We are not registered in other jurisdictions. And I
21 think that if not all, all but one do have registration
22 requirements for fundraising.

1 There is a standardized form that's been
2 developed, and 30-some-odd of the jurisdictions accept
3 that form, so that for those jurisdictions, we wouldn't
4 have to complete individualized forms. We could do the
5 one form and file a copy.

6 But this is getting fairly detailed. I just
7 wanted to note that there is a registration
8 requirement --

9 CHAIRMAN LEVI: And LSC has not previously
10 registered for any fundraising activity?

11 PRESIDENT FORTUNO: We are registered in the
12 District, and we have raised a little bit of money.
13 But LSC has not engaged in any substantial fundraising.

14 MR. GARTEN: Herb here. We have received
15 funds voluntarily, the best illustration being when
16 president Helaine retired, that there were some
17 voluntary contributions.

18 Vic, you might have to refresh me on -- what
19 about the LSC legislation and regulations affecting us?

20 Was there anything that we ran into that might
21 prohibit us from moving forward along those lines?

22 PRESIDENT FORTUNO: No. I think that we are

1 authorized to raise funds. I think you're right that
2 some funds were received, and they were not as a result
3 of fundraising. They were contributions that were, for
4 lack of a better term, sua sponte contributions.

5 We did raise some small amount of money that
6 was as a result of requests, but that was done in the
7 District of Columbia and after -- actually, in one
8 instance, I guess we got a small amount of money from
9 Friends of LSC. But that wasn't a problem because the
10 District -- while we weren't registered at the time,
11 the District has a \$1,500 threshold below which you
12 don't need to be registered.

13 MR. STRICKLAND: Say again the threshold, Vic?
14 Say that amount again?

15 PRESIDENT FORTUNO: I think it's \$1500.

16 MR. STRICKLAND: Okay. I'm sorry. Go ahead.

17 PRESIDENT FORTUNO: One thousand five. But in
18 any event, we are registered and have been so for a
19 while so that fundraising in the District of Columbia
20 we are authorized and registered to do.

21 One of the things that's required is anyone
22 who engages in the fundraising has to get -- they issue

1 a small permit per individual. So the organization
2 registers, and then we have to identify the individuals
3 within the organization who are going to be personally
4 involved in the fundraising.

5 And then, of course, we have reporting
6 requirements that we have to meet at the end of the
7 year, reporting on what our activity were and how much
8 we raised.

9 MR. GARTEN: There were two areas we had to
10 give consideration to. One was the effect of doing
11 this on our individual programs and whether it
12 interfered with their fundraising. And the second area
13 was if we raise money from these sources, what effect
14 would it have upon our appropriations from Congress?

15 So we've got to be careful in both areas if we
16 move forward.

17 MR. STRICKLAND: That is a good point, Herb,
18 because there was one instance when we attempted to do
19 some fundraising, and that was greeted by a letter from
20 someone on the Hill, a member essentially saying, as I
21 recall, that whatever amount you raise through your own
22 efforts, we'll reduce your budget accordingly.

1 Does anyone else remember that?

2 MR. GARTEN: Well, I remember --

3 MR. SMEGAL: Frank, this is Tom Smegal. I
4 think I do. The other concern I would have would be
5 some of the organizations other than our grantees who
6 go to the bar associations and others for their
7 funding. The young lady in Washington is one who comes
8 to mind, Esther Lardent.

9 CHAIRMAN LEVI: But you mean that somehow we
10 would be competing with them?

11 MR. SMEGAL: That would be the concern, yes,
12 that I would -- Tom Smegal again -- that I would have,
13 yes.

14 CHAIRMAN LEVI: And I think we want to avoid
15 competing with the programs.

16 MR. SMEGAL: Oh, I agree fully. I think we
17 should.

18 CHAIRMAN LEVI: But that doesn't mean we can't
19 do any -- and just as you guys may have gotten that
20 kind of a letter, we got inquiry --

21 PRESIDENT FORTUNO: It was from Senator
22 Grassley and Representative Issa.

1 CHAIRMAN LEVI: Yes. Now, maybe with the idea
2 that they could recommend. But the first two items
3 that I talked about were in relation to grantee
4 fundraising on their own behalf.

5 The final item was sort of on behalf of the
6 grantees, in areas where they don't feel that they can
7 make a dent. And it was with the idea that maybe we
8 could help augment the budget.

9 Now, I'm prepared for people to make the
10 argument that, well, that somehow should offset. But
11 my gosh, these grantee programs have suffered drops in
12 IOLTA and in state funding and in other private
13 funding. And it strikes me that the better is that for
14 us to sit around and do nothing in the face of that is
15 where we're much more vulnerable to criticism than from
16 taking a hard look at the topic.

17 MR. SMEGAL: John, this is Tom Smegal. I was
18 not disagreeing with you at all.

19 CHAIRMAN LEVI: I knew that, Tom. I knew
20 that. I just wanted to -- but I am sensitive to the
21 issue here. I don't want the grantees or the Congress
22 to feel we're either, A, doing something wrong, or B,

1 that's meant to supplant their funding.

2 MR. GARTEN: This is Frank again. Perhaps the
3 thing to do is some legwork with our respective
4 committees relative to what we are thinking about doing
5 before simply setting out and doing it without having
6 first touched that base, those bases.

7 MR. GARTEN: Herb here. There's no question
8 that we're in a better position to go after the large
9 foundations than the individual programs. So maybe the
10 approach could be that instead of the funds going
11 directly to LSC, we can in some way suggest to these
12 large foundations that they be apportioned on some
13 equitable ratio among the 130-some programs that we're
14 supporting so that the contributions from the
15 foundations would go directly to the individual
16 programs.

17 I'm just suggesting that as being a way around
18 problems with the individual programs.

19 PROFESSOR KECKLER: This is Charles.

20 That's --

21 PRESIDENT FORTUNO: This is Vic. I think the
22 two points --

1 PROFESSOR KECKLER: I was going to say, that's
2 a possibility. But then you get into this issue, and I
3 think there's two things I would caution about that.
4 One is that if you do that and you model where the
5 money is going like the way that field services are
6 going, then it does look like, from a congressional
7 standpoint, that you're just doing the same kind of
8 appropriation.

9 And the other thing is, I think that from the
10 funders' perspective, they would be interested in sort
11 of a tangible, deliverable, measurable result in the
12 form of a special project, in the form of something
13 new. And I think if we did something new, if we did
14 something specific, we might be able to sell it better
15 to a funder.

16 And the other idea would be that it wouldn't
17 be perceived as replacing appropriations, but of
18 supplementing them.

19 MR. GARTEN: I think that's a good argument.

20 PRESIDENT FORTUNO: That's right. This is
21 Vic. I was going to say that I think the concern
22 that's been expressed in the past, at least from the

1 congressional standpoint, was that if the Corporation
2 raised unrestricted money, that then there was no
3 reason why that couldn't offset the federal
4 appropriation, at least to the extent that funds are
5 raised.

6 I think that if, however, funds that are
7 raised are earmarked for special projects, especially
8 projects not currently being funded for whatever reason
9 it might be, then that would not be, I don't think, as
10 significant a consideration because the money wouldn't
11 be available to supplement our general appropriation.
12 It would be earmarked for special projects.

13 Also, I think that the concerns that the field
14 has expressed over time, and I think Don can maybe
15 speak better to this, but I think the concern was that
16 there was a fear that we would go to the same sources
17 that they go to for contributions.

18 I don't know that the field generally has had
19 a great deal of success with large corporations. I
20 think it's more local or regional, the sources that
21 they're able to tap.

22 And if we were, for example, able to bring

1 together a group of large technology
2 companies -- Cisco, Microsoft, Sun, and the like, and
3 get from them funds for certain kinds of -- whether
4 it's hardware, software, or specific projects, that
5 might be helpful to the field; might not be going to
6 the sources or the wells that they're going to, but
7 would help to supplement their operations in ways that
8 are currently not being funded.

9 CHAIRMAN LEVI: Well, for example, the field
10 has wanted us to host webinars and videoconferencing,
11 and to have better linkage one to the other. We
12 haven't built such a network, and could we go to a
13 foundation for a grant to help us do that?

14 PRESIDENT FORTUNO: Yes.

15 CHAIRMAN LEVI: That kind of thing. That's
16 the kind of project I've been envisioning that might be
17 attractive to someone. And, incidentally -- I've
18 talked about this -- getting some quality research
19 around some of the issues that we're confronting, also
20 a foundation might be interested.

21 Any other suggestions of items we could --

22 DEAN MINOW: Well, it's Martha. Just my

1 question is, what's the relationship between this
2 committee's efforts and the Friends' efforts?

3 CHAIRMAN LEVI: I think Tom Smegal --

4 MR. SMEGAL: Martha, I may speak to that, if I
5 could. Our efforts have not been focused on
6 fundraising, for the reasons I stated earlier. We were
7 concerned about stepping on toes of the Esther Lardents
8 of the world. And for that reason, we have not been a
9 fundraising entity.

10 We have some need, to maintain our 501(c)(3)
11 status, which is important to main, and the efforts to
12 make an occasional grant, which takes us out of what is
13 called a 501(c)(2) category. But that effort only
14 requires us to do a modest amount of what would
15 otherwise be our net income from the building, which is
16 very small at the present time as we pay off the line
17 of credit and the bonds.

18 So we haven't done that. We started off
19 thinking we would five, six, seven, eight years ago,
20 but then became concerned about the other issues that
21 we thought it might raise.

22 PRESIDENT FORTUNO: And Tom, this is Vic.

1 Just as I recall -- I could be mistaken, so I'd leave
2 to you to correct if I am -- but because of the bond
3 financing -- they're District of Columbia bonds --

4 MR. SMEGAL: Right.

5 PRESIDENT FORTUNO: -- one of the conditions
6 for that was that Friends would be a good citizen, so
7 to speak, and would make some contributions to
8 charitable causes in the District or worthwhile causes
9 for the benefit of the District of Columbia, not the
10 government but the population.

11 MR. SMEGAL: Yes. The programs that are
12 there. That's right, Vic. We have been focused on
13 that, and that's certainly been the advice we've gotten
14 from our counsel, a guy by the name of Richard Newman.

15 PRESIDENT FORTUNO: At Arent Fox?

16 MR. SMEGAL: Yes.

17 DEAN MINOW: I certainly understand that and
18 respect that. It does seem to me that we need to keep
19 in close conversation so we avoid any duplication or
20 any collision on efforts; and that building on the very
21 first step proposed here of canvassing grantees and
22 their practices, if the goal, then, just imagining a

1 kind of strategic plan here for a development strategy,
2 is to develop a set of best practices on the local
3 level, it would be very helpful to have some national
4 capacity to be able to then disseminate those best
5 practices and help equip local offices to copy the best
6 practices; and then to explore whether there are
7 targeted opportunities on a national basis, whether
8 it's the research idea or some other idea, but there,
9 too, to be sure to try not to duplicate or interfere
10 with a local effort.

11 So whether it's the LSC itself or the Friends,
12 some national group has to play the role of monitoring
13 those kinds of risks.

14 CHAIRMAN LEVI: In the main, do those sort of
15 three big topics that I put out seem of interest,
16 sufficient to the committee to want to try to
17 explore -- at least, I think I'm hearing that -- with
18 the understanding that we have to be careful.

19 PRESIDENT FORTUNO: Yes.

20 MR. GARTEN: I need some clarification, John.
21 I see you address Tom and Frank and myself as if we
22 were members of the committee. Are we?

1 CHAIRMAN LEVI: Yes. Yes, you are.

2 MR. GARTEN: Where is that provided for in the
3 charter?

4 CHAIRMAN LEVI: In the charter of the
5 committee?

6 MR. GARTEN: For having non-Board members as
7 members of a committee, of this committee?

8 CHAIRMAN LEVI: I'm pretty sure it is in the
9 charter.

10 MR. GARTEN: Vince, I took a look and I didn't
11 see it. I didn't look at --

12 PRESIDENT FORTUNO: The bylaws of the
13 Corporation provide that the Board may appoint
14 non-directors as either voting or nonvoting members of
15 its committees. And what happened was the Board
16 voted -- or delegated to the chairman the authority to
17 make those appointments.

18 So the authority for appointing non-directors
19 to the Board is actually in the bylaws of the
20 Corporation.

21 CHAIRMAN LEVI: And I actually think, in the
22 action the Board took, we specified that we would have

1 five Board members and then the three of you. I think
2 we actually put that out on the record, didn't we, Vic?

3 I'm pretty sure of that.

4 PRESIDENT FORTUNO: I am pulling up the
5 charter now. And it provides that -- let's see, the
6 Chairman, who shall serve as an ex officio voting
7 member of the committee, after it's formed shall
8 appoint the chair of the committee. But it does
9 not -- the charter itself does not --

10 CHAIRMAN LEVI: No. It wasn't in the charter.
11 It was in the action that we took at whatever Board
12 meeting it was.

13 MR. GARTEN: Well, I think Vince has explained
14 that although it isn't specifically referred to in the
15 charter of the committee, you had the authority --

16 CHAIRMAN LEVI: Right.

17 MR. GARTEN: -- to add additional members to
18 the committee. So we're legal.

19 CHAIRMAN LEVI: Right. And I did that, and I
20 believe I did that in an open session of the Board.

21 MR. GARTEN: Okay. I understand now.

22 CHAIRMAN LEVI: Yes.

1 MR. GARTEN: Well, what would you like us to
2 do, John?

3 CHAIRMAN LEVI: You're not required to do
4 this. We're pleased you will. Well, I wanted to -- I
5 don't think there's anything to do at this particular
6 juncture except if those are our three items, we have
7 to figure out how to get that organized in a thoughtful
8 way.

9 And we also have to look at -- I guess Vic can
10 educate us about this -- on the registration and other
11 legal issues that we have to make sure we abide by.
12 And then I'd be happy to have public comment.

13 MR. GARTEN: Vic, when we looked at this, it
14 seemed to me that the rules varied from state to state
15 with regard the solicitation.

16 PRESIDENT FORTUNO: Yes. They do.

17 MR. GARTEN: We were just concerned with the
18 District of Columbia.

19 CHAIRMAN LEVI: I mean, we'll have to ask this
20 kind of question. If you're in the District of
21 Columbia and you leave the District to go out and visit
22 a foundation in another state, is that a solicitation

1 in that state or is it a District of Columbia
2 solicitation?

3 PRESIDENT FORTUNO: I think, generally, the
4 focus is on the location of the party that you're
5 soliciting. You can't solicit persons in Washington
6 state, for example, unless you're registered to solicit
7 funds there.

8 The registration requirement is there to
9 protect the citizens of that jurisdiction. And as Herb
10 mentioned, our focus was the District of Columbia, so
11 we registered in the District. Each jurisdiction's
12 requirements will differ from others.

13 In the District, for example, there is a
14 threshold amount before registration is required, and
15 that's \$1500. If you expect to raise more than \$1500,
16 you need to register. If you end up raising --

17 DEAN MINOW: How complicated is it --

18 CHAIRMAN LEVI: How complicated -- it's not --

19 DEAN MINOW: How complicated is it to
20 register? It's not complicated. You just send in a
21 letter. Right? So it's not a big deal.

22 PRESIDENT FORTUNO: Actually, folks were

1 surprised at how involved it is in the District. It'll
2 vary. Other jurisdictions could be much simpler. But
3 fortunately, there are 30-some-odd jurisdictions that
4 accept a standardized form, and once we complete that
5 form, that will be the bulk of the work. But we then
6 have to check with each jurisdiction on what else they
7 require and submit that as part of our application. We
8 would have to submit individually to each jurisdiction.

9 DEAN MINOW: There is, no doubt, counsel on
10 foundations or other associations, nonprofits, that can
11 provide some of the collective information on that so
12 we don't have to duplicate what other national
13 organizations have done.

14 PRESIDENT FORTUNO: Yes. Yes, that's right.

15 PROFESSOR KECKLER: Vic, this is just sort of
16 a practical question with regard to that -- this is
17 Charles -- which is that you indicated that a lot of
18 these forms, and presumably this would be true in even
19 the states that have more involved and idiosyncratic
20 requirements, are going to want somebody designated as
21 a contact point or designated as the fundraiser. And
22 there may be a per-person cost there.

1 So I was wondering, are we assuming -- and
2 this is to you, but also to the committee -- that
3 somebody at LSC will be designated as -- I don't know,
4 maybe not development director now, but as some kind of
5 key liaison or key development person?

6 PRESIDENT FORTUNO: Yes. Some point of
7 contact.

8 CHAIRMAN LEVI: Yes. I would think so.
9 That's something we may -- this may dovetail also with
10 your strategic planning process.

11 PROFESSOR KECKLER: Yes. I think that's
12 right. And I think that another thing that members of
13 the committee -- maybe not now, but I think at some
14 point relatively soon -- will have to think. I would
15 certainly personally like to have a development
16 component within the strategic plan. And it may not be
17 as well-developed as we'd like, but if people are going
18 to have thoughts about that, they certainly can begin
19 thinking about it.

20 DEAN MINOW: Sounds good.

21 CHAIRMAN LEVI: Yes. Now, one of the other
22 things that I want to just throw out here before we get

1 public comment -- and maybe we don't have to have a
2 closed session today unless people want one -- is that
3 organizations like ours often have an honorary board,
4 and we don't have one. There's nothing that prevents
5 us from having one. And that's also something that I
6 think this committee could consider.

7 DEAN MINOW: And an honorary board being
8 chiefly people interested in the fundraising?

9 CHAIRMAN LEVI: Well, honorary boards
10 for -- development committees aren't just fundraising.
11 They're the advancement of the institution. They
12 (telephone breaks up) people who have had distinguished
13 careers in the area, or who are interested in legal
14 services around the country themselves might wish to be
15 generous at some point or to be on an honorary board
16 and find that to be very meaningful to them.

17 It's also a way to further the mission and
18 broaden the reach, in my experience. And --

19 MR. GARTEN: Well, the recognition usually
20 produces dollars for the organization.

21 CHAIRMAN LEVI: It often can. Martha --

22 DEAN MINOW: But you can also have an honorary

1 board that's a mix of people who you could honor for
2 their distinguished service, and people you'd honor for
3 their commitment, as demonstrated either through money
4 or through other kinds of advocacy. So I can imagine
5 both.

6 You can also imagine thinking about people who
7 are alums of legal services who spent a summer or some
8 years working, who've gone on to make considerable
9 money, and appealing to them. But that's down the
10 road, I would think.

11 CHAIRMAN LEVI: But all of that's development.

12 DEAN MINOW: Yes.

13 CHAIRMAN LEVI: I would put even those folks
14 that are not necessarily there for the fundraising, but
15 are there for (telephone breaks up).

16 MR. GARTEN: Tom, I had envisioned that
17 Friends of Legal Aid were sort of like an honorary
18 board. Are we overlapping now into what you all had in
19 mind?

20 MR. SMEGAL: I'm sorry --

21 DEAN MINOW: That's why I asked the question
22 before, about the relationship between the Friends of

1 and what we're talking of. If the Friends of were this
2 honorary board, that would simplify matters, but not if
3 the Friends of cannot do any fundraising.

4 MR. SMEGAL: No. We are not an honorary
5 board. I would not put us in that category. It is a
6 working board, and it's got some responsibilities under
7 the articles of incorporation and our bylaws.

8 MR. GARTEN: If we're not overlapping and
9 moving forward with an honorary board, would any of
10 that be in line for the friends?

11 MR. SMEGAL: No, no. Absolutely not.

12 DEAN MINOW: Well, that's great then.

13 CHAIRMAN LEVI: So that's another topic that
14 I'd like to have you all consider. And maybe what
15 we'll do, as to each of these topics, is I'm certainly
16 not going to bother people right now, and thank you for
17 coming today; it's a busy time of the year.

18 But then, with these kind of topics, we could
19 have a meeting devoted one at a time and see where we
20 get with them.

21 MR. GARTEN: I think some education has to be
22 given to us, Vic, on the problems we ran into on the

1 Hill with respect to how we reflected the funds coming
2 in on these contributions. I remember there was quite
3 a bit of discussion with regard to that.

4 PRESIDENT FORTUNO: Yes. I think they wanted
5 a procedure developed and adopted that would govern how
6 such funds were -- and we were talking in that instance
7 about donated funds, not that were solicited, but
8 unsolicited donations. We wanted to have a process for
9 reporting, accounting for, and determining how they
10 could be spent.

11 MR. GARTEN: I think that we had a written
12 resolution or something that explained what we were
13 doing and how we would handle it, and that might be of
14 value.

15 PRESIDENT FORTUNO: And there is a policy in
16 place.

17 MR. GARTEN: Yes.

18 PRESIDENT FORTUNO: Yes. That was a policy
19 that was adopted by the Board of Directors. And we'll
20 go ahead and pull all of that information and provide
21 to the committee, if you'd like, that kind of
22 background information, as well as some additional

1 information on registration requirements.

2 CHAIRMAN LEVI: That would be great.

3 Any public comment, or anything else on No. 2?

4 MR. BROOKS: This is Terry Brooks with the
5 ABA. Just as a point of historical reference, you
6 might be interested to know, and Herb and Tom Smegal
7 may remember because I think they may have had some
8 involvement, that back in the mid-'90s, when money from
9 Congress was reduced, the ABA launched an effort to try
10 to reach out to the legal services community and assist
11 them in their fundraising efforts.

12 There were two volumes of a fundraising guide
13 published in the mid to late '90s called, "Innovative
14 Fundraising Ideas for Legal Services." Those are both
15 still available on the ABA website free of charge, and
16 they go through a list of potential fundraising efforts
17 that a legal services program might undertake.

18 They indicate the difficulty and the potential
19 productivity of each type of initiative, and they
20 provide contacts for programs that have used that
21 method with success.

22 ABA and NLADA have also worked together since

1 that time to host a number of educational sessions at
2 national conferences, and have created a network of
3 fundraisers in legal services programs, both LSC-funded
4 and those supported by other funds.

5 There is an active listserv of such people who
6 regularly trade ideas and assist one another. And, as
7 I said, the group gathers at least twice a year at the
8 annual NLADA conference and at the ABA/NLADA Equal
9 Justice Conference to share ideas and discuss new
10 techniques.

11 So just so you know, you have a starting
12 point. And I suppose the subtext is that to the extent
13 LSC creates an infrastructure, it would be helpful, I
14 think, if we worked in close coordination going
15 forward.

16 CHAIRMAN LEVI: Well, I think that's very
17 helpful. I think we'd like to know more about that
18 infrastructure. And as for a fundraising manual that's
19 20 years old, I'm not sure whether (telephone breaks
20 up) some clear marking by you to point us as to what
21 you think might be of current use.

22 We're burdened enough here. So the question

1 is: Is that really something that you think we should
2 be looking at?

3 MR. BROOKS: The most recent edition was 12
4 years old. It is surprisingly still relevant or
5 prescient, perhaps. One of the entries is "Cy Pres,"
6 for example, which has become a hot topic of late.

7 CHAIRMAN LEVI: Right.

8 MR. SAUNDERS: John, this is Don Saunders.
9 Unless people have other questions for Terry, I just
10 had a couple other comments to add.

11 CHAIRMAN LEVI: I just want to ask Terry if
12 you could make that link available to us somehow.

13 MR. BROOKS: Sure. I'll send it to Vic and he
14 can send it on to the group. Is that okay?

15 CHAIRMAN LEVI: Yes.

16 PRESIDENT FORTUNO: Will do.

17 CHAIRMAN LEVI: Don, you got the floor.

18 MR. SAUNDERS: Very, very briefly -- I
19 understand the time, and it's Friday afternoon -- I
20 certainly commend any efforts you can make, given the
21 current budget situation. It's very challenging for
22 IOLTA state funding, other foundation funding. Just

1 three areas from our experience that might relate to
2 what you're doing and that we would certainly, as Terry
3 suggested, like to work in concert with you.

4 We do have a lot of experience over the last,
5 really, 30 years in dealing with the large national
6 foundations. And I think the discussions you had
7 about, with national foundations, taking a project
8 approach as opposed to a general operating approach is
9 not only good for congressional purposes but also just
10 where the foundations are. They have retreated 20
11 years from funding legal services in terms of operating
12 expenses. So I think you're on the right track there.

13 I don't need to say again, all of you
14 mentioned the sensitivity in competing with your
15 grantees. You really have more of a focus on raising
16 money for grantees than I actually envisioned when I
17 first heard of this effort. And so, to a certain
18 extent, you have more problems of implementing the
19 money you raise and distributing it than you have with
20 competing, possibly. But obviously, you're very
21 sensitive to that, and I applaud that.

22 We have a very active, and had for many years

1 a very active, corporate advisory committee here at
2 NLADA that consists of many of the general counsels of
3 the largest corporations in the country. So again, we
4 have some experience in dealing with that community.

5 And I would suggest, to the extent that you're
6 including law firms as sources of potential funding,
7 that is an area of sensitivity, obviously, with your
8 local programs, and I'm sure people on this call know
9 better than I the distinction between some of the
10 national law firms and what programs do in terms of
11 their bar campaigns at the local level.

12 The final issue I just wanted to mention, and
13 you didn't mention it and it may not be part of what
14 this committee wants to look at. But one very large
15 source of resources for your programs that we work a
16 lot on has to do with other sources of federal dollars,
17 sources such as elder law, the Legal Assistance to
18 Victims program, any number of programs at HUD, the
19 McKinney Act Homelessness program.

20 Your grantees are heavily engaged in that
21 work, and we try to represent their interests there.
22 But from time to time, issues such as confidentiality

1 arise. I'm not suggesting you start promoting your
2 grantees in other agencies, but from time to time it
3 would be helpful to the efforts in the field to have
4 the Corporation interacting with other federal agencies
5 about some of those other resources.

6 And at some point in the future, I would be
7 very happy to discuss with your staff or with the
8 committee some of the opportunities that might arise in
9 some of those other federal opportunities.

10 CHAIRMAN LEVI: And I would think that that is
11 something that we would want to coordinate. And to the
12 extent that, for example (telephone breaks up) some of
13 the more recent initiatives, it might have been a
14 better approach to have had LSC out there attempting to
15 get those funds than a particular grantee. I don't
16 know the specifics here. But (telephone breaks up).

17 MR. SAUNDERS: I'm sorry. You broke up. But
18 those are the points I just wanted to bring up quickly.

19 CHAIRMAN LEVI: Any other public comment?

20 (No response.)

21 CHAIRMAN LEVI: Anybody else, for the good of
22 the order, on the call today?

1 (No response.)

2 CHAIRMAN LEVI: I don't know that we need to
3 have a closed session today; it was just on there.
4 Does anybody wish to have one?

5 PROFESSOR KECKLER: Not I, John.

6 CHAIRMAN LEVI: Then I'd like to have a motion
7 to adjourn, and wish everybody a happy holiday.

8 M O T I O N

9 MR. SMEGAL: I'll make that motion from the
10 West Coast.

11 CHAIRMAN LEVI: Good. And how about a second
12 from the East Coast?

13 PROFESSOR KECKLER: I'll second it from the
14 East Coast.

15 CHAIRMAN LEVI: I'll call the motion from the
16 center of the country. All in favor?

17 (A chorus of ayes.)

18 CHAIRMAN LEVI: We stand adjourned. Thank you
19 very much.

20 (Whereupon, at 5:16 p.m., the committee was
21 adjourned.)

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