

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

DEVELOPMENT COMMITTEE

OPEN SESSION

Friday, January 28, 2011

COMMITTEE MEMBERS PRESENT:

John G. Levi, Chairperson
Martha Minow
Robert J. Grey Jr.
Father Pius Pietrzyk, O.P
Charles Keckler
Sharon Browne

STAFF AND PUBLIC PRESENT:

Victor M. Fortuno, president and general counsel
Atitaya Pratoomtong, Staff Attorney
Daniel Sheahan, OIG
Magali Khalkho, OIG
Linda Pearle, CLASP
Terry Brooks, ABA
Julie Strandie

MOTIONS: Pages 2 and 50

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

2 CHAIRMAN LEVI: This is John Levi, I am calling the
3 development committee meeting to order.

4 M O T I O N

5 CHAIRMAN LEVI: And do I have a motion to approve the
6 agenda?

7 PARTICIPANT: So moved.

8 PARTICIPANT: Second.

9 CHAIRMAN LEVI: All in favor?

10 (Chorus of ayes.)

11 M O T I O N

12 CHAIRMAN LEVI: Now, the minutes are in front of you.
13 Is there a motion to approve the minutes?

14 PARTICIPANT: I move.

15 CHAIRMAN LEVI: Second?

16 PARTICIPANT: Second.

17 CHAIRMAN LEVI: All in favor?

18 (Chorus of ayes.)

19 CHAIRMAN LEVI: Okay. This is a new committee. And
20 during our last meeting, I put on -- out for folks to think about
21 a number of ways in which I thought a development committee could

1 be helpful to Legal Services Corporation. The public comment
2 that we received I think would be summarized as --

3 (Interruption to meeting; discussion off record as
4 phone participants are connected.)

5 CHAIRMAN LEVI: And I want to talk about, for a minute,
6 the public comment that we received -- hello? If Frank, Herb
7 Garten, or Tom Smegal are on, you can let us know. But we're
8 beginning the meeting.

9 There is obviously great concern, or there seemed to
10 be, about how the Legal Services Corporation would weigh into
11 the development arena. And I want to summarize what I took to
12 be the sort of -- at first, the field was concerned that we might
13 be wading into their waters. I think we have addressed that
14 concern. The ABA and NLADA (phonetic) wanted us to be sure that
15 we knew of their support of the field in -- and, in fact, that
16 they had done some heavy work in helping the field develop
17 development programs and development offices, I guess, over a
18 decade ago.

19 But when I step back from that and take a look at what
20 it was -- where it is that we -- I believe we can be helpful,
21 I do not see any -- I not only don't see any conflict, I see

1 a compelling need for the corporation to have some kind of
2 professional development committee or -- I mean staffed
3 committee. The reason is that there are just too many ways in
4 which the programs themselves are unable, in an overarching way,
5 to seek large grants from foundations that might be beneficial
6 to a whole arena.

7 There -- as -- and we can't even imagine the series
8 of issues that I heard yesterday in our meeting with the Native
9 American population, the possibility of -- first of all, their
10 entities do not have much of a development operation. They don't
11 have the funds for it, they -- and how we might be able to
12 collaborate with them to help make a foundation proposal on behalf
13 of all of them for a particular kind of -- even for capital
14 expenditures. We heard of trailers, is largely how they're
15 operating, out of trailers. Some of the trailers are in terrible
16 shape, reclaimed from some other organization's tossaway.

17 Then I have been struck, as I have been sitting in
18 the rooms here, as to the fact that we need to have an ability
19 to promote research, and have greater flexibility with respect
20 to that, and that while there are wonderful partners in this
21 Legal Services Corporation -- and when you heard the technology

1 presentation yesterday, you really began to feel the -- what
2 the community, as a whole, has done in the technology world
3 to -- and apparently, we are the major player across the entire
4 spectrum of the legal profession, so that the work we are doing
5 in the technology area to help the courts even manage pro se
6 litigants, it's now a part of the fabric of American justice.

7 And yet, we don't have the ability to go out and even
8 talk to the major players in the tech arena on behalf of -- and
9 say, "Can you match the federal -- help us match the federal
10 dollars and take them further?"

11 So, the reason that I -- and there are -- I thought
12 we could have an auxiliary board, or an advisory board, whatever
13 you wanted to call it, of people who have been -- that's not
14 something that requires a confirmation, but you know many
15 not-for-profits have "Friends of." Of course here there is a
16 separate entity called "Friends of Legal Services," but if you
17 have an auxiliary board or an advisory board, these are people
18 who have been interested in -- you can all think of
19 not-for-profits that you have been involved in, but they don't
20 want to attend board meetings, and they can't attend, but they
21 want to stay involved in some way, or they want to be involved,

1 and they want to be supportive, and they want to use their networks
2 of funders to help be supportive. And as the funds here are
3 so challenged, this is another way in which we could thoughtfully
4 help, I think, broaden the -- broaden our outreach.

5 Another thing that development does is development
6 has the possibility of being an educative. That is, there is
7 a couple of observations that I made. When you walk into any
8 of our grantee -- it's up to them -- and I suppose it still would
9 be, but there is hardly even an indication that they have received
10 a federal contribution, that there is an LSC component in the
11 waiting room, so that when constituents come in, they know that
12 their congressional offices were involved in supporting this
13 office.

14 When we went in -- I have noticed this in every
15 single -- the rest of you have, and I have only now been inside
16 three such offices. But -- or maybe four, it's -- I haven't
17 noticed anything. And so, development is also a bit of outreach.

18 And there has been from, I guess, periods of our history that
19 were somewhat more volatile -- let's hope that that stays that
20 way -- there may be a long hangover.

21 And so, what it is we're really doing, and what part

1 of the population -- when you tell the -- when I tell my
2 colleagues in the private bar that -- okay, welcome to Herb
3 Garten -- that there are 57 million Americans that now qualify
4 for civil legal assistance, and what that means for the private
5 bar -- yes, we have partners in the American Bar Association
6 and NLADA in educating the community. But we don't have anybody
7 here that's coordinating with them, I don't think, in some active
8 way to get that word out.

9 And I have been struck that the community in civil
10 legal assistance does a great job of talking to itself and to
11 its supporters. And how do we get what -- the good work that's
12 being done, the important work that's being done, out? The
13 future of the American justice system is at stake here, folks,
14 and we shouldn't be keeping that a secret, or less well-known
15 than it needs to be.

16 And, you know, I think about this for the younger people
17 of our country. And so, what kind of country are we going to
18 turn over to them? So development is not just about fundraising,
19 it's also about communication. And that's -- a part of a small
20 group of people working here do some communications work, but
21 it would stretch them to -- given our lack of, you know, staffing.

1 So, I asked Vic to step in here, because it struck
2 me that, really, many of us have had experience in our own private
3 lives in doing development work, raising funds, but to come up
4 with a kind of an assessment of -- and Martha I want to thank,
5 because she actually spoke with one of her colleagues, who is
6 an expert in not-for-profit fundraising, and understands what
7 kinds of -- and I would like to get her, she's been out of town,
8 I did communicate with her -- she understands how we could go
9 about it in a better way than I can, because there are some
10 charter -- there are restrictions and issues here. And I would
11 like to have a telephonic meeting beyond this one in which she
12 could report to us what she is thinking.

13 But then I would like us to be able to take a pretty
14 quick but good professionally-supportive -- this would be my
15 recommendation -- how would we set up such an operation
16 internally, here. We don't have to jump off and have a huge,
17 massive operation.

18 But before we go out and say we're going to commit
19 funds to creating a development position, we could wait for the
20 strategic plan, but I think the need is compelling enough that
21 I thought we should be running it at the same time, and that

1 is how would we have -- could we have a development professional
2 on staff here, what would that configuration look like, is it
3 somebody part-time, could we get -- should we first -- does the
4 committee feel we should first have somebody who is in -- maybe
5 we can even get it donated -- in the development field come in
6 and give us a hard look, as a consultant, and give us a report
7 back? That might be a better way to go, at least initially.

8 But I throw that out for your consideration, and ask
9 you what you all think.

10 PARTICIPANT: John, I mean, this is -- your thinking
11 on this, I think, is absolutely important, critical, and the
12 type of vision that this organization needs to have for the last
13 reason, and that is that it is about the future of the legal
14 system. I mean I think that is a -- it's a huge statement, and
15 it magnifies, I think, the opportunity presented here.

16 Two things. I mean I think that we are all -- all
17 ought to understand the limitation or the opportunity with our
18 charter and our political standing. And once we understand that,
19 then it seems to me we ought to take the steps necessary to fulfill
20 this opportunity that I think is -- could be a game-changer for
21 how we do business in this corporation.

1 I can't think of anything more exciting than to -- I
2 mean when you talk about a footprint, that's the kind of footprint
3 you want to leave, and give this organization some real leverage
4 in being able to deliver services to those in need.

5 So, I just commend you for putting us in this position
6 to have to go forward. And I think, in the framework of our
7 legal opportunity and limitations, that we ought to understand
8 that completely, and then do what we have to do to make it happen.

9 CHAIRMAN LEVI: Thank you.

10 FR. PIETRZYK: A couple thoughts. We, in our
11 Dominican order, several years ago established a Dominican
12 foundation with this very same idea, that we have a board of
13 directors who doesn't have really policy-making decisions, but
14 essentially work as fundraisers. But not only to raise funds,
15 but, in other words, to help spread the word about what we do,
16 inform people about what we do. So there is a double aspect
17 to that.

18 But it took time. You know, the first year I think
19 we probably spent more money setting up a development office
20 than we gained in funds. You have to have some commitment to
21 this.

1 And that means there is a political dimension to it.
2 We are -- we've got a foot in both waters, right? We're both
3 sort of separate corporations, but we're still under Congress.
4 I think there should be at least some sense that -- we should
5 at least speak quietly, maybe, to some of our friends in Congress
6 and the White House to see that this isn't going to create a
7 ruffle among them, that they -- we don't want them thinking we're
8 trying to get out from under their regulations by establishing
9 a separate development corporation. So --

10 CHAIRMAN LEVI: Well, any money we would raise would
11 be under their --

12 FR. PIETRZYK: Right, right. And I think that's
13 right, and we have to make sure that that's part of the education
14 process. They don't want to be surprised by this, at least with
15 our friends in Congress, and we don't -- so we don't want to
16 upset where our primary funds are going to come from. We are
17 never going to rival the funds from development that we get from
18 the federal government. That's --

19 CHAIRMAN LEVI: Well, it's a chicken-egg thing. You
20 might even be able to get a grant. There are foundations that
21 give grants to help set up development offices.

1 FR. PIETRZYK: Yes. Yes, and I --

2 CHAIRMAN LEVI: And I don't know whether you've got
3 one.

4 FR. PIETRZYK: Well, I don't think we were that
5 sophisticated. But we did hire some development consultants.
6 You know, a bunch of Dominical friars, we don't know how to
7 raise money.

8 CHAIRMAN LEVI: Yes.

9 FR. PIETRZYK: So it was just simply not our expertise.
10 And so, there are plenty of development consultants out there,
11 and it was very beneficial for us, I think, as a community.
12 We now have a friar full-time who deals with development issues.

13 And you need one, right? You need somebody who is cognizant,
14 and someone that people can go to and coordinate this stuff.

15 But on the sort of flip side of that is when people
16 are donating money, they don't want to meet the development
17 officer. Who do they want to meet? They want to meet our
18 provincial, or they want to meet other people who are involved.

19 So, I mean --

20 CHAIRMAN LEVI: But that's -- yes, yes.

21 FR. PIETRZYK: And Jim has to be -- whatever you want,

1 he is that face, right? So if we have a development office,
2 Jim has to be totally on board with this, because he is going
3 to have to be the face that a lot of people see, and he is going
4 to have to be comfortable doing this.

5 So, you know, I think it's a great idea, so long as
6 we navigate the sometimes treacherous political waters of this.

7 And the other -- not only Congress, but with our grantees.
8 We do not want our grantees thinking they're stealing all our
9 funds away.

10 CHAIRMAN LEVI: Right.

11 FR. PIETRZYK: So my worry is that you get grantees
12 who think that there is going to be a competition or rivalry
13 between us and them, in terms of obtaining funds, and to make
14 sure that that doesn't happen, either.

15 CHAIRMAN LEVI: Martha?

16 MS. MINOW: I think these are terrific and important
17 comments. I would only say two things. One is to add to John's
18 powerful opening statement. The design of the Legal Services
19 Corporation, as a private entity, is a recognition that the task
20 of delivering justice is not a governmental task.

21 CHAIRMAN LEVI: Alone, alone.

1 MS. MINOW: Alone. It is a partnership. That is the
2 model that this organization has followed from the beginning,
3 and that is why the development opportunity that you are
4 identifying is a furtherance of the partnership idea.

5 The second thing I would say is that one way to deal
6 with the -- potentially, some of the concerns that local grantees
7 may have, as well as a way to think about this strategically,
8 is that the potential partners here are not simply private donors.

9 They are foundations, they are private corporations. And those
10 two kinds of communities have not typically been pursued by local
11 providers of legal services. When we hear discussions about
12 disaster relief, when we hear discussions about the mobility
13 of clientele, there are also national, across-state -- the
14 regional issues where, again, local donors may not always be
15 the best.

16 It is, I think, very exciting to have a new president
17 who will be coming on board, and to turn to him about his ideas
18 with regard to the private bar and how to involve them in this
19 direction. I think that a consultant may be the right way to
20 go. I would warn us about consultants.

21 CHAIRMAN LEVI: Yes.

1 MS. MINOW: I think that, especially in this --

2 CHAIRMAN LEVI: Just be very careful.

3 MS. MINOW: In this area it is disastrous. Lots of
4 people who are failed development people then offer themselves
5 as consultants.

6 CHAIRMAN LEVI: Yes.

7 MS. MINOW: So that's the last thing that I would say.

8 CHAIRMAN LEVI: We have to --

9 PARTICIPANT: And we have had the same troubles with
10 some failed --

11 CHAIRMAN LEVI: Yes, sure.

12 PARTICIPANT: I think this is really an exciting
13 opportunity. And we are looking at the future.

14 When I was speaking with some of the grantees in
15 California, one of the issues that they raised is that there
16 is a lot of federal funds out there available to them, but not
17 limited to LSC funds. But yet, there has to be -- there is no
18 coordination in applications. There is -- the review process
19 is different.

20 CHAIRMAN LEVI: Yes, yes.

21 PARTICIPANT: The audit process is different.

1 CHAIRMAN LEVI: Yes, yes.

2 PARTICIPANT: And it seems to me that this particular
3 committee --

4 CHAIRMAN LEVI: Yes.

5 PARTICIPANT: -- could also broaden out not only the
6 private funds that they're after, but also --

7 CHAIRMAN LEVI: That's right.

8 PARTICIPANT: -- the coordination with the federal
9 funds.

10 CHAIRMAN LEVI: Right, you're absolutely right.
11 Federal and state? That is absolutely right. And I have been
12 struck by that, too, because you hear that this -- maybe you
13 all have been hearing -- you obviously have been hearing the
14 same thing, that, say, this legal service entity got a specific
15 grant for XYZ. But maybe if others had even thought about it
16 or known about it, they could have, too, and how that -- yes?

17 PARTICIPANT: Well, it goes beyond just knowing what
18 federal government agencies --

19 CHAIRMAN LEVI: Yes.

20 PARTICIPANT: -- that they can go to.

21 CHAIRMAN LEVI: But --

1 PARTICIPANT: But their state and local, as well.
2 But they were also talking about how a grantee of an LSC -- from
3 LSC actually has higher standards than some of the other federal
4 agencies, and they don't understand, if they have met the high
5 bar of LSC, why do they have to jump through all these other
6 minor hoops in order to get these funds, when they have already
7 got the high hoops, you know, that they have already gone through.

8 CHAIRMAN LEVI: Very interesting.

9 PARTICIPANT: So they would like to be able to
10 coordinate --

11 CHAIRMAN LEVI: Yes.

12 PARTICIPANT: -- but also make some inroads into
13 making it easier to get those funds.

14 PARTICIPANT: Well, part of what happens is I think
15 that individual grantees have a more difficult time negotiating
16 with mammoth federal agencies, but that LSC is maybe better
17 situated to approach whether it's housing, urban development,
18 or, you know, HHS, and, in a sense, speaking for the national
19 legal services program, strike a deal which benefits everyone,
20 because we're more likely to be heard, they're more likely to
21 meet with us than an individual grantee in Arkansas trying to

1 get the attention of HUD.

2 So, I think there is a -- think that's one of the roles
3 that we can play there.

4 PARTICIPANT: And I was talking to the young man from
5 Kentucky who is with us. He has done, apparently, some extensive
6 grant writing. He had a 59-page grant. But he might be an
7 interesting perspective to hear some --

8 CHAIRMAN LEVI: Well, and I mean, if -- and
9 some -- and I am aware that, really, among our grantees, whether
10 they have a development operation or not, the size and scope
11 of what they are able to do is very different across the range.
12 And Sharon (phonetic) brings up -- you know, reminds me of
13 another issue which I became aware of, which is apparently -- and
14 you confirmed this -- when we make grants, if one of our entities
15 needs a new facility, a part of the grant can be a capital
16 contribution.

17 Some, but not most, of our grantees have run capital
18 campaigns. Most have not. And they may not have any familiarity
19 with them. And some of it is how we could be a resource for
20 that, too. So there is a lot -- I just have the feeling.

21 And I think we're going to need to have, obviously,

1 as a group here, a number of calls or conversations, because
2 we don't want to just jump off the diving board and make a big
3 splash. I think we have to do this thoughtfully. I would love
4 to hear from the field a little bit, or from our partners out
5 here, Terry (phonetic) and Linda, and what -- are they getting
6 very nervous that we are wading in these waters, or do
7 they -- would they see that something about like what we're
8 talking about here could be useful?

9 PARTICIPANT: That's more of a (inaudible) question
10 than --

11 PARTICIPANT: Yes. I think that there is some
12 nervousness, because they don't know -- there hasn't been a
13 lot --

14 CHAIRMAN LEVI: Like the fear of the unknown.

15 PARTICIPANT: --of discussion about what this
16 committee is actually going to do, or anything out in the public
17 domain. And there is -- there certainly is concern that -- you
18 know, and there are programs that do have experience with
19 foundations, and have been successful, and they certainly don't
20 want to feel like there is competition.

21 I think some of these ideas are terrific ideas. And

1 if programs understood that these are the kinds of things you
2 were talking about, that they would appreciate that.

3 PARTICIPANT: It's a communication issue.

4 PARTICIPANT: Yes. I mean and you have to understand
5 that there is a huge range of sophistication within --

6 CHAIRMAN LEVI: Yes, yes.

7 PARTICIPANT: -- the community, as to, you know, how
8 much some programs really have capital campaigns, they've
9 (inaudible), they have foundation grants, they are very
10 successful with these other federal grants, and others are not.

11 I think with regard to the federal grants, the thing
12 you have to always keep in mind is that there is some limit in
13 resources. Not everybody, you know, is going to get --

14 CHAIRMAN LEVI: Yes.

15 PARTICIPANT: -- those grants. And the ones that do
16 have them aren't going to be very concerned about --

17 PARTICIPANT: Right.

18 CHAIRMAN LEVI: But that's not a reason not to do it.

19 PARTICIPANT: No, I'm not suggesting that it is, I
20 am --

21 CHAIRMAN LEVI: Yes, yes, yes.

1 PARTICIPANT: I was just talking about the concerns --

2 CHAIRMAN LEVI: Yes, sure, sure.

3 PARTICIPANT: -- that are out there.

4 PARTICIPANT: I do think that's a sensitive subject,
5 that we don't want to in any way ever be perceived as favoring
6 one or another --

7 PARTICIPANT: Right.

8 CHAIRMAN LEVI: No, no, no.

9 PARTICIPANT: -- in their applications to another
10 federal agency. And there are issues there.

11 PARTICIPANT: Yes, but it's -- to share
12 information -- mean NLADA does this. They have a publication
13 that they send out on federal funding, and not just federal
14 government funding, also foundation funding. It's not a huge
15 effort, but they do provide information to --

16 PARTICIPANT: So, from NLADA's perspective, what
17 would be helpful from this effort here?

18 PARTICIPANT: Well, I think you have to really -- I'm
19 not sure I can really speak for them. I think that, you know,
20 I think the notion of sharing information and capacity-building
21 and how to approach people, I think people will be -- in my view,

1 and this is just me saying -- I think that people would appreciate
2 that.

3 Although, again, there is management informed
4 exchanged from (inaudible), you have to also be careful you're
5 not -- you know, that you're not duplicating what they are doing,
6 so you probably want to talk to them and they --

7 CHAIRMAN LEVI: We're not (inaudible).

8 PARTICIPANT: No, no, I understand that.

9 PARTICIPANT: Management Information Exchange is
10 another organization that provides support to local legal
11 services management around issues such as fundraising, labor
12 relations? That's the way that started is, you know, helping
13 the managers deal with labor relations issues.

14 PARTICIPANT: But they've expanded --

15 PARTICIPANT: They have.

16 PARTICIPANT: -- well beyond that, and they do --

17 PARTICIPANT: And that was the only point that I wanted
18 to make in the earlier convening of this group. There was no -- I
19 had a sense, from what you said, John, that you thought that
20 there was concern or hostility, and that should not have
21 been -- that was not my intention, but just to --

1 CHAIRMAN LEVI: No, no, not from you.

2 PARTICIPANT: -- that there has been work done by ABA
3 and NLADA, really jumping into the breach. But I think that
4 we would all say that we have had inadequate resources. And
5 I think NLADA's efforts in helping to provide the field with
6 information about other federal grant opportunities have been
7 terrific, but a little bit episodic.

8 I mean it really is a full-time job to research what's
9 out there, and to help guide people in the field toward those
10 funds. And then there is a whole layer of complexity around
11 some of those funds. The VALA (phonetic) funds have been very
12 controversial, because the DoJ decided to pick them up and move
13 them around, instead of leaving them in one place.

14 And although, you know, on the face of it, you know,
15 sort of mandatory sun-setting can be a good thing, and can breed
16 innovation, it -- you know, in a practice, in the local
17 communities, it got to be bizarre because, you know, a program
18 would develop expertise and hire staff who had expertise, and
19 then the funds would get picked up and moved across town, and
20 then all those people would have to pick up, because they were
21 the ones who knew how to do that kind of work.

1 So -- and I think that illustrates another point,
2 which is -- which Linda alluded to, which is that the sort of
3 relationships that have evolved in many of the communities are
4 very complex. And, you know, mostly in the larger urban
5 communities -- Atlanta, Chicago, you know, the LA area -- there
6 is a real complex web of funding and revenue streams in those
7 areas that's pretty well established, and those folks are pretty
8 sophisticated.

9 But out in many of the more rural areas, and -- there
10 is a tremendous need for the kind of support that you are
11 suggesting. And ABA has never been -- or NLADA has never been
12 able to really provide that kind of support.

13 PARTICIPANT: And --

14 CHAIRMAN LEVI: I did get an email from a rural grantee
15 that felt that, had they known how to run a capital campaign,
16 they might well have been able, rather than getting a capital
17 grant, to have been successful, but that they had nobody on
18 staff --

19 PARTICIPANT: Right.

20 CHAIRMAN LEVI: -- who was even -- knew what to do,
21 or was designated with that function.

1 PARTICIPANT: So I definitely --

2 PARTICIPANT: So I guess what I'm saying is build on
3 the foundations --

4 PARTICIPANT: Yes.

5 CHAIRMAN LEVI: Yes.

6 PARTICIPANT: -- that have been established by MIE
7 (phonetic), and figure out what the niche might be that -- or
8 niches, you know, which your larger footprint could occupy.
9 ABA has specialized in helping to develop state revenue sources,
10 state government revenue sources, and we have substantial
11 expertise in that, and have really helped to coach a lot of
12 programs to do that.

13 MIE has specialized, sort of counter-intuitively, in
14 private bar fundraising. So, you know, maybe those areas you
15 don't need to put as much resources into, but foundations, other
16 areas, there is a lot of opportunities.

17 PARTICIPANT: I think that this notion of teaching
18 people how to do -- how to run a capital campaign -- and there
19 is a lot of expertise out in the field from programs that have
20 done it -- I think that's a way that the -- I also think
21 (inaudible) Dick (phonetic) said that not even so much as getting

1 the grants, but sort of helping programs negotiate the details
2 of the grant.

3 I mean LSC has worked with NLADA on a range of issues
4 regarding federal agencies, (inaudible) access to records. And,
5 you know, that's not totally resolved, but LSC has played a very
6 helpful role in sort of dealing with that issue which is, you
7 know, a grant issue. And so that kind of help is really helpful,
8 too.

9 CHAIRMAN LEVI: Because have we ever -- has the LSC
10 ever, in your tenure -- I can't say "ever," because you haven't
11 been here the entire time --

12 PARTICIPANT: Almost.

13 PARTICIPANT: Almost.

14 CHAIRMAN LEVI: -- conducted an internal review of
15 whether it should get and how it would get into the development
16 arena, and did it ever have a development professional?

17 PARTICIPANT: No to the last question. There have
18 been, over the years, a couple of preliminary discussions
19 in-house, which never led to any kind of formal fundraising
20 campaign. I know that there were some limited funds raised at
21 one point for a specific purpose. But -- and it was enough that

1 we developed a policy that would govern how private contributions
2 would be recorded, and the internal controls for how they would
3 be spent.

4 So -- but in short, no -- nothing of any substance.

5 CHAIRMAN LEVI: Robert, and then Martha, or
6 however -- okay.

7 MS. MINOW: I think these are very great and helpful
8 comments. It does seem to me that there are two different tracks,
9 both of which we would need to go forward on. One is exploring
10 the context in which a development activity could and should
11 proceed here, and that includes legal restrictions, and that
12 includes the relationships with others who may be doing
13 something, or may be partners, or may be threatened by this.

14 It's a very different activity, which is to literally
15 set up the steps for doing fundraising. It's a different
16 activity, it's full-time, it's different expertise. And my own
17 sense is that it would be wise to go towards that somewhat
18 carefully, and even to pursue, as Vic just said, one particular
19 project or area.

20 As to that, but even as to the partnership or
21 relationship with the local grantees, most development

1 activities also proceed by thinking about friend-raising as well
2 as fundraising.

3 CHAIRMAN LEVI: Yes.

4 MS. MINOW: And so, on that front, I don't see any
5 cost in thinking each of the trips that the board makes, and
6 each of the activities and your speeches, to be thinking about
7 that, building the network, the database, thinking about alumni,
8 alumni of this board, alumni of legal services, generally. The
9 fundraising is just part and parcel -- you cannot do fundraising
10 without doing friend-raising.

11 CHAIRMAN LEVI: Robert then (inaudible).

12 PARTICIPANT: (Inaudible) said anything.

13 PARTICIPANT: Well, maybe -- I think that the issue
14 about next steps -- at first I thought, well, there is discussion
15 should we hire a development officer. And it seems to me, though,
16 that after the discussion I came to the conclusion that
17 development expertise needs to be in this building. And
18 it -- and I thought, well, who should we consult?

19 Because if we hire a development officer, and we don't
20 have exactly -- we're not exactly clear on what they're going
21 to do, and what they're going to raise, and what they're going

1 to do, you know, that's a problem, and maybe we (inaudible) or
2 something like that.

3 But then I changed my mind. And I thought, you know
4 what? Somebody who is a development expert can come in and he
5 can do so many other things than just raise funds, and study
6 how the grantees are doing it, and (inaudible) and help them,
7 and so many other issues, and -- as well as sort of set up the
8 programs and set up charters and learn the system, and so on.

9 So, I think there is work for a development
10 professional, even if it's not in direct fundraising, until we
11 figure out precisely what we're going to do with that, and what
12 projects we're going to see funding for, and so on. (Inaudible)
13 reason to make -- to institutionalize development here, as part
14 of our mission as a public-private partnership.

15 And so that's my sort of view on the -- should we have
16 somebody? Yes. Should it be somebody full-time? I think yes.

17 CHAIRMAN LEVI: I will tell you another project that
18 I -- and I think it was a -- that's very well thought. I talked
19 to some of the -- no secret that we're going to have a pro bono
20 task force at some point here. I am behind it, appointing it.
21 Only one person, and I apologize for that.

1 But as we started talking to some of the grantees,
2 one of the issues, of course, deploying pro bono lawyers, they
3 have a pro bono coordinator to handle the 12.5 percent. But,
4 boy, the notion that there would be more pro bono lawyers to
5 try to deploy, it's like, "Wow. We don't know whether we can
6 staff that."

7 So there is even a role here for a development person
8 to call a private bar or to call the various bar associations
9 and help stitch that together, you see? Because there isn't
10 anybody -- we're in a unique position of being able to help do
11 that. Now, maybe other entities try with that, but it's just
12 another way in which development wouldn't be -- it's a little
13 light fundraising, but it's lawyer-raising.

14 PARTICIPANT: With, you know, a very short period of
15 time, this thing has grown roots in a lot of different directions,
16 which is exciting. I would caution us --

17 CHAIRMAN LEVI: Yes.

18 PARTICIPANT: -- to do a couple of things. One is
19 I think we ought to -- it begs the question of how much research
20 we need to do on our -- to understand what it is we're going
21 to do or want to do. And that sort of has -- as we listen, sort

1 of -- you start drilling down and you can get very local with
2 the -- with your effort.

3 And I -- one thing I have learned is that we are good
4 at what we do at a national level. And when you start talking
5 about local fundraising, and telling somebody how to do it, that's
6 where you go to the community foundation in a local community --

7 CHAIRMAN LEVI: Right.

8 PARTICIPANT: They teach non-profits how to raise
9 money, because that's what they do.

10 CHAIRMAN LEVI: Right.

11 PARTICIPANT: And part of our direction is not to teach
12 them, but to tell them where it can be had.

13 CHAIRMAN LEVI: Yes.

14 PARTICIPANT: And that's something that would be good,
15 but that's also what the board does, or is supposed to do.

16 CHAIRMAN LEVI: Right.

17 PARTICIPANT: And so, what we should be doing
18 is -- not that we should be doing -- one of the things we can
19 do is to talk about best practices, as opposed to getting involved
20 in their fundraising.

21 CHAIRMAN LEVI: Right.

1 PARTICIPANT: Capital campaigns and, you know --

2 CHAIRMAN LEVI: And I --

3 PARTICIPANT: I think it gets real dicey for us --

4 CHAIRMAN LEVI: Yes, yes.

5 PARTICIPANT: -- at that level. But there are things
6 that a national organization can do to provide guidance and to
7 be helpful without getting into the weeds --

8 CHAIRMAN LEVI: Yes.

9 PARTICIPANT: -- which I think is very treacherous.

10 CHAIRMAN LEVI: Where we could be helpful there is
11 as a national organization. If we had a relationship with a
12 foundation, for example, and we said, "We know that these seven
13 or eight programs are really in need of first-rate development
14 expertise. Can we get a grant on their behalf?"

15 PARTICIPANT: I think that's dicey.

16 CHAIRMAN LEVI: You do?

17 PARTICIPANT: I really --

18 CHAIRMAN LEVI: To help set up their --

19 PARTICIPANT: Because what you're doing is you
20 are -- you have determined that there are seven groups, seven
21 grantees, that have a greater need than 131 others.

1 PARTICIPANT: Yes.

2 CHAIRMAN LEVI: Well, okay.

3 PARTICIPANT: And I'm not -- this is not to pour cold
4 water on this, because I think, at a national level, you play
5 a role in helping them to get to where they need to go.

6 CHAIRMAN LEVI: Well, what I mean is they won't be
7 able to get an individual grant.

8 PARTICIPANT: I know. But this is where I
9 think -- it's up for discussion.

10 CHAIRMAN LEVI: Yes.

11 PARTICIPANT: I don't want --

12 CHAIRMAN LEVI: I'm not going to play development
13 professional. That's what the -- a good development --

14 PARTICIPANT: Yes, I just think there is a level at
15 which we play that we could be helpful to all grantees.

16 And if we can do that and be transformative of the
17 legal system, which is a different role --

18 CHAIRMAN LEVI: Yes.

19 PARTICIPANT: -- and then what you do is develop the
20 expertise in best -- in dispersing best practices, so that people
21 know that there is a how-to manual or resource to know what to

1 do. And then, to the extent we identified national need, we
2 go to a national -- go to Rockefeller Foundation or Ford
3 Foundation and (inaudible) grantees. That's for 136 grantees,
4 7 of which that are likely to benefit more than others.

5 CHAIRMAN LEVI: Yes. Okay. I agree with that.

6 PARTICIPANT: Okay.

7 CHAIRMAN LEVI: So, Vic, in terms of an action item
8 here for the board or for management here, is there a way of
9 putting together a description of -- you would have to do a -- if
10 we were going to have a position, do you create a position
11 description?

12 MR. FORTUNO: We could --

13 CHAIRMAN LEVI: Can a --

14 MR. FORTUNO: An occupational profile, the -- if what
15 we're talking about is hiring a staff person, then we might be
16 able to help in preparing one of these, just because, you know,
17 we haven't done these for development --

18 CHAIRMAN LEVI: I think what maybe would be helpful --

19 MR. FORTUNO: But we do occupational profiles all the
20 time, and post the position.

21 CHAIRMAN LEVI: What I would like to -- well, the

1 consultant -- maybe we need to look at what an RFP for a
2 consultant would look like, and what the position description
3 would look like at the same time, and pass them around, and
4 people --

5 PARTICIPANT: Sure, we can do that.

6 PARTICIPANT: It might be --

7 CHAIRMAN LEVI: Helpful to see them?

8 PARTICIPANT: Whether development directors and
9 sister institutions, whether they have done some work to see
10 kind of --

11 MR. FORTUNO: That's what we would do is, you know,
12 kind of canvas a bit to see what others have done, and the
13 description of the positions, and take from that, develop
14 something that could be circulated for comment, and at the same
15 time -- and, in part, using some of that -- develop an RFP.

16 So then you would have the two options, and you would
17 have a starting point, in terms of --

18 PARTICIPANT: (Inaudible) most important points, and
19 that is that our political friends and foes need to know -- need
20 to hear from us before they learn about it on the street.

21 PARTICIPANT: Oh, sure.

1 PARTICIPANT: So when that happens is important,
2 because the last thing you want to do is to try to explain what
3 it is you're doing, as opposed to telling somebody, "This is
4 what we're doing," where they --

5 PARTICIPANT: We've already experienced that. I mean
6 we received a letter a while back, and --

7 CHAIRMAN LEVI: Oh, yes, they -- actually, they want
8 us to have this.

9 PARTICIPANT: Well, good.

10 PARTICIPANT: That I didn't know, so that's good to
11 hear.

12 CHAIRMAN LEVI: And they have been -- in fact --

13 PARTICIPANT: And who is "they?"

14 CHAIRMAN LEVI: Both sides. Mikulski asked, and so
15 did --

16 (People begin speaking simultaneously.)

17 CHAIRMAN LEVI: Congressman Wolf.

18 PARTICIPANT: That's the staff keeping the staff
19 apprised so that if a red flag comes up we get it before --

20 CHAIRMAN LEVI: The question actually was asked, "How
21 come you don't have one?"

1 PARTICIPANT: That's even better.

2 PARTICIPANT: And it might be helpful just to help
3 understand what they envision a development office to be.

4 PARTICIPANT: Right.

5 CHAIRMAN LEVI: I mean one of the -- yes.

6 PARTICIPANT: That's a good idea.

7 PARTICIPANT: Consultation.

8 PARTICIPANT: And in the case of the establishment
9 of Friends of LSC, went to the relevant committees and to the
10 folks at the White House and explained what we were contemplating
11 and why, answered any questions they had, so that when we launched
12 that effort, and incorporated Friends of LSC, and started raising
13 money, that they knew, and everyone was comfortable with it.

14 So it wasn't a matter of, "What's going on here?"

15 PARTICIPANT: My only -- lots of people see us as a
16 federal agency, and federal agencies don't have development
17 directors.

18 PARTICIPANT: Yes, of course.

19 PARTICIPANT: So --

20 (People begin speaking simultaneously.)

21 PARTICIPANT: That's right. Legislative coordinator

1 is what they call it.

2 CHAIRMAN LEVI: Yes, Ken (phonetic)?

3 PARTICIPANT: I'm going to just ask a question,
4 because I feel like there is kind of a lack of clarity about
5 just what this new development person in-house at LSC would do.
6 And I am just wondering -- I mean it seems to me that there
7 are -- two thoughts have come up. And one is how can LSC provide
8 expertise and advice and counsel --

9 PARTICIPANT: Yes.

10 PARTICIPANT: A resource.

11 PARTICIPANT: -- to the grantees, which seems to be
12 much more in keeping with what LSC has done, historically, across
13 the board. And that seems to me almost possibly one entire
14 position, which is separate from someone who is actually a -- you
15 know, a real standard development person who is going out and
16 raising money on behalf of LSC, you know, with your help for
17 kind of greater and newer initiatives. So I just think that
18 might be something we talk through a little bit more.

19 And then I guess my other question would be before
20 we actually thought about hiring someone, how much could
21 we -- how quickly could we define what's needed by the field,

1 how we don't step on toes, how we work with our NLADA and ABA
2 partners, and basically define those niches --

3 PARTICIPANT: That's the reason --

4 PARTICIPANT: -- before we hire -- I mean are we able
5 to do that without hiring a person first, or is that just too
6 much?

7 PARTICIPANT: Yes, you can do it. I'm just kidding.

8 PARTICIPANT: Well, the other idea, too, is that -- I
9 mean I think everything is on the table, is what you have basically
10 said.

11 PARTICIPANT: Yes, right.

12 PARTICIPANT: But research is important. Now you've
13 got to know --

14 PARTICIPANT: Absolutely.

15 PARTICIPANT: -- your universe before you start
16 defining what somebody does in it.

17 But the other part of it is if we've got the Friends
18 of LSC, and it's an organization --

19 CHAIRMAN LEVI: Yes.

20 PARTICIPANT: They can hire a development director.
21 I mean that's another possibility. It's just everything ought

1 to be up --

2 PARTICIPANT: (Inaudible.)

3 PARTICIPANT: And then the technical part of helping
4 grantees could come out of our office. They could be doing
5 foundation work. A lot of possibilities.

6 PARTICIPANT: It's worth looking into.

7 PARTICIPANT: Yes.

8 CHAIRMAN LEVI: Their funds that they raise are not --

9 PARTICIPANT: Well, first of all, they're extremely
10 limited.

11 CHAIRMAN LEVI: They're extremely limited.

12 PARTICIPANT: I ought to say that --

13 CHAIRMAN LEVI: Yes, and --

14 PARTICIPANT: -- that Friends of LSC has been, you
15 know, in existence for about 11 years -- 10 years now, and has
16 always been designed to be able to raise funds and make grants.

17 But the focus has historically been --

18 CHAIRMAN LEVI: The building.

19 PARTICIPANT: -- just dealing with the building
20 (inaudible) --

21 CHAIRMAN LEVI: I know --

1 PARTICIPANT: I just want to make sure that everyone
2 knows that.

3 CHAIRMAN LEVI: Okay.

4 PARTICIPANT: Some limitations, in terms of acting
5 outside of the District --

6 PARTICIPANT: Well, all of the advice that we have
7 gotten from counsel is that we ought to spend money within the
8 District as much as possible. It's not an absolute necessary,
9 but --

10 PARTICIPANT: Because of the BON (phonetic)
11 financing --

12 PARTICIPANT: -- the BON financing --

13 PARTICIPANT: The District expects us to be good
14 corporate citizens, and --

15 PARTICIPANT: That's got a whole different set of --

16 CHAIRMAN LEVI: That's a whole different thing.

17 Well, look, you know, we could decide to do nothing,
18 too. But I didn't think that was really --

19 PARTICIPANT: An option.

20 CHAIRMAN LEVI: -- an option.

21 PARTICIPANT: All in favor of saying -- or doing

1 nothing, say nothing.

2 (Laughter.)

3 CHAIRMAN LEVI: So, is this a -- so it seems to me
4 that if we can get these papers prepared, maybe it is two
5 positions. I don't -- but let's have a position description,
6 and the RFP, what they would look like.

7 I would encourage the committee, as Martha cautioned.
8 There are lots of consultants, and only a few really good ones.

9 PARTICIPANT: And we can navigate that.

10 CHAIRMAN LEVI: And I think we can all use our
11 networks.

12 And then, the other thing -- I have much experience
13 in this -- there are some really great development
14 professionals, and then there is everybody else. And I don't
15 think we can afford to have anything less than a really great
16 one. And so we have to understand that.

17 And -- but it occurred to me that you have people who
18 are, again, maybe nearing the end of a great career in development
19 who might regard this, the opportunity to launch something here,
20 as a remarkable career-capper. And, you know, so we ought to
21 think about that. But --

1 PARTICIPANT: When you think about what's a peer
2 institution to whom you might refer this, "How do you do your
3 fundraising and how did you develop it," who would that be?
4 Who would be --

5 PARTICIPANT: Corporation of Public Broadcasting.
6 In looking at peer institutions, depending on what it is we're
7 looking for, we will sometimes, for example, go to the designated
8 federal entity.

9 PARTICIPANT: Sure.

10 PARTICIPANT: So if we were looking at a question of
11 sunshine or IG issues, we might go there. But there are any
12 number of resources out there for this sort of thing. I think
13 that won't be a problem.

14 I think we can get that information and get some samples
15 for you. We can also, if you like, start doing some research
16 getting the MIE (phonetic) and NLADA --

17 CHAIRMAN LEVI: It would be great, sure.

18 PARTICIPANT: -- any others that are out there, so
19 that you have a piece on that, as well.

20 PARTICIPANT: You might look to some of the
21 associations that have lots of member organizations.

1 CHAIRMAN LEVI: Like AARP, or something?

2 PARTICIPANT: Yes.

3 PARTICIPANT: That's a good thought.

4 PARTICIPANT: You know, that they may have some
5 thoughts --

6 PARTICIPANT: And kind of (inaudible) of which the
7 membership is the funder, so --

8 PARTICIPANT: Yes, there is the council --

9 PARTICIPANT: The -- yes.

10 PARTICIPANT: Council of --

11 PARTICIPANT: There was an organization --

12 PARTICIPANT: Washington's Association, I --

13 PARTICIPANT: It's a trade association for charitable
14 institutions.

15 CHAIRMAN LEVI: Sure.

16 PARTICIPANT: And they're here in town, and they're
17 very well-funded, and we --

18 PARTICIPANT: Yes.

19 PARTICIPANT: Yes.

20 PARTICIPANT: I don't remember what it's called,
21 though.

1 PARTICIPANT: We will -- so I had mind talking with
2 them, as well. I figured they were going to be a dynamite
3 resource.

4 CHAIRMAN LEVI: Then maybe we can have a -- we can
5 get this stuff out to people. And if I can take a while to put
6 this together in a form to get it to you, but I would envision
7 then having a telephonic meeting before the next board meeting,
8 and then be in a position at the next board meeting to actually
9 present something.

10 PARTICIPANT: Yes.

11 PARTICIPANT: Great.

12 CHAIRMAN LEVI: Is that good?

13 PARTICIPANT: Yes.

14 PARTICIPANT: Yes.

15 CHAIRMAN LEVI: Well, thank you, everybody. Anything
16 else? Does anybody -- I think we have to -- anybody on line
17 with a question or a comment?

18 PARTICIPANT: Anybody on line?

19 PARTICIPANT: I don't think you've had anybody.

20 CHAIRMAN LEVI: I don't know whether it worked. It
21 didn't work --

1 PARTICIPANT: I think if Herb Garten --

2 CHAIRMAN LEVI: Herb would have said something,
3 so -- yes. Well, a motion to adjourn?

4 M O T I O N

5 PARTICIPANT: Motion to adjourn.

6 CHAIRMAN LEVI: New business? Motion to adjourn?

7 PARTICIPANT: Moved.

8 PARTICIPANT: Second.

9 CHAIRMAN LEVI: We stand adjourned.

10 (Whereupon, the meeting was adjourned.)

11

12 * * * * *