

Mr. Santarelli moved that the resolution be adopted as presented. Mr. Frankum seconded the motion, and all Board members voted in the affirmative. Mr. McCarthy noted that the resolution should be entered into the record.

Mr. Frankum was recognized for the purpose of presenting a proposed Board resolution reaffirming staff authority. He noted that it had been a particular concern of his that the corporate relationship between the Board of Directors and the officers and employees should be carefully maintained. In the interest of reaffirming that policy, he offered the following resolution for adoption:

WHEREAS the Legal Services Corporation was established by Congress in 1974 and reauthorized in 1977 as an independent private corporation for the purpose of providing financial support for legal assistance in noncriminal proceedings or matters to persons financially unable to afford legal assistance; and

WHEREAS the Board of Directors of the Corporation was created as the governing body of the Corporation; and

WHEREAS the Board of Directors sets broad policy for the Corporation; and

WHEREAS the President of the Corporation is charged under the Act and by the LSC Regulations with the authority to make grants and enter into contracts for the purposes allowed under the Act; and

WHEREAS it has been the consistent position of the Board of Directors since the creation of the Corporation and the promulgation of the LSC Regulations that the President has the responsibility and authority for, among others, the day-to-day administration of the affairs of the Corporation, the making of grants and the entering into of contracts

including, but not limited to, grant conditions and restrictions, including guidelines and instructions at the staff's discretion, and such other powers incident to the Office of the President of the Corporation and the performance of such other duties as the Board may from time to time prescribe; and

WHEREAS the President of the Corporation is authorized to employ and direct staff to carry out responsibilities under the Act and the Regulations with respect to grants and contracts;

THEREFORE, BE IT RESOLVED that the Board of Directors of the Corporation reaffirms the authority of the President and Corporation staff to insure that grants and contracts issued by the Corporation fully comply with the provisions of the Act and the Regulations and do not otherwise violate the letter or spirit of the law.

Mr. Santarelli seconded the motion for adoption and every Board member concurred.

Mr. McCarthy opened the floor for public discussion and recognized Mr. William Olson, former member of the Legal Services Corporation Board of Directors. Mr. Olson stated that he was presently counsel to the Fairness Committee. He criticized the action taken by the Board in adopting the staff recommendation for the 1985 Budget Mark. He stated that by adopting the mark and authorizing its presentation to Congress the Board was making an implicit assurance to Congress that the funds will be properly administered. He argued that, with the Weicker Amendment in effect, the Board is theoretically prohibited from properly administering the funds; therefore, the Board has implicitly made a statement to Congress that is