

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

MEETING OF THE BOARD OF DIRECTORS  
OPEN SESSION

Saturday, January 29, 2011

8:54 a.m.

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

BOARD PRESENT:

John G. Levi, Chairman  
Martha L. Minow, Vice Chairman  
Sharon L. Browne  
Robert J. Grey, Jr.  
Charles N.W. Keckler  
Harry J.F. Korell, III  
Victor B. Maddox  
Laurie I. Mikva (by telephone)  
The Reverend Joseph Pius Pietrzyk, O.P.  
Julie A. Reiskin  
Gloria Valencia-Weber  
Victor M. Fortuno, Interim President and General  
Counsel (ex officio)

## STAFF AND PUBLIC PRESENT AT THE CORPORATION'S OFFICES:

Katherine Ward, Executive Assistant, Office of Legal Affairs  
Betty Balli Torres, Executive Director, National Association of IOLTA Programs (NAIP)  
Ben Obregon, Vice-Chair, Client Board Representative of Legal Action of Wisconsin  
Jo-Ann Wallace, CEO and President, National Legal Aid and Defender Association (NLADA)  
Lillian Johnson, Community Legal Services of Arizona  
Carol Ponce, National Legal Aid and Defender Association (NLADA)  
Harrison D. McIver, Memphis Area Legal Services, Inc.  
Sam H. Buchanan, Jr., Mississippi Center for Legal Services  
Andrea E. Loney, Executive Director, South Carolina Legal Services  
Joan Glanton Howard, Chief Counsel, National Legal Aid and Defender Association (NLADA)  
Sheila A. Hubbard, Executive Director, Volunteer Lawyers Project of the Boston Bar Association  
Rhodia Thomas, Executive Director, MidPenn Legal Services, Harrisburg, Pennsylvania  
Anthony Young, Executive Director, Southern Arizona Legal Aid  
Brenda Ford Harding, Neighborhood Legal Services, Washington, D.C.  
Linda Perle, Center for Law and Social Policy (CLASP)  
Ann Carmichael, American Bar Association  
Camille Holmes Wood, National Legal Aid and Defender Association (NLADA)  
Don Saunders, National Legal Aid and Defender Association (NLADA)  
Terry Brooks, American Bar Association Standing Committee on Legal Aid and Indigent Defendants  
Mark Freedman, Mark Freedman, Senior Assistant General Counsel, Office of Legal Affairs (OLA)  
Atitaya Pratoomtong, Staff Attorney, Office of Legal Affairs (OLA)  
Chuck Greenfield, Program Counsel III, OPP  
Ronald "Dutch" Merryman, Assistant Inspector General for Audits  
Laurie Tarantowicz, Assistant Inspector General and Legal Counsel  
David L. Richardson, Treasurer and Comptroller

STAFF AND PUBLIC PRESENT AT THE CORPORATION'S OFFICES:  
(Cont'd.)

Patricia D. Batie, Corporate Secretary, Office of  
Legal Affairs (OLA)  
Kathleen Connors, Acting Executive Assistant to the  
President/Executive Assistant for GRPA, EXEC  
Jeffrey E. Schanz, Inspector General  
Treefa Aziz, Government Affairs Representative, GRPA

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#### CLOSED SESSION

30. Approval of Minutes of the Board's Open Session Telephonic meeting of October 19, 2010
31. Approval of Minutes of the Board's Open Session Telephonic meeting of November 23, 2010
32. Approval of Minutes of the Board's Open Session Telephonic meeting of January 3, 2011
33. Consider and act on General Counsel's report on potential and pending litigation involving LSC
34. Briefing by Management
35. Briefing by the Inspector General
36. Consider and act on motion to adjourn meeting

Motions: 7, 7, 9, 11, 15, 19, 20, 21, 22, 89, 96, 100, 101, 108, 119

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

2 (8:54 a.m.)

3 CHAIRMAN LEVI: If we could all rise for the  
4 Pledge of Allegiance.

5 (Pledge of Allegiance.)

6 CHAIRMAN LEVI: Good morning. This is the  
7 duly noticed Board meeting of the Legal Services  
8 Corporation published in the Federal Register, and  
9 we're starting a few minutes late, but we're going to  
10 make up the time. And the first item of business is to  
11 have motion to approve the agenda.

12 M O T I O N

13 DEAN MINOW: So moved.

14 MS. BROWNE: Second.

15 CHAIRMAN LEVI: All in favor?

16 (Chorus of ayes.)

17 CHAIRMAN LEVI: The approval of the minutes  
18 for three board meetings. Can we do them together, or  
19 are there any mistakes in them?

20 M O T I O N

21 DEAN MINOW: So moved all three.

22 FATHER PIETRZYK: Second.

1           CHAIRMAN LEVI: Any discussion?

2           (No response.)

3           CHAIRMAN LEVI: This is the minutes of the  
4 19th of 2010, October 19th, November 23rd, January 3rd.

5           All in favor?

6           (Chorus of ayes.)

7           CHAIRMAN LEVI: Opposed?

8           (No response.)

9           CHAIRMAN LEVI: All right. We have now to  
10 consider and act on nominations for Chairman of the  
11 Board of Directors.

12           MR. MADDOX: Mr. Chairman, I would like to  
13 place a nomination for reelection as chairman, our  
14 current chairman, John Levy, who I think has brought a  
15 level of energy to the job of chairman of the LSC that  
16 is matched only by the level of passion for the  
17 Corporation's mission and the spirit of bipartisanship  
18 and evenhandedness.

19           I've been remarkably impressed by your work in  
20 searching for a new president, and setting up the  
21 committees, and establishing the spirit and tenor of  
22 the Corporation's board and its relationship to the



1 Corporation, the community itself.

2 M O T I O N

3 MR. MADDOX: And so I would be pleased to vote  
4 for your renomination -- for your reelection, and so  
5 nominate you.

6 MS. REISKIN: And I will second that.

7 CHAIRMAN LEVI: Thank you very much.

8 MS. REISKIN: And for all of the same reasons.

9 MR. MADDOX: Thank you, Julie.

10 DEAN MINOW: Shall we vote?

11 MR. MADDOX: All in favor?

12 (Chorus of ayes.)

13 CHAIRMAN LEVI: Thank you very much. I'm  
14 touched by that, and will try to keep the same spirit  
15 in the coming years, even if we move along and deal  
16 with an increasing number of tasks. I thought, maybe,  
17 when the search was done that the number of tasks might  
18 go down.

19 (Laughter.)

20 CHAIRMAN LEVI: It seemed like the search got  
21 replaced with strategic and planning. And anyway,  
22 there are many things in front of us, but I think we

1 will get there.

2 Now we have to consider and act on nominations  
3 for the vice chairman of the Board.

4 FATHER PIETRZYK: John, I would like to  
5 renominate, once again, Martha Minow as the vice chair  
6 of the Board. I think with your personality and  
7 energy, it's hard to be a second.

8 (Laughter.)

9 FATHER PIETRZYK: But Martha has proven  
10 herself as a very capable vice chair. Her activity and  
11 involvement in the crisis in Katrina and in  
12 facilitating some wonderful outcomes in that crisis in  
13 Katrina, as well as her great deal of work on some of  
14 our internal work with the IG's office and some of the  
15 review issues have been shown the ways in which her  
16 education, her experience have an incredible benefit to  
17 the Board, and she does it with the professionalism,  
18 with the kindness, with the warmth that she has become  
19 known for.

20 She has really, in the short time she has been  
21 vice chair, has really proven herself to the Board and  
22 a leader, really, in giving an example of what it means

1 to be an active member of a board. Not only an active  
2 member of a board, but to care about the mission of the  
3 Board, and that is to help those who are in need, to  
4 help the poor with legal services.

5 M O T I O N

6 FATHER PIETRZYK: So I am pleased to nominate,  
7 renominate Martha Minow as vice chair.

8 CHAIRMAN LEVI: Thank you, Father Pius.

9 MS. BROWNE: And this is Sharon Browne, and I  
10 would be very happy to second your nomination of Martha  
11 Minow as vice chair for all the very eloquent reasons  
12 that Father Pius put forth.

13 CHAIRMAN LEVI: Thank you, Sharon.

14 Any other nominations?

15 (No response.)

16 CHAIRMAN LEVI: Hearing none, can we vote?

17 All in favor?

18 (Chorus of ayes.)

19 DEAN MINOW: Thank you. I'm very touched and  
20 honored, and it's a privilege to work with this board.

21 CHAIRMAN LEVI: And thank you, Martha.

22 Martha is probably the busiest person. And

1 talking to her scheduler is, I think, like talking to  
2 that almost at 1700, or whatever the number is.

3 (Laughter.)

4 CHAIRMAN LEVI: In any event, but she works  
5 nonstop. I don't know when she sleeps, do you?

6 In any event, we now have item number 8 to  
7 Consider and act on delegation to the Chairman of  
8 standing authority to make committee assignments. This  
9 is, I guess, an annual delegation, and to establish the  
10 committees and the committee chairs.

11 DEAN MINOW: I so move.

12 CHAIRMAN LEVI: Second?

13 PROFESSOR KECKLER: Second.

14 CHAIRMAN LEVI: Any discussion?

15 (No response.)

16 CHAIRMAN LEVI: All in favor?

17 (Chorus of ayes.)

18 CHAIRMAN LEVI: Now if you'll turn in the  
19 Board book, I hope you will find a resolution thanks to  
20 Victor Fortuno. Is it in here?

21 MS. BROWNE: It is. It was.

22 CHAIRMAN LEVI: I'm trying to find it.

1           PRESIDENT FORTUNO:  If not, I've got one I can  
2 substitute.

3           (Laughter.)

4           CHAIRMAN LEVI:  We do not have --

5           PRESIDENT FORTUNO:  It might be, is it in the  
6 replacement?

7           CHAIRMAN LEVI:  Is it in the replacement?  
8 It's not in my Board book and I wanted to read it.

9           Well, I don't think -- we don't need -- from  
10 my standpoint, I want to say a few things before we get  
11 to the resolution.  Our board came into office in a  
12 disjointed way.  Laurie first came on then six of us  
13 came on, then four of us across a period of a year.

14           And as this was happening and we knew that we  
15 would be assuming our roles, the previous president  
16 Helaine Barnett, retired last December 31, and our  
17 predecessor board asked Vic Fortuno not to give up  
18 anything he was doing, but they asked him to assume, in  
19 addition to that, the presidency of the Corporation  
20 during a period in which there were many things  
21 happening here and in which the Board was turning over.

22           So that is a real prescription for any

1 not-for-profit to have a year in which it's going to be  
2 just hard to stand still, but Vic, you not only kept  
3 the Corporation moving and calmed the waters,  
4 transitioned the Board, but you also kept the Office of  
5 General Counsel running and advanced the cause of equal  
6 justice through innovation, through, in fact, providing  
7 for us making sure that we can have a board meeting  
8 that doesn't have snap, crackle and pop continually  
9 through the technology, and by enhancing new programs  
10 and taking a good, hard look internally at many of the  
11 ways in which you were operating, and being a really  
12 tremendous partner.

13           One of the great dangers, I won't say it  
14 publicly here for the reasons that you'll see in  
15 second, I have memorized his cell phone number, and  
16 that's because of the number of calls that we have had  
17 to have almost on a, I guess, three or four times, at  
18 least, weekly; some days many more than that.

19           And so I want to congratulate you. You have  
20 been here for many, many years, and I hope you're here  
21 for many more years to come. We are really indebted to  
22 you. So the resolution, which we do not have in our

1 board books, I think properly reflects -- it should --  
2 our gratitude and our thanks. And I would like to ask  
3 for a motion to adopt the resolution.

4 M O T I O N

5 MS. REISKIN: So moved.

6 CHAIRMAN LEVI: Second?

7 MR. GREY: Second.

8 CHAIRMAN LEVI: All in favor?

9 (Chorus of ayes.)

10 DEAN MINOW: Hip, hip hooray.

11 (Laughter.)

12 PRESIDENT FORTUNO: Thank you very much.

13 (Standing ovation.)

14 PRESIDENT FORTUNO: Well, gosh, now you're  
15 making me blush.

16 FATHER PIETRZYK: We still expect the 3:00  
17 a.m. e-mails.

18 PRESIDENT FORTUNO: Thank you very much. And  
19 if you can't find that resolution, I'm sure I can put  
20 something together.

21 (Laughter.)

22 CHAIRMAN LEVI: Now it's also my great

1 pleasure to introduce Jim Sandman. Jim, why don't you  
2 stand for a second. I think everybody does know you.

3 He's been with us the last few days. Jim is  
4 the new president, effective Monday, and the result of  
5 a national search. A really impressive group of people  
6 applied across the country, and Jim was the unanimous  
7 choice of the search committee. I want to say our  
8 search committee was as thoughtful a group and  
9 considered so many aspects of this position and what  
10 the corporation would need to have going forward.

11 And how lucky for us that Jim Sandman, who had  
12 been, for many, many years, the managing partner of a  
13 very distinguished American law firm in Washington, but  
14 also had been in its Los Angeles and Colorado offices,  
15 Arnold and Porter, and had really built that firm's own  
16 presence in pro bono, and then became head of the D.C.  
17 Bar where he did an outstanding job.

18 And taking himself then out of the private  
19 sector, moved over with Michele Rhea for the last  
20 three-and-a-half years as general counsel of the D.C.  
21 Public Schools where I think you said you walked in on  
22 day one, basically, to a completely new environment and



1 hit the ground running and did it with flying colors.  
2 And your colleagues, both here in this community and  
3 around the country, have been sending me e-mails and  
4 phone calls to let us know what we already knew, what  
5 an outstanding choice we have made in persuading you to  
6 join us here at Legal Services. And we look forward to  
7 working with you in the coming years. So welcome.

8 PRESIDENT-ELECT SANDMAN: Thank you very much.

9 (Applause.)

10 MS. REISKIN: Mr. Chair, I just -- this is  
11 Julie Reiskin. I just wanted to say you did an  
12 incredible job doing an inclusive, incredible, well-run  
13 search. I just want to say that, that it was  
14 wonderful. I wasn't on the committee, but having heard  
15 the process, I'm really impressed.

16 CHAIRMAN LEVI: Thank you very much. And that  
17 actually leads us to a resolution to thank the advisory  
18 members for their participation on the search  
19 committee. There were five of them. And again, these  
20 folks are not active board members and they did not  
21 have to do this, but they did this because they knew  
22 what was at stake for our community and for our board.

1           Laveeda Morgan-Battle had been a board member  
2 during the Clinton board. She also, as I understood  
3 it, had been involved in the preparing the transition  
4 report a few years ago with respect to the Corporation.

5           Doug Eakeley had been the chair of the Board  
6 during the Clinton Administration.

7           Bob Stein is the current head of the ABA's  
8 SCLAID committee.

9           Frank Strickland you all know, our  
10 predecessor.

11           And Deidre Weir, from NLADA. And Deidre, are  
12 you still here? She was here the other day from  
13 Detroit, Michigan.

14           All dedicated their time, I have to say their  
15 travel time. They ran into the same kinds of issues  
16 that some of us confronted here in our travel, and they  
17 made themselves available to work hard and to cause us  
18 to have a search that really -- I tell you I have run  
19 many, many searches but this committee worked really  
20 well together with a spirit of cooperation among the  
21 members that I think we would hold a standard for many  
22 other organizations. But really, I appreciate what

1 people have said about my chairing it, but it really  
2 has -- it's a tribute to the people who were on the  
3 committee that that's how it worked.

4 So we have a resolution of thanks for each of  
5 them and I would ask that that be adopted.

6 M O T I O N

7 DEAN MINOW: I move a resolution thanking the  
8 advisory members of the search committee.

9 PROFESSOR VALENCIA-WEBER: I'll second it.

10 CHAIRMAN LEVI: All in favor?

11 (Chorus of ayes.)

12 PROFESSOR VALENCIA-WEBER: Are any of those  
13 present today?

14 CHAIRMAN LEVI: They are not present today,  
15 but they will send -- Laveeda Morgan-Battle --

16 PROFESSOR VALENCIA-WEBER: Yes.

17 CHAIRMAN LEVI: -- she would have been here.

18 PROFESSOR VALENCIA-WEBER: She was here the  
19 first night.

20 CHAIRMAN LEVI: But she had a grandchild born  
21 as she was arriving here, and I think that is where she  
22 is. So that's a good thing.

1 DEAN MINOW: Good reason.

2 CHAIRMAN LEVI: So that means that,  
3 thankfully, a committee can be dissolved; namely, the  
4 search committee for the LSC. And we now need to --  
5 oh, we haven't voted on the resolution. Okay. We need  
6 to vote the resolution. All in favor?

7 (Chorus of ayes.)

8 CHAIRMAN LEVI: Okay. And now can I have a  
9 motion to dissolve the search committee?

10 M O T I O N

11 PROFESSOR KECKLER: So moved.

12 CHAIRMAN LEVI: Second?

13 DEAN MINOW: Second it.

14 CHAIRMAN LEVI: All in favor.

15 (Chorus of ayes.)

16 CHAIRMAN LEVI: Okay. So now there is in our  
17 board book a resolution also recognizing that this is,  
18 we're now in the hundredth anniversary year of the  
19 National Legal Aid of Defender Association. There is a  
20 resolution recognizing their work for 100 years on  
21 behalf of equal justice across this country. And I  
22 would like to ask that that resolution also be adopted.

1 M O T I O N

2 DEAN MINOW: I so move.

3 MS. BROWNE: I'll second.

4 CHAIRMAN LEVI: All in favor?

5 (Chorus of ayes.)

6 CHAIRMAN LEVI: Thank you.

7 Well, I will keep my chairman's report brief.

8 MR. GREY: Mr. Chair?

9 CHAIRMAN LEVI: I'm sorry. Yes? Oh, do you  
10 want to do that now?

11 MR. GREY: I figure we might.

12 CHAIRMAN LEVI: Might as well. We have  
13 another resolution that we'll insert right here that  
14 Robert Grey will present.

15 MR. GREY: Mr. Chairman, thank you. It is  
16 with a heavy heart that I present the resolution before  
17 the Board to recognize the distinguished support and  
18 work by Bob Evans who until his retirement in 1982,  
19 served as the director of government affairs in the  
20 American Bar Association here in Washington.

21 There is no one, Mr. Chairman, that I think  
22 the members of Congress and the Administration have

1 seen onsite who has been a more active supporter of LSC  
2 than Bob Evans. He has been a tireless advocate for  
3 LSC and in many cases, went way beyond the call of duty  
4 in advancing the cause of LSC and equal justice. To  
5 the community of LSC, he is an icon. And to recognize  
6 him, as his memorial service is today at 3:00, I think  
7 would send a very positive and reinforcing message  
8 about those who are the unsung heroes of LSC.

9 M O T I O N

10 MR. GREY: And so I would move the resolution  
11 that's been passed to the Board for its adoption and  
12 hope that this would be sent to his family as well.

13 CHAIRMAN LEVI: Is there a second?

14 PROFESSOR KECKLER: Second.

15 CHAIRMAN LEVI: All in favor?

16 (Chorus of ayes.)

17 CHAIRMAN LEVI: Thank you, Mr. Grey.

18 So I will keep my report brief. I just want  
19 to take a moment, though, to step back and think about  
20 the past year, how we all came together as a group.  
21 You might not have thought that if you looked around  
22 the room, that any of us would end up serving on this

1 board together, or a board together, but here we are,  
2 and I just want to say what a pleasure it has been this  
3 past year to get to know all of you and to get to work  
4 with all of you.

5           Each of you brings some of your own  
6 background, your own energy, your own interest, and  
7 your own capabilities to this board, and we've been  
8 using all of them, and we'll continue to be doing that.  
9 This is not a time when those of us on the Board can  
10 sit back and relax. As all of you in the field know, I  
11 don't know whether there really is any such time in the  
12 pursuit of equal justice, but certainly, this is one of  
13 those times when we know so much is not being met in  
14 the way of need. And we have anecdotal stories and the  
15 perfect storm of a recession that has really taken many  
16 of our funding sources and hurt them tremendously at  
17 the same time as it has caused the need to skyrocket.

18           When you have jolts of this kind, when you  
19 have economic jolts, it's extremely important to  
20 remember what you're about as a nation and to keep firm  
21 in your basic commitments that have gotten you here  
22 over all these many years in terms of what it is that

1 we turn around and pass along to the next generation.

2 What kind of country do we want to have.

3           And we know that there is certain fundamental  
4 principals that we all grew up with, we all just  
5 pledged allegiance to, and one of those is equal  
6 justice. And so we have to be vigilant as the country  
7 wrestles its way through this period to make sure that  
8 we don't cut corners and sacrifice on those things that  
9 make us free.

10           So we've also been very lucky, I think, very  
11 fortunate in the past year, and will continue to do  
12 this in the coming year, to hear from so many  
13 thoughtful people in the field and outside the field  
14 about the innovations that they are accomplishing, not  
15 only on behalf of the legal aid community, but on  
16 behalf of the fabric of American justice, as we work  
17 our way forward.

18           The presentation on technology that we heard  
19 not yesterday, the day before, was as compelling as any  
20 I've heard, not just sitting on this board, but on many  
21 other boards, and something that we need to pay  
22 attention to in the coming months as to how we can help



1 to take these powerful tools and make access to justice  
2 easier and even help our burdened court system.  
3 Because what we learned is that through our TIG  
4 program, we're making the biggest impact in the fabric  
5 of American justice in how it is operating, I guess,  
6 above and beyond those of any other organization. And  
7 that's really amazing. I don't know whether any of us  
8 in here really quite knew that.

9 I suppose you may have, Vic, and many of your  
10 staff, but for some of us here, that was quite  
11 stunning.

12 The other thing I want to say is how impressed  
13 I have been, and I know our board has been, as we've  
14 been around the country, but also as we've invited  
15 executive directors and staffs from legal aid, legal  
16 services grantees around the country to come here to  
17 make presentations or to meet us in other locations, to  
18 come and discuss topics of interest with us.

19 Those have been extremely compelling  
20 presentations, and the executive directors and their  
21 teams have been very, very impressive. And we know  
22 that they have really dedicated themselves to work in

1 this field, not for the money, but for the love of the  
2 work they're doing and for what they know to be an  
3 important calling. And so we're very grateful to them.  
4 And I want to say I hope that you all -- some of you  
5 who are here today will continue to come make these  
6 presentations and keep this board informed because  
7 obviously, we can't do any of this without you.

8           So now next I'm looking forward to a busy  
9 upcoming year. We will have a strategic plan. We have  
10 a fiscal taskforce. At some point we'll get a pro bono  
11 taskforce going, and the various committees have very  
12 full agendas. So I wish I could tell everybody that we  
13 would have a calm and quiet 2011, but that will not be  
14 the case. So we'll be meeting many times by phone.  
15 Incidentally, we have these formal meetings. In the  
16 past year, I didn't do -- I probably should have asked  
17 for a count, but we called this board together by phone  
18 many times and that will, I'm sure, happen again in the  
19 coming year.

20           So that's my report and again, my gratitude to  
21 the Board for all the work you're doing and your  
22 willingness to work as a team and cooperate together,

1 and it's a pleasure and a privilege to be with all of  
2 you.

3           The members. Do the members have reports?  
4 Anybody want to speak about their travel here and how  
5 it went?

6           FATHER PIETRZYK: I just want to -- I had the  
7 great opportunity to meet the local grantee in  
8 Columbus. I went to, first of all, an award ceremony  
9 run by OLAF, the Ohio Legal Aid Foundation, and they  
10 had been given an award to the grantee in Toledo. But  
11 I've been very impressed. I've met -- sat in on a  
12 board meeting of the Local Ohio Grantee, the Columbus  
13 Grantee, and the executive director is quite  
14 impressive.

15           He's known to be very frugal and to run -- he  
16 had to coordinate the merger of two entities together,  
17 one that was having some trouble, and they've now  
18 coordinated into it. And they run an office down near  
19 us from Zanesville. I had to take one of my  
20 parishioners in to our local grantee to get some legal  
21 services and have found them very competent.

22           So, you know, if we're ever looking, I think,

1 for a program that is run very well by an executive  
2 director who is smart and honest and a good manager,  
3 the Ohio program, the Columbus program, we couldn't  
4 look much further than that. So I'm very, very  
5 impressed, very edified by my ability to meet a lot of  
6 the local people.

7           And they're well known. You know, they had an  
8 opening of a new office in a small town in Newark. The  
9 former attorney general, who was University of Chicago  
10 fan, came down. So they're known in the area, they're  
11 very well respected in the area in terms of the quality  
12 of work that their lawyers do. So I've been very  
13 edified by everything that I've seen there and I hope  
14 to do some more there in the time I'm in Zanesville.

15           CHAIRMAN LEVI: Thank you, Father Pius.  
16           Julie.

17           MS. REISKIN: Yes. I had the opportunity to  
18 attend the TIG conference, and I was very impressed the  
19 way the conference was run by the LSC staff, with the  
20 quality of the workshops, with the interaction of the  
21 people, and I learned a tremendous amount. I think the  
22 highlight, though, was being able to go visit Professor

1 Valencia-Weber's law school and to see the  
2 incredible -- meet some people that I never dreamed of  
3 meeting who have done some incredible work on mental  
4 disability issues, and to see the clinic, which I think  
5 is a great model. So that was really neat.

6           Also, in my day job, a member of the TIG  
7 Advisory Committee for the Colorado Legal Services TIG  
8 grant, we have our first meeting -- they have a project  
9 that's geared towards people with disabilities. So we  
10 have our first meeting February 8th. So I'll get to  
11 see it from that side. You know, obviously, I'm doing  
12 that as not as a board member, but as my job, and it  
13 will be good to see kind of how it comes out on that  
14 side. So I'll look forward to sharing, but I brought  
15 in about six other disability organizations, and  
16 everyone is really, really excited about it.

17           CHAIRMAN LEVI: Yes, Gloria.

18           PROFESSOR VALENCIA-WEBER: I wanted to suggest  
19 that we might consider a concept of the LSC attorney  
20 alums. Since being appointed, I have been contacted by  
21 all kinds of people from across the United States for  
22 whom having been a legal services attorney has been a

1 pivotal guiding force in their life. And I've been  
2 amazed by the kind of work some of these people are  
3 doing.

4           Occasionally they come to -- Albuquerque is a  
5 great convention city and they'll show up at my door,  
6 just to present themselves to me. And many of them are  
7 doing public interest pro bono work in some ways,  
8 others are making sure that their law firms have good  
9 pro bono contribution, and some have gone on to some  
10 very distinguished service.

11           We just recently had a memorial service on  
12 Tuesday before our meeting for one of the distinguished  
13 alums who went on to become the regional solicitor for  
14 the Department of Interior who had an amazing impact in  
15 the Southwest area in terms of natural resources, water  
16 law, and American Indian law. And he was one of our  
17 adjunct professors who had established innovative  
18 courses in Indian water law.

19           And it was amazing to hear about his being  
20 honored by President Clinton and the ways in which he  
21 had, from a Reginald Hebert Smith Fellowship, had  
22 continued on this career. And that event brought

1 together all kinds of LSC alums who wanted to pay their  
2 respects to this individual.

3           So I was interested that these people would  
4 contact me and say, "Well, I'm an LSC attorney alum."  
5 And we really ought to think about these people because  
6 they could be part of our, in the fields, supportive  
7 voices, supportive people. And I just found it really  
8 energizing and affirming of our purpose.

9           CHAIRMAN LEVI: The President's report?

10           PRESIDENT FORTUNO: Yes. Mr. Chairman,  
11 members of the Board, and esteemed guests, I am  
12 delighted to report that we've completed our grant  
13 making. We've made, in the area of basic field grants,  
14 we made 55 grants to grantees covering 76 service  
15 areas; that is, three-year grants to those 55 grantees  
16 covering 76 service areas.

17           In the category of less than three-year  
18 grants, we awarded grants to 16 service areas. One  
19 service area was not funded, that's American Samoa, and  
20 there was one application for funding that was denied,  
21 but we were able to resume the making of TIG grants.  
22 We have made 43 grants, which cover our programs in 25

1 states, and there are an additional five grants that  
2 are pending and should be funded shortly.

3 Speaking of TIG, we also held the much-  
4 anticipated TIG conference that was held January 13th  
5 through the 15th in Albuquerque, New Mexico. We had a  
6 record number of attendees. And interesting, a point  
7 about the conference was we had folks from all over,  
8 including the South Pacific, and we had an attorney  
9 from Canada, a legal services attorney from Canada, who  
10 indicated to us the feeling there was that we are well  
11 ahead of where they are. And so he came down to attend  
12 the conference so that he could go back with ideas for  
13 Legal Services of Canada. That was, of course,  
14 refreshing to hear and although not a surprise.

15 Julie Reiskin, a member of this board,  
16 attended the TIG conference, was very active, and her  
17 presence there was very much appreciated. And Gloria  
18 Valencia-Weber attended the reception that was hosted  
19 for us by the Bar, by the New Mexico Bar Association.

20 And in keeping with the theme of keeping it  
21 short, I'll just add one other thing, and that is of a  
22 personal nature. I want to say that it was -- it has



1    been a profound honor and a truly great privilege to  
2    have served as interim president for this past year.  
3    It, if anything, has left me with an even stronger  
4    sense of how very important our mission is and how very  
5    fortunate we are to have the people involved in this  
6    that we do have involved.

7                   And I also want to thank the Board for its  
8    great work, well, to commend and thank the Board for  
9    its great work and superb judgment in the selection of  
10   Jim Sandman as our new president. I think it's an  
11   outstanding choice, and on behalf of the staff, I would  
12   like to welcome Jim aboard.

13                   Jim, welcome aboard, and I look forward to  
14   having you here at the helm of the Corporation.

15                   And with that, Mr. Chairman, as I said I would  
16   keep it short, I conclude my report.

17                   CHAIRMAN LEVI: Thank you very much.

18                   Mr. Inspector General?

19                   MR. SCHANZ: Yes, sir. Being handed out to  
20   you right now, even as I speak, is our draft 2011 work  
21   plan that identifies some of the issues that we want to  
22   address this year. We do have a PowerPoint. Just to

1 let you know, since everybody loved the technology  
2 session, we have those abilities, but I'm not sure that  
3 we'll waste your time with that today, instead giving  
4 you a hard copy of our work plan.

5           And as I mentioned, either of the past two  
6 days, or maybe both of the past two days, we welcome  
7 input from our stakeholders. And of course the Board  
8 and management and individuals sitting behind me are  
9 all stakeholders for the inspector general's office.

10           I would also like to commend Vic, since this  
11 will be my last public meeting with him as the  
12 President. Very rarely in my government career  
13 spanning 30 plus years, and now with the IG, do you see  
14 a sea change. With Vic in charge, there was a sea  
15 change. There was a sea change of openness,  
16 forthrightness, and honesty. And I very much  
17 appreciated that because as many of the Board knows,  
18 being an inspector general is a sort of a difficult  
19 role. You're trying to improve programs and you may  
20 step on toes, but those toes were big toes and Vic went  
21 right to the issues that we raised.

22           And I believe since we've been talking about

1 TIG so much, at the end of the process, this will be a  
2 much, much better process, more transparent. And in  
3 deference to Dean Minow, I will say its accountability,  
4 responsibility, and transparency were the hallmarks of  
5 Vic's interim meter. And that spells ART as opposed to  
6 the rat board with all the stimulus number. So I've  
7 revised that even to the consternation of some of my  
8 fellow IG's. So I call it ART now, accountability,  
9 responsibility, transparency.

10 DEAN MINOW: I'm thrilled.

11 MR. SCHANZ: Okay. If you're around, a lot of  
12 IG's, though, still use rat board to have stimulus  
13 money.

14 I'm looking forward to working with Jim. I  
15 think the search committee did a very good job. I've  
16 talked with him several times, and we'll now have an  
17 opportunity to meet on a regular basis continuing some  
18 of the discussions that Vic and I were much more  
19 robust, and I think much more fruitful and informal and  
20 formal at the same time, when they needed to be. So I  
21 appreciated that honesty and forthrightness.

22 I appreciate the new board. We're all one

1 board now and you're a quick study. You've understood  
2 my role, and while sometimes you may not like my role,  
3 but my role is statutorily driven and that's what I do  
4 for a living. So I appreciate that.

5 I'm really happy, much like you've said, with  
6 the program presentations, because that's where the  
7 tire meets the road. And I have done pro bono work in  
8 my justice career and I enjoyed it immensely. I have  
9 the same stories of helping someone that would just --  
10 are mind-boggling, somebody who had nothing that really  
11 appreciated some of the work that they do and we do.

12 And that's not a seminal moment in my career,  
13 but it's certainly an emotional moment in my career.  
14 So I appreciate all the work that's done with the  
15 project directors, and I look forward, too, to their  
16 presentations because that's where the money is.  
17 That's where the people get services.

18 I want to introduce Dave Maddox, who is the  
19 assistant inspector general for management and  
20 evaluation, and put together a lot of studies that the  
21 Inspector General's Office does, including the work  
22 plan that you do have in front of you. We'll be happy

1 to discuss any part of it with you. I say it's a  
2 working and flexible document. We don't know what  
3 Congress will want, we don't know what the Board will  
4 want, we don't know what a newspaper may indicate is a  
5 high risk area that we'll get into.

6 With that being said, I welcome any input. I  
7 know you just got the document, but in addition, in  
8 looking forward, this document will now form the basis  
9 of my next performance appraisal because now you know  
10 what I'm planning on doing with my resources in the  
11 Office of Inspector General.

12 CHAIRMAN LEVI: Questions?

13 MR. SCHANZ: Would you like the PowerPoint?

14 CHAIRMAN LEVI: How long will the  
15 PowerPoint --

16 MR. DAVID MADDOX: About 15 minutes.

17 CHAIRMAN LEVI: What is the Board's pleasure?

18 VARIOUS BOARD: We can read it.

19 MR. SCHANZ: Okay.

20 CHAIRMAN LEVI: We'll read it. Thank you very  
21 much. Thank you for presenting it, and if we need a  
22 greater discussion of it, we can always have a

1 telephonic briefing with the IG after we've had a  
2 chance to look at it.

3 MR. SCHANZ: Okay. Very good.

4 DEAN MINOW: Thank you, as always, for your  
5 clarity, communication, and other C's.

6 (Laughter.)

7 MR. SCHANZ: There is even more, but I've  
8 narrowed it. Thank you.

9 CHAIRMAN LEVI: Now we have a presentation by  
10 the African American Project Directors Association, a  
11 number of friends who we've met along the way.

12 Lillian, are you going to bring everyone up?

13 MS. JOHNSON: Yes, I am. Thank you. Good  
14 morning.

15 DEAN MINOW: Good morning.

16 MS. JOHNSON: It is indeed an honor for the  
17 African American Project Directors Association, the  
18 acronym is APDA. So you'll hear and see it a lot.

19 More than two decades ago, APDA was formed to  
20 promote and support people of color being in leadership  
21 roles and the equal justice community. And as part of  
22 that, we have played a tremendous role in partnering

1 with the Legal Services Corporation and, of course, the  
2 National Legal Aid and Defender Association, to promote  
3 equal access to justice.

4           And so we were meeting here, yes, in cold  
5 Washington, D.C., we were meeting here for the past two  
6 days so that we would have the opportunity to not only  
7 attend this meeting to meet all of you, but also to  
8 present ourselves to you so that you could put a face  
9 to our association and that you can see your partners  
10 going forward because we're all committed to equal  
11 justice for all here in America.

12           So I've asked that each of the members present  
13 be permitted to give you their name and their  
14 association, and then I will have a few comments and  
15 then my colleague from the Latino section of the NLADA,  
16 Ben Obregon, will also have a few comments.

17           CHAIRMAN LEVI: Thank you.

18           DEAN MINOW: Would you like some chairs or --

19           MR. YOUNG: No. Good morning, Board. I'm  
20 Anthony Young, executive director of Southern Arizona  
21 Legal Aid, Tucson, Arizona.

22           MS. THOMAS: Good morning. My name is Rhodia

1 Thomas. I am the executive director of MidPenn Legal  
2 Services, and we're headquartered in Harrisburg,  
3 Pennsylvania.

4 MS. LONEY: Good morning. I'm Andrea Loney  
5 with South Carolina Legal Services. We're a statewide  
6 program.

7 MR. McIVER: I'm Harrison McIver. I'm  
8 director of Memphis Area Legal Services.

9 MS. HOWARD: Good morning. I'm Joan Glanton  
10 Howard, chief counsel for the Civil Law Group with  
11 Legal Aid and Defender Association, and we're  
12 headquartered in Detroit, Michigan.

13 MS. HARDING: Good morning. I'm Brenda Ford  
14 Harding, Neighborhood Legal Services here in D.C.

15 MS. HUBBARD: Good morning. I'm Sheila  
16 Hubbard, executive director of the Volunteer Lawyers  
17 Project in Boston. We're a pro bono program.

18 MR. BUCHANAN: Sam Buchanan, director of  
19 Mississippi Legal Services, Hattiesburg, Mississippi.

20 MS. JOHNSON: Our two colleagues, Don Isaac  
21 from Florida Rural Legal Services, and Wilhelm Joseph,  
22 both send their apologies, but unfortunately, they had



1 deaths and had to attend funerals. So they're sorry  
2 that they could not be here.

3 Thank you very much for giving us an  
4 opportunity to just briefly speak with you. I wanted  
5 to share with you some of the thoughts that we've had  
6 over the course of the past year and to tell you that  
7 on behalf of the community of leaders, particularly  
8 leaders of color, we want to first commend you for  
9 convincing Vic to stay on and continue his other job  
10 while serving as interim president. We also want to  
11 tell you how much we appreciate all of you.

12 It is indeed an honor to work in this  
13 community, and it's a significant honor when the  
14 premier organization in America, the Legal Services  
15 Corporation that promotes equal justice, for people to  
16 be interested enough to be considered and subsequently  
17 appointed to a tremendous board with a lot of work, but  
18 a truly important mission. And we are congratulating  
19 all of you for being selected and ultimately achieving  
20 what we consider the ultimate, actually sitting in the  
21 chairs and helping to make decisions that will promote  
22 equal access to justice for all.

1           We can tell you that we understand your  
2 challenges are far more significant than even they  
3 appear to be right now. Among the things that we've  
4 noticed as part of a community, in particularly over  
5 the course of the past several years, is that the gap  
6 is getting wider. There are changes in faces of people  
7 who present themselves for legal assistance, and we  
8 have far more people seeking access to legal assistance  
9 than we've ever had in our history before, and we are  
10 doing it at a time when the resources are simply not  
11 available as they have been in the past.

12           And yet we're up to the task and we're  
13 ecstatic that you've chosen a leader who seems from all  
14 that we're able to learn about him, also up to the  
15 task. And we've seen you and the way you've operated  
16 over the course of the past year. And we know you're  
17 up to the task. And we're here today to tell you that  
18 we are looking forward to working with you and asking  
19 you to consider us at any time.

20           We're anxious to have some input and talk with  
21 you about some of the strategic objectives, like  
22 meaningful access and measurable outcomes for clients.

1 We're ecstatic about the opportunity to work with you  
2 in trying to be more efficient and more effective, to  
3 increase and expand access to justice, so that we have  
4 an opportunity to use the limited resources more  
5 effectively and efficiently, and yet we understand the  
6 challenge.

7           There is money that is being used elsewhere  
8 and there is a challenge that we all face that not only  
9 is Legal Services facing challenges with regard to  
10 funding, but every local funding source that we have is  
11 also presenting the same challenges to us. And we're  
12 here ready and willing to work with you to accomplish  
13 that.

14           And with that, I'll ask my colleague, Ben  
15 Obregon, to make a few comments on behalf of the Latino  
16 section of the National Legal Aid and Defenders  
17 Association.

18           MR. OBREGON: Thank you, Lillian. Again, the  
19 name is Ben Obregon. Actually, my full name is Ben  
20 Amin Oleva Presiago de Obregon. I go strictly by Ben  
21 Obregon.

22           I did not learn to speak English until I was

1 11 years of age, number one. My father was a migrant  
2 labor contractor working out of Arizona, California,  
3 Oregon and Washington. In 1949, when I graduated from  
4 high school, I convinced my dad to sign for me so I  
5 could join the Army to get out the migrant stream. I  
6 joined the Army and I ended up in Korea within six  
7 months after I joined. At 17 I was in Korea. That's a  
8 few years ago.

9 I have always been in a volunteer agency in  
10 every kind of agency you can have. I'm here on behalf  
11 of the Latino section. I'm chairman of the Latino  
12 section of the NLADA. I'm vice chairman of the Board  
13 of Directors of Legal Action of Wisconsin. I am a  
14 client member. I'm also chairman of a board of  
15 directors of UMOS out of Milwaukee, United Migrant  
16 Opportunity Services. It's a multi-state agency with  
17 quite an extensive budget, and again, we provide  
18 services to a lot of indigent people throughout the  
19 seven states.

20 Now the things that Lillian has said about  
21 resources and that, you're more than welcome, and we  
22 offer that the Latino section have a lot of resources

1 that you folks could tap into to help you. If you seek  
2 our help, we definitely are willing to do what we can.

3 Now we know the most effective balance legal  
4 advocacy provides individuals, quality representation  
5 while at the same time promoting resolutions for  
6 systemic, poverty and broader community. This must  
7 include a philosophy that gives the highest priority to  
8 the most vulnerable amongst the indigent population.

9 The continued arrival of immigrants ensures  
10 that many legal challenges remain that are similar to  
11 those faced by earlier generations of the poor. These  
12 challenges especially persist for women, children,  
13 families as a whole. Historically, the strength of  
14 legal institution lies in targeting their resources to  
15 identify and address the most pressing, systemic civil  
16 legal needs of low income within the service areas.

17 There are, however, areas of language issues  
18 that become a problem, whether it is Spanish, Russian,  
19 Hmong, Creole, even with deaf clients, Somali. In  
20 Wisconsin, we have Somali clients up in the northern  
21 part. And one of the problems that we have is to find  
22 appropriate translators that are able to translate in

1 the legal sense, you know, for those individuals. And  
2 it's unfortunate that it's there, but it is one of the  
3 problems that we do have.

4 Technology does offer some very real  
5 possibilities for helping to meet the language needs,  
6 but one must determine where technology can  
7 appropriately be used to bridge the language gaps and  
8 when it is not enough. Auto translators, such as  
9 Google Translate, can facilitate basic communication,  
10 but is not effective in translating legal terminology.  
11 So there is an issue there.

12 Your largest grantee is Puerto Rico Legal  
13 Services. It is known as the law firm for the poor in  
14 Puerto Rico. Presently approximately 45 percent of the  
15 population, which means about 1.7 million, live at or  
16 below the poverty level and are potential clients. In  
17 many cases, all documents must be translated into  
18 Spanish, and then back into English for court purposes,  
19 which becomes not only a time consuming, but also an  
20 added expense to that particular program.

21 We do need to work together to assure that  
22 limited English proficient issues are included. Under

1 the racial discrimination -- racial discrimination is  
2 not simply of race -- white, black, Latino and Asian --  
3 but also in terms of language, national origin.  
4 National origin discrimination affects Asians, Pacific  
5 Islanders, Latinos, and persons arriving from other  
6 continents like Africa.

7           We can assist you in providing culture  
8 competency training, which is very important and  
9 somewhat controversial at times. It is very important  
10 to expose our staff to the norms and customs of our  
11 cultural diverse clients to promote better  
12 communication among the clients, advocates and  
13 decision-makers without promoting stereotypes.

14           Let me close by quoting César Chávez, which I  
15 got to know him personally and I worked in that realm.  
16 "It does not matter how powerful we become. We cannot  
17 forget the human element." Thank you for your time,  
18 and we are willing to work with you. If you have any  
19 questions or anything that you might think that we can  
20 be of service to you, feel free to inquire. Thank you.

21           CHAIRMAN LEVI: Thank you.

22           DEAN MINOW: Gracias.

1           PRESIDENT FORTUNO:   Muchos se muy gracias.

2           MS. REISKIN:   I have a question for I think  
3 both of you.   How are we doing nationally with having  
4 appropriate cultural diversity on the boards and having  
5 appropriate training at the Board level.   And so how  
6 are we doing and what do we need to do.   I'm assuming,  
7 unless we're unlike the rest of the country, we're not  
8 there yet.   We're not where we need to be.   And what  
9 recommendations do you have for us to help get there.

10           And then just a follow-up.   Do programs  
11 advertise in the, what I know some of my friends call  
12 the ethnic press, like the black and Latino, or  
13 whatever, owned newspapers in the local communities?

14           MR. OBREGON:   I guess there is a lack of  
15 cultural diversity within a lot of boards within the  
16 legal services programs.   And it depends your area, it  
17 depends your state, it depends on the program as to  
18 what process they use to recruit their board  
19 membership.

20           We use our local community agencies to  
21 recommend or to refer, profit and non-profit agencies  
22 as well, or we just recommend people to the board.   We



1 do have a committee that reviews and selects and then  
2 recommends to the board to accept or not those  
3 individuals. So I think but there is a lack of  
4 culture, diverse board structures across the country.

5           If I may so, I'm looking at you, and besides  
6 Victor here, you know, there is not -- you know, we  
7 need to work with these things across the board  
8 nationwide.

9           MS. JOHNSON: From our perspective, we are  
10 program leaders. We worked with the Legal Services  
11 Corporation in developing their performance criteria,  
12 as well as their application, as well as working with  
13 the American Bar Association standards. We're civil  
14 legal services providers, and we're well aware, and  
15 have commitments to diverse boards consistent with the  
16 make-up of our client community.

17           And I must say that we pride ourselves that  
18 we're doing -- we're not where we need to be, but we  
19 certainly understand and appreciate our responsibility,  
20 and we take that seriously, and we're involved in a  
21 variety of ways of increasing opportunities for diverse  
22 members of our community. And in a very real sense,

1 it's well beyond race or ethnic representation or  
2 gender. There are significant cultural differences  
3 within our communities in a very broad sense. And  
4 that's our commitment.

5           So we're working toward being more successful  
6 and having some more meaningful outcomes, but those are  
7 areas where we are well aware of the challenges, but  
8 are up to them. And I must admit, the Legal Services  
9 Corporation has been very cooperative with us in the  
10 past trying to make sure that we do it top down, bottom  
11 up, any way that can be effective.

12           CHAIRMAN LEVI: Yes. Well, we have three  
13 questions here. We'll start with Gloria and we'll just  
14 move right this way.

15           PROFESSOR VALENCIA-WEBER: I would appreciate  
16 if you could both inform me on how the cultural  
17 competency that Ben mentioned is approached in your  
18 work. The more evolving law schools now have cultural  
19 competency training for their lawyers. But for your  
20 attorneys, your staff, your board members, do you have  
21 a planned cultural competency training or is it just  
22 something that happens through activities?

1           MR. OBREGON: It's a combination of both. We  
2 do have a plan, but also we also work towards making  
3 sure that we do get the cultured respect of the  
4 individuals within the group. So it's a combination of  
5 both, working again within the system.

6           MS. JOHNSON: It certainly is critical to  
7 effective and meaningful access for the very diverse  
8 client community that we serve. And it is certainly  
9 something that programs are challenged to make sure  
10 that they do. And with cooperation from the Legal  
11 Services Corporation nearly a decade ago, there was  
12 development of board training specifically with pilot  
13 projects that did include my program. And my board was  
14 challenged and excited because it created an atmosphere  
15 of understanding and knowledge and helped us to begin  
16 to develop and promote cultural competency.

17           And I'm also reminded, again, that it depends  
18 on your community and how you approach the notion of  
19 cultural competency; and in particular, for my program  
20 because of our understanding and appreciation of how  
21 much more effective we can be if we are culturally  
22 competent.

1           We made a commitment, and I challenge you to  
2 ask me in 2013, but we made a commitment to become  
3 culturally competent as an organization and as  
4 individuals by the year 2013. Now the reason it is set  
5 far out is because we understand how difficult and  
6 challenging that is, but we're committed to working  
7 toward that end.

8           MR. MADDOX: Yes, a couple of things. First  
9 of all, I want to say I appreciate your presentation.  
10 And it's coincidental, I suppose, that we, in the last  
11 year, visited both the Wisconsin operation and the  
12 Tucson operation and got presentations about all of the  
13 Arizona programs. So it was very instructive and  
14 informative.

15           You know, our attorney general told us that we  
16 are a nation of cowards when it comes to race. And so  
17 don't take anything I saw in the wrong way because I  
18 think what that statement means, if it means anything,  
19 is that we have to be able to address some of the  
20 propositions that get made about raise in a frank and  
21 forthright manner and realize that there may be  
22 differences of opinion.

1           So for instance, Mr. Obregon, you made the  
2 statement that language discrimination is the same,  
3 essentially, as racial discrimination, I think.

4           MR. OBREGON: They're not the same.

5           MR. MADDOX: Well, I thought I heard you say  
6 that racial discrimination is also language  
7 discrimination. And I just, frankly, want to tell you  
8 that I don't agree with that. I think that racial  
9 discrimination is a very ugly thing, and it's a very  
10 powerful charge, and it's got, you know, no place in  
11 our society.

12           Language discrimination is a very different  
13 thing. And we're a nation that historically was an  
14 English speaking country, and immigrants that came to  
15 this country needed to learn to speak English to  
16 assimilate into our society.

17           In more recent decades, we've had a very large  
18 influx of immigrants from all kinds of nations with  
19 different languages. For instance, Somali. We have a  
20 very large Somali community in Louisville, we have a  
21 large Hispanic community in Louisville, but there are  
22 Vietnamese and there are all number of people.

1           And so the fact that our society hasn't yet  
2 developed the techniques and that our legal system  
3 hasn't yet developed the capacity to provide on the  
4 spot, universal translation into the language of, you  
5 know, 50 or more, you know, worldwide languages I don't  
6 think is evidence of anything that approaches racial  
7 discrimination. I think it's simply a reality that  
8 there is a process that takes time and money, and it  
9 will take, you know, more of both.

10           So I just want to tell you that I appreciate  
11 all your comments, but I think we need to be careful,  
12 sometimes, about suggesting that, you know, that  
13 inequities that exist for a number of reasons somehow  
14 flow from racial animus because I don't think that's  
15 true.

16           MR. OBREGON: I agree with you. My intent  
17 here is that it is not the race as such as much as  
18 sometimes it is combined with race and origin, that  
19 there are some differences within a duly and  
20 discriminatory sense. That's all I was trying to -- I  
21 was not saying one or the other.

22           MR. MADDIX: Well, I appreciate that.

1           MR. OBREGON: Yeah. That's what I was trying  
2 to allude to.

3           CHAIRMAN LEVI: Father Pius.

4           FATHER PIETRZYK: Just very briefly. I mean,  
5 from the Board's point of view, it's, you know, my  
6 outlook is always what can we do as a board, what can  
7 we do as the LSC, to help facilitate care for the poor  
8 in terms that there are specific groups with specific  
9 issues that are maybe different. In the Hispanic  
10 community, I think I can get my head around that, you  
11 know, you've got people -- there are language barriers  
12 and to serve them and you've also got the immigration  
13 issues.

14           Are there -- especially this being from the  
15 African American Project Directors, are there specific,  
16 you know, issues involved with providing legal services  
17 to the African American community? Are we addressing  
18 those issues well? Are there things that we can do as  
19 a corporation or as a board to better facilitate or to  
20 better deal with any of the particular problems, the  
21 legal problems or the cultural problems, with the  
22 African American community that we're not doing? I

1 have no idea.

2 MS. JOHNSON: Well, we happen to be African  
3 American Project Directors and Leaders, but we're, most  
4 importantly, equal justice advocates. And our focus is  
5 meaningful access. And we understand that meaningful  
6 access can mean different things for different people.  
7 Sometimes it is culture and sometimes it's other  
8 barriers. And so our commitment is to identify the  
9 barriers and help make them go away and eliminate them.

10 Similarly, we're into meaningful access and  
11 measurable outcomes for clients. So there is a  
12 particular interest that we have that is not just  
13 counting the cases or taking on issues that we think  
14 our communities want to have taken on, but we do think  
15 that it is our responsibility for all of our  
16 communities to identify what are the issues and what  
17 are the outcomes that they are hoping for.

18 And I just want to make sure that you  
19 understand that when we talk about meaningful access,  
20 we are including limited English proficiency as a  
21 barrier, but there is also disabilities, there is also  
22 regional and geographic coming from areas in the



1 country where the geography puts an office more than  
2 300 miles away, that they don't have access to  
3 telephones and the Internet is simply not available.  
4 Those are all barriers to access.

5           So our commitment is to access and meaningful  
6 outcomes for clients, and yes, we do bring an  
7 additional dimension because we are people of color and  
8 we're familiar with some of the cultures, but we  
9 recognize that we have things that we need to overcome  
10 and we're committed to doing that. So we think we  
11 bring an additional perspective, but by all means, we  
12 don't have all the answers. We are willing and able  
13 and anxious to work with you to try and find out some  
14 of those answers.

15           FATHER PIETRZYK: I guess my, the only point  
16 was, which I'm very thankful for, you know, is a little  
17 bit more of what that perspective is. I come from an  
18 area -- I live in an area of the country, which is a  
19 very small minority population. You know, rural Ohio  
20 is 98 percent white, or 99 percent white. We just  
21 don't have much of a minority population. And I grew  
22 up in Phoenix, again a place where there is a large

1 Hispanic population; the black population in Arizona is  
2 about 2 percent. It's very, very small.

3           So, I mean, are we doing well in both dealing  
4 with minority members who are grantees, or executive  
5 directors of grantees, are we dealing well with the  
6 cultural of minority populations? Are our grantees  
7 doing well? Is there something we, as a board, should  
8 be attentive to that we're not?

9           I mean, that's kind of the input. I mean, if  
10 there is anything like that that we should know or that  
11 perspective, I would encourage you -- you don't have to  
12 do it here, but encourage you to come to the Board, if  
13 there are these kinds, of problems and to make sure  
14 there is something we should be aware of. Because, you  
15 know, as I say over and over again, our duty is to help  
16 the poor people.

17           And if there are significant barriers to  
18 helping large numbers of poor people that can be  
19 rectified, then we need to know and we need to be in  
20 the forefront of doing something about that. And if  
21 you provide a particular perspective, a particular  
22 community that can help us understand that better, then

1 please do provide that. And thank you for all your  
2 work, and I appreciate your coming here very much.  
3 It's been, all of these presentations I received have  
4 been very helpful to me, and I'm always appreciative to  
5 get these different perspectives.

6 MS. JOHNSON: Well, thank you. I appreciate  
7 that.

8 CHAIRMAN LEVI: Martha?

9 DEAN MINOW: I want to add my words of thank  
10 you to all the project directors who are here, and to  
11 you, too, who have just spoken with us. To be here on  
12 a Saturday is beyond the call of duty. We're deeply  
13 grateful to you, and it's one of the many signs of your  
14 extraordinary commitment.

15 My question, actually, Lillian, is to follow  
16 up with you about what do you have developing as  
17 measures of outcomes beyond counting cases because it's  
18 something that we, too, are thinking about. And as  
19 Father Pius says, is this an invitation for an ongoing  
20 conversation. Not expecting to round that up today,  
21 but any thoughts that you have about that right now,  
22 but it really is something that we are all trying very

1 hard to think about.

2 MS. JOHNSON: Well, actually, we do have -- we  
3 are going to do quite a bit of work on that issue in  
4 conjunction with the National Legal Aid and Defenders  
5 Association. So we look forward to participating in  
6 dialogue because, again, I go back to measurable  
7 outcomes for clients. And, you know, as lawyers, we  
8 tend to have a different perspective as to what is  
9 successful outcome than a client might.

10 So educating ourselves about that has been  
11 very important to us. And we're also well aware that  
12 we are not unique enough, as a not-for-profit, to be  
13 able to tell a funding source we're different. So you  
14 have to take the information that we give you and say  
15 we were successful.

16 We have enough experience with funding sources  
17 who say, "Okay, but what is the measurable output that  
18 you have that we can somehow evaluate your work and  
19 your outcomes with others." And so we've been doing  
20 some work to try and first to understand the whole  
21 landscape, and then develop something that's  
22 meaningful. So we look forward for the opportunity to

1 have dialogue and work with the Corporation because we  
2 think it's an important area, and we have already begun  
3 some work on it. We would like to continue.

4 MR. OBREGON: I think our intent is just to  
5 make sure that you're aware that we are here and we're  
6 willing to work with you and help however we can to  
7 assure that some of these issues that are brought up,  
8 you know, come to some final point down the road, you  
9 know, again, through the different sections of NLADA.  
10 They're working in all these areas as well, and we  
11 definitely work with NLADA and are part of an NLADA.

12 So if there are areas or things that you have  
13 serious concerns about that you feel that we need to  
14 get more information to you, feel free to let us know  
15 and we'll work with that to help that issue out.

16 CHAIRMAN LEVI: Robert.

17 MR. GREY: Mr. Chairman, thank you. It is  
18 gratifying to know that we have such capable leadership  
19 in the field with the directors that are here. And I  
20 congratulate you and thank you for the many hours I  
21 know that you put in.

22 I have got to tell you, I just -- in coming

1 here, I was coming from New York, and I had a chance to  
2 fortuitously sit next to Vernon Jordan on the train  
3 coming back. It wasn't that long ago in his first job  
4 to help take the first African American child to a  
5 school in Georgia as part of his work with the Legal  
6 Defense lawyer.

7           And we had that conversation. And it depends,  
8 in many ways, on which side of the fence you're on when  
9 you start wondering about how far we've come and how  
10 far we still have to go. And so I want to tell you one  
11 thing, this is a fantastic board. There is not a  
12 person on this board who doesn't think deeply and  
13 sincerely about what we have to do. I've been on many  
14 boards, as all of you have. This is a committed board,  
15 and we are excited about the challenge that we have,  
16 and we look forward to working with you.

17           And Father Pius, he took the words out of my  
18 mouth. This board wants to know what we have to do to  
19 discharge our responsibility to you. We work for you  
20 and we recognize that, and we want to do the best job  
21 we can while we're here. So thank you very much for  
22 your dedication, for your commitment, and we're very

1 proud.

2 CHAIRMAN LEVI: And a few minutes ago I  
3 probably should have, when we were talking about NLADA,  
4 taken the opportunity to recognize that we have the  
5 president here of NLADA and CEO, Jo-Ann Wallace, and  
6 welcome and thank you for coming today on a Saturday  
7 morning. And I hope you heard our words of recognition  
8 regarding the fine work of NLADA.

9 But you, yourself, are a tireless advocate.  
10 And I have seen how hard you're working in your role.  
11 And I don't know when you have a chance to sleep, but  
12 maybe you and Martha have figured this out together.  
13 But thank you for coming here and fitting us into your  
14 schedule this morning.

15 MS. WALLACE: Thank you. I really appreciate  
16 that.

17 (Applause.)

18 MR. OBREGON: Thank you very much.

19 MS. JOHNSON: Thank you.

20 CHAIRMAN LEVI: And now it's my great pleasure  
21 also -- and I think this is something that is new for  
22 this board. It comes out of the, I think was it the

1 ABA convention or the NLADA that we decided it was  
2 about time that we heard from and invited --

3 PRESIDENT FORTUNO: NLADA.

4 CHAIRMAN LEVI: Was it NLADA? The head of  
5 IOLTA. And she is the chair of the Texas Access to  
6 Justice Foundation, Betty Balli Torres, who is the  
7 executive director of the National Association of IOLTA  
8 Programs and Chairs. Welcome. And it's, I think, long  
9 overdue that we've offered you a seat at the discussion  
10 and the board table. So welcome and thank you for  
11 coming here.

12 MS. TORRES: Well, thank you. Good morning  
13 everybody. My name is Betty Balli Torres, and I'm the  
14 executive director of the Texas Access to Justice  
15 Foundation, and I am the current president of the  
16 National Association of IOLTA Programs.

17 And I'm here to talk to you in my capacity as  
18 the president of the National Association of IOLTA  
19 Programs, although you will hear a little bit about  
20 Texas and you'll hear a few y'all's from me along the  
21 way. I can't help it.

22 (Laughter.)



1           MS. TORRES: The National Association of IOLTA  
2 Programs is a membership organization, and it really  
3 consists of all the IOLTA programs in this country and  
4 the provinces in Canada as well. We are a diverse  
5 group. For example, the Texas Access to Justice  
6 Foundation is a separate non-profit organization. Some  
7 IOLTA programs are in the courts, some of them are in  
8 bar foundations.

9           Our major issue right now, as all of you  
10 probably know, have read, and are just intimately  
11 familiar with, is interest rates, interest rates, and  
12 interest rates. I am here to talk about revenue and  
13 what has happened to revenue.

14           In our states, many of us are the leading  
15 funder of civil legal services to the poor, and we have  
16 a variety of sources of revenue, but historically IOLTA  
17 has been our largest source of revenue. As you know,  
18 interest rates about Christmas week about two years ago  
19 went down to a historic low. They plummeted to zero to  
20 point two five percent. What does that mean? I can  
21 tell you in Texas that meant that we were going from 20  
22 million a year to a projected 1.5 million a year

1 overnight, those funds just basically evaporating.

2           And the same was playing out in all of our  
3 states. We went from 2007 -- we, as a community, had  
4 about \$360 million in IOLTA revenue that was  
5 distributed to legal aid programs throughout the  
6 country. Interest rates started declining, then we  
7 were down to 284 the following year. And finally this  
8 last year we're at a hundred and twenty-four million  
9 dollars.

10           So we have gone from three hundred and sixty  
11 million to a hundred and twenty-four million dollars.  
12 And it's happening at the same time that there are  
13 crises in our states. And again, talking about Texas,  
14 this week we received the Senate budget, which cut our  
15 revenue by \$23 million. The House budget cut our  
16 revenue by \$23 million. And so we're in a situation  
17 where we really are looking at not just the entire  
18 IOLTA crisis, but also the crisis in our states.

19           Then you add the third dimension, and I will  
20 talk again about Texas. We, in the last two years,  
21 have gone from 5.2 million people who qualify for legal  
22 aid to 5.7 million people who qualify for legal aid.

1 And so we end up -- you know, for a while there, we  
2 were using the expression double whammy, but it really  
3 is, at least in Texas and in many of our states, a  
4 triple whammy. We have, as all of you know, we have  
5 more poor people and we have a lot less revenue.

6 We have also, in the last year, confronted a  
7 significant issue that you may have heard of, the issue  
8 of unintended consequences of the Wall Street Reform  
9 Act and the impact on FDIC on IOLTA accounts. So as a  
10 community, as we've been trying to deal with the crisis  
11 in our states, we were also trying to deal with making  
12 sure that IOLTA accounts continue to have a limited  
13 insurance.

14 Very much appreciative of the work of the ABA  
15 and its staff and of many leaders throughout this  
16 community. And I think there was six hours to spare  
17 before we were able to succeed in having that  
18 insurance. And why was that important? The reason,  
19 and again, I'll just give you Texas as an example, is  
20 that we have about 20,000 accounts, but most of the  
21 revenue that we generate is on those high balance  
22 accounts.

1           And so the truth of the matter is, is without  
2 that unlimited insurance, we were going to see our  
3 IOLTA revenue further plummet. And at zero interest  
4 rates, you really can't plummet much further, and our  
5 programs really could not deal with that.

6           I want to, again, thank you for including us,  
7 and I want to thank Vic. He has really been helpful  
8 during this, you know, time. And, you know, we've done  
9 our homework as well, and we are so excited to work  
10 with Jim. We already have him working, as a matter of  
11 fact.

12           (Laughter.)

13           MS. TORRES: We have invited him. He will be  
14 at our annual -- at our workshops in Atlanta in a  
15 couple of weeks. He will be addressing the membership,  
16 and he will also be meeting with the ABA's Commission  
17 on IOLTA because this is a true partnership. In many  
18 states, as it turns out, the LSC is the largest funder  
19 in those states, but in many states, the various IOLTA  
20 programs are the largest funder. And it doesn't really  
21 matter who is largest, it really matters the fact that  
22 between all of our funds, we're able to create a

1 comprehensive delivery system.

2           We have appointed a liaison to work with LSC.  
3 It has been Susan Erlichman. It will be now Lonnie  
4 Powers with the Massachusetts Legal Assistance  
5 Corporation. Next week we're appointing a committee to  
6 specifically look at making recommendations on the LSC  
7 strategic planning effort so that we can also give  
8 voice.

9           We have experience in many things, including  
10 outcomes measures. In Texas, we've been doing it for  
11 about 10 years because we don't want to count cases.  
12 We want to tell you we've prevented so many families  
13 from going into foreclosure situation; we were able to  
14 assure that so many women and children received X  
15 amount of child support over the last year. So as a  
16 community, we have that experience, and we offer that  
17 up to you if you need any along the way.

18           I also, I can't help but again -- this is my  
19 Texas hat -- want to invite you to come to Texas as an  
20 LSC board. We have, I believe, three of the largest  
21 programs in the country, and I believe that they're all  
22 in the top 10 in terms of large programs. And so we

1 would love to have you come to Texas.

2 Not only that, I think we have one of the most  
3 committed supreme courts. And I know the supreme  
4 courts throughout the country are very committed, but  
5 we have a great supreme court that is committed to  
6 equal access to justice. Chief Justice Wallace  
7 Jefferson is currently the chief of the chiefs deeply  
8 committed to this issue. And we have, I think, one of  
9 the most outstanding access to justice commissions in  
10 the country.

11 Now you can tell I'm from Texas because we do  
12 everything best if you listen to me.

13 (Laughter.)

14 MS. TORRES: But truly, we really, as a  
15 community, we have historically been one of the most  
16 underfunded communities in the country, and we are  
17 working to improve the plight of the people who we  
18 represent. So we would welcome you, one, to attend the  
19 IOLTA workshops, to attend the meeting; and to come to  
20 Texas if at some point in your schedule you're  
21 traveling and you want to visit with us. Thank you.

22 PRESIDENT FORTUNO: Mr. Chairman, if I may, I

1 think it was an ABA meeting where we had SCLAID, where  
2 we may have chatted about the fact that we -- that the  
3 National IOLTA Association and the LSC board, that we  
4 haven't really had a presence at each other's meeting,  
5 LSC board meetings, and the governing body of the  
6 National Association, and that it would be good to  
7 start that relationship.

8           It was surprising that we didn't have it, and  
9 I think this a first step, and I'm very grateful for  
10 Betty being here and thank you so much.

11           MS. TORRES: Oh, you're welcome. Thank you.

12           DEAN MINOW: Thank you.

13           CHAIRMAN LEVI: Wait. Maybe some of the Board  
14 members have questions. Charles and then --

15           PROFESSOR KECKLER: Thank you, Ms. Torres for  
16 coming.

17           MS. TORRES: Sure.

18           PROFESSOR KECKLER: Thank you for your  
19 presentation. I look forward to your communication on  
20 a strategic plan. I have a question, though, about the  
21 issue. I understand your dilemma with IOLTA, but I was  
22 wondering in your role and as you meet with the other

1 people, you know, this experience sort of broadly has  
2 made me wonder whether there should be a different kind  
3 of funding stream within the states there because  
4 it's -- you know, this -- you know, downturns are going  
5 to happen again and they're going to lower the interest  
6 rates again whenever the downturns happen, which means  
7 that, you know, in other kinds of social welfare areas,  
8 what we're seeking and funding is, you know, what is  
9 sometimes called an automatic stabilizer or  
10 counter-cyclical kind of income stream, but with IOLTA,  
11 it doesn't seem to be at all counter-cyclical.

12 MS. TORRES: Right.

13 PROFESSOR KECKLER: It has, in our experience,  
14 had this effect that you described so well. So I was  
15 wondering if there is a discussion about different  
16 kinds of funding streams filing these other kinds of  
17 things within your organization where that conversation  
18 is.

19 MS. TORRES: You are absolutely right, and  
20 that is probably the primary topic of conversation that  
21 we have at our workshops, is how do we diversify our  
22 funding. I'll speak for the -- I'll just give you an



1 example of our Texas program, but this is throughout  
2 the country. Last year we awarded \$30 million in  
3 IOLTA -- \$30 million in funding; 5 1/2 was IOLTA. The  
4 other 25 was other sources of funding, whether it was  
5 SIPRAY funds, a filing fee, add ons. We have a bill --  
6 a bill just passed that provides for anytime the  
7 Attorney General's Office has a situation where there  
8 is a fine, those funds come to us.

9           And so, you know, if you go throughout the  
10 states, what you will see is that we have all -- like  
11 what we tell our grantees, you can't rely on one pot.  
12 It's the same thing for us. We have diversified our  
13 funding. Nonetheless, it is an important stream.

14           The other piece that all of us do is that we  
15 work on the issue of reserves because we do understand  
16 that this is what is going to happen. So although we  
17 had a hundred and twenty-four million dollars in  
18 funding, we were able to award a hundred and  
19 eighty-four million dollars. And that's because we had  
20 60 million in reserve throughout our programs. The  
21 reality for most of us is those reserves are now gone,  
22 for all intents and purposes. We've been able to

1 maintain for a couple of years but, you know, two years  
2 at these low interest rates, we're not going to be able  
3 to do that much longer.

4 CHAIRMAN LEVI: Thank you.

5 FATHER PIETRZYK: I'm just trying to get a  
6 little bit of, in my own mind, the coordination. Is  
7 the Texas Access to Justice Foundation, is that the  
8 entity that administers the IOLTA funds within Texas?

9 MS. TORRES: It is.

10 FATHER PIETRZYK: Okay.

11 MS. TORRES: We administer IOLTA and other  
12 sources of funding.

13 FATHER PIETRZYK: And now to what extent, I  
14 mean, it sounds like Texas does some compliance and  
15 oversight review of the grantees of IOLTA funds. Is  
16 that pretty typical through all the states? Do the  
17 IOLTA administrating agencies tend to engage in  
18 oversight, and then to what extent do you find is there  
19 coordination between LSC oversight?

20 MS. TORRES: Well, yes. I mean, the hat we  
21 wear is a funder. And so very similar to the  
22 conversations that are had in these rooms, we have

1 monitoring visits, on-site visits, quarterly reports.  
2 We have kind of the same things going on. So yes,  
3 that's true throughout the country to different levels.  
4 In Texas, for example, we have the week peer review  
5 visits. Very similar, again, to kind of the LSC model.

6 FATHER PIETRZYK: And that's typical in all  
7 the IOLTA --

8 MS. TORRES: It is typical to have some sort  
9 of monitoring. It varies from state to state. For  
10 example, I think Utah's IOLTA revenue is maybe 80,000  
11 this year. So what they do will be different. That  
12 might be a report or a desk review, but so it goes  
13 anything from reports, desk reviews, to site visits to  
14 peer review visits. But all of us are somewhere in  
15 there.

16 FATHER PIETRZYK: Do you coordinate, at least  
17 in Texas, with LSC's compliance review, if any?

18 MS. TORRES: Yeah, we do. We have actually  
19 done a site visit of a program. The other thing we  
20 have done is we have had conversations before site  
21 visits. So I might get the call saying, "Okay, Betty.  
22 What's going on over at Leander?" And I'll say, "Well,

1 here is our last report. Here is what has happened.

2 Here is what we're seeing."

3           So we coordinate formally and informally. And  
4 I assume that that varies throughout the country, the  
5 level of coordination. But, you know, for at least --  
6 we fund 40 different organizations; 3 of them are LSC  
7 funded programs. So for those three, we do look to LSC  
8 and the report and to the staff in terms of what have  
9 they seen. And I think the same is true because we are  
10 on the ground and I see the LSC project directors  
11 regularly, frequently, probably a lot more than LSC  
12 would just by the fact that we're in, you know, the  
13 same state.

14           FATHER PIETRZYK: Thank you.

15           CHAIRMAN LEVI: Vic, do you want to speak  
16 to -- is there any sort of formal mechanism for  
17 coordination with IOLTA?

18           PRESIDENT FORTUNO: It varies from state to  
19 state, and I think Betty is right. We've had  
20 communications where they contact us about a given  
21 grantee or we contact them and share information. We  
22 need to do better, but the point is avoiding

1 duplication of effort and using the all too scarce  
2 resources effectively as we can. But I think we're  
3 doing it, but I think we'll do better.

4 MS. TORRES: One of the things, one of the  
5 issues, just to follow up, is that we are all looking  
6 kind of for the same thing, the ultimate in terms of  
7 are we obtaining, you know, access to justice for our  
8 clients. But then we go along different routes  
9 sometimes, which is that we have very specific things  
10 that we may be looking for and LSC has very specific  
11 things that it looks for. So, you know, where we can  
12 intersect, we try to. And it's a resources issue, but  
13 it's an efficiency issue as well.

14 CHAIRMAN LEVI: Questions over here?

15 FATHER PIETRZYK: Can I just have one more  
16 follow-up. I think that would be helpful for me. Do  
17 you have a breakdown of IOLTA funds state by state and  
18 did it just decrease off the last three years? Is that  
19 something that you could -- you don't have to do it  
20 now, but is that something you might be able to maybe  
21 to send to Vic that he might -- I might be able to look  
22 at it?

1           CHAIRMAN LEVI: That drop was amazing.

2           FATHER PIETRZYK: It would be interesting for  
3 me to look at it state by state. It would be helpful  
4 for me in different conversations.

5           MS. TORRES: We may have one year --

6           FATHER PIETRZYK: Oh, that's fine. Even the  
7 drop from one year.

8           MS. TORRES: -- of that information. So I  
9 could contact our organizations. I'll see them in the  
10 next two weeks.

11          FATHER PIETRZYK: Well, it's not an emergency,  
12 but if you do have those numbers around, I would be  
13 grateful to receive them.

14          MS. TORRES: Sure. Glad to.

15          PRESIDENT FORTUNO: We may actually have some  
16 of that information as well.

17          MS. TORRES: Because we may have already  
18 provided it to LSC, but I will double-check if we have  
19 or haven't. We can work on it.

20          MR. KORRELL: My impression is all the  
21 grantees have it.

22          MS. TORRES: Oh, yeah.

1           MR. KORRELL: That's probably true. Every  
2 time I talk to somebody, that's one of the first things  
3 that they tell me. I've seen the same graph and it's  
4 the same everywhere.

5           MS. TORRES: It looks very similar. Just  
6 yesterday, and I will send this to Vic, the Houston  
7 Chronicle issued an editorial in support of increased  
8 funding for civil legal services to the poor in Texas.  
9 And that is something -- you know, it also just  
10 happened in San Antonio, and we expect to happen out of  
11 Austin and Dallas very soon.

12           So we are really working to make sure that we  
13 educate, not just on the funding for IOLTA, but  
14 national funding. You will see many of us here for ABA  
15 days. We will have a huge team from Texas. We have  
16 teams from many IOLTA programs for ABA days with our  
17 only agenda being the increased funding for LSC. So  
18 for us, this is a huge, important funding source, and  
19 you should see us as a resource. If there is anything  
20 we can do to further support your efforts, you know,  
21 please let us know.

22           MR. KORRELL: But to just to follow up on one

1 of Father Pius' points about alternate sources. One of  
2 the things, I think, that we can do as a board is if  
3 you find an idea that is getting traction someplace and  
4 is particularly effective. It may be easier for us, at  
5 a national level, to try to push that out. And I don't  
6 know what the alternatives are that work.

7 I know every time filing fees go up, people  
8 grumble, unclaimed class action and settlement amounts.  
9 There are all sorts of potential ones. And I don't  
10 know what is getting traction, but if you do find  
11 something that gets traction, don't hesitate to come to  
12 us and say, "This seems to be working, you know, let's  
13 get this out." Because in the environment we're in,  
14 it's going to be hard to get more money from Congress,  
15 right?

16 MS. TORRES: Right.

17 MR. KORRELL: It's going to be, we may be more  
18 effective in helping the provider community on a  
19 national basis to find other sources of money. So  
20 we'll look to you for information, but you should also  
21 look to us. If you find things that are starting to  
22 work, don't hesitate to come to us and try to use us to



1 get the word out or to convene conversations or to  
2 start leaning on people. I mean, we do have a unique  
3 position, at the national level, to try to influence  
4 policy around the country. Use us for that.

5 MS. TORRES: We truly appreciate it, and we've  
6 had a lot of conversations about that very issue. So I  
7 will ask Lonnie, who will be the liaison, to come back  
8 with any thoughts he may have because this is a  
9 significant issue, how are we all going to make up for  
10 huge losses of funding from IOLTA and the states.

11 CHAIRMAN LEVI: Martha.

12 DEAN MINOW: So thank you again for being  
13 here. Two small comments. One is on the SIPRAY issue.  
14 There it seems it's possible that working with state  
15 judges is as important as it is seeking federal  
16 legislation. If I'm right about that, I would just  
17 reiterate what Harry just said. That's something that  
18 we can do. We are in touch with the state courts as  
19 well, if you think that that's a promising avenue. I  
20 know in my own encounters there have been state judges  
21 who said, "But we have limits on what we can do with  
22 SIPRAY." And I know that in other states that there

1 have been some creative uses. So there might be some  
2 learning to be had across the states.

3 I had another question, which is in the -- in  
4 your comments about the FDIC unintended consequences of  
5 the recent reform, are there other unintended  
6 consequences that you are identifying? Is there a  
7 legislative monitoring, or at this point even more  
8 regulatory monitoring since there is such a host of new  
9 regulations coming out that may well affect, exactly,  
10 this domain.

11 MS. TORRES: You know, not that I'm aware of,  
12 but I will come back to this group. If it turns out  
13 that there are issues that confront us and that we  
14 could use your help, it's -- we're also meeting with  
15 the Department of Justice, with their Access to Justice  
16 Office, to talk about this very issue. Are there  
17 places where there are pockets of money, for example,  
18 that might -- could go to legal services to the poor.  
19 Are there those kinds of issues that you're talking  
20 about. So certainly I will keep you apprised.

21 On the issues of, you know, SIPRAY, or as we  
22 say in Texas, SIPRAY, Texas just received its largest

1 award in legal aid history. We received \$2.6 million  
2 dollars this last fall, and we've engaged in a  
3 significant campaign to increase that kind of funding,  
4 obviously within Texas. And that is part of our  
5 workshops in two weeks, the panel specifically on that  
6 issue.

7           So I think you have identified an area where  
8 all of us see a lot of potential. And now I will take  
9 back the fact that perhaps we can elevate that through  
10 your help and see if there is a way that it could help,  
11 you know, everyone nationally, because that is a  
12 potential source of -- that's a significant source of  
13 revenue.

14           PRESIDENT FORTUNO: Mr. Chairman, I think any  
15 number of members of the Board have identified the need  
16 for being even more aggressive in terms of identifying  
17 alternative sources of funding, and I think we can, and  
18 I have no doubt will, do better.

19           I know, and this is purely personal and  
20 probably a little controversial, but so be it. I've  
21 always wondered why a portion of, for example, punitive  
22 damage awards at both the state and federal level

1    couldn't be set aside, a very small portion.  But I  
2    think that even a very small portion would amount to a  
3    great deal of money.  And when we have to have  
4    diversified revenue sources so that when we have these  
5    swings in, for example, interest rates, we're not  
6    totally dependent on that and we can make up for some  
7    of those losses.

8            But I think we have to think out of the box  
9    and we have to come up with new way.  And frankly, I  
10   think there are any number of ways, some are going to  
11   be easier than others and some are going to be more  
12   controversial than others, but I think that we have to  
13   be willing to explore them all.

14           MS. TORRES:  I agree with that, and I will  
15   tell you that if any state thinks it a little outside  
16   the box it might be Texas.  A revenue stream I'm about  
17   to tell you, a bill passed that allows for \$5 for every  
18   person who enters a gentleman's club in the State of  
19   Texas.  And that revenue stream --

20           PRESIDENT FORTUNO:  Well, that sums it there.

21           MS. TORRES:  That's outside the box.  And  
22   you're right, because that would, that revenue stream

1 would be approximately \$40 million of which 2 1/2 come  
2 to the legal aid programs. Now the entertainment  
3 industry has filed a lawsuit.

4 (Laughter.)

5 MS. TORRES: And it has now -- it has gone  
6 through. It is now at the Texas Supreme Court for them  
7 to decide whether that \$5 fee will go for various  
8 issues.

9 CHAIRMAN LEVI: Now we know why the Equal  
10 Justice Conference is in Las Vegas.

11 (Laughter.)

12 MS. TORRES: So I agree with you, we all have  
13 to think outside the box. I think we would like to  
14 think in Texas we've thought of really outside the box,  
15 but I like your idea. I really like your idea, and I  
16 will take that back as a possibility. We will do  
17 anything we can to generate funds for legal services to  
18 the poor.

19 CHAIRMAN LEVI: Thank you very much. A very  
20 compelling presentation.

21 MS. TORRES: Thank you.

22 DEAN MINOW: Thanks for being here.

1           CHAIRMAN LEVI: We now turn to committee  
2 reports. Laurie Mikva, are you on?

3           MS. MIKVA: I'm on, but Sharon Brown will  
4 chair.

5           CHAIRMAN LEVI: Oh, that's right. Sharon is  
6 going to give the report.

7           MS. BROWNE: Well, thank you. This is the  
8 Promotion and Provision report. We had a very exciting  
9 program that was put on and sponsored by John Eidleman  
10 of LSC dealing with how LSC and the grantees  
11 participate in disaster relief efforts. John was able  
12 to put together a panel discussion with Jack Rives, the  
13 American Bar Association; Juliet Choi, of the American  
14 Red Cross; Mary Ellen Martinet of FEMA; Mark O'Brien,  
15 Pro Bono Net; and Don Saunders of the National Legal  
16 Aid and Defenders Association.

17           What John Eidleman discussed and explained to  
18 us, that after Hurricane Katrina, that there was a  
19 definite need to start coordinating the activities of  
20 how best to respond to natural disasters and other  
21 types of disasters to make sure that the legal services  
22 needs of the people that have been involved in these

1 disasters are met.

2           And so they were able to present to us the  
3 role of LSC in this, the disaster preparedness and  
4 response, and the use of technology and the  
5 coordination of efforts. It was very invigorating, a  
6 very, very informative program that is put on. There  
7 is, of course, additional needs that have got to be  
8 met. And according to John, they're still working and  
9 continuing on updating the LSC website to make sure  
10 that the information is immediately available. And  
11 they're also talking about a rapid relief team that  
12 could go out into the field and respond to the needs of  
13 the people that are involved in these disasters.

14           Another program that we want to explore  
15 further, and we're going to keep on our agenda, is the  
16 role of client members on the different grantees'  
17 boards, as well as our own, and to make sure that they  
18 are engaged and willing to participate as equal members  
19 of the grantees' boards. There is very much of a  
20 recognition and a need to make sure that they are  
21 welcomed and full participants in the boards that they  
22 are on.

1           So we're going to continue with further  
2 discussions on that. We recognize that it is a vital  
3 need to ensure their participation and their knowledge  
4 and their training needs are being met. So we're going  
5 to continue with that as part of our program on this  
6 particular committee.

7           I don't know if there is anyone on the  
8 Committee that would like to add some information.

9           CHAIRMAN LEVI: I don't think you had a  
10 pending resolution.

11          MS. BROWNE: No, we did not have a pending  
12 resolution.

13          CHAIRMAN LEVI: Okay.

14          FATHER PIETRZYK: I would just want to  
15 recognize the great work of Julie Reiskin on putting  
16 together the client proposal. I think it's a very good  
17 discussion. I think there is some very good thinking  
18 that will go on, and I think we'll have something, but  
19 I think we're just going to wait for the -- I think the  
20 Committee has to be a little more comfortable with it,  
21 but Julie has done an amazing amount of work, and it  
22 has been very appreciated by the whole committee. And



1 I think she has pointed out something that is a real  
2 need and something that we will address in the future.  
3 So a great deal of thanks needs to go to Julie.

4 CHAIRMAN LEVI: And to the staff as well.

5 FATHER PIETRZYK: Right. I just think the  
6 Board needs to recognize the great deal of work Julie  
7 has done and the thanks.

8 CHAIRMAN LEVI: Thank you. Is that the  
9 report?

10 MS. BROWNE: That's the report.

11 CHAIRMAN LEVI: Thank you very much.

12 Mr. Grey?

13 MR. GREY: Mr. Chairman, the Finance Committee  
14 met in consideration of the Board approving a temporary  
15 operating budget of \$431,972,408. We were updated with  
16 the fact that we are continually funded by continuing  
17 resolutions of Congress, the last to expire on March  
18 4th. But in the adjustment of that continuing of our  
19 temporary budget and continuing resolution, we  
20 identified a carryover of about \$3,500,000.

21 M O T I O N

22 And so the Finance Committee recommends to the

1 Board the adoption of a resolution revising the  
2 temporary operating budget to reflect that carryover.  
3 And so that total would be \$435,475,545, a little --  
4 about 404 million is for the delivery of legal  
5 assistance; 21 plus for management grants oversight;  
6 and 3 million for the Herbert Garten loan repayment;  
7 and 6 million, a little over 6 million, for the Office  
8 of Inspector General.

9           The resolution further authorizes the chairman  
10 of the Board, along with the chairman of the Finance  
11 Committee, to increase and decrease annual grants  
12 awards as necessary to react to the 2011 appropriation.  
13 That resolution was adopted by the Finance Committee in  
14 recommendation to the Board. And so I present that to  
15 the Board at this time.

16           CHAIRMAN LEVI: Do we have a second?

17           DEAN MINOW: Second.

18           CHAIRMAN LEVI: Any discussion?

19           (No response.)

20           CHAIRMAN LEVI: All in favor?

21           (Chorus of ayes.)

22           CHAIRMAN LEVI: Thank you.

1 MR. GREY: Thank you.

2 CHAIRMAN LEVI: Mr. Maddox.

3 MS. REISKIN: May I ask a question about the  
4 Finance Committee. With the loan repayment program, my  
5 recollection is that if someone doesn't do what they're  
6 supposed to do, they have to then pay it back. How  
7 does that get -- is there like a line item for that or  
8 how does that work or is it such a small amount of  
9 money that --

10 MR. GREY: Well, it does work, and David is  
11 here to explain exactly how it works.

12 (Laughter.)

13 MR. RICHARDSON: Good morning. For the  
14 record, my name is David Richardson, I'm the  
15 treasurer/controller of the Corporation. And yes, when  
16 the money does come back when somebody does not fulfill  
17 their responsibilities and it's collected, the money  
18 does go back into the account so that it can be reused  
19 for another loan at a future date. The same thing  
20 occurs with the loan repayment, as also with the TIG  
21 grants. When somebody pulls out of a grant or money is  
22 returned, it goes back into that budget line so it can

1 be used at a later date.

2 MS. REISKIN: So there is no separate line  
3 item for repayment. It just goes back.

4 MR. RICHARDSON: It just goes back into the  
5 loan, yes.

6 MS. REISKIN: Thank you.

7 CHAIRMAN LEVI: Thank you.

8 Mr. Maddox.

9 MR. MADDOX: Thank you, Mr. Chairman. The  
10 Committee, the Audit Committee met yesterday, and we  
11 received a report from the outside auditors of the  
12 Corporation, Thompson and Cobb, regarding the FY 2010  
13 annual financial audit, ably assisted in presentation  
14 by Ronald Merryman of the Inspector General's Office.  
15 The report of the audit was that it was a clean  
16 opinion, that there were no material issues brought to  
17 light, and that the financial statements were presented  
18 accurately, according with the appropriate accounting  
19 standards.

20 There was a great discussion of the  
21 Corporation's internal control mechanism of the  
22 processes and whether there ought to be some further

1 examination of those. And it was concluded that there  
2 was no further work or procedures necessary in that  
3 regard.

4 We also received a draft of the IRS Form 990  
5 for FY 2010, which appears to be in order and will be  
6 presented in final form and filed with the IRS I  
7 believe next month.

8 We received a report from Alice Dickerson, the  
9 director of Human Resources, regarding the performance  
10 of the Corporation's 403(b) plan and the status of the  
11 fiduciary arrangements with the plan administrator and  
12 financial advisor. And the essence of the report was  
13 that the 403 plan performance was good for the prior  
14 year, and that the new funds that were selected last  
15 year for the fund were performing well. So there were  
16 no complaints that we're aware, and everything seems to  
17 be fine.

18 The Inspector General deferred his report  
19 until the full board, which we received today. We had  
20 a report, then, on the accuracy of grantee data from  
21 John Meyer, director of the Office of Information  
22 Management.

1           This was part of the process we developed in  
2 April of last year whereby the Committee would, on a  
3 quarterly basis, review -- receive staff reports and  
4 review the Corporation's procedures and policies in  
5 connections with various substantive aspects of the  
6 Corporation's business. We previously received reports  
7 on the oversight process and on the award process, and  
8 this was the next in that process itself.

9           And I believe this was in response to either a  
10 GAO suggestion that the Committee needed to be  
11 reviewing these sorts of things on a quarterly basis,  
12 and I'm sure we'll continue that in the coming  
13 quarters. We finally had a brief closed session  
14 whereby we heard a report on the classification of the  
15 LSC consultants from Mattie Cohan, senior assistant  
16 general counsel, and that report was, again, in closed  
17 session.

18           So that completed our business. There were no  
19 votes taken and no business to be presented to the full  
20 board.

21           CHAIRMAN LEVI: Thank you. Any questions for  
22 Mr. Maddox?

1 (No response.)

2 CHAIRMAN LEVI: Mr. Keckler.

3 PROFESSOR KECKLER: Thank you, Mr. Chairman.

4 The Operations and Regulations Committee met yesterday,  
5 as well as December 15th telephonically. At our  
6 behest, a Federal Register notice indicating the  
7 Corporation's intent to develop a strategic plan for  
8 the coming five years was published on December 23rd,  
9 and will be open for comment from the public until  
10 March 15th.

11 In terms of our next steps, prior to the  
12 spring meeting, the Committee discussed yesterday a  
13 variety of potential steps. We voted, through a  
14 recommendation to the full board, that the chairman and  
15 the incoming president confer regarding the development  
16 for the Board of a training on the order of a half day,  
17 potentially live, potentially by video conference, as  
18 well as an additional session in which we develop an  
19 overall vision structure or early draft of strategic  
20 goals. And this would be prior to the spring meeting  
21 or coincident with it. So that was the recommendation  
22 of the Committee.

1           In addition, the Committee recommended the  
2 adoption by this board of a notice of proposed  
3 rulemaking regarding a regulation on the scope of the  
4 Corporation's restrictions, on funds for fee generating  
5 cases clarifying the statutory limitations on those  
6 funds. And that matter would require board action to  
7 publish that notice of proposed rulemaking and begin  
8 the notice and comment process from the public.

9           CHAIRMAN LEVI: And so are you presenting  
10 that?

11   M O T I O N

12           PROFESSOR KECKLER: I will present that as a  
13 motion to approve the NPRM.

14           CHAIRMAN LEVI: Second?

15           MS. BROWNE: Second.

16           CHAIRMAN LEVI: Any questions? Comments on  
17 that?

18           (No response.)

19           CHAIRMAN LEVI: All in favor?

20           (Chorus of ayes.)

21           CHAIRMAN LEVI: Thank you.

22           PROFESSOR KECKLER: Thank you.



1           CHAIRMAN LEVI:  Is that your report?

2           PROFESSOR KECKLER:  That is my report.

3           MR. KORRELL:  Mr. Chairman, I would just add  
4 one thing to Charles' report, and that is simply for  
5 the grantee representatives, community representatives,  
6 who are still here, this strategic planning initiatives  
7 is going to be one of the most significant things, and  
8 perhaps time consuming things, that our committee works  
9 on, and it's going to be -- for the Board -- and it's  
10 obviously an important thing.  And I really do want to  
11 reiterate what's in the notice.

12           We really do want to hear from the communities  
13 that we are serving, what -- how we can help best and  
14 what folks think we should be focusing on.  There is a  
15 lot of energy on this board, but there is also a  
16 limited amount of time available.  I mean, the year is  
17 only so long, and we really do want to be working on  
18 the things that are most appropriately done at our  
19 level.

20           And so we really do solicit input and hope  
21 that as you think about, you know, what LSC has done  
22 for the provision of legal services in the past and

1 what it can be doing in the future, you will let us  
2 know. And sooner rather than later so that we can fold  
3 those thoughts into the early thinking as we identify  
4 our priorities going forward.

5 CHAIRMAN LEVI: Thank you. Yes.

6 MS. REISKIN: Yes, and I would just like to  
7 ask any of the program directors, or board chairs or  
8 the organizations out there, to please reach out to  
9 your clients, clients and client board members, but  
10 also just clients, and facilitate them being able to  
11 give input. If they don't want to write something down  
12 or don't want to do it formally, feel free to give them  
13 my phone number and e-mail. I will talk to them and  
14 take that input and help them put it together.

15 But I want to make sure that they are included  
16 in every step of the process, and that can only happen  
17 with some facilitation. So I just ask you to do that  
18 and let me know what you need. Father Pius or I, let  
19 us know what you need to make that happen.

20 FATHER PIETRZYK: What am I getting myself  
21 roped into.

22 (Laughter.)

1           PRESIDENT FORTUNO:  No, you ask him.

2           (Laughter.)

3           DEAN MINOW:  No calls on Sunday.

4           FATHER PIETRZYK:  No calls on Sunday.

5           CHAIRMAN LEVI:  Martha.

6           DEAN MINOW:  I am pleased to present the  
7 report from the Governance and Performance Review  
8 Committee.  Our committee reported on not only the  
9 results of our committee meeting from October 18th, but  
10 also the results of the Board and committee  
11 self-evaluation, which I think, appropriately,  
12 identified work on the fiscal oversight taskforce  
13 committee and the new strategic plan as the top  
14 priorities from the self-evaluation that the Board  
15 members presented.

16           The staff report on the progress of the  
17 implementation of the GAO recommendation was affirming  
18 about our compliance in a timely fashion there, and  
19 we're pleased, particularly, to thank John Constance  
20 for his assistance in that regard and everybody else on  
21 the staff.  And we have two proposals that require  
22 board action; indeed, require approval of two

1 resolutions.

2           One of them addresses a proposal to amend our  
3 charter in order to make clear what the scope of our  
4 duties are with regard to reviewing the performance of  
5 officers. And I have that. It's in the Board books.  
6 It is amended to exclude four extraneous words under  
7 the third "Whereas," but other than that, it is as it  
8 appears in the Board book. And so I would entertain a  
9 motion.

10           CHAIRMAN LEVI: You're moving it?

11                           M O T I O N

12           DEAN MINOW: I guess this is the motion. And  
13 then who is the second?

14           MS. BROWNE: I'll second it.

15           CHAIRMAN LEVI: All in favor?

16                           (Chorus of ayes.)

17           DEAN MINOW: Second. The second resolution  
18 that we would like to recommend establishes a plan for  
19 the annual review of the Legal Services Corporation  
20 inspector general. And as the committee discussion  
21 indicated, we are very grateful for the help of Julie  
22 Reiskin, as well as the inspector general, in

1 developing this plan.

2           It is amended so that in the second "Whereas"  
3 the language inserts after the phrase "LSC Board," the  
4 phrase, "understands the crucial requirement to." So  
5 it's, "The LSC Board understands the crucial  
6 requirement to respect and promote the independence of  
7 the IG."

8                                   M O T I O N

9           DEAN MINOW: And with that modification, I  
10 move the enactment of this resolution.

11           MS. BROWNE: I'll second it.

12           CHAIRMAN LEVI: All in favor?

13           (Chorus of ayes.)

14           CHAIRMAN LEVI: Opposed?

15           (No response.)

16           DEAN MINOW: With that, that is the completion  
17 of my report.

18           CHAIRMAN LEVI: Any questions or comments?

19           (No response.)

20           CHAIRMAN LEVI: The Development Committee, a  
21 new committee, has met twice. Once by phone and once  
22 in person since it was established. As we continue, in

1 my view, to take a wider look at how we can help fund  
2 or look for sources of funds to support our work, we  
3 want to be careful. I know folks are listening from  
4 outside this room, but also in the room here, to make  
5 sure that everyone understands we're not trying to be  
6 in competition with our grantees, we're trying to  
7 enhance, but not to compete, their work.

8           And as a part of that discussion, as we've  
9 evolved and seen, even in this discussion here today,  
10 there are many ideas out there, very good ones, for how  
11 we can possibly work together to seek other sources of  
12 support. And we need to have some way to corral that.

13           And so we asked the staff, and it will be the  
14 next thing that we, that the Committee will look at, to  
15 prepare two things for us to look at. What would -- if  
16 we were to have a development professional position  
17 here, what would that position look like and to build  
18 a position description. The second was, well, if it  
19 was felt that maybe that was too quick, should we have  
20 a consultant come in and take a look at how we could  
21 carefully wade into these waters.

22           I think that once the Committee sees those two

1 pieces, it will then have another meeting and  
2 discussion and some input, which certainly will be open  
3 to the Board and to the field, to say which of the  
4 options we may take to move along here, and that will  
5 hopefully be done telephonically so that by the April  
6 meeting, we're in a position to move on this, as I  
7 don't think we have a lot of time and we don't really  
8 want to let much more grass grow. And in fact, if  
9 we're really in a position to move quicker, we will try  
10 to do that.

11           So that is our report. There was no action  
12 item necessary for the Board. Any questions or  
13 comments to that?

14           (No response.)

15           CHAIRMAN LEVI: Then the, Robert or Vic, the  
16 Special Taskforce on Fiscal Oversight, one of you?

17           MR. MADDOX: Our taskforce had its first  
18 telephonic meeting Monday, this week, and as I  
19 explained to the members of the taskforce, part of the  
20 reason it's taking some time to get substantively  
21 underway is because we had a difficult task of trying  
22 to, internally, understand what materials to make

1 available to this group. We ended up providing a  
2 rather voluminous overview of the fiscal oversight  
3 process as it currently exists at LSC that takes up  
4 some 900 pages of printed material.

5           Realizing that would not be an effective way  
6 to start off a taskforce, we reduced it to a 25-page  
7 cover memorandum with a smaller appendix and made the  
8 materials available. They are available to all of you  
9 on the Board's Wiki link. You may have already gotten  
10 information on that.

11           CHAIRMAN LEVI: Can I just say, and I would  
12 encourage all board because there are only two board  
13 members and me ex officio to the taskforce. I would  
14 encourage you to read that memo. It's 25 pages. Put  
15 it by your night stand.

16           (Laughter.)

17           MS. REISKIN: And that's on the Wiki?

18           MR. MADDOX: It is on the Wiki, and it is very  
19 helpful. There is also, accompanying is a flowchart,  
20 which summarizes, in something of a visual way, various  
21 functions of OPP, OCE, and, you know, the OIG offices,  
22 which are the three principal elements of the process.



1           We are going to be convening, during the month  
2 of February, telephonic meetings currently scheduled  
3 for two hours each in the first and I think the third  
4 week of the month to further explore the current  
5 situation and get our hands around the process. The  
6 taskforce, as you may remember, consists of, I think,  
7 10 or so very distinguished people from a variety of  
8 disciplines, and we've already received some very  
9 helpful suggestions from them.

10           While the February meetings are ongoing, we  
11 will be entertaining proposals for a consultant to help  
12 guide and facilitate the taskforce's work, and I think  
13 we've already issued an RFP for that. Vic, haven't we?

14           PRESIDENT FORTUNO: Yes. I think it was  
15 circulated to the taskforce for any final comments.

16           MR. MADDOX: Okay.

17           PRESIDENT FORTUNO: Rebecca Weir may be able  
18 to address it more specifically.

19           MS. WEIR: Yes, thank you. My name, for the  
20 record, is Rebecca Weir. I'm assisting the taskforce  
21 until a consultant can be found.

22           The RFP has been revised pursuant to some

1 discussion at the taskforce meeting. It is ready for  
2 the co-chair's review. We hope to send that out to the  
3 taskforce at the upcoming meeting for their approval,  
4 and then we will be moving along shortly after that.

5 MR. MADDOX: And our first meeting is February  
6 4th?

7 MS. WEIR: February 4th.

8 MR. MADDOX: Okay. So presumably, very  
9 shortly thereafter, we'll have the RFP public. Thank  
10 you, Rebecca.

11 MS. WEIR: You're very welcome.

12 MR. MADDOX: Following that, we have a time  
13 schedule that I think largely takes us through the end  
14 of June, and we hope to have a final report prepared  
15 and available for the Board's consideration at our July  
16 meeting. So with luck, we'll be on that schedule and  
17 we'll be in good shape by our next -- or by our July  
18 meeting.

19 And there was a resolution, I think at some  
20 point, whereby the taskforce work would be extended. I  
21 think currently the Board resolution authorizes us  
22 through March 31.

1           PRESIDENT FORTUNO: I think the resolution --  
2 if I may Mr. Chairman, I think the resolution that  
3 established the taskforce has a provision in it. I  
4 think the specific language is that it is expected that  
5 the work of the taskforce will be concluded by March  
6 31st, and a report will be made to the Board. While  
7 it's not the strongest language, it certainly does  
8 cause one to feel that that's the target date. I think  
9 it's safe to say that that date won't be met.

10           So if you want to, by motion, you might be  
11 able to address that specific point. And I don't know  
12 whether you want to designate a firm target date or  
13 just an aspirational goal or a target generally, but  
14 not binding.

15           CHAIRMAN LEVI: I think that the -- why don't  
16 we give a report at the April meeting that then you'll  
17 have a real sense of where --

18           MR. MADDOX: Sure.

19           CHAIRMAN LEVI: Rather than continuing to make  
20 up dates.

21           MR. MADDOX: Right. Right.

22           CHAIRMAN LEVI: Because we have a terrific

1 group, if you -- the people who are working on this  
2 have done their homework, they've read this -- the  
3 materials, and they came really well prepared, and this  
4 is going to be a thoughtful study. But we also  
5 don't -- we recognize we have very busy people here,  
6 we've got to get a consultant in, and we want to -- we  
7 have one crack at doing this right, and we want to do  
8 it right.

9 PRESIDENT FORTUNO: I take it from this  
10 discussion that everyone understands that --

11 MR. GREY: Wait. I want to make a motion.

12 PRESIDENT FORTUNO: Oh, okay.

13 M O T I O N

14 MR. GREY: Mr. Chairman, I would like to make  
15 a motion that we suspend the reporting date of March  
16 31st until some future time as it can be determined  
17 when we can report.

18 DEAN MINOW: I second.

19 CHAIRMAN LEVI: Any discussion on that?

20 (No response.)

21 CHAIRMAN LEVI: All in favor?

22 (Chorus of ayes.)

1           MR. MADDOX:  So that concludes our report  
2  unless --

3           PRESIDENT FORTUNO:  I was going to say amen,  
4  but then I saw Father Pius and thought better of it.

5           (Laughter.)

6           CHAIRMAN LEVI:  Okay.  This is the time for  
7  public comment, and the public is here.  So come on up.  
8  Terry Brooks, I see you.  Jo-Ann Wallace I see.

9           MR. BROOKS:  I'll defer to Jo-Ann.

10          MS. WALLACE:  Thank you, Terry.  I just wanted  
11  to take a moment to thank the Board, on the record, for  
12  your acknowledgment of what is really a remarkable  
13  milestone for any organization to reach.  I know that  
14  many of you know that from the beginning when 13 to 15,  
15  depending on which report you read, legal aid programs  
16  got together to form the National Legal Aid and  
17  Defender Association, we have been the field and the  
18  voice for the field, and it's an honor to serve in that  
19  capacity.

20          And I know that many of you also know that, at  
21  least for the past few decades, we have worked in close  
22  partnership with the Legal Services Corporation.  And

1 on that note, I wanted to, on behalf of our board and  
2 our staff and our members, congratulate and welcome Jim  
3 Sandman to the Legal Services Corporation and to say  
4 how excited we are that he is here and how much we look  
5 forward to working with him. Thank you.

6 CHAIRMAN LEVI: Thank you, Jo-Ann.

7 Terry?

8 MR. BROOKS: I just wanted to tag onto some of  
9 the information provided by Betty.

10 CHAIRMAN LEVI: So you weren't here just to  
11 talk about Las Vegas?

12 (Laughter.)

13 MR. BROOKS: I'll be personally gambling all  
14 of my funds there.

15 I want to start by thanking Betty for her  
16 leadership of NAIP. She has been just tireless. And  
17 you talk about people who you receive e-mails from at  
18 1:00 and 2:00 and 3:00 in the morning, and she is the  
19 leading example of that, especially over the last year.  
20 She has just been an incredible advocate for the IOLTA  
21 system.

22 The other person I should mention is Ann

1 Carmichael, who is on the ABA staff, and who really  
2 quarterbacked the effort to fix the FDIC problem. And  
3 without those efforts and that success, we would have  
4 lost that funding stream, or a good portion of it, I  
5 fear.

6           The ABA, as I think you know, was instrumental  
7 in spreading the concept of IOLTA and has always  
8 partnered with NAIP to put on the annual workshops and  
9 to promote the IOLTA concept. One of the things the  
10 ABA does is it does gather data every year on the  
11 amount of IOLTA money that is in the system on the  
12 whole. And I just wanted to tell you how big a cliff  
13 we have already fallen off and we are about to fall  
14 off.

15           From 2008 to 2009, our data shows that there  
16 was a 57 percent drop in IOLTA income. That's huge.  
17 It hasn't all hit yet because many of the IOLTA  
18 programs have reserves, and they dipped into those  
19 reserves, but I think that most of those reserves are  
20 exhausted at this point after several years of having  
21 to dip into them. There was only a 20 percent drop in  
22 grants from 2008 to 2009. So we're going to see the

1 rest of that hit in the next year or two if things  
2 don't rebound.

3           And we certainly understand that the federal  
4 funding stream is one that will probably see some cuts.  
5 And I hope that doesn't occur, and we will work with  
6 you tirelessly to try and avoid a reduction there, but  
7 that is the most stable of the streams.

8           For the last, oh, since about 1995, ABA has  
9 been tracking doing research to determine what kind of  
10 revenue flows into the legal aid system nationwide. We  
11 track revenue not only flowing to the LSC portion of  
12 the system, but to the entire system, and we've done  
13 that in 12 categories.

14           The richest alternate pot of money is the  
15 state governments. And there is now about a hundred  
16 and nineteen million dollars in state funding. That  
17 stayed level from 2008 to 2009, or 2009 to 2010. It  
18 didn't stay level in every state, but in the aggregate  
19 it did stay level, but we don't expect that to remain  
20 level going forward. And Betty's story about Texas is  
21 illustrative of what is happening in many, many other  
22 states where that state funding stream is going to dip.



1           There are about 275 million in other public  
2 funds. It's largely federal funding, VAWA funding and  
3 other funding of that sort. I don't know where that  
4 funding stream is going. Between lawyer fund drives,  
5 attorney registration fees, bar funds, and bar dues  
6 checkoffs, there is about 77 million in the system.  
7 That probably will remain somewhat stable.

8           SIPRAY varies greatly from year to year.  
9 There is only about 8 million in that in the most  
10 recent year, there is 99 million in foundation and  
11 corporate grants, and then there is the IOLTA and the  
12 LSC streams.

13           CHAIRMAN LEVI: How much was that?

14           MR. BROOKS: Ninety-nine million in foundation  
15 and corporate grants.

16           So that kind of gives you a picture of where  
17 we're at, but the two other largest funding streams  
18 have begun to fall off a cliff, or are going to fall off  
19 an even bigger cliff in the next year or two, which I  
20 think just sort of emphasizes the importance of doing  
21 everything we can to keep the federal stream  
22 uninterrupted or un-reduced to the extent we can.

1           So I hope that's helpful. I think it responds  
2 to some of the questions that I heard earlier.

3           CHAIRMAN LEVI: I think it would be helpful to  
4 have, for the Board members to have in their own work.  
5 And one other thing that, while you're here, Terry, you  
6 guys, you folks and staff here, better than we, know  
7 the calendar. When is ABA day?

8           MR. BROOKS: ABA day is --

9           A PARTICIPANT: April 12th through 14th.

10          MR. BROOKS: Just before your Richmond board  
11 meeting.

12          CHAIRMAN LEVI: Right before the Richmond  
13 board meeting, and it is here in Washington.

14          MR. BROOKS: Right.

15          CHAIRMAN LEVI: So in fact, if we take the  
16 strategic planning committee's suggestion and do  
17 something on the front end, maybe we'll do it here and  
18 then make our way to Richmond. But that is just a  
19 thought. I didn't -- that occurs to me right here.  
20 And when is pro bono week?

21          MR. BROOKS: In October. I don't have that  
22 date immediately at hand.

1           CHAIRMAN LEVI: Well, I would like to know  
2 that because it might have something to do with how we  
3 schedule our October meeting, which will be in Chicago.

4           DEAN MINOW: And when we launch the taskforce.

5           CHAIRMAN LEVI: And when we launch and have  
6 our own -- so I think it would be helpful to the Board,  
7 also, because some of these events are occurring in  
8 their hometowns or nearby, if we had sort of a year  
9 long calendar. That's not your responsibility, Terry.  
10 I'm sort of speaking to the staff.

11           MR. BROOKS: I'll be happy to coordinate with  
12 them.

13           CHAIRMAN LEVI: Yes, Martha.

14           DEAN MINOW: Terry, thank you for all your  
15 tireless work. I have a question that has come up here  
16 about whether there are state by state variations in  
17 IOLTA.

18           MR. BROOKS: How do you mean?

19           DEAN MINOW: Well, several people have asked  
20 for the state breakdowns, but the percentages would be  
21 the same; isn't that right, or is there some particular  
22 formula in each state?

1 MR. BROOKS: The percentages of?

2 DEAN MINOW: What the drop off is if you  
3 looked at the state level.

4 MR. BROOKS: Right, right, right, right. And  
5 there are great variations.

6 DEAN MINOW: And so can you explain what  
7 contributes to that variation.

8 MR. BROOKS: Part of it is the extent to which  
9 the programs are mandatory or voluntary. Forty-four of  
10 them are now mandatory.

11 MS. REISKIN: Are now mandatory or --

12 MR. BROOKS: Are now mandatory, right.

13 MS. REISKIN: They are.

14 MR. BROOKS: And then some of them have  
15 comparability rules, which require the banks to pay a  
16 comparable rate to what they pay their best business  
17 customers. So about 32 of the states have a  
18 comparability rule. Three just, three states just, or  
19 I think the District of Columbia was one of them, just  
20 went mandatory; is that right? And several states have  
21 added comparability rules over the last year or two.  
22 Betty and her colleagues really are incredibly creative

1 and have sought out every way to enhance those  
2 revenues.

3 DEAN MINOW: Thank you.

4 CHAIRMAN LEVI: Any other questions or  
5 comments for Terry?

6 (No response.)

7 CHAIRMAN LEVI: Any other public comment?

8 (No response.)

9 CHAIRMAN LEVI: Before we consider and act on  
10 other business -- well, I guess I can ask that  
11 question. Is there any other business to come before  
12 us?

13 (No response.)

14 CHAIRMAN LEVI: I want to take a moment to  
15 express my thanks to our committee chairs. You heard  
16 their reports today. Undertaking the chairmanship of  
17 one of our committees this year has been a lot of work,  
18 and it won't get any better this year. And each of you  
19 has, and our committee members, you've approached this  
20 with everything you have, with great diligence. And I  
21 just can't thank you enough.

22 This is a small board and I think when we got

1 selected for this, I'm not sure we had any -- as full  
2 an understanding of what we were getting ourselves  
3 into. We now do know, and the way in which we've  
4 worked together, used the time between formal board  
5 members to keep our committees going, I just can't  
6 thank you enough.

7           And again, I want to take a moment to express  
8 our thanks to the staff. Some are in the room,  
9 Kathleen, Katherine, I don't know if Pat is here, Pat  
10 Batie in the back who worked so hard. Am I missing  
11 anyone? Treefa, John Constance.

12           PRESIDENT FORTUNO: Steve Barr.

13           CHAIRMAN LEVI: Steve Barr.

14           PRESIDENT FORTUNO: Atitaya.

15           CHAIRMAN LEVI: I see a lot of you here.  
16 Chuck Greenfield, Dave Richardson, Jeff Morningstar  
17 back there, the IG and his staff, Mattie Cohan. All of  
18 you worked very hard. I know around the time that  
19 we're nearly coming to town, you -- I imagine you don't  
20 sleep much either, and we do appreciate your efforts in  
21 making these board meetings move smoothly.

22           And they're not always in Washington. And

1 when they're on the road, I know how much extra work  
2 that means for you. And we are very grateful. We  
3 don't always get a chance to say it, but I want to say  
4 it formally today and let you know how much we do  
5 appreciate that.

6 So and finally, again, I want to thank Vic for  
7 wearing so many hats. And he certainly, also, has one  
8 other hat that he doesn't formally wear, but I think he  
9 is probably our informal historian.

10 And so with that, we have to have a motion to  
11 consider a closed session.

12 M O T I O N

13 DEAN MINOW: I move that we move to a closed  
14 executive session of the Board.

15 FATHER PIETRZYK: Second.

16 CHAIRMAN LEVI: All in favor?

17 (Chorus of ayes.)

18 CHAIRMAN LEVI: I thank all of you for coming  
19 today and being with us.

20 Whereupon, at 11:10 a.m., the meeting was  
21 adjourned.)

22 \* \* \* \* \*