

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
FINANCE COMMITTEE

OPEN SESSION

Sunday, April 15, 2012

3:38 p.m.

Legal Services Corporation
3333 K Street, N.W.
F. McCalpin Conference Center, 3rd Floor
Washington, D.C. 20007

COMMITTEE MEMBERS PRESENT:

Robert J. Grey Jr., Chairperson
Sharon L. Browne
Martha L. Minow
Father Pius Pietrzyk, O.P.
Robert E. Henley Jr. (Non-Director member)
John G. Levi, ex officio

OTHER BOARD MEMBERS PRESENT:

Charles N.W. Keckler
Laurie Mikva
Julie A. Reiskin
Gloria Valencia-Weber

STAFF AND PUBLIC PRESENT:

James J. Sandman, President
Richard L. Sloane, Special Assistant to the President
Rebecca Fertig, Special Assistant to the President
Kathleen McNamara, Executive Assistant to the President
Victor M. Fortuno, Vice President for Legal Affairs,
General Counsel, and Corporate Secretary
Katherine Ward, Executive Assistant, Office of Legal
Affairs
David L. Richardson, Comptroller and Treasurer, Office
of Financial and Administrative Services
Jeffrey E. Schanz, Inspector General
Laurie Tarantowicz, Assistant Inspector General and
Legal Counsel, Office of the Inspector General
David Maddox, Assistant Inspector General for
Management and Evaluation, Office of the
Inspector General
Carol Bergman, Director, Office of Government Relations
and Public Affairs
Carl Rauscher, Director of Media Relations, Office of
Government Relations and Public Affairs
Elizabeth Arledge, Communications Manager, Office of
Government Relations and Public Affairs
Treefa Aziz, Government Affairs Representative, Office
of Government Relations and Public Affairs

John Constance, former Director, GRPA, LSC
Thomas Smegal, Friends of LSC
Chuck Greenfield, National Legal Aid and Defender
Association (NLADA)
Robert Stein, American Bar Association, Standing
Committee on Legal Aid and Indigent Defendants
Terry Brooks, American Bar Association
Julie Strandlie, American Bar Association

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

2 (3:38 p.m.)

3 CHAIRMAN GREY: I'm calling the Finance
4 Committee meeting to order. Approval of the agenda
5 would be in order.

6 M O T I O N

7 FATHER PIUS: Move to approve.

8 DEAN MINOW: Second.

9 CHAIRMAN GREY: Approval of the minutes from
10 January 20th.

11 M O T I O N

12 DEAN MINOW: So move.

13 FATHER PIUS: Second.

14 CHAIRMAN GREY: All in favor, aye.

15 (A chorus of ayes.)

16 CHAIRMAN GREY: The treasurer, David
17 Richardson, will give us his thoughts on our resolution
18 for the 2012 budget.

19 MR. RICHARDSON: Yes, sir. For the record, I
20 am David Richardson, the Treasurer/Comptroller. I will
21 be referring to the documents that begin on page 12 of
22 your board book. And we're going to be discussing the

1 consolidated operating budget review and the --

2 MS. REISKIN: The memorandum?

3 MR. RICHARDSON: The memorandum from that,
4 yes.

5 MS. REISKIN: It's 18 electronically, I think.

6 MR. RICHARDSON: The board passed a
7 consolidated operating budget at the January meeting of
8 \$364,235,000. At that time, we were fortunate enough
9 to have our appropriation, but there were many agencies
10 within the government who had not been appropriated.

11 One of those deals with the funding of the
12 U.S. Court of Appeals for Veteran Claims. And when
13 they finally got their money and then they passed
14 through the money for our U.S. Court of Veterans'
15 Appeals funds, there was an increase to that.

16 We had originally budgeted \$2,280,000, and
17 they ended up passing through to us \$2,726,000.
18 Basically, that's an increase of \$445,000. So in the
19 resolution, we're asking that you approve an increase
20 to the consolidated operating budget for this amount,
21 and approve consolidated operating budget of
22 \$364,681,397.

1 In addition to that, we have completed an
2 internal budgetary review. We've done some projections
3 for this year, and we've looked at areas that needed
4 funding and looked at those areas that were not
5 spending their money. And we've had discussions with
6 the directors in regards to those.

7 There was no internal budgetary adjustments in
8 excess of \$75,000. Everything that is before you is in
9 the purview of the President to review. Page 12, in
10 the third paragraph, we talk about the adjustments that
11 were made to the program performance line.

12 We did increase the consulting for program
13 performance for \$25,000 so that we could -- the
14 President wanted to implement the recommendation of the
15 Government Accountability Office. Talked about hiring
16 a firm to review the internal controls of the grant
17 competition process, and we've estimated that
18 consultant will cost us \$25,000. So we've moved money
19 within the budget to accommodate that.

20 There's some other projected consulting needs
21 that were also in there, but we've talked about that
22 being reduced. So we're only asking that \$11,000 be

1 moved to the consulting line.

2 In addition to that, we have some -- in the
3 program oversight field, this is where adjusted new
4 funds, it looks like, will be needed for temporary
5 operating employees. The funds that we're asking that
6 the President move is \$21,000, and that will help
7 additional -- will put 45 additional person-days in the
8 field so that we can increase our presence there and be
9 able to perform more oversight over the grantees.

10 All of this money, this \$21,000 and the
11 \$11,000, were available in the personnel compensation
12 and benefit line because of open positions. So that
13 has been moved and included in the report here.

14 In addition to that, on page 13 we
15 detail -- the OIG has given us some information in
16 regards to their budget. They also participate in the
17 review, in review by the Inspector General.

18 And based on that, they have increased their
19 personnel compensation and benefits \$65,000. This is
20 to fund two new positions, a director of audit
21 operations and an administrative officer, and
22 investigative analysis. They have also adjusted their

1 capital expenditures, an increase of \$125,000, to pay
2 for the purchase of integrated audit management
3 software, work paper software for their auditors, as
4 well as some computer equipment.

5 The increases were offset in consulting,
6 \$40,000, and other operating, 150. And this is from
7 the money that they have set aside for their multi-year
8 funding of their budget.

9 Currently they project a carryover at the end
10 of the year of \$1.3 million. I should go back and say
11 that within our projections, we are also projecting a
12 \$3,300,000 carryover at this point. The biggest part
13 of that is the \$2.1 million that we have set in a
14 contingency to help fund next year's operations.

15 We have a number of open positions, and
16 there's over \$500,000, almost \$600,000, in funds for
17 personnel compensation and benefits. Basically, that
18 puts us up to about 2.7, 2.8 in carryover that I can
19 readily identify -- the rest of it are smaller
20 amounts -- to come up to the 3.3 that we're
21 anticipating to carry over. And that would say at a
22 minimum.

1 There was a question during the last meeting
2 about the institutional development officer. We have
3 one in the budget. It is projected to begin August
4 1st. But that was an estimate, so we don't know,
5 actually, when that person will begin.

6 We've also had in the vice president for
7 grants management, and we've got that in for May. And
8 at this point, I don't look to see somebody on May 1st,
9 so when I say at a minimum 3.3, I think it'll probably
10 be a little bit higher.

11 If there's any questions, I'll be glad to --

12 CHAIRMAN GREY: Father Pius?

13 FATHER PIUS: Just a couple questions.

14 Other than those, are there any other major
15 management positions that are vacant? Because we've
16 filled a lot of them since the last quarter. I don't
17 think there are any other major --

18 MR. RICHARDSON: Actually, when we look at the
19 report of the finance, I have the list here on page 20.

20 We have the vice president of grants management. We
21 have the director of institutional advancement and an
22 administrative assistant. A deputy director in OPP.

1 And we also have a program counsel and a
2 program analyst in OPP, and the director of compliance
3 and enforcement. And I neglected to put in the memo,
4 we did have somebody resign in the Office of Compliance
5 and Enforcement, so there is another position in
6 Compliance and Enforcement that's open also.

7 FATHER PIUS: And most of those are -- all but
8 a couple of those, I assume, we're actively seeking to
9 fill?

10 PRESIDENT SANDMAN: We currently have an
11 acting director of Compliance and Enforcement, Laura
12 Rath. We did not fill the deputy position that she had
13 previously filled because I'd like to hire a vice
14 president for grants management before we fill that
15 position and the position of deputy director in OPP.

16 FATHER PIUS: And these two new positions from
17 the OIG, are these vacancies that are being filled, or
18 are these brand-new positions that have never existed
19 before?

20 MR. RICHARDSON: These are brand-new
21 positions.

22 FATHER PIUS: And just a little bit of the

1 thought behind why they're necessary?

2 MR. RICHARDSON: We may ask Dave Maddox or
3 Jeff Schanz to come up to speak to that.

4 MR. SCHANZ: For the record, this is Jeff
5 Schanz, the Inspector General.

6 In response to your question, Father Pius, we
7 don't want to be as busy as we are, but we are, and
8 that necessitates a lot more internal development.
9 Dave Maddox, the assistant IG, is working on the
10 management structure that we have using information
11 technology. I'm working on the people aspect of it.

12 We're going to hire, and we in fact selected,
13 a director of audit operations to help facilitate our
14 audit work and to make sure that our work in the field
15 is being promptly and accurately distributed to the
16 Board and to the public. That's one position that's a
17 new position.

18 CHAIRMAN GREY: Is that -- sorry.

19 MR. SCHANZ: Go ahead.

20 CHAIRMAN GREY: Is that a direct report or
21 where does the director fit into your overall scheme?

22 MR. SCHANZ: It will be under tutelage of the

1 Assistant Inspector General for Audit, which is Dutch
2 Merryman -- in essence, a deputy.

3 FATHER PIUS: And this is about external
4 audits for the grantees, not our own internal auditing?

5 MR. SCHANZ: Both. Both. But when I first
6 arrived, the span of control concerned me. This will,
7 four years later, mitigate some of my concern over the
8 span of control, and hopefully involve getting reports
9 out where they're more timely and current, which is the
10 IG's bugaboo for any agency that you talk to.

11 Does that answer your question?

12 FATHER PIUS: Yes. Thank you.

13 MR. SCHANZ: Okay. Dave, if you want to talk
14 about some of the institutional IT stuff we're doing.

15 MR. MADDOX: Well, just if I could --

16 MR. SCHANZ: It doesn't involve a new
17 position, but it has to do with efficiencies within the
18 OIG.

19 MR. MADDOX: Yes. We're going through a
20 series of information technology investments. The
21 first one we're working on is the audit management work
22 paper system. We've made a selection there, but we're

1 in contract negotiations currently.

2 We're also doing development of an intranet/
3 document management system. A number of other types of
4 investments are scheduled, but those are over the next
5 two- to three-year time frame. The OIG does run its
6 own separate information network from management, based
7 on security concerns and a number of other concerns.

8 Father?

9 MR. SCHANZ: Well, I'd like to add, if I could
10 get back to it, I've been fairly pleased, and I've
11 passed my four-year anniversary, that not too many
12 people have left the employ of the OIG. They seem to
13 like the work, the diversity of the work, and the
14 professionalism of the work.

15 That being said, we do have a vacancy. One
16 person that has worked for us for several years wants
17 to be an investigator and wants to move back to
18 Atlanta. So we will be backfilling that position.
19 Frank isn't here to hear the Atlanta part of the
20 things, but sometimes forensic auditors want to carry a
21 gun also.

22 (Laughter.)

1 MR. SCHANZ: So that would be the other
2 position that we do have available that we'll be
3 currently advertising.

4 MR. LEVI: Frank's sitting right out here.

5 FATHER PIUS: And the new technology system
6 will allow you to better have security over the
7 computer system, and then what, better able to respond
8 to the audits that you are doing over the grantees?
9 That's the goal of the new system?

10 MR. MADDOX: The goal is to increase the OIG
11 efficiency and effectiveness. One of the things coming
12 out of the Fiscal Oversight Task Force report, I think,
13 is so much information-sharing as there is not within
14 LSC.

15 FATHER PIUS: This is what I want to hear.

16 MR. MADDOX: There is not within LSC one
17 overall, single grants management piece of software.
18 And I think we're all striving to move in those general
19 directions. One of the things that -- we want to have
20 these capabilities within the OIG, but to be able to
21 type in a recipient name and to know everything that
22 the five different units within the OIG know about that

1 is -- we're trying to recapture that capability.

2 CHAIRMAN GREY: Any other questions? Julie?

3 MS. REISKIN: Is this the time to ask
4 questions about the financial report, or does that go
5 after this?

6 CHAIRMAN GREY: That goes after this.

7 MS. REISKIN: Okay. Then I don't have a
8 question.

9 CHAIRMAN GREY: Sharon?

10 MS. BROWNE: Just a quick question on the U.S.
11 Court of Veterans' Appeals funds and the increase that
12 our consolidated operating budget is reflecting.

13 When did we hear about the increase? Was it
14 in February or March?

15 MR. RICHARDSON: I got the information on
16 March 1st.

17 MS. BROWNE: Okay. Thank you.

18 CHAIRMAN GREY: Any other questions?

19 (No response.)

20 CHAIRMAN GREY: The resolution --

21 M O T I O N

22 FATHER PIUS: I move that we approve the

1 resolution and forward it to the Board.

2 CHAIRMAN GREY: Second?

3 MS. BROWNE: Do we have comments? About the
4 resolution.

5 CHAIRMAN GREY: Oh, we still need second,
6 though.

7 FATHER PIUS: I think we're still on comments.

8 MS. BROWNE: Before we have comment?

9 MR. LEVI: You need a second. You'll need a
10 motion and a second, and then comments.

11 MS. BROWNE: I'll second.

12 CHAIRMAN GREY: All right. Comments?

13 MS. BROWNE: Okay. Comment. I was just
14 looking at your title to this resolution, and also the
15 body of it. And it appears that your title is to
16 reflect an increase in the U.S. Court of Veterans'
17 Appeals funds for fiscal year 2012. But the first
18 "Whereas" paragraph also lists the \$17,000 grant from
19 the Public Welfare Foundation as well, and that does
20 not seem to be reflected in the title.

21 So I'm just wondering if we can't revise the
22 title of the resolution to say, "Revised Consolidated

1 Operating Budget for Fiscal Year 2012," and then the
2 first "Whereas" paragraph as well as the second and the
3 "Therefore" paragraph seems to be more reflective.

4 MS. BROWNE: I second Sharon's amendment
5 motion.

6 DEAN MINOW: Can I third it?

7 (Laughter.)

8 FATHER PIUS: Just get rid of that line that
9 says "to reflect," yes. That's fine.

10 CHAIRMAN GREY: Thank you for that very
11 helpful amendment to the resolution.

12 FATHER PIUS: It will count as a friendly
13 amendment, unanimously adopted.

14 CHAIRMAN GREY: Without objection. All in
15 favor of the resolution say aye.

16 (A chorus of ayes.)

17 CHAIRMAN GREY: As amended. Thank you.

18 Mr. Richardson?

19 MR. RICHARDSON: The next item on the agenda
20 is the February financial report. We are five months
21 into the fiscal year, and we used this five-month
22 period, of course, to prepare the projections that we

1 just looked at before. So all the information is
2 consistent.

3 We are well within budget. When you look
4 at -- and I'm referring to page 18 of the document. We
5 present our budget materials in two sections, one for
6 the basic field component, your awards to grantees, and
7 we do that on an annual basis; and then we present the
8 management and grants oversight and Inspector General
9 on a five-month allocation of the budget.

10 The basic field, we have a budget of \$324
11 million. And let me state before I get too far here,
12 this does not include the \$455,000 new money, since
13 this was written in March and then this was done the
14 first of April. So it will be in the next report.

15 But basically, we have spent \$323 million
16 through this period. We have carryover or remaining
17 funds of \$353,000. Those are earmarked for four areas.

18 Mississippi, have a program there that is on six-month
19 funding. Wyoming, we're still trying to work out the
20 final audit of a program that is no longer funded by
21 LSC.

22 And then American Samoa, and there's still

1 activities going on, trying to get somebody to provide
2 the services there. The U.S. Court of Veterans'
3 Appeals, and this is where the \$445,000 will be added,
4 but as of this report there's no expenses to report.

5 The award, it's my understanding, might have
6 been made last week. I talked to the folks in program
7 performance, and they were working through the
8 paperwork, and it'll go to the President. If he's not
9 signed it, it'll be in the next few days, I'm sure, to
10 award that money for the year.

11 The grants from other funds, we have \$725,000.

12 I have laid out the two grants that we've given this
13 year. The Legal Services Law Line of Vermont received
14 \$65,000, and the Legal Aid of Western Missouri
15 \$188,000. So we've given out \$253,000 of that. The
16 \$471,000 that's remaining will go to serve any
17 additional one-time grants, whether they be emergency
18 or other grants that may need to be made.

19 And then within the technology, I was asked
20 even outside today as we were looking through this, why
21 is this line so large? And of course, last year we
22 delayed awarding the grants for 2011 until

1 October -- until November and December, so there's
2 basically two years of funding there.

3 Those awards have been made. \$3,184,000 has
4 been awarded net this year, and there's actually awards
5 of 3 million 2. And we're also gotten some grant funds
6 back, \$61,000. So it nets to the \$3,184,000. And the
7 remaining funds of \$4 million will go to support this
8 year's technology grants and the other activities going
9 on.

10 FATHER PIUS: Just a quick question. How much
11 of that \$4 million is unencumbered? In other words, is
12 that all unencumbered, and there's no -- we're not
13 about to make a grant, or there's not -- do you have
14 any idea?

15 MR. RICHARDSON: Most of these grants are made
16 in September.

17 FATHER PIUS: Oh, okay.

18 MR. RICHARDSON: Some of this money has been
19 spent with the just-past technology conference. We've
20 not gotten all those expenses in.

21 And then we have the Herbert S. Garten Loan
22 Repayment Assistance Program, and we have not

1 recognized any expenses in this year for those.

2 The second section of the Attachment A
3 presents the management and grants oversight and the
4 Inspector General. And within this budget, for MGO
5 we've got a budget of \$21 million. The allocation for
6 five months is \$8,880,000. That compares to
7 expenditures (sic) of \$2.4 million. So we are
8 \$2,440,000, or 27.84 percent under budget. We do have
9 \$150,000 in contracts that are outstanding, and that
10 work will be finished in the coming months. And then
11 those will be expenses also.

12 CHAIRMAN GREY: You just made a misstatement.
13 The budget allocation is 8.8 and expenditures 6.4.
14 You said 2.4.

15 MR. RICHARDSON: I'm sorry. The remaining
16 funds.

17 CHAIRMAN GREY: That is the remaining funds.
18 All right.

19 MR. RICHARDSON: We're actually spending at a
20 rate less than last year. And I put -- just to have a
21 comparison, I just put the January report that showed
22 the MGO with spending of 27.84 percent under. So the

1 expenditures are increasing a little bit, so hopefully
2 they'll be increasing more as we get into the year.

3 The Inspector General has a budget of \$6.4
4 million. The allocation for this period is \$2,600,000,
5 expenditures of \$1.89 million, and there is 783-
6 almost \$784,000 under budget, or 29.25 percent. And
7 last month he was also, that office, at 29.93, so
8 there's an increase in spending there also, a small
9 one.

10 I've laid out the largest amount, and that
11 deals with the other operating expenses. And mainly
12 that's the unallocated carryover funds. And then, of
13 course, the personnel compensation and benefits that we
14 talked about before.

15 DEAN MINOW: Could I just ask? The
16 unallocated carryover funds, what happens to them next
17 year?

18 MR. RICHARDSON: They will be used to support
19 next year's budget.

20 DEAN MINOW: In this same category of
21 unallocated --

22 MR. RICHARDSON: Well, not necessarily. We

1 will roll it together and then we will make another
2 allocation --

3 DEAN MINOW: Then we will -- okay. All right.

4 MR. RICHARDSON: -- to determine where they'll
5 be used.

6 There's also a report there for the IG, and
7 there's talk -- where he talks about the \$539,000
8 consists of their contingency for their multi-year
9 spend-down. And then their consulting budget is
10 \$99,000. The OIG has \$141,000 in encumbrances,
11 contracts to support their IT functions, and including
12 network operations, and the new intra- and document
13 management systems that David was talking about.

14 Again, I'll be able to answer any questions
15 that you might have.

16 CHAIRMAN GREY: Julie?

17 MS. REISKIN: Thank you. You answered about
18 the Veterans because it's new. But why haven't there
19 been any expenses on the loan repayment? Do you know?

20 Is there a problem, or --

21 MR. RICHARDSON: There is not. They had a
22 great deal of carryover, and they basically didn't need

1 the money and didn't get the funding application in
2 until recently.

3 MS. REISKIN: Okay. And my other question
4 was -- and maybe it's just these numbers are out of my
5 league -- but it seemed like there was a very high
6 amount on other in many of the programs, of expenses.
7 You know, when you categorize the different areas where
8 personnel, payroll -- and I was just wondering why it
9 was other, and --

10 MR. RICHARDSON: Other is like your equipment
11 rental, supplies, your directors' and officers'
12 liability insurance. Your insurance package for the
13 Corporation is charged there. That's the
14 reason -- like, for instance, in my budget it's 119 in
15 the Office of Financial and Administrative Services.
16 It also pays for bar licenses, legal research, Westlaw.

17 MS. REISKIN: That's all under --

18 MR. RICHARDSON: All under other.

19 MS. REISKIN: All of that's under other?

20 MR. RICHARDSON: Yes.

21 MS. REISKIN: Okay. Thanks.

22 FATHER PIUS: It is a good point.

1 DEAN MINOW: It is a good point.

2 FATHER PIUS: If you look at the MGO, it's the
3 single largest budget item, isn't it, or one of
4 the -- after the total comp and benefits, it's the next
5 largest budget item, is miscellaneous.

6 So some thought may be as to whether or not
7 that needs to be broken up a little bit more. I mean,
8 when your other expenses is your second largest budget
9 item, is that -- it's a question of whether we're
10 lumping too much in there and whether that should be
11 split out some more.

12 Just a thought. It does raise a good point in
13 terms of our own ability to do oversight.

14 MR. RICHARDSON: Are you looking at the budget
15 or the actual expenditures?

16 FATHER PIUS: I'm looking at the actual
17 expenditure -- well, I was looking at the five-month
18 budget, or even the -- I mean, any of the numbers.
19 It's usually a fairly large number.

20 But even under the annual budget for MGO, it's
21 the second largest budget item under comp and benefits.

22 Comp and benefits, of course, is always going to be

1 first. And then second largest is other operating
2 expenses. The question is whether -- when your second
3 largest budget item is other, whether that should be
4 broken out some more.

5 MR. RICHARDSON: Right. \$1.7 million of that
6 is your contingency. That's not allocated for
7 anything.

8 FATHER PIUS: Should we separate out
9 contingency as a separate budget item? Maybe that's
10 the question.

11 MR. RICHARDSON: I can look at reporting that
12 separately, yes. That way the confusion is not there.
13 Yes.

14 CHAIRMAN GREY: Let's do that. Let's not talk
15 about it, let's just do that.

16 All right. David?

17 MR. RICHARDSON: That is the report.

18 CHAIRMAN GREY: Let's do that. Let's break it
19 out.

20 Any other comments?

21 (No response.)

22 CHAIRMAN GREY: All right. Thank you, David.

1 We get to hear from the director of the Office
2 of Government Relations and Public Affairs, Carol
3 Bergman. Welcome.

4 MS. BERGMAN: Thank you. For the record,
5 Carol Bergman, director of Government Relations and
6 Public Affairs.

7 So the challenge always is how we talk about
8 three different fiscal years simultaneously.

9 (Laughter.)

10 FATHER PIUS: We have confidence in you,
11 Carol.

12 MS. BERGMAN: Oh, absolutely. I had a friend
13 who went over to the White House who used to struggle
14 when he got to writing the checks at the grocery store
15 and say, what year are we really in?

16 (Laughter.)

17 MS. BERGMAN: So we're in FY '12, and Legal
18 Services Corporation's proposal for FY '13 that went up
19 is for \$470 million. The White House request for Legal
20 Services that went up for fiscal year '13 is \$402
21 million. So that reflects a 15 percent increase over
22 our current FY '12 budget, which you may recall is at

1 \$348 million, which in and of itself is a significant
2 cut over FY '11.

3 The White House request -- the 15 percent
4 increase, we were only one of five agencies that
5 actually got any kind of an increase from the White
6 House when it went up for FY '13.

7 What we're up against right now in both the
8 House and the Senate is that they're dealing with very
9 different numbers. The House is operating with
10 Congressman Paul Ryan's budget resolution that the
11 House passed for a total of \$1.028 trillion for overall
12 discretionary funding, and that passed March 29th.

13 The Senate is operating with a very different
14 number. They're going back to the bipartisan August
15 debt limit agreement, which would give them \$1.047
16 trillion. So it's a difference of \$19 trillion between
17 the ceiling that the House and the Senate are operating
18 within overall. Okay?

19 Now, our appropriations subcommittee is
20 planning -- at the moment, they have indicated that
21 they are going to mark up our budget, the Legal
22 Services Corporation budget, on Thursday the 19th.

1 It's on the calendar. It's listed as being very
2 tentative. There is no time attached to it.

3 Subcommittees cannot begin to mark up until
4 they have what are known as the 302(b)s. These are the
5 ceilings that are given to each appropriations
6 subcommittee by the full Appropriations Committee.
7 They're slated to come out tomorrow, the 16th.

8 But the full committee has to meet officially
9 for those 302(b)s to be official; only then can the
10 subcommittee. We are all operating on the assumption
11 that they must know this is all going to happen in the
12 next couple of days if the subcommittee thinks they are
13 going to mark up.

14 In our conversations with staff, obviously
15 they're expecting to move on all of this very quickly.

16 So the House Appropriations Subcommittee on Commerce,
17 Justice, and Science is expecting, as I said, to mark
18 it up, if not the 19th, certainly by the end of April,
19 and the full committee hopes to mark up very soon
20 thereafter. The Senate does not have a date. They are
21 expecting to mark up by the end of April/early May as
22 well.

1 Of course, we'd need a crystal ball to figure
2 out where it's all going to go from there. And whether
3 or not, in particular, the CJS appropriations bill will
4 actually make it to the House floor, I think, is an
5 open question and will affect how things play out in
6 terms of the budget cycle.

7 But I do think it will move to the Senate
8 floor before the August recess. That would be my
9 expectation right now. The House is going to be very
10 different. The general thinking is that the
11 Appropriations Committee will pass one or two bills
12 that will probably be most helpful during the election
13 season, but it's not clear that that will include ours.

14 So happy to answer any questions.

15 CHAIRMAN GREY: Carol?

16 MS. BERGMAN: I'm looking forward to the
17 challenge.

18 CHAIRMAN GREY: Oh, okay. Good.

19 DEAN MINOW: Are people working together at
20 all? Are people working together at all?

21 MS. BERGMAN: You mean between the Senate and
22 the House? There doesn't seem to be a lot of

1 conversation, no. I would say not.

2 CHAIRMAN GREY: Are you getting any
3 indications that you could make us aware of -- are
4 there any ballpark floating balloons or anything out
5 there?

6 MS. BERGMAN: I would say that in the Senate,
7 our conversations have been about the importance of
8 keeping the number as high as possible, obvious, with
9 the notion of something moving into conference. And
10 we've certainly made a very strong case, I think, and
11 LSC's budget justification clearly outlines the impact
12 of the budget cuts in prior year and what's going on
13 now.

14 But no, they can't begin to speculate if they
15 haven't gotten their numbers yet. And that's why I
16 reported on the budget resolution in the House, because
17 I think it gives an indication overall of the limits
18 they are faced with in terms of discretionary spending
19 across the board.

20 DEAN MINOW: We should probably reserve this
21 for a later discussion.

22 FATHER PIUS: Although I just --

1 MR. LEVI: Calendar versus briefing.

2 FATHER PIUS: Just to make it clear, these
3 discussions are about the fiscal year that starts in
4 October 2012?

5 MS. BERGMAN: That is correct.

6 FATHER PIUS: Okay. Right.

7 DEAN MINOW: Thank you. Yes, absolutely.
8 Thank you, and very glad you're on board.

9 CHAIRMAN GREY: Mr. Richardson?

10 MR. RICHARDSON: I shared with Robert
11 before --

12 CHAIRMAN GREY: Don't talk till you get to a
13 microphone.

14 MR. RICHARDSON: I shared with Robert before
15 the meeting the schedule that we used last year
16 regarding the 2013 budget request. You're talking
17 about which year you're working with; I'm going to
18 confuse matters even more, that we've been talking
19 about 2012 and 2013, and start talking about 2014.

20 And last year, this meeting occurred in
21 Richmond, and at that meeting we asked people from
22 NLADA and ABA and other interested parties to come

1 forward with their budget mark for 2013.

2 We need to be on a very similar schedule this
3 year if we're going to provide the information that OMB
4 needs before Labor Day. So it's a pretty aggressive
5 schedule, but it's something that we need to talk
6 about, see how we can by chance condense it, maybe
7 combine some meetings, and be able to be in a position
8 by August 31st, since Labor Day is September 3rd this
9 year, to be able to provide OMB a budget mark for LSC
10 for 2014.

11 And this is presented to you in the matter of
12 discussion, if it makes sense, or how you would like to
13 move forward.

14 MS. BROWNE: On this timeline, and you
15 mentioned the need to consolidate it somewhat, where
16 would you suggest that it be consolidated? What's your
17 recommendation?

18 MR. RICHARDSON: June 16th of last year, we
19 heard from NLADA and the ABA. And then two weeks
20 later, we heard from management. And then when we got
21 together on June 20th, we reviewed the information
22 again, management's recommendation and also NLADA's and

1 the ABA's.

2 I'd like to be able to condense those three
3 into one or two -- actually, two meetings, if we could.

4 I must say, before we move forward, I have not yet
5 talked to the President about this. Get myself in a
6 bind here.

7 CHAIRMAN GREY: Well, you haven't talked to
8 the Committee, either.

9 MR. RICHARDSON: Right. But that's the reason
10 I put it out for discussion.

11 MR. LEVI: But the board meeting's in July.

12 MR. RICHARDSON: That's correct.

13 MR. LEVI: So that's when the next Finance
14 Committee meeting of this -- you can have a telephonic
15 meeting.

16 CHAIRMAN GREY: Yes. Well, we are. And I
17 think what the Finance Committee will do is to take
18 this into consideration, and we'll call a special
19 meeting of the Finance Committee to talk about the
20 schedule because it's important.

21 And we'll have management's feedback from that
22 and see where, if any place, we can find some savings

1 of time, if there is. The important thing is that
2 everybody is heard, and that we have an opportunity for
3 that to happen.

4 But I think that what Dave has done is to give
5 us this now, which is important. And then we can go
6 from there.

7 MR. LEVI: I should say that OMB -- as I
8 recall, last year John Constance was pushing us to have
9 something by Labor Day. OMB slid their schedule back.

10 I don't know whether you can count on that this year.

11 I don't know what they're going to say about
12 September. I don't know if you know yet what they're
13 going to say.

14 CHAIRMAN GREY: Well, we had this pretty
15 early.

16 MR. LEVI: No. What I meant is --

17 CHAIRMAN GREY: I know. I know what you
18 meant.

19 MR. LEVI: Because the next board meeting is
20 after this date in September.

21 DEAN MINOW: Right.

22 MR. LEVI: So if we are going to -- we gave

1 the Committee 30 days, or some period of time between a
2 discussion of recommendation and actually having to
3 vote on it. And I just want to make sure we have that
4 process.

5 MS. BERGMAN: Excuse me. I do have a meeting
6 scheduled with OMB examiners next week. My
7 understanding is that, in fact, we have been asked to
8 function like a federal agency, all of whom are asked
9 to get their budgets in by Labor Day.

10 It usually does slip a little, in my
11 experience, just because Washington doesn't tend to
12 function until at least the week after Labor Day. But
13 that was what -- I think we were operating with that
14 understanding. But I certainly expect to hear it when
15 I meet with the OMB folks.

16 FATHER PIUS: Yes. I mean, there's one
17 scheduled board meeting between now and when this
18 budget number needs to be put in. And so we need to
19 schedule, I think, as the Committee, right now, if we
20 want public comment, we need to make sure. We need to
21 tell them to do it and when we need it by so that that
22 will trigger the next event, which will trigger the

1 next event.

2 CHAIRMAN GREY: Which is precisely why I want
3 us to be clear about what we're doing, and if there's
4 any discussion about moving dates, that we consider
5 that with Carol and David and Jim.

6 FATHER PIUS: I just think, since we have one
7 scheduled board meeting between now and then, it's not
8 possible to consolidate this much more than it is, and
9 because things trigger from one to another -- I mean,
10 we have to have this in a certain order and have enough
11 time to go between to consider these things.

12 And the only reason we were able to meet in
13 August last time was because we had the meeting in
14 August in Boston, which made it -- we don't have that
15 scheduled. So if we push it beyond our July meeting,
16 we're going to have to have a telephonic board
17 conference, which I think we're going to have to do
18 anyway.

19 DEAN MINOW: I think we'd have to assume that.

20 FATHER PIUS: I think we're going to have a
21 telephonic -- we're going to have to assume we're gong
22 to have a telephonic board conversation to talk about

1 what the budget numbers are.

2 CHAIRMAN GREY: Which is exactly the point,
3 that we had -- that August was an aberration in our
4 schedule. So now we've got to go back and really look
5 at the schedule. But it's up to us to put that
6 together.

7 MR. LEVI: That's because there was
8 consternation in July. And so we gave people ten days
9 to sort of -- I think it's what happened. But there's
10 a few more days in July before the board meeting this
11 year, so you can --

12 CHAIRMAN GREY: We're going to get this --

13 MR. LEVI: We're going to get this done.

14 FATHER PIUS: The question is, how much does
15 the delay between the Committee coming up with a number
16 an suggesting it to the Board. Do we want to do that
17 all in July, or do we want to have -- I think we want a
18 little bit more of a gap.

19 CHAIRMAN GREY: Okay. Thank you. Any other
20 comments?

21 (No response.)

22 CHAIRMAN GREY: Thank you. Public comment

1 with regard to matters discussed?

2 (No response.)

3 CHAIRMAN GREY: Any other business?

4 (No response.)

5 CHAIRMAN GREY: Motion to adjourn.

6 M O T I O N

7 FATHER PIUS: So moved.

8 DEAN MINOW: Second.

9 CHAIRMAN GREY: All in favor, aye.

10 (A chorus of ayes.)

11 CHAIRMAN GREY: The meeting is adjourned.

12 (Whereupon, at 4:20 p.m., the Committee was
13 adjourned.)

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