

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

TELEPHONIC MEETING OF THE
FINANCE COMMITTEE

OPEN SESSION

Tuesday, July 17, 2012

11:08 a.m.

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

COMMITTEE MEMBERS PRESENT:

Robert J. Grey, Chairman
Sharon L. Browne
Martha L. Minow
Father Pius Pietrzyk, O.P.
Robert E. Henley (non-Director member)
Allan Tanenbaum (non-Director member)
John G. Levi, ex officio

OTHER BOARD MEMBERS PRESENT:

Victor B. Maddox
Charles N.W. Keckler

STAFF AND PUBLIC PRESENT IN THE CORPORATION'S OFFICES:

James J. Sandman, President
Richard L. Sloane, Chief of Staff and Special Assistant to
the President
Rebecca Fertig, Special Assistant to the President
Kathleen McNamara, Executive Assistant to the
President
Victor M. Fortunato, 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 A. Bergman, Director, Office of Government
Relations and Public Affairs
Treefa Aziz, Government Affairs Representative, Office
of Government Relations and Public Affairs
Brennan Valentine, Office of Government Relations and
Public Affairs
Emily Gydesen, Intern, Executive Office

Chuck Greenfield, National Legal Aid and Defender
Association (NLADA)

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

2 (11:08 a.m.)

3 CHAIRMAN GREY: Can I get a motion to approve the
4 agenda?

5 M O T I O N

6 DEAN MINOW: So moved.

7 MS. BROWNE: I'll second.

8 CHAIRMAN GREY: And could I get approval of the
9 minutes?

10 M O T I O N

11 DEAN MINOW: I'll move to approve the minutes.

12 MS. BROWNE: Second.

13 CHAIRMAN GREY: Thank you. Without objection, both
14 the agenda and the minutes are approved.

15 David Richardson, are you on the phone?

16 MR. RICHARDSON: Yes, sir. I am.

17 CHAIRMAN GREY: The floor is yours.

18 MR. RICHARDSON: Actually, I think Jim is going to
19 do the presentation.20 CHAIRMAN GREY: Well, let me do this first. Allan
21 Tanenbaum, who many of you remember was part of the Financial

1 Oversight Task Force, had been mentioned a couple of times as
2 being another lay person who might add another set of
3 objective eyes as we look at financial matters related to
4 LSC.

5 We mentioned that to others, that he was under
6 consideration, and realized that in order to do this, the
7 Chairman had to make the appointment. And the Committee
8 supports Allan, and the Chairman has made the appointment.
9 And Allan, on very short notice, has not only agreed to be on
10 this call but has agreed to join us in Michigan.

11 And Allan, that's super, and we thank you so much
12 for not only your willingness to do this, but on such notice,
13 participate at this level. So thank you very much, and
14 welcome.

15 Jim?

16 DEAN MINOW: That's terrific.

17 PRESIDENT SANDMAN: This is Jim Sandman. I'd like to
18 present Management's recommendation for the Corporation's
19 budget request for fiscal year 2014. I'd like to start by
20 reviewing where we are currently.

21 Our appropriation for the current fiscal year,

1 2012, is \$348 million. That compares to an appropriation in
2 the last fiscal year of \$404 million, and the year before
3 that it was at \$420 million.

4 For the coming fiscal year, which is not what we're
5 discussing today on this call, for fiscal year 2013, the
6 House of Representatives has voted to fund LSC at the level
7 of \$328 million, and the Senate Appropriations Committee has
8 voted to fund us at \$402. The full Senate has not yet voted.

9 Both of those votes for fiscal year '13, the vote
10 in the House and the vote in the Senate Appropriations
11 Committee, are for amounts above what each of those bodies
12 voted to fund LSC at for fiscal year '12.

13 Last year the House voted to fund us at \$300
14 million, but they've come up with an additional \$28 million
15 for the next fiscal year. Last year the Senate
16 Appropriations Committee and the full Senate voted to fund us
17 at \$398 million; they voted to come up to 402 for fiscal '13.

18 \$402 million, the level that the Senate Appropriations
19 Committee has voted, was also the President's request in his
20 budget.

21 Last year at around this time, the Committee and

1 the Board voted to request funding for LSC for fiscal year
2 '13 at \$470 million. Since last year, the eligible
3 population, population eligible to receive services at
4 programs funded by the Legal Services Corporation, has
5 continued to grow. We estimate that there has been an
6 increase of 1.5 percent in the eligible population between
7 2011 and 2012, and we project increases of another 1.5
8 percent between 2012 and 2013 and of .8 percent between 2013
9 and 2014.

10 Also since last year, other sources of funding,
11 non-LSC sources of funding for our grantees, appear to have
12 gone down. We know that there was a decrease of 2.2 percent
13 between 2010 and 2011. We don't have any reason to believe
14 that that decrease will be recaptured between now and 2014.

15 IOLTA revenue, a principal non-LSC source of
16 funding for many of our programs, will continue to be
17 affected by historically low interest rates, and state and
18 local government budgets continue to be under pressure,
19 affecting their appropriations for legal services programs.

20 I'd note, however, that there are wide variations
21 across the states. Two states had declines of more than 20

1 percent in their non-LSC funding between 2010 and 2012.

2 There are some states, not a lot, where state level funding
3 has gone up.

4 The impact of these funding reductions, the
5 combined effect of reductions in LSC funding and in funding
6 from other sources, is demonstrated by the survey we recently
7 conducted of our 134 grantees. They project staff reductions
8 in 2012, calendar year 2012, of 791 total positions, a
9 decrease of 8.6 percent.

10 And they laid out in their survey responses what
11 the effect on client service has been, what the effect on
12 poor people has been. Ninety-one percent of the programs
13 reported that they are able to serve fewer clients this year.

14 Forty-two percent of the programs have reduced their hours
15 of intake. Ninety-one percent are accepting fewer cases.
16 Seventy-three percent have restricted the types of cases that
17 they'll take.

18 LSC funding continues to be the backbone of the
19 civil legal aid system in the United States. We're the
20 largest single source of funding. We're critical to LSC's
21 grantees not only because of the amount of our funding but

1 also because LSC funding can be used for general operating
2 purposes. Non-LSC funds, by contrast, are often for limited
3 uses or for special programs that may or may not align with
4 grantees' local needs assessments.

5 We also need to keep in mind the impact of looming
6 census adjustments. Whatever LSC's appropriation is for
7 2014, some grantees are going to see significant reductions
8 in their share of it. Programs in 13 states will see
9 reductions of between 2 and 10 percent. Programs in four
10 states will see reductions of between 11 and 15 percent.
11 Programs in three states will see reductions of between 16
12 and 20 percent. And programs in four states and Puerto Rico
13 will see reductions of more than 20 percent.

14 Three of our five largest jurisdictions for grants,
15 California, New York, and Puerto Rico, will all see declines
16 because of the census adjustment, California by 8.3 percent,
17 New York by 21.8 percent, and Puerto Rico with the biggest
18 decline of all, 31.9 percent.

19 Against this backdrop and in light of LSC's mission
20 of providing access to justice, a fundamental American value,
21 we think that it would be inappropriate to reduce our 2014

1 budget request below the level that the Corporation requested
2 for fiscal '13. At the same time, we believe it both
3 appropriate and necessary to take account of the pressures on
4 the federal budget.

5 The Budget Control Act, approved last August,
6 requires that federal spending come down in the coming years.

7 We believe that if we were to submit a request that reflects
8 the true cost of narrowing the justice gap, a number far
9 above \$470 million, the amount that we requested for fiscal
10 '13, we believe that a request of that magnitude would be
11 dismissed out of hand and would limit our effectiveness in
12 discussions about what the actual number should be.

13 In light of the importance of access to justice as
14 a fundamental national value, we think that even with the
15 budget pressures that the federal government is facing, it
16 would be appropriate to increase our 2014 request modestly
17 over what it was for 2013.

18 Maintaining our 2014 request at the same level as
19 2013, \$470 million, would be a 35 percent increase over our
20 current funding level and 17 percent over the President's
21 request for 2013. If we were to increase our request for

1 fiscal '14 by an amount commensurate with the increase in the
2 size of the eligible poverty population between now and 2014,
3 that would be an increase of 2.34 percent and result in a
4 request of \$481 million.

5 Our recommendation is that the Committee recommend
6 to the Board a request for fiscal '14 in the range of \$470
7 million to \$490 million. We think a request in that range
8 would balance the competing considerations that we need to
9 take account of, the magnitude of the need, but a sensitivity
10 to the realities of the current budget climate.

11 I'd be happy to answer questions.

12 FATHER PIUS: This is Father Pius. I just want to
13 note that I'm on the call. I came in a little late, so my
14 apologies.

15 CHAIRMAN GREY: Father, welcome.

16 Just as a matter of process right now, we would,
17 Jim, expect the Board to decide this issue at our Ann Arbor
18 meeting next week. Is that right?

19 PRESIDENT SANDMAN: Well, we'll be prepared to
20 present the recommendation then. We don't need a decision as
21 of that date. The Board didn't actually approve the budget

1 request for fiscal '13 until, as I recall, September of last
2 year, early September. It was shortly after Labor Day.

3 CHAIRMAN GREY: So at the present time, we've had
4 public input on others and their views about the budget. We
5 have now at this particular moment had the opportunity to
6 have had a Management analysis of this. And so where we are
7 today is an opportunity to ask questions about that that will
8 lead to further discussion about where we go. Is that a fair
9 statement?

10 PRESIDENT SANDMAN: Yes.

11 CHAIRMAN GREY: Okay. The floor is open for
12 questions to Jim about the process that Management used to
13 make its views known about the budget request for 2013.

14 MS. BROWNE: This is Sharon Browne. Can I ask a
15 question that's not about Management's process, but about the
16 budget process in general?

17 CHAIRMAN GREY: Yes.

18 MS. BROWNE: If we look at the different amounts
19 that have actually been appropriated to LSC, we notice that
20 the amount that LSC requests and what is actually
21 appropriated, there's really a large gap. And we still don't

1 have a budget for 2013; the House and the Senate still have
2 to vote on that.

3 If we make a budget request for 2014, how solid is
4 our request going to be in light of the November election?
5 We don't know what's going to happen. Can the House and the
6 Senate go back and change any amount that's requested?

7 MS. BERGMAN: Sharon, this is Carol Bergman. The
8 budget process this year -- well, you know, it hasn't looked
9 the way it's supposed to look for the last number of years.
10 And although the House has finished most of their
11 appropriations bills, the Senate has not taken up any of
12 them, and at this point is unlikely to take up any of the
13 appropriations bills prior to the November election.

14 So what we have in the Senate are numbers coming
15 out of the Appropriations Committee on most appropriations
16 issues across the board. But in all likelihood, nothing is
17 actually going to come to the Senate floor.

18 We're going to get to the October 1st start of the
19 new fiscal year without appropriations bills that have been
20 resolved, and there will be a continuing resolution, a CR.
21 My general expectation at this point is that that will

1 continue until after the election because I think that on
2 both sides of the aisle right now politically, nobody thinks
3 it's in their interests to move. They're all waiting to see
4 what the results of the election are going to be. So you're
5 going to end up with a lame duck session of Congress that is
6 going to take up the appropriations bills after the election.

7 So that every single agency is being asked to
8 prepare their budgets for fiscal year '14 and get them in to
9 OMB by September 15th. So every agency in the government is
10 doing this without having an FY '13 budget.

11 DEAN MINOW: So, Carol, can you then help explain,
12 as we deliberate the amount to request, what is the nature of
13 our activity here? I mean, it would be strange to ask for
14 less than we did last year, but we also understand that this
15 is not actually the real process. So how do we think about
16 this?

17 MS. BERGMAN: Well, you know, there's no right
18 answer to this, Martha. I think that politically we're in a
19 strong position to ask for, like any agency, what we believe
20 we need in order to fulfill our mission, and to recognize
21 that the appropriations decisions are being made within the

1 context of the fact that the House and Senate are operating
2 with very different ceilings of discretionary spending
3 overall.

4 You know, you've got a process right now where the
5 Senate is using the numbers that were determined in the
6 Budget Control Act last August. The House is using the
7 numbers that were decided in the budget resolution that was
8 passed last March. There's a huge difference between the
9 two. And the White House has threatened to veto anything
10 that goes to conference that's based on the House numbers.
11 So it's an incredibly politicized process.

12 Within that, it that any agency is in very good
13 standing to make the case based on the mission and the work,
14 regardless of what those external numbers look like, because
15 there's no way of knowing how that's going to play out.

16 We could sit here and speculate that if the Senate
17 changes hands and the Administration changes hands, the
18 numbers overall are going to look much smaller going into the
19 new fiscal year. Alternatively, if the Senate stays with the
20 Democrats and the House turns and Obama is reelected, the
21 numbers are going to look very different. And anything in

1 between that can happen.

2 So there's just no way of knowing how that is going
3 to play out, and I think the strength is to argue on as to
4 what's actually needed so that one is justified in arguing
5 the actual content of a dollar amount. Because OMB certainly
6 knows what they're working with within that kind of a
7 scenario.

8 The fiscal year '14 budget is also going to become
9 a product of the presidential election. If Obama is not
10 reelected, the budget process will move forward, but in and
11 of itself it'll be a lame duck because it'll be a new
12 Administration coming in.

13 So we're dealing with so many maybes that my
14 recommendation would be to go with what makes sense to the
15 Board in relation to the mission and what's required --
16 knowing what was asked for last year, knowing what the
17 justice gap is, what makes sense. Because you're not going
18 to be able to answer any of those other variables
19 politically.

20 MR. LEVI: And I'm assuming that that's the basis
21 that Management used in coming up with their recommendation,

1 too.

2 PRESIDENT SANDMAN: Yes. But I'd emphasize that as
3 uncertain as the political environment is, we are mindful of
4 the Budget Control Act, which mandates reductions in funding
5 and which we think compels a dose of reality here, so that I
6 want to be clear.

7 The number that we're recommending is not what we
8 think is necessary to begin narrowing the justice gap. It is
9 not enough. But we think that if we were to come up with a
10 number that were enough to begin narrowing the justice gap,
11 that that number would not be regarded as credible.

12 FATHER PIUS: Jim, this is Father Pius. How easy
13 would it be in a report like this to list what getting that
14 increased funding would do for us? I don't think I saw it in
15 there. For example, if we took the average of your requests,
16 or the bottom or the top -- wherever you want, just pick a
17 number -- and say, if we had this much extra dollars, it
18 looks like our grantees could hire this many more lawyers,
19 could serve this many more clients.

20 I mean, is there a sense where we might be able to
21 put just some rough estimates as to what benefit this would

1 provide to the American people if we had an increase within
2 the range that you're talking about?

3 PRESIDENT SANDMAN: We could do something, Father.

4 FATHER PIUS: Do you think that would be helpful in
5 making this case? Because part of it, I think, is we're not
6 just issuing a number. We're making a case for what we can
7 do with increased dollars. And we certainly talked about
8 what we've suffered by the loss of dollars, and that's part
9 of that. But I was wondering if we could put it maybe in
10 more of a positive spin about what we could do.

11 PRESIDENT SANDMAN: We could draw some correlations
12 from which you might be able to make some inferences. But
13 how the dollars would actually be used by particular programs
14 are going to depend on each program's operations and --

15 FATHER PIUS: Right. And we could include all
16 sorts of qualifying language, you know, nice footnotes that
17 lawyers love.

18 PRESIDENT SANDMAN: Okay. Here is what we could
19 do. We do have enough data to show what the relationship has
20 been historically over the last few years between increases
21 and decreases in funding, and increases and decreases in

1 staffing, and increases and decreases in cases closed.

2 So we have done some computations in the past about
3 what the impact of changes up and down is on the number of
4 people served. So we could use our historical data to try to
5 do some projecting about what the up side would be if our
6 funding were to increase to whatever amount the Committee
7 votes to recommend is.

8 FATHER PIUS: Well, it would be helpful for me to
9 see that for just sort of the range that you've asked for.
10 You know, pick something in that range and see what the kind
11 of marginal benefit is.

12 PRESIDENT SANDMAN: Yes. We can do that. One
13 caveat about our cases closed metric.

14 FATHER PIUS: Yes. I know, I know.

15 PRESIDENT SANDMAN: Cases closed is a very broad
16 category --

17 FATHER PIUS: I know, I know, I know.

18 PRESIDENT SANDMAN: -- that includes all kinds of
19 different services for clients. But with that understanding,
20 yes, we can come up with something.

21 DEAN MINOW: I think that would be very helpful.

1 MR. LEVI: And frankly, Robert, I'm recalling in
2 the process point that you asked, last year this was the call
3 in which questions like this were offered to Management as
4 ways of helping the Committee. And the Committee didn't
5 actually come up with its number to recommend to the Board
6 until the meeting in Seattle, if you'll recall.

7 CHAIRMAN GREY: That's right.

8 MR. LEVI: This is the pre-discussion, and then
9 Management can take some of this and then be able to offer
10 some further guidance in Ann Arbor. And then in Ann Arbor,
11 you'll tell the Board what you're recommending. But the
12 Board won't act that day on the recommendation because we're
13 trying to operate in a somewhat different fashion here, by
14 giving time for people to consider.

15 CHAIRMAN GREY: Right. Right.

16 MS. BROWNE: This is Sharon. I had another
17 question for you, Jim, based upon what you were just saying.
18 You mentioned that your metrics show the number of cases
19 closed, and it fluctuates, of course, with the funding that
20 the grantees receive. And I know that this is something that
21 we've been talking about continuously throughout the last

1 year.

2 Is there any way to correlate between the number of
3 cases closed and the actual number of people served? For
4 example, if you have a domestic violence case, it doesn't
5 just impact the woman or the man, but it also impacts the
6 children. Same way with foreclosures.

7 So is there a way to put in any type of a
8 recommendation the number of people served, and with
9 increased funding, a projection of the number of additional
10 people that will be served?

11 PRESIDENT SANDMAN: Yes. Last year, for the first
12 time, we revised our reporting form for grantees to ask them
13 to track the number of people in the household of the
14 particular client that they served. So prior to last year,
15 we had estimates of that number. But now we have some hard
16 data for the year 2011 that we could do our -- we could
17 convert our cases closed number into people affected, people
18 in the households of clients as well. We'll do that.

19 MS. BROWNE: Because I think that would be really
20 an effective way of telling a story of the number of people
21 impacted, as opposed to cases opened/ cases closed. That's

1 pretty -- it doesn't put a human aspect to a budget request.

2 PRESIDENT SANDMAN: Yes. We'll do that.

3 DEAN MINOW: That's very powerful. So what are you
4 asking from us? You're asking from us to recommend to the
5 Board a discussion of the number that you've proposed? Or
6 what exactly are you asking?

7 CHAIRMAN GREY: I think what we -- I think at this
8 particular moment, what we wanted to get was an idea of how
9 we were going to frame the discussion -- not actually get to
10 the number at this point --

11 DEAN MINOW: I see.

12 CHAIRMAN GREY: -- but to frame the discussion.
13 And so Management said in this current presentation, here's a
14 framework for the discussion based on past numbers, current
15 numbers, House/Senate considerations. Based on all of those,
16 what we as Management are looking at is an increase in the
17 serviceable population with a decrease in the amount of
18 funding that we've experienced in the last two budget cycles.

19 So our recommendation for the Committee to consider
20 at this particular moment has been framed the way Jim has
21 presented it. Our reaction to that, which I think has been

1 very thoughtful and helpful, is that as we look at this, we
2 ought to also understand that we've got to be able to defend
3 whatever it is we've come up with.

4 And so here are some recommendations back to the
5 staff about ways in which they might help us frame -- help us
6 get to some number that will be acceptable to the Board, and
7 to keep us in a position of reality based on other numbers
8 that the OMB is going to consider.

9 So we're still in the process. And this has been
10 very helpful, but the idea of this call is to dig -- is to
11 drill a little deeper than we did before to be sure that
12 we've got Management on the right track, that they're
13 considering some of the ideas that we have in putting
14 together this budget request. And we'll discuss that in more
15 detail in Ann Arbor and get the Board's reaction to some of
16 the Committee's ideas as well.

17 FATHER PIUS: Robert, this is Father Pius. Were we
18 thinking, then, of having the final vote on the number at the
19 end of September/early October meeting, or by conference call
20 earlier than that?

21 MR. LEVI: I think we did conference call earlier

1 than that, but I can't -- I think they wanted it by Labor
2 Day. Now, maybe it'll delay. But last year --

3 MS. BERGMAN: The request is -- I'm sorry. John,
4 this is Carol. The request has been for the agencies to
5 submit budgets by September 15th to OMB.

6 CHAIRMAN GREY: But we will -- well, here's a
7 question for us to consider, and that is, we will have a
8 Committee meeting in Ann Arbor, and we will then receive the
9 information, the additional ideas and suggestions, made by
10 Management at that time.

11 The question is if we are comfortable with
12 projecting a number for the Board to consider. John, are you
13 comfortable receiving that?

14 MR. LEVI: Oh, yes. And that's what happened in
15 Seattle. And again in Seattle, I didn't -- I can't remember
16 whether -- I don't think the Board acted immediately. I
17 think it deferred it for a month to consider. But if the
18 Board wishes to act immediately, it certainly can. But I
19 didn't want -- I wanted to have this process be more
20 deliberative and give people time to really consider the
21 implications here, in each budget cycle.

1 And look, it's complicated for us. One thing I
2 think you could also look at is, just as a way of helping us,
3 is what the percentage of the layoffs have been in our
4 grantees as a result of the current budget cuts, so that
5 maybe if we would get a certain percentage increase, you
6 could project that it might allow the rehiring of some or --

7 CHAIRMAN GREY: Restoration.

8 MR. LEVI: I don't know how those -- you could take
9 a look at that, too. But in terms of your process issue, the
10 Board will receive the number from the Finance Committee at
11 the Board meeting, and it has the opportunity to discuss it.

12 It can decide it wishes to vote on it then. But I think we
13 had been trying to have a process in which it received it,
14 talked about it, and then had a phone call a few weeks later.

15 CHAIRMAN GREY: Well, and I also think, John, the
16 last time we did this, there were other recommendations from
17 the Board for Management to consider, other issues or some
18 nuance to the discussion we wanted Management to pursue in
19 terms of ideas and research. So that may occur again this
20 time, with Board members having some additional ideas for
21 Management to consider.

1 MR. LEVI: Yes. I think that Management this time
2 did go to school on what the discussions were last year, and
3 certainly --

4 CHAIRMAN GREY: I think we're ahead of the game,
5 yes. I think we're ahead of last year.

6 MR. LEVI: I believe so.

7 FATHER PIUS: Yes. I think that Management has
8 done an excellent report, and I do want to take a moment to
9 thank Jim and his staff for producing such an excellent
10 document.

11 PRESIDENT SANDMAN: Thank you.

12 MS. BROWNE: This is Sharon. And I'll echo this.
13 I do have two questions on your appendices that you attached
14 to your report, Jim.

15 PRESIDENT SANDMAN: Yes.

16 MS. BROWNE: Okay. On Appendix 4, "Supporting
17 Americans During the Recovery," and it involves cases closed,
18 and you have four categories. I don't see domestic violence
19 in there. Is that in the "Other Public Benefits," or -- I
20 wasn't sure how reflective the appendix was on helping
21 Americans from 2008 to 2011. Was this just a condensed --

1 PRESIDENT SANDMAN: Yes. It's the categories that,
2 from our historical data, we think are most closely related
3 to the effect of the recession. We did not have, prior to
4 2011, solid data on domestic violence. Domestic violence
5 cases were not a category of their own. They were sometimes
6 reported as family law cases, but difficult to separate out.

7 And because of the importance of domestic violence
8 cases, last year we decided to amend our reporting form to
9 ask grantees to separately report any case in which domestic
10 violence was an issue, even if there were other issues in the
11 case. So we have solid domestic violence cases for only one
12 year, and therefore didn't want to include them in this
13 graph, which is showing comparisons over four years.

14 MS. BROWNE: Do we have the domestic violence data
15 somewhere else that's readily available? I know it was in a
16 footnote, I believe, in the report itself. But if I'm
17 flipping through this and I get to this appendix, it seems
18 like it's a very condensed snapshot of what our grantees do.

19 PRESIDENT SANDMAN: We could add, at least in our
20 narrative, the domestic violence numbers that we got for
21 2011. But we're not going to be able to do a comparison

1 going back to 2008 showing what the trend has been with those
2 numbers. The prior year data is too unreliable.

3 MR. LEVI: The prior years have family law or
4 whatever, domestic issues. Is that what they showed? Right?

5 PRESIDENT SANDMAN: Well, family law is always our
6 largest category of cases. It's about 35 percent. But that
7 includes everything from child custody to divorce cases to
8 domestic violence.

9 We'll take another look at the data we have from
10 prior years. But we're not going to be able to do an apples-
11 to-apples comparison of prior years to the solid number that
12 we have for domestic violence cases in 2011. We'll lay out
13 what we have.

14 MS. BROWNE: Well, could you at least put in,
15 maybe, a graph for family law?

16 MR. LEVI: Or domestic --

17 MS. BROWNE: Well, no. Family law, if family law
18 includes domestic violence as well. It just seems like
19 that's a large category that is missing.

20 MR. LEVI: I wasn't thinking domestic violence. I
21 was going to say domestic issues. How did you break it out

1 before, family issues? I can't remember.

2 PRESIDENT SANDMAN: Well, in our pie chart, it's
3 just "Family" is what it says.

4 MR. LEVI: Well, then that's what --

5 PRESIDENT SANDMAN: Yes.

6 MR. LEVI: I think that's what Sharon --

7 PRESIDENT SANDMAN: That number holds pretty -- at
8 least as a percentage, that number holds pretty constant over
9 time, pretty reliably around 35 percent.

10 MS. BROWNE: It just seems like it's a category
11 that is so important, but it's missing in that particular
12 graph.

13 PRESIDENT SANDMAN: Yes. I couldn't agree more.
14 That's why we wanted to break it out for 2011. And all the
15 research shows that domestic violence increases when the
16 economy goes down. There is a correlation.

17 MS. BROWNE: And then on Appendix 6 -- it's the
18 "Sources for Non-LSC Funding" -- the top three categories are
19 Carryover, Other, and Private. Could you kind of explain
20 what those three categories include? I'm not too sure what
21 the carryover is. Is that from prior years of LSC -- this is

1 non-LSC funding.

2 PRESIDENT SANDMAN: Correct. So this may be
3 funding that they had from the prior year that they began on
4 January 1st with. So it wasn't revenue received during the -
5 - new revenue received during the course of the year. It
6 reflects amounts that they were carrying at the end of the
7 prior year that they had available for use on January 1st of
8 the year in question.

9 MS. BROWNE: Could that include prior LSC funding
10 that they didn't expend?

11 PRESIDENT SANDMAN: No. That would be captured in
12 the LSC funding category showed on the bar graph on the page
13 before.

14 MS. BROWNE: All right. And what would Other
15 include, other non-LSC?

16 PRESIDENT SANDMAN: Other would include -- it could
17 include -- private -- hang on. I got the fact book here.

18 MS. BROWNE: Okay. Sorry.

19 PRESIDENT SANDMAN: It includes --

20 (Pause)

21 PRESIDENT SANDMAN: I'll have to get the breakout

1 for you, Sharon.

2 MS. BROWNE: Okay. Thank you. It's a large
3 category, and that's what brought -- what I noticed.

4 PRESIDENT SANDMAN: Yes.

5 MS. BROWNE: And you have Private, but you have a
6 (1) in parentheses. And I didn't see if that was a footnote.
7 It didn't come up on my copy, for some reason.

8 PRESIDENT SANDMAN: Yes. I see that. Hang on. I
9 have another version of the graph handy here.

10 (Pause)

11 PRESIDENT SANDMAN: I'll have to get that for you,
12 too, Sharon.

13 MS. BROWNE: Okay. Thank you.

14 CHAIRMAN GREY: Any other questions?

15 (No response.)

16 CHAIRMAN GREY: All right. Jim, Carol, everybody,
17 David, thank you very much. This has been very, very
18 helpful.

19 David, the next item? Oh, I'm sorry. John?

20 MR. LEVI: So the Committee -- the Board book has
21 gone out. So between now and Ann Arbor, will you be in a

1 position to distribute some of the responses to this so that
2 the Committee doesn't have to have an unduly long review of
3 that in Ann Arbor? Is this possible, to get to them before
4 then?

5 PRESIDENT SANDMAN: Oh, yes. Yes, we can get all
6 this information. Yes.

7 MR. LEVI: Okay. I appreciate that.

8 PRESIDENT SANDMAN: We'll upload it separately to
9 the wiki so it's easily accessible and doesn't need to be
10 pulled out from anything else.

11 MR. LEVI: Let people know that's happened. And
12 I'd guess I'd -- so they don't have to go digging for it,
13 make it easy.

14 PRESIDENT SANDMAN: Yes. We'll post it publicly.

15 MR. LEVI: Okay. Thank you.

16 PRESIDENT SANDMAN: Yes. We'll send it as an
17 attachment to an animal.

18 MR. LEVI: Yes. Well, this is a public session as
19 well, so --

20 PRESIDENT SANDMAN: Yes.

21 CHAIRMAN GREY: David?

1 MR. RICHARDSON: Yes, sir.

2 CHAIRMAN GREY: Next item?

3 MR. RICHARDSON: I don't think there is another
4 item. It's just public comment.

5 CHAIRMAN GREY: Is there anybody -- would anybody
6 like to comment on the discussions of the Committee so far?

7 MR. GREENFIELD: This is Chuck Greenfield from
8 NLADA.

9 CHAIRMAN GREY: Hey, Chuck.

10 MR. GREENFIELD: Hi. I don't really have any
11 comment. Just to sort of reiterate the fact that we
12 submitted comments pursuant to the Board's request for
13 comments, recommending a \$516.5 million figure. And
14 appreciate the discussion that's gone on today. Thank you.

15 CHAIRMAN GREY: Chuck, thank you for your
16 participation. And all of those items are clearly still on
17 the table.

18 MR. GREENFIELD: Thank you.

19 MR. RICHARDSON: Mr. Grey?

20 CHAIRMAN GREY: Any other comments?

21 MR. RICHARDSON: This is Dave Richardson. Just to

1 clarify a little bit and give a little more information, last
2 year we did meet in June and heard from the ABA and NLADA,
3 much like we did this year. We had a Management meeting
4 prior to the Seattle meeting, and then there was further
5 discussion in Seattle.

6 The budget mark was actually voted on when you were
7 in Massachusetts last year on August 1st.

8 MR. LEVI: That's what I wondered.

9 MR. RICHARDSON: That was approved then. And then
10 the Board voted on it and approved it, and I think it was the
11 17th of September last year, in that neighborhood, anyway.
12 And then it was presented to OMB. I just wanted to clarify
13 and give you that update information.

14 CHAIRMAN GREY: Yes. The Massachusetts meeting was
15 something that was a little bit fortuitous because that
16 wasn't a planned Finance -- we just happened to be at the
17 same place at the same time.

18 Here's what would be helpful, Jim and David and
19 Carol. As you prepare the material as a result of this
20 discussion, why don't you also attach the timeline for when
21 we might consider various aspects of this, just as food for

1 thought and so that we can -- when we meet in Ann Arbor, we
2 will have not only that additional material but sort of a
3 schedule of when and how we might consider the up side and --
4 a best case scenario and a sort of drop dead scenario -- you
5 know, this is where we are; this is what we'd like to do.
6 But if our backs were against the wall, this is when we
7 really need to submit things. Just so we have that.

8 MR. RICHARDSON: All right, sir.

9 CHAIRMAN GREY: Any other comments?

10 (No response.)

11 CHAIRMAN GREY: Motion to adjourn?

12 M O T I O N

13 FATHER PIUS: So moved.

14 DEAN MINOW: I'll second.

15 CHAIRMAN GREY: Thank you, everyone, for your call.

16 See you in Ann Arbor.

17 (Whereupon, at 11:51 a.m., the meeting was
18 adjourned.)

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