

LEGAL SERVICES CORPORATION  
BOARD OF DIRECTORS

TELEPHONIC MEETING OF THE  
FINANCE COMMITTEE

OPEN SESSION

Monday, June 15, 2015

3:10 p.m.

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

COMMITTEE MEMBERS PRESENT:

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

BOARD MEMBERS PRESENT:

Harry J.F. Korrell, III  
Julie A. Reiskin  
Gloria Valencia-Weber

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

James J. Sandman, President

Rebecca Fertig Cohen, Special Assistant to the  
President

Ronald S. Flagg, Vice President for Legal Affairs,  
General Counsel, and Corporate Secretary

David L. Richardson, Comptroller and Treasurer,  
Office of Financial and Administrative Services

Carol A. Bergman, Director, Office of Government  
Relations and Public Affairs

Treefa Aziz, Government Affairs Representative,  
Office of Government Relations and Public Affairs

Jeffrey E. Schanz, Inspector General

Laurie Tarantowicz, Assistant Inspector General and  
Legal Counsel, Office of the Inspector General

Stephanie Damon-Moore, Summer Intern, Office of  
Government Relations and Public Affairs

Robert DeNunzio, Summer Intern, Office of Government  
Relations and Public Affairs

Don Saunders, National Legal Aid and Defenders  
Association (NLADA)

Robin C. Murphy, National Legal Aid and Defender  
Association (NLADA)

Terry Brooks, American Bar Association Standing  
Committee on Legal Aid and Indigent Defendants  
(SCLAID)

Jackelyn Bowman, American Bar Association SCLAID

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

2 (3:10 p.m.)

3 CHAIRMAN GREY: Let me call to order the  
4 meeting of the Finance Committee and ask for a motion  
5 to approve the agenda.

## 6 M O T I O N

7 FATHER PIUS: So moved.

8 MR. LEVI: Second.

9 CHAIRMAN GREY: All in favor say aye.

10 (Chorus of ayes.)

11 CHAIRMAN GREY: Opposed, no.

12 (No response.)

13 CHAIRMAN GREY: What is the next item, please?

14 MR. FLAGG: The approval of the minutes of the  
15 Committee's meeting of April 13, 2015.

## 16 M O T I O N

17 DEAN MINOW: So moved. It's Martha.

18 MR. LEVI: Second.

19 CHAIRMAN GREY: Thank you. All in favor say  
20 aye.

21 (Chorus of ayes.)

22 CHAIRMAN GREY: Opposed, no.

1 (No response.)

2 CHAIRMAN GREY: Next item?

3 MR. FLAGG: Public comment regarding LSC's  
4 fiscal year 2017 budget request. And I believe, for  
5 starters, you have a representative of the ABA's  
6 Standing Committee on Legal Aid and Indigent  
7 Defendants, and then a representative of the National  
8 Legal Aid and Defender Association, followed by other  
9 interested parties.

10 CHAIRMAN GREY: Terry, do you want to start  
11 out?

12 MR. BROOKS: I am hoping that Jackie Bowman  
13 has joined the call. She's a member of the committee,  
14 and would be appearing as the committee's  
15 representative.

16 CHAIRMAN GREY: All right.

17 MR. BROOKS: Jackie, are you there?

18 MS. BOWMAN: Yes. I'm here. You all should  
19 have a letter from Lisa Wood dated June 10, 2015. And  
20 basically, what we want to say is that we appreciate  
21 all of the efforts of the Legal Services Corporation in  
22 trying to increase funding for the grantees.

1           It's important because of the need on the  
2 ground. The justice gap keeps widening every year, and  
3 if LSC funding had kept in touch or up with inflation,  
4 the amount of funding from LSC to the field programs  
5 would have been roughly \$486 million.

6           We believe that it's important for you all to  
7 continue to convey to the Congress the important role  
8 that LSC plays in providing justice and fairness to  
9 everyone who has difficulty accessing a lawyer.  
10 There's a huge demand, and it continues to increase  
11 every day. I could give you examples from my own  
12 personal experience, but I think you all know what I  
13 mean when I say there is an increase in demand.

14           Thank you. If you don't have that letter, let  
15 me know.

16           CHAIRMAN GREY: Any other comments?

17           (No response.)

18           CHAIRMAN GREY: Any questions about the  
19 letter -- I'm sorry. Go ahead.

20           MS. REISKIN: Yes. I was just going to ask if  
21 we're allowed to ask questions about the letter.

22           CHAIRMAN GREY: Yes.

1           MS. REISKIN: This is Julie Reiskin, and thank  
2 you for the letter. It was well-written and clear and  
3 articulate.

4           I just had a question. I was curious why you  
5 were asking only for one million for the loan repayment  
6 to get the new lawyers in. I was just curious where  
7 that number came from and if you that number -- is it  
8 that you felt that was the best we could get, or do you  
9 feel like more is needed?

10           MS. BOWMAN: I'm going to defer to Terry. But  
11 certainly more is needed, and I believe that it's based  
12 on the historical amounts that have been granted to  
13 that particular program.

14           We're also a little bit concerned peeling  
15 money off the top of the LSC grants in order to pay for  
16 special projects. That decreases the amount of money  
17 available to provide representation to people in the  
18 field.

19           MS. REISKIN: Thank you. Because that other  
20 program that was helping either is going away or is in  
21 jeopardy, I believe. Is that correct? Thank you. I  
22 was just curious about that.

1 MS. BOWMAN: Yes. That's correct.

2 MR. BROOKS: This is Terry. There is some  
3 concern about the continuation of the federal loan  
4 forgiveness program. But clearly, there's a critical  
5 need here, and NLADA just recently issued an excellent  
6 report illustrating that need.

7 But as Jackie said, based on history and on  
8 concerns about diverting too much funding from basic  
9 field, we're suggesting continuing the amount that had  
10 been provided in the past.

11 MS. REISKIN: Thank you.

12 CHAIRMAN GREY: Any other questions?

13 (No response.)

14 CHAIRMAN GREY: NLADA? Don?

15 MR. SAUNDERS: Thank you, Mr. Chairman. This  
16 is Don Saunders, vice president of civil legal services  
17 at NLADA. I want to thank you, Chairman Grey, members  
18 of the Board, and the Finance Committee, for joining  
19 the call this afternoon. And as always, NLADA very  
20 much appreciates the opportunity you extended to us to  
21 provide you input going forward into fashioning a  
22 request to Congress and a recommendation to the

1 Administration regarding FY 2017.

2 I'm happy to speak to you today on behalf of  
3 NLADA's board chairman, John Mauldin, the public  
4 defender of Greenville, South Carolina; our vice chair,  
5 Alex Gulotta, the executive director at Bay Area of  
6 California; Steve Eppler-Epstein, the executive  
7 director of Connecticut Legal Services; and the  
8 chair --

9 PROFESSOR VALENCIA-WEBER: Can I interrupt?  
10 There is a lot of noise on the line. This is Gloria.  
11 Is there something happening, equipment or something?

12 MS. FERTIG: Could folks please mute your  
13 phones if you're not talking?

14 MR. SAUNDERS: And finally, Mr. Chairman, our  
15 recommendation is put together by the director of our  
16 resources committee, Bob Gillett, who is the executive  
17 director of South Central Michigan, your grantee in Ann  
18 Arbor.

19 I'd really hoped that Bob would be able to  
20 present our recommendation to you today. I know you  
21 all have heard from me over and over, and I really  
22 promise you that next year we will have a field

1 representative present the perspective that they face  
2 every day.

3           Bob was planning to do it, but he's now having  
4 to chair a Michigan State Bar task force on the future  
5 of the legal profession, something that your Board and  
6 Jim are very much involved with. He also is coming off  
7 a week entertaining some of the staff from your Office  
8 of Compliance and Enforcement. So he had to beg off  
9 today, but I'd send his regards.

10           I, too, like Jackie, would refer you to our  
11 written submission in support of the 2017 mark. We ask  
12 you to adopt a mark of \$580 million. That is exactly  
13 what we recommended last year; in our review of  
14 inflation and the current poverty rate, we did not  
15 really see a reason to alter our recommendation to you.

16       The poverty rate now is down slightly, while inflation  
17 is just negligible and a little higher than last year.

18           We've talked in the past often about the need;  
19 with less than a third of the effective support that  
20 Congress provided your grantees in 1981, they're  
21 expected to address the legal needs of the poor in  
22 every county in the United States. The level of

1 funding provided in 1981 was seen as minimal to meet  
2 those needs at that time.

3           Of course, over the many decades since then,  
4 we have seen a continuing erosion in the capacity of  
5 programs to meet the need. Again, sadly, over 60  
6 million Americans remain eligible for legal services  
7 from grantees of the Corporation.

8           While every one of your grantees is  
9 aggressively seeking support from other public and  
10 private sources, there can be no mistake that the  
11 fundamental commitment of adequate resources at the  
12 federal level through the LSC network is a critical  
13 building block upon which other revenue streams are  
14 being built across the United States.

15           As your own data has shown, it is also the  
16 base of the growing capacity in the bar to provide pro  
17 bono resources, the outstanding work of your Pro Bono  
18 Task Force, the creativity engendered by your Pro Bono  
19 Innovation Fund -- these things are all enormously  
20 enhanced by a strong infrastructure represented by LSC  
21 funding.

22           Your commitment is particularly essential in

1 the poorest parts of the nation -- the South, the  
2 Mountain states, the Indian reservations, on farms  
3 across the United States -- where there's very little  
4 resources other than those provided by LSC.

5 I won't go over again, as we have in the past  
6 and as your Management team has laid out very  
7 effectively for a number of years now, the impact that  
8 the stagnation in funding throughout the recession has  
9 caused on your grantees -- the number of layoffs, the  
10 office closings. They remain significant, and  
11 obviously they are limiting the amount of service that  
12 can be provided across the United States.

13 But our letter doesn't just talk about the  
14 need, which is enormous. It talks about how you should  
15 aggressively message the great accomplishments of your  
16 grantees. What a message you have to tell.

17 Every day, LSC grantees are making a critical  
18 difference in preserving or obtaining houses for  
19 families living in poverty, and helping mothers escape  
20 an abusive and violent environment with their children.

21 Your work with veterans is growing across the country  
22 and meeting an extremely important need as people are

1 people are coming back from the variety of wars we've  
2 been involved in.

3 I also would point out in this tenth  
4 anniversary year of Katrina the extraordinary role that  
5 your grantees play in meeting the needs of victims of  
6 natural disasters across the United States.

7 We also refer in our letter to the growing  
8 number of studies that the growing research, both to  
9 economic data that's been gathered on the impact of  
10 legal assistance and also a social return on investment  
11 approach, that has indicated the tremendous economic  
12 and social benefits that are realized from an  
13 investment in civil legal aid. The most recent report  
14 in Alabama in March of this year indicated over an 800  
15 percent, or \$8, in social return for every dollar  
16 invested in civil legal aid.

17 On the NLADA research website, we have  
18 catalogued over 54 reports from across the country on  
19 both the economic and social benefits of civil legal  
20 aid, and I will refer you to those studies. Obviously,  
21 in your request to the Congress last year, you  
22 recognized as well the value that comes from an

1 investment of the federal dollar in civil legal aid.

2 We're very aware of the enormous fiscal  
3 pressures facing Congress and our country. There are  
4 many worthy programs deserving of federal support. But  
5 providing justice to every American is not simply a  
6 goal that competes with a wide array of other federal  
7 allocations. It is a bedrock promise of our democracy.

8 We were happy to see last week the Senate,  
9 under the leadership of Senator Shelby, once again  
10 indicate the bipartisan support that exists in the  
11 Congress for LSC. While we were very disappointed in  
12 the House figure, we felt the Senate figure, given the  
13 circumstances it was adopted under, again reflected the  
14 strong bipartisan support that's growing for funding  
15 for legal services.

16 There are only a couple lines that I wanted to  
17 comment upon. I will mention the one that Julie  
18 suggested. We have been working a lot with a variety  
19 of groups in addressing the issue of public service  
20 loan forgiveness, a federal program that really has  
21 provided a basis for a number of people, graduates of  
22 law schools with huge debt, to make a commitment to

1 legal aid, to work in your grantee programs.

2           We are both communicating with the  
3 Administration with regard to a cap that it has  
4 suggested on the program as well as working with the  
5 Congress to convince them of the importance of  
6 maintaining that.

7           But we would agree with the ABA with regard to  
8 your program at this point, that there's not enough  
9 really known about the impact of it to suggest that it  
10 should be increased significantly. It might well, in  
11 this environment of real change in the community, both  
12 the advocacy community and your management community,  
13 that you really should study and look at ways to make  
14 it possible for young lawyers to commit to legal aid  
15 careers. But at this point, we do not think there is  
16 enough evidence to validate a significant increase in  
17 that line.

18           I refer to, again, the challenges of  
19 representing Native American communities. I don't have  
20 a specific proposal. I know there has been some  
21 discussion at the Board level with regard to ways we  
22 might be able to address that tremendous need. And I

1 would just encourage you to continue to pursue those  
2 discussions.

3 We are working with your Management team with  
4 regard to your other analysis that is of critical  
5 importance to the field, the representation of  
6 agricultural workers. We think tremendous progress has  
7 been made in updating the data, and look forward to  
8 working with both your Management team and the Board as  
9 that conversation matures further.

10 Mr. Chairman, those are my remarks, and I'm  
11 happy to address any questions that you or other Board  
12 members might have.

13 MR. LEVI: Do other members have questions?

14 (No response.)

15 MR. LEVI: Mr. Chairman? Have we lost  
16 everybody here?

17 MR. FLAGG: No. We're still here.

18 MR. LEVI: Is Robert on?

19 CHAIRMAN GREY: Yes.

20 MR. LEVI: Because I have a question for both  
21 NLADA and the ABA.

22 In 1976, 26 million people were eligible for

1 LSC-funded service, 12 percent of our population at  
2 that time. I gather that the ABA, in coming up with  
3 its number, did not take into account -- it just  
4 inflation-adjusted the number way back in '76, but it  
5 didn't take into account the something approaching 40  
6 million additional folks qualified for service.

7           If I understand that, that was not a part of  
8 the ABA's calculation. And while NLADA doesn't seem to  
9 have gone in that direction, I'm certain that NLADA  
10 would agree that its network has, over the last decade  
11 for sure, been impacted by the increasingly large group  
12 of folks that qualify for service.

13           So that question is a double question, first  
14 to Don, hoping he'll answer that, and maybe Terry.

15           MR. SAUNDERS: Thank you, John. And indeed,  
16 that is one of the points we do stress, not going back  
17 to '76, but we tied our argument to 1981 when LSC  
18 theoretically met a minimum access standard.

19           Since 1981, your funding relative to inflation  
20 has fallen by 300 percent, while at the same time the  
21 population has grown exponentially, as you suggest. So  
22 we think even though other sources of revenue have

1 increased, obviously, since 1981, we think those  
2 numbers are dramatic evidence for the erosion of the  
3 federal component of justice in this country, and we do  
4 think it's a compelling argument, and agree with you  
5 completely.

6 CHAIRMAN GREY: Terry?

7 MR. BROOKS: I would be happy to defer to  
8 Jackie if she wants to take the lead on this.

9 MS. BOWMAN: Sure. When the ABA came up with  
10 their numbers, we actually did a lot of talking to  
11 field programs about what was going on in the field.  
12 And I think there are several factors. One is,  
13 certainly there is a significant increase in the  
14 poverty population and people who are eligible for  
15 civil legal aid.

16 We did not want to come in with a number that  
17 was so outrageous that Congress would not pay attention  
18 to our recommendation. If we had taken into the 12  
19 percent in 1976 and the current poverty population now,  
20 our request and our target number would have been  
21 significantly out of line, probably double what it is.

22 So trying to be realistic, putting into place what's

1 going on, tying it to something tangible, the inflation  
2 rate is something that's tangible.

3           The other thing that has happened since 1976,  
4 though, is that in part because of the ABA support of  
5 civil legal aid, the number of private attorneys who  
6 have been involved in the civil legal aid movement has  
7 significantly increased.

8           There are also a number of other sources of  
9 funding for civil legal aid, and while none of that is  
10 sufficient to meet the need, it is moving us in the  
11 direction of meeting some of the need. I just feel  
12 that we could not realistically come in and ask for  
13 double what it is that LSC has currently received and  
14 be taken seriously.

15           Terry?

16           MR. BROOKS: Sure. Thank you, Jackie. And I  
17 do not have much to add. There are obviously multiple  
18 ways that this calculus could be performed, and we've  
19 used all those ways in the past to come up with various  
20 numbers.

21           I think the bottom line is that it is  
22 important, we believe, that LSC continue to take

1 principled stand in support of additional funding,  
2 recognizing the huge need, and the exact number that  
3 you end up with or that we end up with is only  
4 illustrative because we know that the actual politics  
5 of the situation are going to yield a different number  
6 entirely.

7 CHAIRMAN GREY: Thank you very much.

8 John, do you have other questions?

9 MR. LEVI: I don't. Others may.

10 CHAIRMAN GREY: Are there any other questions  
11 of the presenters so far?

12 (No response.)

13 CHAIRMAN GREY: I note that we have additional  
14 submissions. Conference of Chief Justices has made a  
15 submission; we also have the Mississippi Access to  
16 Justice Commission and the Access to Justice Board of  
17 the State of Washington.

18 If any of those representatives of those  
19 organizations are on the phone and would like to say  
20 anything, we are happy to entertain those comments at  
21 this time.

22 (No response.)

1           CHAIRMAN GREY:  Are there other organizations  
2 not represented by a submission who like to be heard at  
3 this time?  We'd be happy to recognize you.  Other  
4 interested parties?

5           (No response.)

6           CHAIRMAN GREY:  Public comment?

7           (No response.)

8           CHAIRMAN GREY:  Is there any other business  
9 that would come before the Committee at this time?

10          (No response.)

11          CHAIRMAN GREY:  Let me thank of those who have  
12 provided comment to us.  It is always helpful.  It has  
13 always been instructive and the way in which we have  
14 approached funding requests.  We continue to thank you  
15 for your considered input and interest in this matter.

16          If there is no other business, I will  
17 entertain a motion to adjourn.

18                           M O T I O N

19          FATHER PIUS:  So moved.

20          MR. LEVI:  Second.

21          CHAIRMAN GREY:  All in favor say aye.

22          (Chorus of ayes.)

1                   CHAIRMAN GREY: Thank you very much. Have a  
2 good day.

3                   (Whereupon, at 3:36 p.m., the Committee was  
4 adjourned.)

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