

LEGAL SERVICES CORPORATION

Board of Directors Meeting

October 4 - 6, 2015

Location:

Hyatt Regency San Francisco
5 Embarcadero Center
San Francisco, California 94111



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Schedule

**LEGAL SERVICES CORPORATION BOARD OF DIRECTORS
MEETING SCHEDULE**

OCTOBER 4-6

**Meeting Location:
Hyatt Regency San Francisco
5 Embarcadero Center
San Francisco, California 94111
Tel: (415) 788-1234**

Sunday, October 4, 2015

Start	End	Meeting/Event	Location
1:00pm	2:30pm	Operations & Regulations Committee	Hyatt Regency Marina Room
2:30pm	3:45pm	Audit Committee	Hyatt Regency Marina Room
3:45pm	4:45pm	Finance Committee	Hyatt Regency Marina Room
4:45pm	5:30pm	Institutional Advancement Committee	Hyatt Regency Marina Room
5:30pm	6:00pm	Institutional Advancement Committee Communications Subcommittee Meeting	Hyatt Regency Marina Room

EMERGENCY CONTACTS:

In the case of an emergency, please contact Rebecca Fertig Cohen at (202) 577-6313 or cohenr@lsc.gov or Bernie Brady at (202) 295-1568 or bradyb@lsc.gov

**LEGAL SERVICES CORPORATION BOARD OF DIRECTORS
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OCTOBER 4-6

**Meeting Location:
Hyatt Regency San Francisco
5 Embarcadero Center
San Francisco, California 94111
Tel: (415) 788-1234**

Monday, October 5, 2015

Start	End	Meeting/Event	Location
9:00am	12:00pm	<p style="text-align: center;">Welcoming Remarks <i>John G. Levi</i> Board Chair, Legal Services Corporation</p> <p style="text-align: center;">Remarks <i>Dean Sujit Choudhry</i> University of California, Berkeley, School of Law <i>Dean Kevin R. Johnson</i> University of California, Davis, School of Law <i>Dean M. Elizabeth Magill</i> Stanford School of Law <i>Dean John Trasviña</i> University of San Francisco School of Law</p> <p style="text-align: center;">Panel: The Importance of Access to Justice to the Judiciary <i>Chief Justice Thomas A. Balmer,</i> Oregon Supreme Court <i>Chief Justice Scott Bales,</i> Arizona Supreme Court <i>Chief Justice Tani G. Cantil-Sakauye,</i> California Supreme Court <i>Chief Justice Mark E. Recktenwald,</i> Hawai'i Supreme Court <i>Judge William H. Orrick III,</i> U.S. District Court, N. District California <i>Dean Martha Minow,</i> Harvard Law School & Legal Services Corporation Board Vice Chair (<i>Moderator</i>)</p> <p style="text-align: center;">Panel: How Business and Technology Can Help Expand Access to Justice <i>Jeff Hyman,</i> General Counsel, Corporate Secretary & Head of Human Resources, Pebble <i>Charles E. Rampenthal,</i> General Counsel and Corporate Secretary, LegalZoom.com, Inc.</p>	<p>Supreme Court of California 350 McAllister Street</p>

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		<p><i>Alon Rotem</i>, General Counsel, Rocket Lawyer Incorporated <i>Jim Sandman</i>, President, Legal Services Corporation (<i>Moderator</i>)</p>	
12:30pm	1:45pm	<p style="text-align: center;">Luncheon California and British Columbia Technology Innovations to Expand Access to Justice</p> <p><i>Bonnie R. Hough</i>, Managing Attorney, California Administrative Office of the Courts <i>John Simpson</i>, Manager of Community and Publishing Services, Legal Services Society, British Columbia</p>	<p>Hyatt Regency Lower Atrium</p>
2:00pm	3:00pm	<p>Legal Services Corporation California Grantees' Presentation to the Board <i>Dorothy Altber</i>, Executive Director, California Indian Legal Services <i>Alex R. Gulotta</i>, Executive Director, Bay Area Legal Aid <i>José R. Padilla</i>, Executive Director, California Rural Legal Assistance <i>Gary Smith</i>, Executive Director, Legal Services of Northern California</p> <p><i>Kimberly Irish</i>, Director, Healthy Nonprofits Program, OneJustice (<i>Moderator</i>)</p>	<p>Hyatt Regency Marina Room</p>
3:00pm	4:15pm	<p>Delivery of Legal Services Committee</p> <p><i>Greg E. Knoll</i>, Executive Director & Chief Counsel, Legal Aid Society of San Diego, Inc. <i>John Seeba</i>, Assistant Inspector General for Audit, Legal Services Corporation <i>Mohammad Sheikh</i>, Director of Finance, Bay Area Legal Aid</p>	<p>Hyatt Regency Marina Room</p>

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		<i>Lora Rath, Director, Office of Compliance & Enforcement, Legal Services Corporation (Moderator)</i>	
4:15pm	5:15pm	Governance & Performance Review Committee	Hyatt Regency Marina Room
5:15 pm	---	Walk to Kirkland & Ellis LLP	
5:30pm	7:00pm	<p>Pro Bono Awards Reception</p> <p>Welcoming Remarks <i>John G. Levi,</i> Board Chair, Legal Services Corporation</p> <p>Remarks</p> <p><i>Justice Goodwin Liu,</i> California Supreme Court <i>Craig Holden,</i> President, California State Bar Association</p> <p><u>Awardees</u> Arnold & Porter LLP Covington & Burling LLP Tzung-lin Fu Krystyna Jamieson Jeffrey L. Johnson Jesse Lloyd The Permanency Project San Diego County Bar Association, Appellate Practice Section Michael A. Scaffiddi Villegas Carrera, LLP</p>	Kirkland & Ellis, LLP 555 California Street, Suite 2700

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5 Embarcadero Center
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Tel: (415) 788-1234**

Tuesday, October 6, 2015

Start	End	Meeting/Event	Location
8:00am	9:00am	Breakfast	Hyatt Regency Golden Gate Room
9:00am	11:00am	Open Board Meeting	Hyatt Regency Marina Room
11:00am	12:00pm	Closed Board Meeting	Hyatt Regency Marina Room
12:00pm	3:00pm	Break	
3:00pm	3:15pm	Legal Services Corporation 40th Anniversary Concluding Event Welcoming Remarks <i>John G. Levi</i> , Chairman, Legal Services Corporation <i>Paulette Brown</i> , President, American Bar Association	The Julia Morgan Ballroom 465 California Street
3:15pm	3:50pm	Panel: A History of Legal Services Corporation <i>Thomas Ehrlich</i> , Visiting Professor, Stanford Graduate School of Education <i>Justice Earl Johnson, Jr.</i> , Visiting Scholar, Western Center on Law & Poverty <i>Mickey Kantor</i> , Partner, Mayer Brown LLP	The Julia Morgan Ballroom 465 California Street

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		<p align="center"><i>Helaine M. Barnett,</i> Chair, New York State Permanent Commission on Access to Justice, and former President of Legal Services Corporation <i>(Moderator)</i></p>	
3:50pm	4:25pm	<p>A Conversation on Access to Justice: Texas Chief Justice Nathan Hecht and New York Chief Judge Jonathan Lippmann <i>Chief Justice Nathan L. Hecht,</i> Supreme Court of Texas <i>Chief Judge Jonathan Lippman,</i> New York Court of Appeals <i>Dean Martha Minow,</i> Harvard Law School & Legal Services Corporation Board Vice Chair <i>(Moderator)</i></p>	<p>The Julia Morgan Ballroom 465 California Street</p>
4:25pm	4:55pm	<p>Quick Tips: Technology Innovations to Increase Access to Justice <i>Snorri Ogata,</i> Chief Information Officer, Superior Court of California, Los Angeles County <i>Margaret Hagan,</i> Fellow and Lecturer in Law, Stanford Law School <i>Brian Rowe,</i> National Technology Assistance Project Coordinator, Northwest Justice Project <i>Glenn Rawdon,</i> Technology Program Counsel, Legal Services Corporation <i>(Moderator)</i></p>	<p>The Julia Morgan Ballroom 465 California Street</p>
5:00pm	5:40pm	<p>Panel: The Role of Corporate Counsel in Expanding Access to Justice <i>Seth Jaffe,</i> Senior Vice President and General Counsel, Levi Strauss & Co. <i>Alex Miller,</i> Senior Vice President, Chief Counsel Visa, Inc. <i>Laura Stein,</i> Executive Vice President - General Counsel, The Clorox Company</p>	<p>The Julia Morgan Ballroom 465 California Street</p>

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		<p><i>Ron Flagg</i>, Vice President for Legal Affairs, General Counsel & Corporate Secretary, Legal Services Corporation <i>(Moderator)</i></p>	
5:45pm	6:30pm	<p>Panel: The Impact of Pro Bono Lawyers on Narrowing the Justice Gap</p> <p><i>Hon. Jeffrey L. Bleich</i>, Partner, Munger, Tolles & Olson LLP</p> <p><i>Douglas J. Clark</i>, Managing Partner, Wilson Sonsini Goodrich & Rosati</p> <p><i>Kathryn J. Fritz</i>, Managing Partner, Fenwick & West LLP</p> <p><i>Neema Jalali</i>, Partner, Gibson, Dunn & Crutcher LLP</p> <p><i>Niall E. Lynch</i>, Partner, Latham & Watkins LLP</p> <p><i>Stephen C. Neal</i>, Chairman, Cooley LLP</p> <p><i>Geoffrey Yost</i>, Partner, O'Melveny & Myers LLP</p> <p><i>Jim Sandman</i>, President, Legal Services Corporation <i>(Moderator)</i></p>	<p style="text-align: center;">The Julia Morgan Ballroom 465 California Street</p>
6:30pm	6:40pm	<p style="text-align: center;">Remarks</p> <p><i>Dan Clivner</i>, Partner, Sidley Austin LLP</p> <p><i>Commissioner Dave Jones</i>, California Department of Insurance</p>	<p style="text-align: center;">The Julia Morgan Ballroom 465 California Street</p>
6:40pm	6:45pm	<p style="text-align: center;">Closing Remarks</p> <p><i>James J. Sandman</i>, President, Legal Services Corporation</p>	<p style="text-align: center;">The Julia Morgan Ballroom 465 California Street</p>

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Operations & Regulations Committee

Agenda

OPERATIONS & REGULATIONS COMMITTEE

October 4, 2015

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting on July 16, 2015
3. Update on Further Notice of Proposed Rulemaking for 45 CFR § 1610.7—Transfers of LSC Funds and 45 CFR Part 1627—Subgrants and Membership Fees or Dues
 - Ron Flagg, General Counsel
 - Stefanie Davis, Assistant General Counsel
 - Mark Freedman, Senior Associate General Counsel
4. Consider and act on Advanced Notice of Rulemaking for 45 CFR Part 1630—Cost Standards and the Property Acquisition and Management Manual
 - Ron Flagg, General Counsel
 - Stefanie Davis, Assistant General Counsel
 - Mark Freedman, Senior Associate General Counsel
5. Report on LSC Rulemaking Timeline
 - Ron Flagg, General Counsel
 - Stefanie Davis, Assistant General Counsel
 - Mark Freedman, Senior Assistant General Counsel
6. Report on Records Management Policy
 - Ron Flagg, General Counsel
7. Other public comment
8. Consider and act on other business
9. Consider and act on adjournment of meeting

**Draft Minutes of the July 16, 2015
Open Session Meeting**

**Legal Services Corporation
Meeting of the Operations & Regulations Committee**

Open Session

Thursday, July 16, 2015

DRAFT

Committee Chairman Charles N.W. Keckler convened an open session meeting of the Legal Services Corporation's ("LSC") Operations and Regulations Committee ("the Committee") at 12:51 p.m. on Thursday, July 16, 2015. The meeting was held at the Radisson Blu Minneapolis Hotel, 35 South 7th Street, Minneapolis, Minnesota 55402.

The following Committee members were present:

Charles N.W. Keckler, Chairman
Robert J. Grey, Jr.
Laurie I. Mikva
John G. Levi, *ex officio*

Other Board members present:

Victor B. Maddox
Martha Minow
Father Pius Pietrzyk
Julie A. Reiskin
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Lynn Jennings	Vice President for Grants Management
Patrick Malloy	Special Assistant to the President and Vice President for Grants Management
Wendy Rhein	Chief Development Officer
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs (OLA)
David L. Richardson	Comptroller and Treasurer
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Jeffrey E. Schanz	Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General

David O'Rourke	Assistant Inspector General for Investigations (OIG)
Tom Hester	Associate Counsel, Office of the Inspector General
Bernie Brady	Legal Services Travel Coordinator
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Janet LaBella	Director, Office of Program Performance (OPP)
Frank Strickland	Non-Director Member, Institutional Advancement Committee
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee
Robert Henley, Jr.	Non-Director Member, Finance Committee
Alan J. Tanenbaum	Non-Director Member, Finance Committee
Jean Lastine	Executive Director, Central Minnesota Legal Services
Anne Hoefgen	Executive Director, Legal Services of Northwest Minnesota
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chairman Keckler noted the presence of a quorum and called the meeting to order.

MOTION

Ms. Mikva moved to approve the agenda. Mr. Levi seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Ms. Mikva moved to approve the minutes of the Committee meeting of April 12, 2015. Mr. Levi seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Davis and Mr. Flagg briefed the Committee on the comments received regarding the notice of proposed rulemaking for 45 CFR Part 1610, Transfers of LSC Funds, and 45 CFR Part 1627, Subgrants and Membership Fees and Dues. Ms. Davis and Mr. Flagg answered Committee members' questions.

Ms. Davis and Mr. Flagg updated the Committee on the proposed final rule amending 45 CFR Part 1628, Recipient Fund Balances, and answered Committee members' questions. Committee Chairman Keckler invited public comment regarding the proposed final rule. The Committee received public comments from Robin Murphy, National Legal Aid and Defenders Association (NLADA).

MOTION

Ms. Mikva moved to recommend the notice of proposed final rule, 45 CFR Part 1628 to the board. Mr. Levi seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Davis and Mr. Flagg provided a status report on the rulemaking agenda for 2015 – 2016. Ms. Davis and Mr. Flagg answered Committee members' questions.

MOTION

Mr. Levi moved to recommend approval of the 2015 – 2016 rulemaking agenda. Ms. Mikva seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Davis and Mr. Flagg briefed the Committee on the proposed revised policy statement and LSC Rulemaking Protocol. Mr. Flagg thanked Chairman Keckler for the first draft of the revised Rulemaking Protocol, and Ms. Davis commended OLA Law Fellow Peter Karalis for his contributions. Ms. Davis and Mr. Flagg answered Committee members' questions.

MOTION

Mr. Levi moved to recommend approval of the policy statement and protocol, as amended by Father Pius to the Board. Ms. Mikva seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Davis and Mr. Flagg briefed the Committee on initiating proposed rulemaking for 45 CFR Part 1630, Cost Standards and the Property Acquisition and Management Manual (PAMM). Ms. Davis and Mr. Flagg answered Committee members' questions.

MOTION

Ms. Mikva moved to recommend approving the initiating of proposed rulemaking 45 CFR Part 1630 and PAMM to the board. Ms. Levi seconded the motion.

VOTE

The motion passed by voice vote.

President Sandman reported on the 2015 Grant Assurances. He answered Committee members' questions. Committee Chairman Keckler invited public comment regarding 2015 Grant Assurances. The Committee received public comments from Robin Murphy, National Legal Aid and Defenders Association (NLADA).

Mr. Flagg and Mr. Hardin briefed the committee on the proposed notice on population data for grants to serve agricultural and migrant workers. Mr. Flagg and Mr. Hardin answered Committee members' questions.

Committee Chairman Keckler invited public comment and received none.

MOTION

Ms. Mikva moved to recommend publication of the proposed notice on population data for grants to serve agricultural and migrant farmworkers with amendments to the board. Mr. Levi seconded the motion.

VOTE

The motion passed by voice vote.

There was no new business to consider.

MOTION

Mr. Levi moved to adjourn the meeting. Ms. Mikva seconded the motion.

VOTE

The motion passed by voice vote.

The Committee meeting adjourned at 2:59 p.m.

**Advanced Notice of Rulemaking
Code of Federal Regulations 45 Part 1630
and the Property Acquisition and
Management Manual**

LEGAL SERVICES CORPORATION

45 CFR Part 1630 Cost Standards and Procedures; Property Acquisition and Management Manual

AGENCY: Legal Services Corporation

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Legal Services Corporation (LSC or the Corporation) is issuing this advance notice of proposed rulemaking (ANPRM) to request comment on the Corporation’s considerations for revising 45 CFR part 1630 and the Property Acquisition and Management Manual (PAMM). The Corporation has chosen to address both part 1630 and the PAMM in a single rulemaking due to the level of similarity and overlap between them, particularly with regard to the provisions governing real and personal property acquisition and prior approval procedures. This ANPRM seeks input and recommendations on how to most effectively address those provisions of part 1630 and the PAMM that impact LSC’s ability to promote clarity, efficiency, and accountability in its grant-making and grants oversight practices.

DATE: Comments must be submitted by [INSERT DATE 60 DAYS AFTER PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments by any of the following methods:

E-mail: lscrulemaking@lsc.gov. Include “Part 1630/PAMM Rulemaking” in the subject line of the message.

Fax: (202) 337-6519.

Mail: Stefanie K. Davis, Assistant General Counsel, Legal Services Corporation, 3333 K Street NW, Washington, DC 20007, ATTN: Part 1630/PAMM Rulemaking.

Hand Delivery/Courier: Stefanie K. Davis, Assistant General Counsel, Legal Services Corporation, 3333 K Street NW, Washington, DC 20007, ATTN: Part 1630/PAMM Rulemaking.

Instructions: Electronic submissions are preferred via email with attachments in Acrobat PDF format. Written comments sent via any other method or received after the end of the comment period may not be considered by LSC.

FOR FURTHER INFORMATION CONTACT: Stefanie K. Davis, Assistant General Counsel, Legal Services Corporation, 3333 K Street NW, Washington, DC 20007, (202) 295-1563 (phone), (202) 337-6519 (fax), sdavis@lsc.gov.

SUPPLEMENTARY INFORMATION:

I. Regulatory Background of Part 1630 and the PAMM

The purpose of 45 CFR part 1630 is “to provide uniform standards for allowability of costs and to provide a comprehensive, fair, timely, and flexible process for the resolution of questioned costs.” 45 CFR 1630.1. LSC last revised Part 1630 in 1997, when it published a final rule intended to “bring the Corporation’s cost standards and procedures into conformance with applicable provisions of the Inspector General Act, the Corporation’s appropriations action, and relevant Office of Management and Budget (OMB) Circulars.” 62 FR 68219, Dec. 31, 1997. Although the OMB Circulars are not binding on LSC because it is not a federal agency, LSC adopted certain provisions from relevant OMB Circulars pertaining to non-profit grants, audits, and cost principles into the final rule for part 1630. *Id.* at 68219-20 (citing OMB Circulars A-50, A-110, A-122, and A-133).

LSC published the PAMM in 2001 “to provide recipients with a single complete and consolidated set of policies and procedures related to property acquisition, use and disposal.” 66

FR 47688, Sept. 13, 2001. Prior to the PAMM's issuance, such policies and procedures were "incomplete, outdated and dispersed among several different LSC documents." Id. The PAMM contains policies and procedures that govern both real and non-expendable personal property, but, with the exception of contract services for capital improvements, the PAMM does not apply to expendable personal property or to a contract for services. Id. at 47695. The PAMM's policies and procedures were developed with guidance from the Federal Acquisition Regulations, the Federal Property Management Regulations, and OMB Circular A-110. Id. at 47688. The PAMM also incorporates several references to provisions of part 1630 pertaining to costs requiring LSC prior approvals and the proper allocation of derivative income. Id. at 47696-98 (containing references to 45 CFR 1630.5(b)(2-4), 1630.5(c), and 1630.12, respectively).

II. Impetus for this Rulemaking

Part 1630 and the PAMM have not been revised since 1997 and 2001, respectively. Since that time, procurement practices and cost allocation principles applicable to awards of federal funds have changed significantly. For instance, in 2013, OMB revised and consolidated several Circulars into a single Uniform Guidance. 78 FR 78589, Dec. 26, 2013; 2 CFR part 200. OMB consolidated and simplified its guidance to "reduce administrative burden for non-Federal entities receiving Federal awards while reducing the risk of waste, fraud and abuse." 78 FR 78590, Dec. 26, 2013.

LSC has determined that it should undertake regulatory action at this time for three reasons. The first reason is to account, where appropriate for LSC, for corresponding changes in Federal grants policy. The second reason is to address the difficulties that LSC and its grantees experience in applying ambiguous provisions of Part 1630 and the PAMM. Finally, LSC believes rulemaking is appropriate at this time to address the limitations that certain provisions of

both documents place on the Corporation's ability to ensure clarity, efficiency, and accountability in its grant-making and grants oversight practices.

LSC has identified several aspects of part 1630 and the PAMM that reduce efficiency, create confusion, and fail to ensure accountability in the use of LSC funds. For example, part 1630 and the PAMM both require recipients to seek prior approval for certain purchases of real and non-expendable personal property. 45 CFR 1630.5 (describing costs requiring prior approval), 1630.6 (establishing the timetable and bases for granting prior approval); PAMM sections 3(d), 4(d). LSC has determined that the text of its prior approval provisions does not accurately reflect the intent of its drafters or the current practice of the Corporation and its grantees. Clarifying when recipients must seek prior approval of purchases will align the text of these provisions with current practice and eliminate uncertainty about their application. This revision would also be consistent with LSC's original purpose in issuing the PAMM "to provide recipients with a single complete and consolidated set of policies and procedures related to property acquisition, use and disposal." 66 FR 47688, Sept. 13, 2001.

LSC's Office of Inspector General (OIG) and LSC management have also recommended that the Corporation consider revising 45 CFR 1630.7(b). Section 1630.7(b) provides that LSC shall provide written notice to a grantee of LSC's decision to disallow certain costs if LSC determines that there is a basis to disallow the costs and not more than five years has passed since the grantee incurred the costs. OIG and Management have expressed concern that the lack of specificity regarding the point at which LSC has sufficient basis to disallow costs and to notify a recipient of LSC's intent to disallow costs impedes LSC's ability to recover misspent funds.

In July 2014, the Operations and Regulations Committee (Committee) of LSC's Board of Directors (Board) approved Management's proposed 2014–2015 rulemaking agenda, which

included revising part 1630 and the PAMM as a priority item. On July 7, 2015, Management presented the Committee with a Justification Memorandum recommending publication of an ANPRM to seek public comment on possible revisions to Part 1630 and the PAMM. Management stated that collecting input from the regulated community through an ANPRM would significantly aid LSC in determining the scope of this rulemaking and in developing a more accurate understanding of the potential costs and benefits that certain revisions may entail. On July 18, 2015, the LSC Board authorized rulemaking and approved the preparation of an ANPRM to revise Part 1630 and the PAMM.

On October XX, 2015, the Committee voted to recommend that the Board publish this ANPRM in the Federal Register for notice and comment. On October XX, 2015, the Board accepted the Committee's recommendation and approved publication of the ANPRM.

Comment [SKD1]: Placeholder for Committee action

Comment [SKD2]: Placeholder for Board action.

III. Discussion of Revisions under Consideration

LSC requests comment on the following proposals and specific questions. When submitting responses to specific questions, please refer to each question by number.

A. Revising, Restructuring, and Consolidating Prior Approval Provisions

To improve organization and clarity, LSC is considering restructuring 45 CFR 1630.5, which currently governs three discrete topics:

- (1) recipient requests for advance understanding of whether an unusual or special cost is allowable (§ 1630.5(a));
- (2) costs for which prior approval is necessary (§ 1630.5(b)); and
- (3) the duration of a prior approval or advance understanding (§ 1630.5(c)).

Section 1630.5(b) further lists four types of costs requiring prior approval, three of which apply exclusively to property:

- 1) pre-award costs and costs incurred after the cessation of funding;

- 2) purchases and leases of personal, non-expendable property if the purchase price of any individual item exceeds \$10,000;
- 3) purchases of real property; and
- 4) capital expenditures exceeding \$10,000 to improve real property.

LSC is considering expressly incorporating into the PAMM all of the procedures and requirements governing prior approval that are related to property. By its own terms, the PAMM represents the consolidation of “all of the relevant policies and requirements related to the acquisition, use and disposal of real and personal property” in a single document. 66 FR 47688, Sept. 13, 2001. In fact, the PAMM merely incorporates some of these policies and requirements by reference and excludes others altogether. For example, 45 CFR 1630.5(b)–(c) are referenced throughout sections 3 and 4 of the PAMM, which govern acquisition procedures for personal and real property. *Id.* at 47696. The PAMM omits 45 CFR 1630.6, which establishes the timetable and basis for granting prior approval. Similarly, while some of the provisions of Program Letter 98-4, which established the processes for requesting prior approval, are incorporated throughout the PAMM, others are distinctly absent. *Id.* at 47689. The omitted provisions include the process for requesting approval of pre-award costs and costs incurred after the cessation of funding, both of which may involve property.

Question 1: How should LSC restructure the provisions discussed above to best provide clarity to its grantees?

Question 2: In addition to the provisions discussed above, are there any additional provisions from other LSC documents related to prior approval that should also be restructured or consolidated?

Management is also considering revising 45 CFR 1630.5(b)(2) and section 3(d) of the PAMM to require prior approval for each transaction in which the aggregate cost of all items of personal property purchased through the transaction exceeds a specific threshold. Both sections

currently require recipients to obtain prior approval only for acquisition of an “individual” item of personal property that has a value exceeding \$10,000. LSC’s Office of Compliance and Enforcement (OCE) and OIG, however, have applied 45 CFR 1630.5(c) and section 3(d) of the PAMM as requiring prior approval for a single acquisition of multiple related items that have an aggregate value exceeding \$10,000. The proposed revision would, therefore, make the rules consistent with LSC and OIG’s practice.

Finally, LSC is considering raising the \$10,000 prior-approval threshold set by 45 CFR 1630.5(b)(2) and section 3(d) of the PAMM. LSC is also considering drafting the rule to allow for adjustment when economic circumstances indicate adjustment is appropriate. LSC adopted the \$10,000 threshold over 20 years ago and did not provide for adjustment due to inflation. As a result, recipients must seek prior approval for purchases considerably smaller than those for which LSC intended to require prior approval at the time it published the PAMM.

Question 3: Are there any potential concerns or problems that could arise from revising the rule to specify that recipients must seek prior approval of single acquisitions of multiple items whose aggregate value exceeds the prior approval threshold??

Question 4: Would the proposed approach generally be consistent with other funders’ requirements for all purchases of nonexpendable personal property costing more than the prior-approval threshold?

Question 5: Should LSC raise the prior approval threshold? If yes, what amount should LSC set as the threshold? Are there any similar prior approval requirements imposed by funders other than the federal government that may help LSC make this determination? Should LSC automatically adjust the threshold on a scheduled basis to account for inflation, or should LSC consider another mechanism to allow for adjustment on a discretionary or as-needed basis?

B. Clarifying When LSC Provides Notice of its Intent to Disallow Costs

LSC is considering revising 45 CFR 1630.7(b), which currently states that LSC may commence a disallowed cost proceeding only if 1) it has made a determination of “a basis for disallowing a questioned cost,” 2) “not more than five years have elapsed since the recipient incurred the cost,” and 3) the Corporation provides written notice to the recipient “of its intent to disallow the cost. . . . [stating] the amount of the cost and the factual and legal basis for disallowing it.” OIG, Management, and the LSC Board have expressed concern that the lack of clarity regarding the point at which such notice may be provided unnecessarily impedes LSC’s ability to recover misspent funds. LSC currently interprets the phrase “determination of a basis for disallowing a questioned cost” to mean the point at which LSC determines that a recipient has in fact incurred a questioned cost as defined in 45 CFR 1630.2(g).

Based on its experience with questioned-cost proceedings, LSC proposes to revise § 1630.7(b) to state that LSC may issue “written notice . . . of its intent to disallow the cost” at the time LSC has enough evidence to support a reasonable belief that the cost is unallowable. The notice would not necessarily initiate a questioned cost proceeding, but would instead inform the recipient that LSC believes a cost could be questioned and will investigate further. LSC would subsequently notify the recipient whether LSC intends to initiate a questioned cost proceeding.

LSC proposes to revise § 1630.7(b) for four reasons. First, giving notice at the time LSC reasonably believes that it could disallow a cost would allow the recipient to ensure that it retains all records related to the cost in the event that it needs to respond to a notice of questioned costs. Second, notice at an earlier stage of LSC’s investigation would inform a recipient sooner about problems identified by LSC and encourage the recipient to change its practice giving rise to the questioned cost, which would potentially save the recipient money. Third, changing the rule to

provide notice at the time LSC has a reasonable basis for a questioned cost proceeding, rather than at the time LSC initiates the proceeding, would allow LSC to recover misspent funds in cases that require lengthy investigations. The good faith notice that LSC has enough evidence to support a reasonable belief that the cost is unallowable would establish the five-year period for recovery and permit LSC to recover misspent funds if the time for investigation exceeds five years from the date the recipient incurred the cost. The current rule restricts LSC's recovery regardless of how unreasonable or unlawful the questioned cost may be.

Example: A recipient incurred deferred compensation costs for its executive director beginning in February, 2009. LSC had a reasonable basis for questioning the costs in 2014, but it took until February, 2015 for LSC to complete its investigation, which included an on-site visit, requesting and receiving documentation to support the costs from the recipient, and reviewing the documentation provided. If LSC issued notice of its intent to disallow costs associated with the deferred compensation package in February, 2015, LSC could not question incurred between February, 2009 and February, 2010 because those costs would fall outside the five-year period in § 1630.7(b).

Finally, giving notice at an earlier stage in the investigative process would be more consistent with the definition of questioned cost at 45 CFR 1630.2(g). The definition of questioned cost lists three findings that may cause OIG, LSC, the Government Accountability Office (formerly the General Accounting Office), or an independent auditor to question costs: 1) the recipient may have violated a law, regulation, contract, grant, or other agreement governing the use of LSC funds; 2) the cost is not supported by adequate documentation; and 3) the cost appears unreasonable or unnecessary. Two of these findings involve potential, rather than definite, occurrences – a potential violation of law, or the apparent unreasonableness or unnecessary incurring of a given cost. A recipient ultimately may be able to properly document a cost after adequate time and incentive, and thereby avoid returning funds to LSC. For these reasons, LSC proposes to revise the notice requirement in § 1630.7(b).

Question 6: Are there any other changes LSC should consider when revising § 1630.7(b)? How would the proposed approach affect recipients who are subject to a questioned cost proceeding?

C. Revising the Requirements for Using LSC Funds for Federal Matching Purposes

LSC is considering eliminating the requirement in 45 CFR 1630.3(a)(8) that recipients obtain written consent from a federal agency before using LSC funds to match a grant awarded by that agency. Under this paragraph, recipients may use LSC funds to satisfy the matching requirement of a federally funded program only if “the agency whose funds are being matched determines in writing that Corporation funds may be used for federal matching purposes[.]” 45 CFR 1630.3(a)(8). The preamble to the 1986 final rule for part 1630 describes this section as “a standard federal provision to ensure that [matching funds for federal grants] must be raised from a source other than the federal treasury and taxpayer.” 51 FR 29076, 29077, Aug. 13, 1986. Section 1005 of the Legal Services Corporation Act states that, “[e]xcept as otherwise specifically provided in [the Act],” LSC is not “considered a department, agency, or instrumentality, of the Federal Government.” 42 U.S.C. 2996d(e)(1). Therefore, LSC funds are not “federal funds” for matching purposes, even though they are appropriated by Congress, and they could be used to match a federal grant award.

LSC understands that grantees find the requirement in § 1630.3(a)(8) burdensome because awarding agencies do not normally confirm in writing that the proposed source of a funding applicant’s non-federal match is a permissible source. Even if the agency would allow the match, § 1630.3(a)(8) currently prohibits the match if the agency will not provide written consent. LSC also believes that the requirement is not necessary to ensure that grantees using LSC funds to match a federal grant continue using those funds consistent with the Corporation’s

governing statutes and regulations. LSC is considering removing the requirement to obtain written consent and replacing it with an alternative method of conveying the Corporation's position on the use of LSC funds as matching funds. One possible solution would be for LSC to issue a program letter explaining why LSC funds are not federal funds for matching purposes. LSC recipients could then provide that program letter to any awarding agencies that question the non-federal character of LSC funds.

Question 7: Based on the experiences of grantees who have applied to receive awards from federal agencies with matching requirements, would a program letter stating the Corporation's position on the use of LSC funds as matching funds be an effective alternative to the current requirement of obtaining written consent from the awarding agency? Are there any other workable replacements for this requirement that LSC should consider in this rulemaking?

D. Revising the PAMM's Requirements for Disposal of Property

LSC is considering revising sections 6(f) and 7(a) and (d) of the PAMM to require recipients and former recipients to provide notice to and obtain approval from LSC prior to disposing of personal or real property acquired with LSC funds. Section 6(f) requires recipients that cease receiving LSC funding to seek LSC's approval prior to disposing of personal property. Section 6(c) requires recipients to seek LSC's approval to transfer an item of personal property to another nonprofit organization serving the poor in the same service area. See PAMM, section 6(c)(5). In all other instances, a recipient may dispose of personal property purchased in whole or in part with LSC funds without seeking LSC's approval.

Like section 6(f), section 7(c) requires entities that no longer receive LSC funding to seek LSC's approval before disposing of real property purchased in whole or in part with LSC funds. The provisions of the PAMM that do not require approval by LSC are section 7(a), governing the

disposal of real property during the term of an LSC grant, and section 7(d), governing the transfer of real property by an entity that ceases to receive LSC funding to a recipient who has merged with or succeeded that entity. LSC's recent agreements governing grantee purchases of real property, however, generally require recipients to give LSC 30 days' notice of a pending sale or to seek LSC's approval of the sale 30 days prior to the completion of the sale. These conditions apply whether the sale occurs during the term of the LSC grant or after a grantee ceases to receive funding.

Under the Uniform Guidance, a recipient of Federal funds must request disposition instructions from the funding agency any time it wants to dispose of real property, equipment, or intangible property purchased with the agency's funds. See 2 CFR 200.311(c) (real property), 200.313(e) (equipment), and 200.315(a) (intangible property). In contrast, LSC requires a recipient to seek LSC's approval to dispose of real property or personal property only when the recipient ceases to receive LSC funding. Unlike the Uniform Guidance, the PAMM allows a recipient to choose the method of disposition and seek LSC's approval of that method.

Question 8: Would revising the provisions discussed above to require notice and approval by the Corporation prior to any disposal of personal or real property create or remove problems for grantees? Should any provision governing a particular type of property disposal have its own unique requirements or exceptions?

Question 9: How would it affect recipients if LSC revised the disposal provisions of the PAMM to require grantees to seek disposition instructions from LSC?

Question 10: What is an appropriate length of time for recipients to provide LSC with written notice prior to disposing of real property?

LSC is also considering revising sections 6(f) and 7(c) of the PAMM. Pursuant to those sections, when an entity that owns personal or real property acquired with LSC funds ceases to receive funding from LSC, it may: (1) transfer the property to another LSC recipient; (2) retain the property and pay LSC that percentage of the fair market value of the property that represents the percentage of the acquisition cost attributable to LSC funds; or (3) sell the real property and compensate LSC as described in (2), minus actual and reasonable selling and fix-up expenses. In the case of personal property, section 6(f) permits a recipient to transfer the property to another nonprofit organization serving the poor in the same service area and pay LSC that percentage of the property's current fair market value that is equal to that percentage of the acquisition cost attributable to LSC funds. Although these provisions are consistent with the Uniform Guidance, LSC requests comments from grantees and others about whether it is appropriate for LSC to seek compensation.

Question 11: Should LSC continue to require former recipients to compensate LSC when the recipients dispose of personal or real property purchased with LSC funds? If so, what are some of the problems facing grantees with regard to the current requirements? How could LSC effectively address such problems in a way that is consistent with the goal of ensuring efficiency and accountability in grant-making and grants oversight practices?

E. Revising Definitions in the PAMM for Clarity and Consistency with Current Practices

LSC is considering revising the PAMM's definitions of "acquisition costs for real property" and "capital improvement," which are incomplete and produce inconsistencies throughout the PAMM. Section 2(a) of the PAMM defines "acquisition costs for real property" as "the initial down payment and principle [sic] and interest on debt secured to finance the acquisition of the property" Section 2(c) of the PAMM defines "capital improvement" as

“an expenditure of an amount of LSC funds exceeding \$10,000 to improve real property through construction or the purchase of immovable items which become an integral part of real property.” The fact that the definitions of neither “acquisition costs for real property” nor “capital improvement” expressly cover renovations causes several problematic inconsistencies. For example, section 4(c) of the PAMM requires “an analysis of the average annual cost of the acquisition, including the costs of a down payment, interest and principal payments on debt acquired to finance the acquisition, closing costs, renovation costs, and the costs of utilities, maintenance, and taxes, where applicable.” Section (d)(7)(i) of the PAMM similarly requires recipients to estimate the “total cost of the acquisition, including renovations, moving, and closing costs” when seeking prior approval to purchase real property. As a result, a renovation cost in excess of \$10,000 may be considered as an acquisition cost, despite also constituting a “capital improvement.” Section 7(f) of the PAMM further requires that recipients follow separate procedures when using LSC funds to make “capital improvements.”

Question 12: How should LSC revise the definitions of “acquisition costs for real property” and “capital improvements” in order to address the inconsistencies described in the above proposal? Should the definitions differentiate between renovations done as part of the acquisition process and renovations done on real property already owned by the grantee?

LSC is also considering revising the PAMM’s definition of “personal property” to clarify that it includes data, software, and other types of intellectual property. Just as federal procurement practices have changed substantially since the PAMM’s publication in 2001, there have also been significant developments in intellectual property and the methods by which both private and public organizations incorporate it into their grant-making and procurement processes. The definition of “personal property” in section 2(f) of the PAMM currently includes

both “tangible” and “intangible” property, with the specific examples of “copyrights or patents” listed under the latter. However, the definition does not expressly include “intellectual property” as a category of intangible property, nor does it include items such as data and software that are often considered to be intellectual and/or personal property. The only other provision of the PAMM governing a type of intellectual property is section 5(g), which provides that recipients may copyright work that is obtained or developed with LSC funds as long as the Corporation “reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use” such copyrighted work.

Question 13: Should LSC revise the PAMM’s definition of “personal property” to include intellectual property? Should LSC create a new provision that governs exclusively rights in intellectual property created using LSC grant funding? Should general rights in data produced under LSC grants be addressed separately from any new provisions governing the acquisition of intellectual property?

Question 14: Do other funders impose rights-in-data requirements that LSC should be aware of when revising the PAMM, such as the retention of a royalty-free, nonexclusive license to reproduce, publish, or otherwise use products developed by the recipient using those funds? If so, what are those requirements?

F. Revising Procedures and Requirements for Procurements; Including Procurements of Services Within the Scope of Part 1630 and the PAMM

LSC is considering revising the procedures and requirements applicable to grantee procurements paid for in whole or in part with LSC funds. Unlike the Uniform Guidance and its relevant predecessors, OMB Circulars A-87 and A-122, neither part 1630 nor the PAMM describes the minimum standards that LSC recipients’ procurement policies should have. Program Letter 98-4, which established the procedures that recipients must use to seek prior

approval of certain leases and procurements of personal and real property, requires recipients to give LSC minimal information about the process by which the recipients selected a contractor, including whether the recipient solicited bids or awarded a contract on a sole source basis. The annual grant assurances applicable to Basic Field Grant awards do not require recipients to certify that they have procurement policies that meet prescribed minimum standards. By contrast, recipients of (Technology Initiative Grant) TIG awards must comply with the procurement requirements set forth in the annual grant assurances applicable to the TIG program. As a result, recipients of special grants from LSC are subject to more robust procurement requirements than recipients of only Basic Field Grants are. LSC believes that revising part 1630 and the PAMM to incorporate minimum standards for recipient procurement policies is necessary to ensure that recipients have adequate procurement policies and that all LSC-funded grant programs are subject to the same requirements.

Question 15: Should LSC model its revised procurement standards on the standards contained in the Uniform Guidance? What standards do other funders require recipients' procurement policies to meet?

LSC is also considering including contracts for services within the scope of part 1630 and the PAMM. Neither part 1630 nor the PAMM currently requires prior approval or specific procurement procedures for services contracts, either alone or accompanying a purchase of personal property. For example, contracts with information technology providers often include both equipment (personal property) and services. Recipients currently may separate services from personal property in order to demonstrate that the cost of the personal property falls below the PAMM's threshold for prior approval, even if the total contract cost, including services, exceeds the threshold. Recipients may also enter into contracts for services costing significant

amounts of LSC funds, even though there is no requirement that LSC approve the recipient's selection of a contractor and formation of the contract. By contrast, TIG recipients must follow procurement procedures, but not obtain prior approval, for all procurements of any kind over \$5,000.

Question 16: What procedures and requirements should LSC adopt to govern services contracts? How can LSC incorporate such procedures and requirements in a way that promotes clarity, efficiency, and accountability, while also minimizing any potential burden to grantees?

G. Adopting the PAMM as a Codified Rule

LSC is considering codifying the PAMM into a rule published in the Code of Federal Regulations. Although the PAMM is technically not a rule, it has several characteristics in common with legislative rules. For example, the PAMM was adopted after notice and an opportunity for public comment. LSC also assesses recipients' compliance with the provisions of the PAMM. Management believes that the codification of the PAMM may further promote and preserve the effectiveness and consistency of LSC's property acquisition, use, and disposal policies and procedures.

Question 17: Would codification of the PAMM as a rule create potential burdens to grantees or otherwise unduly disrupt grantees' current property acquisition and management practices?

H. Other Questions

Question 18: Are there any significant conflicts between the Corporation's requirements in Part 1630 and the PAMM and rules implemented by other public and private funders? If so, what steps should LSC take to address such conflicts, whether through rulemaking or otherwise?

Question 19: Are there any aspects of Part 1630 and the PAMM not identified in this ANPRM that Corporation should address in this rulemaking?

Dated: October XX, 2015.

Stefanie K. Davis,

Assistant General Counsel.

DRAFT

Proposed Rulemaking Timeline



OFFICE OF LEGAL AFFAIRS

To: Operations and Regulations Committee

From: Ronald S. Flagg, Vice President for Legal Affairs and General Counsel
Stefanie K. Davis, Assistant General Counsel

Re: Proposed Timeline for 2015-2016 Rulemaking Agenda

Date: September 16, 2015

Rulemaking Agenda and Proposed Timelines

A. Revisions to 45 C.F.R. Parts 1610 and 1627

Part 1627—Subgrants and Membership Fees or Dues and 45 C.F.R. § 1610.7 jointly govern the use of LSC funds paid by a recipient to a third party under certain circumstances. The Notice of Proposed Rulemaking (NPRM) for Parts 1610 and 1627 was published in the Federal Register on April 20, 2015. 80 Fed. Reg. 21692 (Apr. 20, 2015). LSC received comments from five organizations during the comment period. Several of the commenters identified issues with the proposed rule that LSC determined were best addressed through the publication of a Further Notice of Proposed Rulemaking (FNPRM). LSC staff is continuing to develop proposals for addressing the issues raised by the comments.

The proposed timeline for this ongoing rulemaking is as follows:

- **January 2016** – Present Committee and Board with an FNPRM. We anticipate proposing a 30-day comment period for the FNPRM.
- **April 2016** – Present Committee and Board with a final rule.
- **May 2016** – Effective date of final rule.

B. Revisions to 45 C.F.R. Part 1630 and the Property Acquisition and Management Manual (PAMM)

LSC issued the PAMM in 2001 as the document containing “all of the relevant policies and requirements related to the acquisition, use and disposal of real and personal property.” 66 Fed. Reg. 47688 (Sep. 13, 2001). Part 1630 – Cost Standards and Procedures, generally governs the allowability of costs charged to a recipient’s LSC grant. 45 C.F.R. § 1630.1. Part 1630

overlaps with the PAMM insofar as Part 1630 establishes policy and procedures for when recipients must seek prior approval of a purchase of personal or real property. *Id.* §§ 1630.5 (describing costs requiring prior approval), 1630.6 (establishing the timetable and bases for granting prior approval). LSC last revised Part 1630 in 1983. LSC determined that Part 1630 and the PAMM were appropriate for revision at this time for two primary reasons. The first was that the text of both documents' provisions governing prior approvals for single purchases whose cost exceeds \$10,000 is not consistent with LSC's policy. The second was that government grants and procurement policy have evolved since the two documents were last revised, as have laws and practices related to intellectual property. Because the subject matter of Part 1630 and the PAMM – cost standards and property standards – is substantially similar and revisions to one will often affect the other, LSC proposes to revise both documents through a single rulemaking.

LSC staff has met throughout the summer to discuss proposals to address the issues that prompted LSC to undertake rulemaking at this time and to identify other parts of Part 1630 and the PAMM that would benefit from revision through rulemaking. As a result of these conversations, LSC determined that it would be useful to seek public input on LSC's proposals early in the rulemaking process. At the July Board meeting, the Board approved Management's request to initiate rulemaking through the publication of an Advance Notice of Proposed Rulemaking (ANPRM). We recommend a 60-day comment period for the ANPRM because LSC is seeking comment on a large number of changes to Part 1630 and the PAMM.

The proposed timeline for revision is as follows:

- **October 2015** – Present Committee and Board with ANPRM. We propose a 60-day comment period.
- **January 2016** – Update to Committee on responses to ANPRM.
- **April 2016** – Present Committee and Board with NPRM. We anticipate proposing a 30-day comment period.
- **July 2016** – Present Committee and Board with a final rule.
- **August 2016** – Effective date of final rule.

C. Revisions to Part 1609

Part 1609 – Fee-Generating Cases, does not allow recipients to use LSC funds to represent eligible clients in fee-generating cases when private attorneys are available to provide effective representation. The definition of “fee-generating case” is set forth at 45 C.F.R. § 1609.2(a). Over the course of the past year, the Office of Legal Affairs has received multiple inquiries about the definition of “fee-generating case.” Questions have ranged from whether paid court appointments are “fee-generating cases” to whether recipients may provide brief services at intake to an applicant whose case meets the definition of “fee-generating case,” even if the recipient does not take the case. The primary purposes of this rulemaking are to revise the

definition of “fee-generating case” and to clarify when the prohibitions established in the rule apply. During the process of revising the rule, we may identify additional issues that would be appropriate for rulemaking.

The proposed timeline for revision is as follows:

- **October 2016** – Present Committee and Board with Justification Memorandum.
- **January 2017** – Present Committee and Board with NPRM. We anticipate proposing a 30-day comment period.
- **April 2017** – Present Committee and Board with a final rule.
- **May 2017** – Effective date of final rule.

D. Revisions to Part 1629

Part 1629 – Bonding of Recipients requires that any program receiving LSC funds must carry fidelity bond coverage on every director, officer, employee, and agent of the program who handles program funds or property. 45 C.F.R. § 1629.2(a). This requirement protects a program’s funds from loss due to fraud or dishonesty by the bonded individuals. 49 Fed. Reg. 28716 (July 16, 1984). OIG has found that most grantees they have reviewed obtain fidelity bond coverage on all of their employees, which exceeds the minimum requirements of Part 1629. When misappropriation has occurred by individuals not required to be bonded under Part 1629, grantees that exceeded the minimum Part 1629 coverage were protected from loss. The OIG recommends that recipients carry fidelity bond coverage on every employee within the program in order to protect programs from bearing any loss caused by the misappropriation of funds. LSC Management concurs with this recommendation.

We propose to revise Part 1629 to require recipients to carry fidelity bond coverage for all employees. We also to propose to consider raising the minimum bond coverage, which is currently set at \$50,000, based on a recommendation from the Office of Compliance and Enforcement. During the process of revising the rule, we may identify additional issues that would be appropriate for rulemaking.

The proposed timeline for revision is as follows:

- **October 2016** – Present Committee and Board with Justification Memorandum.
- **January 2017** – Present Committee and Board with NPRM. We anticipate proposing a 30-day comment period.
- **April 2017** – Present Committee and Board with a final rule.
- **May 2017** – Effective date of final rule.

We are proposing to conduct the rulemakings for Parts 1609 and 1629 simultaneously. We do not believe that either rulemaking will require a significant amount of staff involvement

during the development process. We may consider extending the NPRM comment period for one of the two rulemakings to give interested stakeholders adequate time to respond to both proposed rules.

Records Management Policy

LSC Records Management Policy

I. Purpose

This Records Management Policy establishes the Legal Services Corporation's Records management requirements and identifies specific records management responsibilities. The purposes of this policy are to:

- a. Ensure compliance with statutory and regulatory recordkeeping requirements (set forth in Appendix A),
- b. Enable the Corporation to keep and access such Records as necessary so that LSC may carry out its mission efficiently and effectively;
- c. Ensure adequate and proper documentation of the policies and activities of the Corporation as a federally-funded entity,
- d. Ensure consistency of records management throughout LSC, and
- e. Ensure that each employee understands his or her obligations in retaining the Corporation's Records.

II. Statement of Policy

LSC employees, officers, and Directors (including non-director members of committees of LSC's Board of Directors) must manage Records in accordance with the requirements of this policy, including the Retention Schedule set forth in Appendix B below. This policy applies to all LSC employees, officers, and Directors acting in their official capacity. LSC employees, officers, and Directors who create, collect, use, maintain, or come into possession of LSC Records do not retain any personal or proprietary interest in such Records; LSC Records are LSC property.

Records listed in Appendix B must be retained in accordance with the corresponding retention schedule. A Record must not be retained beyond the period indicated in Appendix B unless a valid business reason (or a litigation hold or other special situation) calls for its continued retention. If you are unsure whether a certain Record must be retained, contact your director or the Office of Legal Affairs (OLA).

The misuse or unauthorized removal or destruction of Corporation Records may result in disciplinary action, up to and including termination in accordance with the Corporation's personnel policies.

III. Definitions

- a. **Directors.** Directors are members of LSC's Board of Directors and, as used in this policy, include non-director members of committees of the Board of Directors.
- b. **Preserved by LSC.** Preserved by LSC means a Record that is filed, stored, or otherwise maintained by LSC (or by a third party under contract to LSC).

- c. **Record.** A Record is any type of information made or received by LSC for *purposes of transacting LSC business and that has been preserved, or is appropriate for preservation, by LSC*, regardless of form (e.g., paper or electronic, formal or informal, copies or original) as evidence of LSC's organization, functions, policies, decisions, procedures, operations, or other activities of LSC or because the Record has administrative, fiscal, legal, evidentiary, historical, or informational value. Appendix C provides a flowchart to determine if a document is a Record.

Records include but are not limited to:

- Appointment books and calendars;
- Contracts;
- Handwritten notes, letters, emails, other correspondence, and voicemails discussing significant steps or decisions in the preparation of an official Record;
- LSC's online postings, such as Facebook, Twitter, Vine and other postings; and
- Performance reviews.
-

Records do not include:

- Catalogs, trade journals, and other publications or papers received from outside sources and that are not essential to LSC's operation;
- Library and reference materials;
- Notices of community events, employee benefits, and holidays;
- Personal papers; and
- Stocks of publications and processed documents maintained for distribution

- d. **Records Management Officer.** The General Counsel is the Records Management Officer for the Corporation.
- e. **Transacting LSC Business.** Transacting LSC Business means purposeful activities that:
- Support financial, legal, or business decisions;
 - Are required to operate LSC programs or provide program support functions; or
 - Are required by statute or regulations.
- f. **Transitory Record.** A Transitory Record consists of data that may be discarded or deleted at the discretion of the user once it has served its temporary useful purpose. Examples include but are not limited to:
- Duplicates of originals that have not been annotated;
 - Notes and recordings that have been transcribed into another format for official retention purposes,
 - Preliminary drafts of letters, memoranda, reports, worksheets and informal notes that do not represent significant steps or decisions in the preparation of an official Record; and

- Books, periodicals, manuals, training binders, and other printed materials obtained from sources outside of the Corporation and retained primarily for reference purposes.

IV. Retaining Records

Retention periods vary by Record and are determined by considering business use and legal requirements. A date must appear on all documents to keep Records in context and in compliance with this policy. When a staff member retires or leaves LSC, management will determine if Records under that staff member's responsibility need to be reassigned or properly destroyed according to the Retention Schedules set forth in Appendix B below. As soon as those Records become another staff member's responsibility, the Records must be regularly reviewed and maintained according to this policy.

V. Storing Records

LSC's Records must be stored in a safe, secure, and accessible manner. Any documents and financial files that are essential to the Corporation's business operations during an emergency must be duplicated or backed up at least once per week.

VI. Destroying Records

Each office is responsible for identifying Records that have exceeded the retention period and destroying them. Before a Record may be destroyed, staff members must complete a **Records Destruction Confirmation Form**, a copy of which is attached as Appendix D. The Records Management Officer must review the Records proposed to be destroyed and sign the Form before destruction occurs. If the Records Management Officer objects to the proposed destruction, he or she may specify an additional retention period along with an explanation.

Once record destruction has been approved, staff members are responsible for destroying the Records, as follows:

a. Paper Records

- Confidential, financial, and personnel-related Records must be shredded.
- Non-confidential Records should be recycled.
- Staff member will sign the Records Destruction Confirmation Form confirming destruction of Records and forward it to OLA for retention.

b. Electronic Records

1. Files on staff member's PC hard drive
 - i. Delete file (sends file to recycle bin)
 - ii. Empty recycle bin (permanently deletes file off hard drive)
2. Files on Server
 - i. Staff member will send OIT email containing:
 - Location of Records to be destroyed
 - Description of Records to be destroyed
 - Completed Records Destruction Confirmation Form
 - ii. OIT will permanently delete Records

- iii. OIT will sign Form confirming deletion of Records and forward it to OLA for retention.

Any questions or concerns about destroying Records should be referred to the Records Management Officer.

VII. Litigation Holds and Other Special Situations

When a Litigation Hold is issued, or a congressional, Office of Inspector General, or other investigation is opened, the destruction of Records related to the Litigation Hold or investigation must stop immediately. A Litigation Hold or active investigation supersedes the Retention Schedule in these circumstances. Records destruction may resume once the Litigation Hold is lifted or the investigation is completed.

If a staff member believes that Records scheduled for destruction are relevant to current litigation, potential litigation, government investigation, audit, or other event, he or she must preserve the Records.

VIII. Records Management Officer's Responsibilities

The Records Management Officer is responsible for:

- Administering the Records Management Policy and helping office heads implement it and related best practices;
- Planning, developing, and prescribing document disposal policies, systems, standards, and procedures;
- Monitoring office compliance so that employees, officers, and Directors know how to follow the Records Management Policy;
- Developing and implementing measures to ensure that LSC personnel know what information the Corporation has and where it is stored, that only authorized users have access to the information, and that the Corporation keeps only the information it needs, thereby efficiently using space;
- Developing procedures to ensure the permanent preservation of LSC's historically valuable Records;
- Periodically reviewing the records retention schedules and administrative rules issued by the federal government to determine if LSC's Records Management Policy and Retention Schedule (Appendix B) are in compliance with federal regulations;
- Planning the timetable for the annual records destruction, including setting deadlines for responses from office staff;
- Maintaining Records on the volume of Records destroyed under the Retention Schedule (Appendix B); and
- Evaluating the overall effectiveness of the Records Management Policy.

IX. Questions About the Records Management Policy

Any questions about this policy should be referred to the Records Management Officer.

Appendix A: Recordkeeping Requirements—Federal Statutes and Regulations

Appendix B: Retention Schedules by Office

1. General Schedule for All Offices
2. Office of Compliance and Enforcement (OCE)
3. Office of Financial & Administrative Services (OFAS)
4. Office of Governmental Relations and Public Affairs (GRPA)
5. Office of Human Resources (OHR)
6. Office of Information Management (OIM)
7. Office of Information Technology (OIT)
8. Office of Legal Affairs (OLA)
9. Office of Program Performance (OPP)
10. Office of the Corporate Secretary
11. Executive Office

Appendix C: Flowchart to Determine if a Document is a Record

Appendix D: Records Destruction Confirmation Form

Appendix A: Recordkeeping Requirements – Federal and Local Statutes and Regulations

CHART 1: Federal Statutes and Regulations

AUTHORITY	PROVISIONS	TYPES OF RECORDS COVERED
Title 5: Government Organization and Employees		
5 USC § 552 (Freedom of Information Act)	<ul style="list-style-type: none"> • (a)(5) “Each agency having more than one member shall maintain and make available . . . a record of the final votes of each member in every agency proceeding” • (e)(1) “. . . each agency shall submit to the Attorney General . . . a report [statistics relating to FOIA requests for the preceding year.]” • (g) “. . . reference material or a guide for requesting records or information from the agency . . .” 	<ul style="list-style-type: none"> • Recorded votes • FOIA request reports and FOIA reports submitted to the DOJ • FOIA Handbook and guidelines
5 USC § 552b (Freedom of Information Act)	<ul style="list-style-type: none"> • (d)(1) Records of votes to close meetings to the public pursuant to 552b(c). • (d)(2) Record of votes on request by an interested party to close meetings to the public pursuant to 552b(c). • (d)(3) Explanation for decisions to close a meeting pursuant to 552b(c) and a list of attendees to the closed meeting. • (f)(1) General Counsel’s certification that closure of a meeting pursuant to 552b(c) is proper WITH a statement of the presiding officer of the meeting setting forth the time and place of the meeting and the persons present. • (f)(2) For availability to the public, a transcript, electronic recording, or minutes of the discussion of any item on the agenda, or of any testimony of any witness that may not be withheld under subsection (c) <i>for a period of at least two years after such meeting, or until one year after the conclusion of any agency proceeding with respect to which the meeting or portion was held, whichever occurs later.</i> • (j) Annual report, including information specified in subsections (1)-(4). 	<ul style="list-style-type: none"> • Votes to close meetings and related documents • General Counsel’s certifications, transcripts, and other records of closed meetings • General Counsel’s certifications • Transcripts and minutes • Annual reports
Title 8: Aliens and Nationality		
8 CFR § 271a.2(b) (Immigration Reform and Control Act, 8 USC § 1101, <i>et seq.</i>)	<ul style="list-style-type: none"> • (2) Form I-9 must be <i>retained for three years after date of hire or one year after individual’s employment is terminated, whichever is later.</i> • (3) Any copies made of supporting documents must be <i>retained with the Form I-9.</i> Employer is not required to copy supporting documents. 	<ul style="list-style-type: none"> • Form I-9 and supporting employment eligibility documents

	Title 26: Internal Revenue	
26 USC § 6501 (General tax assessment rules)	<ul style="list-style-type: none"> • Relevant records should be retained for <i>at least three years after the annual tax return has been filed.</i> 	<ul style="list-style-type: none"> • Tax forms and related documents
26 CFR § 31.6001-1 (Records in general), -2 (FICA), and -5 (Federal withholding)	<ul style="list-style-type: none"> • .6001-1: Generally, copies of tax returns, schedules, and statements, <i>for at least four years after the due date of the tax, or from the date the tax is paid, whichever is later.</i> • .6001-2: For FICA, name, address, account number of employees, total remuneration and dates, wages subject to tax, tips, etc., all relevant documents” <i>for four years</i> as required by 26 CFR § 31.6001-1(e). • .6001-5: For withholding of income tax from regular paychecks, same information as above <i>for four years.</i> 	<ul style="list-style-type: none"> • Tax forms and supporting documents
26 CFR § 31.6001-4 (Federal Unemployment Tax Act, 26 USC § 3301, <i>et seq.</i>)	<ul style="list-style-type: none"> • Records as necessary to establish total remuneration paid to employees for services performed in year and amount subject to tax; contributions to state unemployment fund; information required by employer’s tax return; reason for any discrepancy between total remuneration and amount subject to tax; any other services performed for which employee was paid. 	<ul style="list-style-type: none"> • Payroll records and tax filing documents
	Title 29: Labor	
29 USC § 201, <i>et seq.</i> (Fair Labor Standards Act) and 29 CFR Part 516 (Employer record retention)	<ul style="list-style-type: none"> • FLSA § 211(c): Wages, hours, and other conditions and practices of employment maintained by employer as prescribed by regulation. • CFR Part 516: Generally, payroll records and certificates, agreements, plans, notices, and any sales and purchase records must be <i>retained for three years.</i> Time cards, earning sheets, wage rate tables, order/shipping/billing records, additions and deductions to wages paid must be <i>retained for two years.</i> • Regulation has extensive requirements, see text for details. 	<ul style="list-style-type: none"> • Records pertinent to wage and hour information
29 USC § 1027 (Employee Retirement Income Security Act)	<ul style="list-style-type: none"> • Any employer subject to reporting or disclosure requirement (or exempted or subject to simplified reporting requirement) “shall maintain records on the matters of which disclosure is required which will provide in sufficient detail the necessary basic information and data . . . includ[ing] vouchers, worksheets, receipts, and applicable resolutions, and shall keep such records available for examination <i>for a period of not less than six years after the filing date . . . or . . . the date on which such documents would have been filed</i> but for an exemption or simplified reporting requirement.” 	<ul style="list-style-type: none"> • Documents required for ERISA administration (see 29 CFR 2509-90)

<p>29 CFR § 5.5(a)(3)(i) (Davis-Bacon Act, 40 USC §3141, <i>et seq.</i>)</p>	<ul style="list-style-type: none"> • Applies to contracts to which Federal or District of Columbia government is a party; payroll records containing name, address, job classification, daily/weekly pay rates, hours, deductions and actual pay. <i>Retain for three years after final payment on contract.</i> 	<ul style="list-style-type: none"> • Payroll records
<p>29 CFR § 825.500 (Family Medical Leave Act, 29 USC § 2601, <i>et seq.</i>)</p>	<ul style="list-style-type: none"> • (a) Employers must “make, keep and preserve records pertaining to their obligations under the Act in accordance with the recordkeeping requirements of § 11(c) of the [FLSA] . . .” See above for 11(c) information. • (c) Employers must maintain records including basic payroll and employee data (name, address, hours, wage rate, etc.), dates of FMLA leave, designated as such and not including leave required by state or under non-FMLA employer plan, copies of notices under 29 CFR 825.301(b)-(c), documents describing practices and employee benefits, premium payments, records of disputes relating to FMLA leave, medical certifications and related records created for FMLA. • No specified length of time is listed in statute or regulation. See 29 CFR 516 above for FLSA recordkeeping requirements. 	<ul style="list-style-type: none"> • Records relating to FMLA (specifics are lengthy and complex, see regulation for complete list)
<p>29 CFR § 1602 (Americans with Disabilities Act, 42 USC § 12101, <i>et seq.</i> and Title VII, 42 USC § 2000e, <i>et seq.</i>)</p>	<ul style="list-style-type: none"> • 1620.12: EEOC may impose recordkeeping requirements on individual employers whenever necessary for effective operation of EEO-1 reporting system, or for administration of Title VII or ADA or other law. • 1620.14: “Any personnel or employment record made or kept by an employer . . . shall be preserved by the employer <i>for a period of one year from the date of the making of the record or the personnel action involved, whichever occurs later</i>” except in case of action brought against employer under Title VII or ADA, <i>until final disposition of charge or action.</i> 	<ul style="list-style-type: none"> • (none) • Including but not limited to requests for reasonable accommodation, personnel action records, rates of pay, training records
<p>29 CFR § 1620.32 (Equal Pay Act, 29 USC § 206(d))</p>	<ul style="list-style-type: none"> • (b) All records required by any applicable sections of 29 CFR § 516 <i>and</i> any records created relating to payment of wages, wage rates, job evaluations and descriptions, merit and seniority systems, collective bargaining agreements, anything that describes or explains the basis for wage differences to employees of opposite sex in same establishment, “and which may be pertinent to a determination whether such differential is based on a factor other than sex.” • (c) <i>Retain for at least two years.</i> 	<ul style="list-style-type: none"> • Wage and pay information for employees and any records relating to differences in pay

<p>29 CFR § 1627.3 (Age Discrimination in Employment Act, 29 USC § 621, <i>et seq.</i>)</p>	<ul style="list-style-type: none"> • (a) Records containing employee information: name, address, date of birth, occupation, rate of pay, weekly compensation, <i>for three years.</i> • (b)(1) Job application and other employment inquiries in response to existing or anticipated postings or openings, including any records relating to the non-hiring or refusal to hire; promotion, demotion, transfer, training, layoff, recall, discharge records; orders submitted to labor organizations and employment agencies for recruitment, employment tests and related records; physical exam results; job advertisements, <i>for one year from date of action.</i> • (b)(2) Employee benefit plans (insurance or pension), and seniority or merit systems, or detailed memorandum describing such plan or system, <i>for period of at least one year after termination of plan.</i> 	<ul style="list-style-type: none"> • Employee personnel records and payroll information • Job applications, resumes, hiring and employment action records • Benefit plan documents and merit or seniority systems
<p>29 CFR § 1904 (OSHA, 29 USC § 651, <i>et seq.</i>)</p>	<ul style="list-style-type: none"> • 1904.2: In businesses classified in specific low hazard service industry listed in appendix A of subpart B, employer “must report to OSHA any workplace incident that results in a fatality or the hospitalization of three or more employees.” • 1904.4: “Each employer required . . . to keep records of fatalities, injuries, and illnesses must record each” incident that is work-related, is a new case, and meets the “general recording criteria of § 1904.7.” • 1904.7: An injury or illness meets the general recording criteria if it results in “death, days away from work, restricted work . . . , medical treatment beyond first aid, or loss of consciousness.” • 1904.33: OSHA 300 Log, annual summary, and OSHA 301 Incident Report <i>must be retained for five years after the end of the calendar year of the reports.</i> 	<ul style="list-style-type: none"> • Occupational illness and injury records
Title 42: Public Health and Welfare		
<p>42 USC § 2996g(d) (LSC Act)</p>	<ul style="list-style-type: none"> • Copies of reports of evaluation, inspection or monitoring of grantees, contractors, and/or persons receiving financial assistance <i>for a period of five years subsequent to each evaluation, inspection, or monitoring.</i> 	<ul style="list-style-type: none"> • Evaluation, inspection and monitoring reports
<p>42 USC § 2996h (LSC Act)</p>	<ul style="list-style-type: none"> • (b)(2) Retention of all books, accounts, financial records, reports, files, and other papers or property <i>for three years or longer if GAO so requires.</i> • (c)(1) Financial audit reports to be maintained <i>for at least five years.</i> 	<ul style="list-style-type: none"> • Financial records, account records, books, reports, and other papers and files • Audit reports

CHART 2: District of Columbia Statutes¹

AUTHORITY	PROVISIONS	TYPES OF RECORDS COVERED
	Title 2: Government Administration	
DC Code § 2-1402.52 (Records and reports)	<ul style="list-style-type: none"> (a) Any regularly kept business records <i>must be retained for 6 months from date of creation or from date of action, which is the subject of the record</i>, whichever is longer. All records relevant to charge of discrimination <i>must be retained until final disposition of charge</i>. 	<ul style="list-style-type: none"> All regularly kept business records, including job applications, personnel records, etc. All records relevant to charges of discrimination
	Title 32: Labor	
DC Code § 32-202 (Employment of minors)	<ul style="list-style-type: none"> Lists restrictions on employing minors, including allowable industries and work hours. 	<ul style="list-style-type: none"> Names and timekeeping information for minors
DC Code § 32-207 (Work permits)	<ul style="list-style-type: none"> Employers must keep work permits on file for minor employees. 	<ul style="list-style-type: none"> Work permits for minor employees
DC Code § 32-1008 (Employer duties/open records)	<ul style="list-style-type: none"> Name, address, occupation, rate of pay, pay per period, hours worked by day and week <i>must be retained for three years</i>. 	<ul style="list-style-type: none"> Employee and payroll records
DC Code § 32-1113 (Occupational safety and health recordkeeping)	<ul style="list-style-type: none"> (b) Records relating to work-related injuries, illnesses, and deaths. (c) Employers must follow OSHA rules as required. (d) Exposure to toxic materials and harmful physical agents. 	<ul style="list-style-type: none"> Safety and health records
DC Code § 32-1531 (Workers' comp records)	<ul style="list-style-type: none"> Records of death or injury to employees including information about disease, disability, or death. 	<ul style="list-style-type: none"> Safety and health records
	Title 51: Social Security	
DC Code § 51-117 (Unemployment compensation records)	<ul style="list-style-type: none"> Requires keeping records with respect to all employees for purposes of social security and unemployment compensation as outlined in this title. 	<ul style="list-style-type: none"> Social security and unemployment compensation records

¹ Very few DC statutes discuss records retention. Many provisions are subject to rules that the Mayor or his designee has the option of creating. A search of DC Municipal Regulations and Mayor's Orders has not uncovered any regulations or orders on the statutes listed above.

APPENDIX B
GENERAL SCHEDULE FOR ALL OFFICES

Record Description	Retention Period
Introduction	
<p>A record is any type of information created, received, maintained or transmitted in the transaction of LSC's business, regardless of format. Records are made or received by LSC either to comply with law or to conduct public business. Records are preserved because they contain information of value and document LSC's organization, functions, and activities.</p> <p>Records are created using a variety of tools and technologies, and may exist in many different formats; including paper, microfilm, photographs, and electronic files. Regardless of the format that a record may exist in, all records must be retained according to their content and the purpose for which they are created and used.</p> <p>Retention schedules do not specify in which formats particular records may exist. However, offices must select a particular format to store their official records in and ensure that the official copy of the record is retained in accordance with the retention periods specified in the schedule.</p>	Retention periods are set below by specific office.
Non-Records	
<p>Extra copies of Records retained only for convenience of reference, such as "for your information," tickler and follow-up of correspondence, and extra or identical duplicate copies of Records of the official Record is retained elsewhere. Examples of non-records include, but are not limited to:</p> <p>Publications, forms, and printed documents, including stocks of those that are superseded or outdated. Shorthand notes and recordings that have been transcribed into another format for official retention purposes. Media used for printing or other record reproduction purposes.</p> <p>Letters of transmittal which do not add any information to the transmitted material, and other types of routine correspondence (including email) that do not document significant activities of LSC.</p> <p>Miscellaneous notices or memoranda (including email) which do not relate to the legal and functional responsibilities of LSC. Catalogs, trade journals, and other publications or papers that are received from outside sources and are not essential to the operation of LSC.</p>	Destroy as soon as it has served its intended purpose.

Record Description	Retention Period
Transitory Records	
<p>Transitory records relate to the activities of LSC, but have temporary value and do not need to be retained once their intended purpose has been fulfilled. Examples of transitory records include drafts of letters, memoranda, reports, worksheets.</p> <p>These records are not an integral part of administrative or operational activities, are not required to sustain administrative or operational functions, are not regularly filed in a standard recordkeeping system, are not required to meet statutory obligations, and are recorded only for the time required for the completion of actions.</p>	<p>Destroy as soon as it has served its intended purpose.</p>
Correspondence	
<p>General correspondence may exist in a variety of formats, including, but not limited to, memos, letters, notes, and e-mail.</p>	<p>If <i>non-record</i>, destroy/recycle as soon as it has served its intended purpose.</p> <p>If <i>transitory record</i>, place it in a folder/sub-folder that is designated for periodic review and dispose of as soon as allowable.</p> <p>If <i>Record</i>, place it in appropriate folder by Record type, project, organization, grant, or other filing scheme that works for one's office and allows that office to effectively manage the lifecycle of the Record.</p>

OFFICE OF COMPLIANCE AND ENFORCEMENT

Record Description	Retention Period
Audit Reports	
Annual audit reports from OIG reviewed for compliance with LSC Accounting Guide.	6 years after creation
Complaints	
All complaints docketed, including all correspondence and memos related to same.	6 years after resolution
Compliance Review	
A. Report – Reports on findings, recommendations and corrective actions taken on programs that were monitored and evaluated in accordance to LSC Act.	6 years after creation
B. Report Back-up Files – Individual reports and exhibits supporting participation of staff/consultant in regulatory review of recipient.	6 years after creation
Correspondence	
A. A-50 Follow-up - All correspondence to recipients regarding annual audit reports follow-ups and resolutions.	6 years after closure
B. General Correspondence – All correspondence not related to a particular recipient, such as general inquiries for seeking legal assistance.	1 year after receipt
C. PAI Waivers – All correspondence in process of review and approval of waivers.	6 years after closure
D. Prior Approvals - All correspondence pertaining to requests for, approvals, and denials for purchases of real and personal property with LSC funds.	6 years after closure
E. Technical Assistance Letters - Correspondence to recipients indicating process and findings, based on regulatory compliance and systems, of their request for technical assistance.	6 years after creation

Record Description	Retention Period
Fund Balances	
Waivers of recipients' fund balances submitted for review, approval or denial in compliance with LSC regulations.	Permanent
Reports from Recipients	
A. Case Disclosure Reports (Reg 1644) - Information on recipients' reports on disclosure of cases that are subject to OCE review.	Permanent
B. Program Integrity Reports (Reg 1610) - Recipients' annual report on program integrity subject to OCE review indicating that program is in compliance with LSC regulations and guidelines.	Permanent
C. Restriction on Lobbying and Certain Other Activities (Reg 1612) - Recipients' semi-annual reports with supporting documents on legislative activities with non-LSC funds subject to OCE review.	6 years after creation
D. Reporting on Priorities - Related information on non-priority cases; annual report on priority cases including review, appraisal, timetable, mechanism, and changes.	3 years after creation
Subgrants	
Subgrant agreements that were submitted for review prior to written approval.	6 years after approval

OFFICE OF FINANCIAL & ADMINISTRATIVE SERVICES

Record Description	Retention Period
Accounts Payable/Vendor	
A. Accounting administrative and accountable officers correspondence, reports and data relating to voucher preparation, administrative audit, other accounting and disbursing operations, and basic financial transactions.	5 years after closure
B. Bids – Includes successful bids and proposals, unsuccessful bids and proposals, and cancelled bids and proposals.	6 years after creation
C. General accounting Ledger.	9 years after closure
D. Lease Files – Lease agreement and related documents.	Permanent
E. Purchase Orders/Contracts – Contracts, requisitions, purchase orders, receipts, and payments.	10 years after closure
F. Records on Valuables – Records on checks, cash or any other valuables remitted to LSC by mail.	6 years after creation
G. Telephone records and statements.	6 years after closure
H. Treasury Appropriation Records – Status of obligations and appropriations.	Permanent
I. Vouchers – Payable vouchers and supporting documents for charges of settled fiscal accounts, travel authorization and expense reports, request for payment and fees reports, contracts for monitoring visits and board activities.	9 years after closure
Administrative Services Record	
A. Building and Equipment Service Request – Requests for building and equipment maintenance services, excluding fiscal copies.	12 months after work is performed or requisition is cancelled.

Record Description	Retention Period
B. Corporation Space Records – Records on allocation, use and release of space under LSC including building plans, surveys, and other relevant documents.	2 years after termination of assignment or cancellation of lease or plans are superseded
C. Excess personal property reports.	2 years after creation
D. Insurance and Bond.	
1. Official copies of comprehensive general liability insurance policy for building and its contents, including LSC employees.	3 years after expiration of date of policy
2. Official copies of Directors’ and Officers’ insurance policies that cover certain LSC employees.	3 years after expiration of date of policy
3. Official copies of bond and attached Powers of Attorney covering comptroller.	15 years after end of bond premium period
E. Inventory Files.	
1. Inventory files stored on database.	Until superseded
2. Inventory survey.	2 years after date of survey
F. Inventory Requisition – Stockroom copy of requisitions for supplies and equipment for current inventory.	2 years after completion or cancellation
G. Property Disposal Correspondence – Correspondence on disposal of LSC property.	2 years after destruction of property
H. Space and Maintenance General Correspondence – Correspondence and related documents on space and maintenance in relation to administration and operations.	2 years after termination of lease
I. Stores Invoice – Invoices or equivalent used for stores accounting.	2 years after creation
J. Supply Management – Reports on supply and procurement requirements submitted for supply management purposes.	1 year after audit is completed

Record Description	Retention Period
K. Telecommunications – General correspondence, reports and other documents.	2 years after creation
Audit Files	
Schedules and analyses given to auditors.	8 years after completion
Banking Files	
Reconciliations and notices.	8 years after creation
Budget	
A. Annual Budget – Annual budget submitted to Congress.	Permanent
B. Budget Background Records – Data in preparation of annual budget estimates and justifications, including appropriation language sheets, narrative statements and related schedules; originating offices’ copies of submitted reports to Comptroller.	Permanent
C. Budget Correspondence – Correspondence pertaining to routine administration, internal procedures and other matters.	Permanent
D. Form Files – One record copy of each form created by LSC with related documentation on inception, scope, and purpose of form.	Until superseded
Cash Receipts	
Records of monies received by Corporation.	13 years after creation
Grants – Grantees	
Records of contracts and monies paid out to grantees for grants.	13 years after creation
Journals	
Journal entries (i.e. A/P, A/R)	13 years after creation
Mail & Delivery Service and Reprographics Control	
A. Control Files – Control registers pertaining to requisitions and work orders.	1 year after creation
B. General Files – All correspondence, directives, memos, and guidelines on mailroom administration and operations.	Until superseded or obsolete

Record Description	Retention Period
<p>C. Mailing Lists – All correspondence, request forms, and other records on changes in mailing list.</p> <p>D. Post Office and Private Mail Company Records – All related forms/papers, excluding records held by USPS.</p> <p>1. All incoming and outgoing correspondence including receipts.</p> <p>2. Application for registration and certification of declared value mail.</p> <p>E. Postal Irregularities – All correspondence, reports, and pertinent records on mail irregularities, such as mishandling and destruction of mails, shortage of postage, etc.</p> <p>F. UPS/FED EX Records – All receipts and routing records of incoming and outgoing mails handled by private delivery companies.</p> <p>G. Reprographics Project – Information on job or project including printing, distribution, and requisition of work orders/samples.</p> <p>H. Statistical Reports.</p> <p>1. Mail Volume Reports – Reports and related data on handling mails and volume of work performed.</p> <p>2. Postage Reports – Reports on usage of postage for outgoing mails and fees paid for private deliveries.</p>	<p>Until superseded</p> <p>1 year after creation</p> <p>1 year after creation</p> <p>3 years after closure</p> <p>6 months after creation</p> <p>1 year after completion</p> <p>1 year after creation</p> <p>6 months after creation</p>
Payroll	
<p>A. Leave Record Cards – Vacation, sick, leave and leave of absence request forms, pay or fiscal copies, and other copies.</p>	<p>8 years after creation</p>

Record Description	Retention Period
<p>B. Individual Accounts.</p> <p>1. Allotment: Reports including copies of vouchers and insurance payment deduction schedules, Thrift Retirement Program allotment authorization, comprehensive vendor bill.</p> <p>2. Levy and garnishment: Official notice of levy or garnishment including pertinent letters and forms, records of charges against retirement funds or salary attachment for payment of back income taxes & debts of LSC employees.</p> <p>C. Notification of Personnel Action – Pay or fiscal copy of personnel action notices.</p> <p>D. Payroll Control Registers</p> <p>E. Time & Attendance Reports – Payroll preparation and processing copies.</p>	<p>8 years after creation</p> <p>8 years after garnishment has ended</p> <p>8 years after creation</p> <p>8 years after creation</p> <p>Maintained by payroll servicer</p>
Taxes	
<p>A. IRS 941 Form</p> <p>B. IRS 990 – Annual return</p>	<p>4 years after due date</p> <p>Permanent</p>

OFFICE OF GOVERNMENTAL RELATIONS AND PUBLIC AFFAIRS

Record Description	Retention Period
Communications	
A. LSC Updates	20 years after creation
B. Press Releases.	5 years after creation
C. Speeches.	5 years after creation
Congressional Hearings & Reports	
A. Special Reports.	Permanent
B. Testimony Files – All copies given to GRPA.	Permanent
C. Testimony submitted to Congress.	Permanent
Correspondence	
A. Members of Congress and Administration.	
1. Letters from MOC and Administration.	Permanent
2. Letters/Inquiry Responses to MOC and Administration.	Permanent
B. Public Requesting Assistance.	
1. Letters or emails from public.	1 year after response
2. White House referrals from public.	1 year after response
LSC Annual Budget Request	
Annual budget request sent to White House	Permanent

OFFICE OF HUMAN RESOURCES

Record Description	Retention Period
Discrimination Complaints	
Discrimination complaints are complaints of unfair treatment or harassment based on a protected status. The record includes the complaint, investigation, and resolution letter. For confidentiality purposes, file is maintained separate from personnel files.	6 years after closure.
Employee Benefit Files	
A. Federal Benefits – Civil Service Retirement System (CSRS) and CSRS Offset employees.	Retain until employee retires or reaches federal retirement age plus 1 year
B. Private Plans	4 years after separation from LSC
Employee Counseling Files	
Reports of interviews, analyses, and other related records.	3 years after separation from LSC
General Personnel Management Policies	
A. Employee Handbook	Until superseded
B. HR Operating Procedures	Until superseded
Government Employment Forms	
A. EEO-1 Annual Report – Requires filing of annual EEO-1 Report for Employers with 100+ employees.	1 year after creation
B. Form 5500 Annual Reports; Summary Plan Description – According to Employee Retirement Income Security Act (ERISA) maintain, disclose to participants and report to Dep’t of Labor, IRS, and Pension Benefit Guaranty Corp. certain reports, documents, information, and materials. ERISA’s reporting requirements apply to all pension and welfare plans.	Permanent
C. INS Form I-9 – Employee Eligibility Verification signed by each new hire and LSC	3 years after date of hire or 1 year after date of termination, whichever is later
Grievances	
Grievances are labor-related complaints filed by employees.	
A. Complaints – Maintain in personnel file	Retain until employee retires or reaches age of 70

Record Description	Retention Period
B. Investigation – Maintain in file separate from personnel file.	4 years after investigation is completed
C. Resolution letter – Maintain in personnel file	Retain until employee retires or reaches age of 70
Occupational Injury and Illness Files	
Forms, reports, correspondence, and related medical and investigatory records related to on-the-job injuries, whether or not claim for Worker’s Compensation is made.	3 years after termination of compensation or when filing deadline has passed
Personnel Files	
A. Records of LSC Personnel under CSRS & CSRS Offset Employees who hold or held full- or part-time salaried positions.	Retain until employee retires or reaches federal retirement age plus 1 year
B. Records of LSC non-CSRS Personnel.	4 years after separation from LSC or, if charge or lawsuit is filed, after final disposition
Position Descriptions and Announcements	
A. Records that describe, classify, or announce LSC job positions.	2 years after posting closes
B. Resumes and interview records	
1. Unsuccessful job candidates.	2 years after position is filled
2. Successful job candidates	4 years after separation from LSC
Temporary Employee/Consultant Files	
Records concerning LSC personnel contracted on a full- or part-time basis.	4 years after separation from LSC

OFFICE OF DATA GOVERNANCE AND ANALYSIS

Record Description	Retention Period
Board Composition Waiver	
Waiver letter and documentation where grantees request exception to requirements of 45 C.F.R. § 1607 regarding composition of their governing board's membership.	Permanent
Census Data	
Poverty Population Figures by County and Grantee Service Area based on U.S. Census Bureau data	6 years after operational use
Grant Activity Report (GAR)	
Year-end self-reporting by grantees about cases services, staffing, etc.	10 years after creation
Grantee By-laws	
Corporate by-laws of LSC-funded grantees.	1 year after grantee ceases to receive LSC funding or until superseded
Grantee Case Disclosures	
Forms listing all court cases in which grantee initiated litigation. Submitted twice a year.	Permanent
Grantee Funding Allocation	
Annual grantee funding allocations by grantee and by service area and calculations and back-up materials supporting funding allocations.	Permanent
Grantee Mergers	
Merger agreements for each instance in which grantee is involved in merger with another grantee.	6 years after creation
Grantee Refunding Applications	
Applications for renewal of grants made by current grantees up to 1996.	Permanent
Program Letters	
Issuances sent to all grantees providing guidance and/or information.	Permanent
Self-Inspection Certifications	
Required annual reports of sample of cases reported to LSC by each grantee and signed certification that sampling of cases was done according to LSC instructions.	10 years after creation

OFFICE OF INFORMATION TECHNOLOGY

Record Description	Retention Period
Donated/Disposed Equipment Documents	
Used to track final status of obsolete equipment.	Until obsolete
Long-Distance PIN Number List	
Used to provide staff personal ID numbers for use of long-distance services.	Until obsolete
OIT Budget and financial worksheets	
	Permanent
OIT Procedures Documentation	
Policies and procedures regarding use and maintenance of software and systems.	Until obsolete
Presentations	
Employee training material	10 years after presentation
Projects by Outside Vendors	
1. Contracts	After completion (Retained by OFAS)
2. RFPs and responses	10 years after completion
3. Vendor information	3 years after completion
4. Vendor invoices	3 years after completion (Retained by OFAS)
Project plans and task lists	
	10 years from creation
Technical Documentation	
Networking and system specifications and drawings, software, hardware, security documentation.	Until obsolete
Technology Equipment Sign-Out Log	
Sign-out sheet completed by staff when checking out LSC technology equipment.	3 years after creation
Timekeeping	
Timekeeping for project planning purposes.	3 years after creation

OFFICE OF LEGAL AFFAIRS

Record Description	Retention Period
Attorney Assignments	
A. Assignment Files – Files documenting attorney assignments, including, research and background materials, and opinions generated.	10 years after closure
B. Assignment Logs - Listings of assignment numbers, dates, closing dates, responsible attorney, and summary issue.	10 years after closure
Civil Asset Forfeiture Cases	
Files relating to identifying counsel that will accept court assignments in civil asset forfeiture cases.	3 years after closure of case
FOIA	
A. Background, Search, & Responsive Documents.	2 years after final response unless response denies access to all or part of the records requested and then retention period is 6 years after denial or partial denial.
B. Correspondence & Released Documents	2 years after final response unless correspondence denies access to all or part of the records requested and then retention period is 6 years after denial or partial denial.
C. FOIA Requester Handbook – User instructions relating to FOIA and filing FOIA requests with LSC.	Until superseded
D. Reports to DOJ	
1. Annual reports – Contains detailed stats on numbers of requests received and processed, time taken to respond, and outcome.	Permanent
2. Chief FOIA Officer Reports – Contains detailed description of steps taken to improve FOIA compliance and transparency.	Permanent
3. Quarterly reports	
E. Request Files – Log of FOIA requests received.	2 years after final response
F. Staff FOIA Training Materials	Until superseded

Record Description	Retention Period
FOIA Appeals	
A. Background.	6 years after final response
B. Correspondence and released information.	6 years after final response
Incoming Correspondence Log	
Record of all incoming postal mail.	3 years after creation
Intellectual Property	
Records subject to intellectual property protection in their final form, such as trademarks, copyrights, and patents. This includes intellectual property owned by LSC or owned by third parties for which LSC has been granted a license to use.	7 years after expiration of legal protection of intellectual property
Litigation Files involving Grantees	
Case files of litigation carried on by grantees acquired by OLA.	4 years after final disposition
Litigation Files involving LSC	
<p>Documents pertaining to litigation involving LSC, except suspension, termination, or denial of funding cases.</p> <p>A. Administrative Litigation.</p> <ol style="list-style-type: none"> 1. Decisions, pleadings, and documents that support final judgment/disposition. 2. Depositions, exhibits, transcripts. <p>B. Judicial Litigation.</p> <ol style="list-style-type: none"> 1. Decisions, pleadings, and documents that support final judgment/disposition. 2. Deposition, exhibits, transcripts. 	<p>Permanent</p> <p>6 years after final disposition</p> <p>Permanent</p> <p>6 years after final disposition</p>
LSC GIVES Files	
Files relating to LSC GIVES individual and collective projects.	5 years after completion

Record Description	Retention Period
Opinions	
A. External opinions - Public OLA opinions interpreting the LSC Act, other applicable law, and LSC regulations.	Permanent
B. Internal opinions – Privileged and confidential OLA opinions for internal use only interpreting LSC Act, regulations, and other applicable law, or which concern advice regarding corporate and other legal matters involving LSC.	Permanent
C. Opinion Indices – Summary listings of OLA External and Internal Opinions.	Permanent
Records Destruction Confirmation Form	
Form that authorizes destruction of LSC records that have exceeded their retention periods and are no longer required to be retained.	Permanent
Regulations	
Official CFR and Federal Register notices or proposed and final rules.	Permanent
Rulemaking Files	
Proposed rules, public comments, and other background materials related to rulemaking proceedings.	15 years after conclusion of rulemaking
SAR-LSC Management Response	
	Permanent
Suspension/Termination/Denial of Funding Files	
Case files concerning grantees subject to suspension, termination, or denial of funding proceedings.	15 years after closure
Veteran’s Consortium Files	
Files relating to legal issues only concerning LSC participation in Veteran’s Consortium.	6 years after closure

OFFICE OF PROGRAM PERFORMANCE

Record Description	Retention Period
Basic Field Grants	
<i>Competition Files</i>	
<p>A. Capability Assessment Visit.</p> <ol style="list-style-type: none"> 1. Visit Plan – Includes schedules, list of interviewees, list of required documents for review and list of program areas that will be assessed. 2. Visit Reports – Provides description of program’s systems and practices, analysis of program’s strength, potential weaknesses, and capacities. <p>B. Competitive Grants.</p> <ol style="list-style-type: none"> 1. Applicant Information Sessions – Agendas, PowerPoint presentations, attendee listings and questions, webinar recordings. 2. Applications – Notices of Intent to apply for funding, grant application narratives, program descriptions, program budgets, forms, supplemental information. 3. Evaluations – Internal staff evaluation of competitive grant applications. 4. Internal Staff Funding Recommendations – Based on evaluation of competitive grant application. 5. LSC President Funding Decisions – Competitive grant funding term decisions from President. 6. Outside review of evaluations 	<p>7 years after creation</p> <p>7 years after creation</p> <p>5 years after awarding grant</p> <p>7 years after awarding grant</p> <p>7 years after awarding grant</p> <p>7 years after awarding grant</p> <p>7 years after awarding grant</p> <p>7 years after awarding grant</p>

Record Description	Retention Period
<p>C. Grant Award Documents – Award letters, acceptances and forms, revised and final budgets, grant assurances, special grant conditions, and funding term riders.</p> <p>D. Request for Proposals (RFP) – Announces availability of competitive grant funding, requests grant applications, includes application for funding, defines selection criteria, and provides applicant with resource materials.</p> <p>E. 1996 Competition Notebook – Chronology of LSC competitive grant procedures, publications, advertisements, action plans, notifications, and grant application review guides.</p>	<p>7 years after grant expires</p> <p>7 years after awarding of grant</p> <p>Permanent</p>
<i>Program Quality</i>	
<p>A. Annual Listing of Proposed Program Visits – List and schedule of proposed program visits.</p> <p>B. Merger and Close-out - Documents – Correspondence between LSC and grantees regarding mergers and close-outs, successor-in-interest agreements, asset transfers, and agreements governing transfers of real property.</p> <p>C. Program Review.</p> <p>1. Guide – Internal reference tool for staff and consultants in preparing for and conducting on-site program reviews, drafting reports, and making recommendations for improvements based on reviews.</p> <p>2. Planning Documents for On-Site Reviews – Schedules, list of required documents for review, list of interviewees, and list of program activities to be reviewed by LSC while on-site.</p>	<p>7 years after creation</p> <p>Permanent</p> <p>2 years after superseded</p> <p>7 years after review</p>

Record Description	Retention Period
3. Reports – Description of program’s systems and practices, analysis of program’s strengths, potential weaknesses, and capacities, suggestions for improvements.	7 years after creation
Legal Resource Initiative (LRI)	
A. Website Content	Until superseded
B. Website Content Selection – Supporting material on website content selection, including internal communications and communications with content providers.	5 years after content is selected
External Correspondence	
A. General Correspondence – All correspondence not related to a particular recipient, such as general inquiries for seeking legal assistance.	1 year after receipt
B. Mail log.	3 years after creation
Loan Repayment Assistance Plan (LRAP)	
A. Applications and supporting loan documents.	5 years after participants are selected
B. Check copies, cancellation of loan letters (forgiveness).	Retained by OFAS
C. Loan Award letters.	5 years after participants are selected
D. Other documents – ED certification forms, promissory notes, loan default correspondence, application instructions, change of name/address forms, applicant and participant correspondence.	5 years after participants leave program
Pro Bono Innovation Fund (PBIF)	
A. Correspondence to Grantees & Applicants - Regarding program funding, policy and operations.	7 years after creation
B. Grant Applications – Letters of intent to apply for funding, grant application narratives, project descriptions, project budgets, forms, supplemental information.	7 years after awarding grant

Record Description	Retention Period
C. Grant Award Documents – Award letters, acceptances and forms, payment schedules, revised and final project budgets, grant assurances.	7 years after grant expires
D. Grantee Meetings and Presentations - Agendas, PowerPoint presentations, attendee listings and questions, webinar recordings.	5 years after presentation
E. Notices and Application Instructions – Notice of Funding Availability, Instructions for Letter of Intent to Apply for Funding, Application Instructions.	7 years after awarding grant
F. Presentations Outside LSC – Agendas, PowerPoint presentations, attendee listings and questions, and webinar recordings.	5 years after presentation
G. Visit Reports – Description of project’s systems and practices, analysis of project’s strengths, potential weaknesses, and capacities, suggestions for improvement.	7 years after creation
Technology Initiative Grants (TIG)	
A. Correspondence to Grantees & Applicants – Regarding program funding, policy and operations.	7 years after creation
B. Grant Applications – Letters of Intent to apply for funding, grant application narratives, project descriptions, project budgets, forms, supplemental information.	7 years after awarding grant
C. Grant Award Documents – Award letters, acceptances and forms, payment schedules, revised and final project budgets, grant assurances.	7 years after grant expires
D. Grant Payment – Payment memos, requests, and supporting documents.	7 years after awarding grant
E. Presentations Outside of LSC – Agendas, PowerPoint presentations, attendee listings and questions, webinar recordings.	5 years after presentation

Record Description	Retention Period
<p>F. Technology Conference – Agendas, PowerPoint presentations, attendee listings, materials, handouts, and evaluations.</p>	<p>5 years after conference</p>
<p>H. Visit Reports – Description of project’s systems and practices, analysis of project’s strengths, potential weaknesses, and capacities, suggestions for improvements.</p>	<p>7 years after creation</p>
Veterans Pro Bono Program	
<p>A. Annual audit reports submitted to OIG, reviewed for compliance with LSC Accounting Guide.</p>	<p>7 years after creation</p>
<p>B. Consortium Budget Request to Congress</p>	<p>5 years after request is made</p>
<p>C. Correspondence</p>	
<p>1. Grantee – Regarding program policy, funding, and operations.</p>	<p>3 years after creation or receipt</p>
<p>2. U.S. Court of Appeals for Veterans Claims</p>	<p>3 years after creation or receipt</p>
<p>D. Grant Applications</p>	
<p>1. Competitive Grant Applications – Letters of Intent to apply for funding, grant application narratives, project descriptions, project budgets, forms, supplemental information.</p>	<p>7 years after awarding grant</p>
<p>2. Evaluations – Internal staff evaluations and recommendations of competitive grant applications and renewal applications.</p>	<p>7 years after awarding grant</p>
<p>3. Grant Renewal Applications.</p>	<p>7 years after awarding grant</p>
<p>4. Request for Proposals (RFP) – Announces availability of competitive grant funding, requests grant applications, identifies topic to discuss in grant application, defines selection criteria, and provides applicant with resource materials.</p>	<p>7 years after awarding grant</p>

Record Description	Retention Period
E. Grant Award – Award letters, acceptances and forms, payment schedules, revised and final project budgets, grant assurances.	7 years after awarding grant
F. Grantee Records – Board meeting agenda, Board meeting minutes, Executive Director Report to Board, financial reports, and program component reports.	5 years after creation
G. Memorandum of Understanding or similar agreements between LSC and U.S. Court of Appeals for Veterans Claims	7 years after executed or until superseded
H. Program Quality Visits – Provides description of program’s systems and practices; analysis of programs’ strengths, potential weaknesses, and capacities; and suggestions for improvement.	7 years after visit, or retain most recent if not produced within preceding 5 years
I. Veterans Consortium Pro Bono Program Publications – Analysis and Discussion of Court; Annual Reports; Vets Benefits Manual; Federal Veterans Laws, Rules, and Regulations.	2 years after creation or until superseded

OFFICE OF CORPORATE SECRETARY

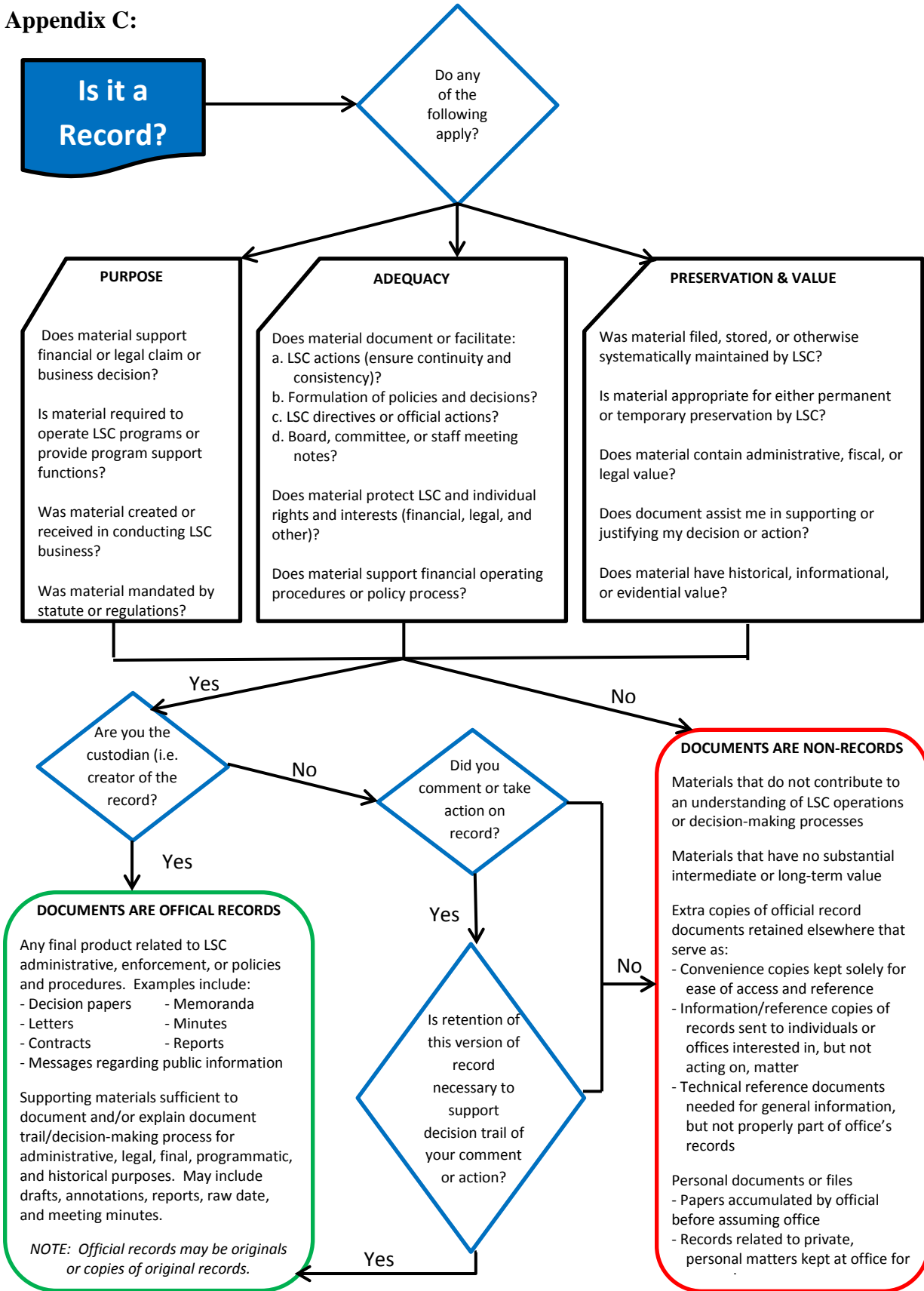
Record Description	Retention Period
Board Meetings	
A. Board and Committee Meeting Material - All materials sent to Board and committees, including Board Books (materials specifically compiled in preparation for Board and Committee meetings and briefings as well as other correspondence and materials.	Permanent
B. General Counsel’s Certification – Certification of closed session meetings consistent with the Sunshine Act.	Permanent
C. Meeting Notices – Official notices published in Federal Register.	Permanent
D. Minutes – Official minutes of Board and Committee meetings signed by Secretary.	Permanent
E. Notational Votes – Board members’ notational votes collected by Secretary.	Permanent
F. Official Transcripts of Meetings – Transcripts of Board or Committee meetings.	Permanent
G. Resolutions – Official copies of resolutions of Board signed by Board Chair and Secretary.	Permanent
H. Video Recordings of Non-board meeting events – Recordings of panel discussions and workshops that coincide with board meetings	5 years after creation
Board Nomination and Confirmation	
A. Board Orientation Materials- Orientation and briefing materials compiled for new, incoming Directors upon nomination and confirmation.	Until superseded
B. Confidential Financial Disclosure Reports – OGE Form 450 research, forms, No Conflicts letters, and other related documents.	10 years after creation

Record Description	Retention Period
Disclosures by Board Members	
Quarterly report of volunteer hours Board Members and Non-board Members contribute to LSC activities	4 years after separation from LSC

EXECUTIVE OFFICES

Record Description	Retention Period
OFFICE OF DEVELOPMENT	
Donor Pledges	
A. Checks received	5 years after receipt
B. Payment receipts	5 years after sent to donor
C. Pledge form	5 years after pledge is paid in full
Financial Records	
A. Form 990	5 years after creations
B. Other financial reports	5 years after creation
Grants	
A. Contracts with grantors	5 years after grant is fully paid out
B. Proposals	5 years after creation
C. Reports	5 years after creation
D. Supplemental materials	5 years after creation
Institutional Advancement Committee	
Meeting minutes	5 years after meeting
List of board-approved prospects	
	5 years after creation
OFFICE OF GRANT MANAGEMENT	
Original source documents for Board Book	
Documents stored as part of the Board Meeting Material.	Retained by Corporate Secretary
Other original source documents	
Office originates very few documents. Those created are generally one-offs that cannot be anticipated too far in advance.	Each document not retained by other office must be considered individually to determine reasonable retention period.
OFFICE OF THE PRESIDENT	
Committee and Conference Files	
Materials and documents associated with special committees and/or conferences convened by President.	5 years after conference
Correspondence	
Incoming mail for President and Vice Presidents related to the business of LSC.	6 years after creation
Schedule of Daily Activities	
Daily activities of President.	1 year after end of term

Appendix C:



Appendix D: Records Destruction Confirmation Form

To: [INSERT RECORDS MGMT OFFICER'S NAME]
 Records Management Officer/General Counsel

From: [STAFF MEMBER NAME/TITLE]

Date: [DATE]

Authorization is requested for disposal of the following Records in accordance with the LSC Records Management Policy. I certify that the Records listed below have exceeded their respective retention periods and are not required to be retained as part of a Litigation Hold or other special situation.

Record Title/Format	Inclusive Dates	Retention Period
1.		
2.		
3.		
4.		
5.		

The Records listed above are scheduled to be destroyed [INSERT 30 DAYS FROM DATE OF FORM]. If you have no objection, please indicate your approval for destruction as scheduled. If you object to the destruction of any or all of the Records listed, please indicate which Records you object to and suggest a specific additional retention period along with an explanation as to why the scheduled destruction is not appropriate.

- Documents have been reviewed and **are approved** for destruction.
- Documents have been reviewed and **are not approved** for destruction.

Additional Retention Period and Explanation: _____

 Records Management Officer/General Counsel

 Date

To be completed after records are destroyed.

I certify that the listed items were destroyed on _____ according to LSC Records Management Policy.

 Employee performing destruction

 Date

Audit Committee

Agenda

AUDIT COMMITTEE

October 4, 2015

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting of July 16, 2015 meeting
3. Committee review of charter responsibilities and development of work plan
4. Briefing by Office of Inspector General
 - Jeffrey Schanz, Inspector General
5. Management update regarding risk management
 - Ron Flagg, Vice President of Legal Affairs
6. Briefing about follow-up by Office of Compliance and Enforcement from referrals by the Office of Inspector General regarding audit reports and annual Independent Public audits of grantees
 - Lora Rath, Director, Compliance and Enforcement
 - John Seeba, Assistant Inspector General for Audits
7. Public comment
8. Consider and act on other business

CLOSED SESSION

9. Approval of minutes of the Committee's Closed Session meeting on July 16, 2015
10. Briefing by Office Compliance and Enforcement on active enforcement matter(s) and follow-up to open investigation referrals from the Office of Inspector General
 - Lora Rath, Director, Compliance and Enforcement
11. Consider and act on adjournment of meeting

**Draft Minutes of the July 16, 2015
Open Session Meeting**

**Legal Services Corporation
Meeting of the Audit Committee**

Open Session

Thursday, July 16, 2015

DRAFT

Chairman Victor B. Maddox convened an open session meeting of the Legal Services Corporation's ("LSC") Audit Committee ("the Committee") at 3:16 p.m. on Thursday, July 16, 2015. The meeting was held at the Radisson Blu Minneapolis Hotel, 35 South 7th Street, Minneapolis, Minnesota 55402.

The following Committee members were in attendance:

Victor B. Maddox, Chairman
Gloria Valencia-Weber
David Hoffman, Non-Director Member Paul Snyder, Non-Director Member (by telephone)
John G. Levi, *ex officio*

Other Board members present:

Robert J. Grey, Jr.
Charles N. W. Keckler
Father Pius Pietrzyk, O.P.
Laurie Mikva
Martha L. Minow
Julie A. Reiskin

Also in attendance were:

James Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Lynn Jennings	Vice President for Grants Management
Patrick Malloy	Special Assistant to the President and Vice President of Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel & Corporate Secretary
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs
David L. Richardson	Treasurer and Comptroller, Office of Financial and Administrative Services
Wendy Rhein	Chief Development Officer
Jeffrey E. Schanz	Inspector General

David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
Daniel O'Rourke	Assistant Inspector General for Investigations, Office of the Inspector General (OIG)
Tom Hester	Associate Counsel to the Inspector General, Office of the Inspector General (OIG)
Bernie Brady	Legal Services Corporation Travel Coordinator
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Janet LaBella	Director, Office of Program Performance (OPP)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Allan J. Tanenbaum	Non-Director Member, Finance Committee
Robert Henley	Non-Director Member, Finance Committee
Herbert Garten	Non-Director Member, Institutional Advancement Committee
Frank Strickland	Non-Director Member, Institutional Advancement Committee
Jessie Nicholson	Executive Director, Southern Minnesota Regional Legal Services
Jean Lastine	Executive Director, Central Minnesota Legal Services
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Robin C. Murphy	National Legal Aid and Defender Association (NLADA)
Don Saunders	National Legal Aid and Defender Association (NLADA)

The following summarizes actions taken by and presentations made to the Committee:

Committee Chairman Maddox called the meeting to order.

MOTION

Mr. Levi moved to approve the agenda. Professor Valencia-Weber seconded the motion.

VOTE

The motion was approved by voice vote.

MOTION

Mr. Hoffman moved to approve the minutes of the Committee's meeting of April 13, 2015. Professor Valencia-Weber seconded the motion.

VOTE

The motion passed by voice vote.

Chairman Maddox and the Committee members reviewed and discuss ways to better implement the Audit Committee charter.

Mr. Schanz briefed the Committee on the OIG's internal control reports which now comes with a synopsis, and is distributed to each grantee board chair. He also discussed OIG's annual work plan, strategic plan and updated internet. Mr. Schanz answered Committee members' questions.

Mr. Flagg briefed the Committee on the LSC Risk Management matrix.

Ms. Rath provided a briefing on OCE's follow-up of referrals from the OIG regarding audit reports and the annual independent public accountants' audits of grantees. Ms. Rath and Mr. Schanz answered Committee members' questions.

Committee Chairman Maddox invited public comment and received none.

MOTION

Mr. Hoffman moved to adjourn meeting. Professor Valencia-Weber seconded the motion.

VOTE

The motion passed by voice vote.

The Committee moved into close session at 4:25 p.m.

Audit Committee Charter

**CHARTER OF THE AUDIT
COMMITTEE OF
LEGAL SERVICES CORPORATION
As Amended October 1, 2012**

I. Establishment

On March 24, 2008, the Board of Directors ("Board") of the Legal Services Corporation ("LSC" or "Corporation") established, as a standing Board advisory committee, to be known as the Audit Committee (the "Committee").

II. Purposes

The purpose of the Committee shall be: (1) to perform the functions delineated below as a means of assessing the matters addressed herein and advising the Board in fulfilling the Board's responsibilities to ensure that the Corporation's assets are properly safeguarded and to oversee the quality and integrity of the Corporation's accounting, auditing, and reporting practices and, when warranted, report on such practices to the Board; and (2) to perform such other duties as assigned by the Board.

III. Membership

The Board or, upon delegation, the Chairman of the Board ("Chairman") shall appoint at least three Directors other than the Chairman to serve on the Committee. The Board or, upon delegation, the Chairman shall appoint the Chair of the Audit Committee from among these Directors. The Board or, upon delegation, the Chairman, may appoint non-Directors as members of the Committee. A majority of the Director members of the Committee (or two, if their number is even) will be required in order to constitute a quorum. No member of the Committee may be an officer or employee of the Corporation. To the extent practicable, members of the Committee should have at least a basic understanding of finance and accounting, be able to read and understand fundamental financial statements, and understand the Corporation's financial operations and reporting requirements.

IV. Terms

Members of the Committee shall serve for a term of one year, or until their earlier resignation, replacement or removal from the Committee or Board.

V. Meetings

The Committee:

- (1) shall meet at least four times per calendar year, but may meet more frequently at the call of any member of the Committee; and
- (2) may adopt procedural rules that are not inconsistent with this Charter, the Corporation's Bylaws, or the laws to which the Corporation is subject.

VI. Resources

All offices, divisions and components of the Corporation ("Management"), including the Office of Inspector General ("OIG") are expected to cooperate with all requests made by the Committee for information, and Management shall provide any necessary support. The Committee shall be given the resources necessary to carry out its responsibilities.

VII. Authority

The Committee:

- (1) shall, unless otherwise directed by the Board, annually review and discuss with the Inspector General (IG) the selection and retention of the external auditor (External Auditor) by the IG, and shall provide the Board with its assessment of the qualifications and independence of the External Auditor selected and retained by the IG;
- (2) shall have unrestricted access to the Corporation's books, records, facilities, personnel, and External Auditor(s), except with regard to confidential information in the possession of the OIG that it is prohibited by law from sharing with the Board;
- (3) is authorized to carry out the functions described in this Charter, as well as any other activities reasonably related to the Committee's purposes or as may be directed by the Board from time to time;
- (4) may delegate authority to one or more designated members of the Committee;
- (5) may rely on the expertise and knowledge of Management, the OIG, External Auditor(s), and such consultants and experts that the Board approves for carrying out its oversight responsibilities;
- (6) may authorize to be conducted, or itself conduct, reviews into any matters within the scope of its responsibilities; and
- (7) may request that the Board require any person, including the External

Auditor or any officer or employee of the Corporation, to attend Committee meetings or to meet with any member(s) of or advisor(s) to the Committee.

VIII. Duties and Responsibilities

A. Audits and Audit Related Matters

To best understand audits and audit related matters in order to report to and properly advise the Board, the Committee shall:

- (1) review and discuss with Management, the OIG, and the Corporation's External Auditor(s) the contemplated scope and plan for LSC's required annual audit;
- (2) review and discuss with the External Auditor(s), the OIG, and Management the annual audit report and results of the External Auditor's year-end audit, including any problems or difficulties encountered by the External Auditor(s); any response by Management or the OIG to any audit findings, any areas of significant disagreement between Management, the OIG, and the External Auditor(s); and any recommendations of the External Auditor(s);
- (3) review and discuss with the OIG its audit responsibilities and performance; its audit plan for the Corporation and the risk assessment that drives its audit plan; and the effectiveness of its audit plan and activities; and may suggest to the OIG the performance of any audits that would assist the Committee or the Board of Directors;
- (4) review and discuss with the OIG all significant matters relative to audits performed by the OIG, including any problems the OIG encountered while performing their audits, and thus better understand LSC's control environment;
- (5) review and discuss with Management and the Board the Corporation's response to and, where appropriate, timely implementation of, significant findings and recommendations made by the OIG and External Auditor(s); and
- (6) review and discuss with Management any internal audit or review activities, including its audit or review plan, its audit or review reports, and the performance of those portions of Management that perform audits or reviews.

B. Financial Reporting:

To best understand financial reporting at LSC in order to report to and properly

advise the Board, the Committee shall:

- (1) review Management representation letters or certifications and the LSC Finance Committee chairperson's letters or certifications regarding the contents, accuracy, or completeness of financial reports, as appropriate;
- (2) review all issues identified and brought to the Committee's attention by Management, the OIG, the GAO or the External Auditor that may have a material effect on the Corporation's financial statements; and
- (3) review any significant deficiencies in internal control over financial reporting identified by Management, the OIG, or the External Auditor(s) and ensure that corrective action is taken by Management.

C Risk Management

To best understand risk management issues at LSC in order to report to and properly advise the Board, the Committee shall:

- (1) review LSC's system of internal controls that are designed to minimize the risk of fraud, theft, corruption, or misuse of funds and, for such purpose, is authorized to receive information:
 - a. from Management about whether internal controls performed by Management are operating properly,
 - b. from OIG about whether its investigations function, audit function, and compliance function are operating properly, and
 - c. from Management and OIG about whether there is proper coordination and communication between them regarding their respective operations designed to minimize the risk of fraud, theft, corruption, or misuse of funds;
- (2) ensure that its review of the OIG's investigations *function* occurs in a manner that does not compromise the OIG's independence or the confidentiality of its investigations;
- (3) consult with the Inspector General as to an appropriate approach regarding communications and meetings between the Committee and the OIG;
- (4) review any concerns expressed regarding any impediments to the independence of the OIG, and report to the Board on any such concerns;
- (5) itself verify and then confirm for the Board that there is a proper

confidential mechanism in place for individuals to make complaints, anonymously if desired, regarding suspected fraud, theft, corruption, or misuse of funds, or problems involving internal controls, auditing, or accounting, and that there are proper procedures in place for the receipt, retention, and handling of such complaints; and

- (6) review LSC's efforts, including training and education, to help ensure that LSC employees and grantees act ethically and safeguard LSC funds.

D. Other Duties and Responsibilities

The Committee shall:

- (1) report to the Board at least four times per calendar year and on such other occasions as requested to do so by the Board;
- (2) periodically assess the Committee's performance under the Charter, reassess the adequacy of the Charter, and report to the Board the results of the evaluation and any recommendations for proposed changes to the Charter; and
- (3) perform such other duties, consistent with this Charter, as are assigned to the Committee by the Board.

IX. Overall Limitations

- (1) Nothing contained in this Charter is intended to expand the applicable standards of liability under statutory or regulatory requirements for the Board or its Directors.
- (2) Members of the Committee are entitled to rely on the expertise, knowledge, and judgment of Management, the Inspector General, and the External Auditor(s) and any consultant or expert retained by them. The Committee's responsibilities are not to be interpreted as a substitute for the professional obligations of others.
- (3) It is not the duty of the Committee to conduct audits or to determine that the Corporation's financial statements are in accordance with generally accepted accounting principles, generally accepted government auditing standards (the "Yellow Book") and other applicable rules, regulations, guidelines and instructions. These are the responsibilities of the OIG, the External Auditor(s) and Management.
- (4) Nothing contained in this Charter shall be construed as limiting the authority of the Inspector General under the Inspector General Act or is intended to restrict the authority of the Inspector General to conduct, supervise, and coordinate audits and investigations relating to

the programs and operations of the Corporation.

- (5) The Committee is an advisory committee, as defined at D.C. Code § 29-406.25(h), and nothing contained in this Charter shall be construed as authorizing the Committee to exercise the powers of the Board of Directors.

Risk Management Matrix

RISK TO LSC RESOURCES – PEOPLE							
Risks			Strategies	Who is responsible?		Last report to Board¹	Next report to Board
	Probability	Severity		Management	Board		
Board Leadership and Governance - Potential for problems	L	H	<ul style="list-style-type: none"> • Good information flow from management (including legal, financial, programmatic information) and from the OIG and outside auditors • Training of board • Orientation of new board • Evaluations/self-assessments • Sufficient staff support • Staying abreast of best board governance practices • Staying abreast of stakeholder and client concerns • Periodic review of governing documents to assure compliance and relevancy 		Board, Chairman, Gov. & Performance Review Com.	4/15 (Compilation of authorities applicable to Board)	10/15
- Board Transitions	M	M	<ul style="list-style-type: none"> • Board transition plan • Board orientation 	Secretary	Board, Chairman, Gov. & Performance Review Com.		10/15

¹ Tracking of risk management reports to the Board began with the Board meeting in 2013, and thus no dates before that year are recorded in this matrix.

RISK TO LSC RESOURCES – PEOPLE							
Risks			Strategies	Who is responsible?		Last report to Board¹	Next report to Board
	Probability	Severity		Management	Board		
Management Leadership Transitions - President	H	M	<ul style="list-style-type: none"> • Presidential transition plan 	President	Gov. & Performance Review Com	1/15	
- Other senior leadership changes	M	M	<ul style="list-style-type: none"> • Transition plan 	President	Gov. & Performance Review Com.	1/15	
Management/IG Relations - Potential for problems	M	H	<ul style="list-style-type: none"> • Communicate, coordinate, cooperate • Regular meetings 	President	Audit Com.	7/15	10/15
Management Leadership Performance - Preventing leadership problems	L	H	<ul style="list-style-type: none"> • Cohesive, effective management team • Emphasis on high standards • Regular communications with board, staff, grantees, public, OIG • Regular performance evaluations 	President	Gov. & Performance Review Com	4/15	4/16

RISK TO LSC RESOURCES – PEOPLE								
Risks			Strategies	Who is responsible?		Last report to Board ¹	Next report to Board	
	Probability	Severity		Management	Board			
Management System Risks								
	- Performance Management (failure to achieve performance of defined goals including implementation of LSC Strategic Plan)	M	H	<ul style="list-style-type: none"> Create formal organizational management performance cycle including articulation of goals and metrics Routine reporting of performance Providing training to close competency gaps 	President OHR Director	Ops. & Regs. Com.	4/15	
	- Human Capital Management (failure to attract, motivate and retain high quality staff)	M	H	<ul style="list-style-type: none"> Professional training for staff and managers Routine performance evaluations and feedback Robust communications with employees 	President OHR Director	Ops. & Regs. Com.	4/15	
	- Information Management (failure to collect and share vital information)	M	H	<ul style="list-style-type: none"> Create a common data portal for collection and sharing of grantee data 	Vice President for Grants Management (VPGM) CIO	Ops. & Regs. Com.		4/16
- Acquisitions Management (higher contract costs and possible areas of fraud, waste and abuse)	M	H	<ul style="list-style-type: none"> Periodically review and strengthen procurement and contracting policies Routine training of employees on policies 	Vice President for Legal Affairs (VPLA) Controller	Ops. & Regs. Com.	7/20/14	1/16	

RISK TO LSC RESOURCES – PEOPLE							
Risks			Strategies	Who is responsible?		Last report to Board¹	Next report to Board
	Probability	Severity		Management	Board		
Conflicts of Interest/Ethics Violations	L	M	<ul style="list-style-type: none"> • Training on ethics code • Reminders, emphasis on ethics 	Ethics Officer	Audit Com. Gov. & Performance Review Com	1/15	

RISK TO LSC RESOURCES – FUNDING							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Adequacy of Basic Field Funding - Insufficient funding to accomplish LSC’s mission of providing equal access to justice - Funding cut so severely that programs must close altogether or radically cut back services	H	H	<ul style="list-style-type: none"> Public education Strengthen congressional relationships Develop stronger data to support funding requests, including data on outcomes and economic benefits of legal aid 	Government Relations/ Public Affairs (GRPA) Director	Finance Com.	7/15	10/15
	H	H	<ul style="list-style-type: none"> Develop crisis-mode messaging and network 	GRPA Director			

RISK TO LSC RESOURCES – FUNDING

Risks		Strategies		Who is responsible?		Last report to Board	Next report to Board
Probability	Severity			Management	Board		
Adequacy of MGO Funding - Insufficient Management and Grants Oversight funding	H	H	<ul style="list-style-type: none"> • Strengthen congressional relationships • Emphasize quantifying return on investment from oversight funding • Emphasize grants oversight function • Respond to and implement GAO recommendations 	GRPA Director	Finance Com.	7/15	10/15
			<ul style="list-style-type: none"> • Continue to assess MGO expenses to reduce any unnecessary duplication and inefficiencies 	VPGM	Gov. & Perform. Review Com.	10/14	

RISK TO LSC RESOURCES –ASSETS							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Internal Fraud	L	H	<ul style="list-style-type: none"> • Effective internal controls • IG oversight • Annual corporate audit 	Treasurer	Audit Com.	1/15	1/16
			<ul style="list-style-type: none"> • Staff training on ethics 	Ethics Officer			
Internal Financial Controls - Failures at LSC	L	H	<ul style="list-style-type: none"> • Management accountability • Annual audit • Board oversight • Regular review/update of Accounting Manual • Implement GAO recommendations and OMB guidance 	Treasurer	Audit Com.	10/20/13	
Litigation - Employment	M	M	<ul style="list-style-type: none"> • Regular training of managers • Clear-cut policies and uniform application 	OHR Director	Ops. & Regs. Com.	4/15	
			<ul style="list-style-type: none"> • Effective negotiation and use of releases 	VPLA			

RISK TO LSC RESOURCES –ASSETS							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Integrity of electronic data/ information - Potential for Problems - Security of electronic data	M	H	<ul style="list-style-type: none"> • Effective system back-ups • Effective disaster recovery • Regular staff training • Maintain qualified IT staff • Effective document and system security • Maintain up-to-date technology 	CIO	Audit Com.	4/15	
Accuracy of grantee data - Potential for Problems	M	H	<ul style="list-style-type: none"> • Data validation protocols (electronic analysis) • Clear guidance/training on grantee reporting • Improve grantee Activity Reports to receive better data 	VPGM Director OPP Director OCE	Ops. & Regs. Com.		4/16

RISK TO LSC RESOURCES –ASSETS							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
LSC Records Management - Potential for Problems	L	M	<ul style="list-style-type: none"> • Update records management policy, including statement on the handling of confidential information • Train staff in new policy • Effective FOIA procedures • Stay abreast of best practices • Maintain effective computer back-ups • Maintain effective security on electronic information access <i>(continued on next page)</i> • Improve internal access to key records • improve public access to records • Ensure compliance with legal requirements 	CIO VPLA	Ops. & Regs. Com.		10/15

RISK TO LSC RESOURCES –ASSETS							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Preservation of LSC interest in grantee property - Potential for Loss	L	L	<ul style="list-style-type: none"> • Maintain up to date Property Acquisition Manual • Remind grantees of LSC policy • Pursue remedies as necessary 	VPLA	Ops. & Regs. Com.		
Continuation of Operations & Organizational Resilience	L	H	<ul style="list-style-type: none"> • Effective COOP plan 	Chief of Staff	Ops. & Regs. Com.		
	L	H	<ul style="list-style-type: none"> • Computer network back-up 	CIO			

RISK TO LSC RESOURCES – GRANTEES							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Grantee Oversight by LSC & IPAs - Preventing Lapses	M	H	<ul style="list-style-type: none"> • Rigorous Compliance oversight • Maintain comprehensive procedures manuals • Well-defined workplans for program visits • Careful review of grantee reports to LSC • Communications between offices • Internal training • Regular communications with programs • Monitoring media reports 	VPGM	Ops & Regs. Com. Del. Of Legal Serv. Com.	4/15 Grantee Oversight by OPP	
Interpretations of regulations by LSC Staff - Preventing Inconsistencies	L	H	<ul style="list-style-type: none"> • Joint meetings and trainings • Joint work groups by topic • Feedback from grantees 	VPGM	Ops & Regs. Com.		

RISK TO LSC RESOURCES – GRANTEES							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
Grantee Operations				VPGM	Del. Of Legal Serv. Com.	4/15	10/15
- Major misuse of grant funds	M	H	<ul style="list-style-type: none"> Rigorous selection process for grantees 	Director OPP		Enforcement Mechanisms (Ops & Regs Cttee)	Internal Controls Best Practices
- Failure of leadership	L	H	<ul style="list-style-type: none"> Grant assurances Grant conditions Advisories 	Director OCE		1/15 (Performance Criteria – Leadership)	
- Failure of internal controls	M	H	<ul style="list-style-type: none"> Program letters Compliance/Fiscal visits 			7/20/14 (Board composition and client board members)	
- Lack of board oversight	M	H	<ul style="list-style-type: none"> LSC Resource Information Training of grantee staff Performance Criteria 			4/7/14 (financial planning & budgeting)	
- Leadership transitions	H	M	<ul style="list-style-type: none"> Outreach to local boards Local board education 			1/24/14 (Board governance – fiscal and financial oversight)	
- Restriction violations	M	H	<ul style="list-style-type: none"> Outreach to Access to Justice community in region 			10/21/13 (Performance Criteria)	
- Poor records management	M	M	<ul style="list-style-type: none"> Review/redefine services Seek interim provider 				
- Poor Quality legal services	L	H	<ul style="list-style-type: none"> Work with programs to improve compliance and reduce chances they will violate restrictions or otherwise require the imposition of sanctions 				
- Need to replace program	L	H					

RISK TO LSC RESOURCES – GRANTEES							
Risks			Strategies	Who is responsible?		Last report to Board	Next report to Board
	Probability	Severity		Management	Board		
						4/15/2013 Comprehensive legal needs assessments 1/25/2013 Succession planning and leadership development	
			<ul style="list-style-type: none"> Annual review of regulations OLA opinions 	VPLA	Ops & Regs. Com.	7/15	

Responsibilities for Risk Management

Board of Directors

- Sets strategic goals and objectives, adopts annual operating budget, and approves risk management plan.
- Reviews operational reports to monitor progress towards goals as defined in *Strategic Directions* and assure compliance with organizational requirements.
- Adopts and establishes policies and regulations.
- Reviews the organization's risk management plan (RMP).
- Maintains working relationship with members of Congress.
- Board Committees to review implementation of RMP.

President

- Has overall responsibility for the effective implementation of the RMP.
- Assigns staff to design and carry out risk management activities.
- Assigns staff to perform annual review of the risk management activities.
- Approves all grants for the Corporation.
- Executes major contracts for the organization.
- Keeps the Board apprised of emerging threats and opportunities facing the organization.
- Leads the Executive Team in periodic review and update of the risk management plan.
- Gives final approval to the plan.
- Maintains effective relationship with members of Congress and staff.

Vice President for Legal Affairs

- Serves as advisor to the Board of Directors in legal matters, consulting outside counsel on an as needed basis.
- Advises senior staff on contracts; reviews contracts on an as needed basis.
- Monitors implementation of risk management program.
- Recommends any necessary modifications.

Vice President for Grants Management

- Supervises oversight of grantee operations and compliance.

Treasurer/Comptroller

- Establishes, conducts, and maintains internal controls for financial transactions.
- Purchases D&O insurance.

Executive Team

- Oversees organization-wide effort to protect the vital assets of LSC
- Convenes periodically to review the Corporation's priority risks and corresponding risk management strategies.

Office Directors

- Review and recommend modifications to corporate risk management program.
- Supervise implementation of risk management strategies within their area of responsibility.

**Office of the Inspector General Referrals
to the Office of Compliance &
Enforcement**

Office of Compliance and Enforcement

MEMORANDUM

To: Audit Committee

From: Lynn A. Jennings, Vice President for Grants Management
Lora M. Rath, Director, Office of Compliance and Enforcement

Re: Status of Referrals from the OIG Audit Division to LSC Management

Date: September 15, 2015

At the beginning of Calendar Year (CY) 2015, two referrals from the Office of Inspector General's Audit Division remained open. One referral was closed during the first quarter. Two new referrals were received during the first half of CY 2015, one during the first quarter and a second during the second quarter. There were no new referrals received from the Audit Division during the third quarter; two referrals were closed during the third quarter

	Pending at Outset	Referred during Quarter	Closed during Quarter	Remaining Open at End of Quarter
Q 1	2	1	1	2
Q 2	2	1	0	3
Q 3	3	0	2	1
Q 4	--	--	--	--

Summary of 2015 Activity to Date

OIG Audit Referrals Open at the Beginning of the Year and Remaining Open at End of the Third Quarter: 0

OIG Audit Referrals Open at the Beginning of the Year and Closed During the Third Quarter: 1

1. **Legal Services NYC.** On October 16, 2014, OIG referred \$196,837 in questioned costs for attorneys' fees received by the program during Fiscal Year 2013, for cases supported in whole or in part with LSC funds, but for which the attorneys' fees received were not allocated to the LSC funding line.

On October 22, 2014, LSC Management contacted LSNYC to request an accounting of the time charged to, and the funding sources so charged, for each of the 25 cases in question. That information was provided on November 27, 2014. After reviewing the

materials provided, on December 15, 2014, LSC asked LSNYC to provide additional documentation. LSC received that information from LSNYC on February 6 and 13, 2015. OCE analyzed the information and provided a recommended course of action to the Vice President for Grants Management on February 24, 2015. The Vice President entered into initial conversations with LSNYC Management during the week of March 2, 2015 and OCE is currently in contact with the program to facilitate resolution of this issue, to include LSNYC's transferring non-LSC funds to the LSC funding line to account for the derivative income not properly allocated and OCE's providing Technical Assistance to ensure LSNYC Management and fiscal staff is aware of LSC fiscal requirements, including how to properly allocate derivative income.

LSNYC agreed with OCE's calculation that \$286,946 was improperly allocated in 2013 and has agreed to disclose the derivative income amounts as a reclassification entry for attorneys' fees for both 2013 and 2014 as part of its 2015 audit. OCE and LSNYC worked together to determine the timing and documentation of this transfer. OCE received documentation to confirm the transfer had taken place on September 9, 2015. A total of \$409,045 in derivative income derived from attorneys' fees was reallocated from unrestricted funds to LSNYC's LSC funding line: \$286,946 for 2013 and \$122,099 for 2014.

Total time from date of OIG referral to final resolution was 328 days.

OIG Audit Referrals Opened During the First Quarter and Remaining Open at End of the Third Quarter: 1

1. **Legal Aid of West Virginia, Inc.** On March 13, 2015, the OIG referred \$9,579 in questioned costs:
 - a. \$3,842 in incorrectly allocated attorneys' fees, and
 - b. \$5,737 in unallowable costs (including membership dues, flower purchases, credit card fees, and late payment fees).

The OIG's Final Report on Selected Internal Controls included approximately \$14,000 in expenditures that were not included in the referral memorandum to LSC Management. On June 5, 2015, during a discussion with OCE, OIG agreed that those costs should have been included in the March 13, 2015 referral.

On June 18, 2015, an updated referral was issued in which the OIG referred \$24,141 in questioned costs:

- a. \$3,842 in incorrectly allocated attorneys' fees;
- b. \$5,737 in unallowable costs (including membership dues, flower purchases, credit card fees, and late payment fees); and

- c. \$14,562 for contract costs that were not allocated properly (allocated only to LSC rather than across multiple funding sources).

OIG supplied supporting documentation related to the referral amounts. OCE completed its review of that documentation and provided a recommendation memo for the Vice President of Grants Management. OCE is now moving forward with the agreed upon action steps.

OIG Audit Referrals Opened During the Second Quarter and Closed during the Third Quarter: 1

1. **Northeast New Jersey Legal Services Corporation:** On April 1, 2015, OIG referred \$72,572 in questioned derivative income:
 - a. \$18,487 in State Supplemental Security Income;
 - b. \$345 in interest income;
 - c. \$10,766 in attorneys' fees; and
 - d. \$42,974 in rental income.

OCE reviewed the OIG's Final Report on Selected Internal Controls, as well as the program's response to the OIG's Draft Report. Based on the program's agreement with the OIG's findings, OCE recommended that informal negotiations be pursued, rather than initiating a costly questioned costs procedure. The Vice President for Grants Management accepted that recommendation. During a telephone call on June 8, 2015, Northeast New Jersey Legal Services Corporation's Executive Director and Controller notified OCE that the funds in question would be transferred from the program's unrestricted funding line to its LSC funding line by June 30, 2015 (the program's fiscal year end for 2014-15). As noted verbally during the July Audit Committee Meeting, on July 15, 2015, OCE received documentation to confirm the transfer had taken place.

Total time from date of OIG referral to final resolution was 105 days.

OIG Audit Referrals Open at the Beginning of the Year and Closed in a Previous Quarter: 1

1. **Nevada Legal Services, Inc.** On August 18, 2014, OIG referred \$1,375 in questioned costs:
 - a. \$1,246 in unallowable costs (flower and alcohol purchases, membership fees), and
 - b. \$129 in inadequately supported costs (cell phone charges for staff member).

On October 17, 2014, the Nevada Legal Services, Inc. (NLS) Executive Director (ED) provided OCE with additional information which NLS felt the OIG had not correctly considered. Based on its review of the OIG's Report on Selected Internal Controls, as

well as the information provided by NLS, OCE recommended that informal negotiations be pursued, rather than initiating a costly questioned costs procedure. The Vice President for Grants Management accepted that recommendation. By letter dated March 20, 2015, NLS provided a check in the amount of \$1,222, and also provided evidence of policy amendments and trainings to ensure that deficiencies noted by OIG do not occur again. The \$1,222 recouped was for:

- a. \$1,093 in unallowable costs (flower and alcohol purchases, membership fees), and
- b. \$129 in inadequately supported costs (cell phone charges for staff member).

OCE determined that the remaining \$153 referred by the OIG for membership fees to a discount warehouse retailer to purchase office supplies was an allowable expense and not subject to recovery.

Total time from date of OIG referral to final resolution was 214 days.

Reconciliation of OIG Questioned Costs to Amounts Recouped on Closed Referrals

One referral, Nevada Legal Services, Inc., was closed during the first half of CY 2015. Two referrals, Legal Services NYC and Northeast New Jersey Legal Services Corporation, were closed in the third quarter. Information related to all three referrals includes:

	<u>Costs</u>	<u>% of Total</u>
Total Questioned Costs on Closed Referrals	\$ 270,784	100%
Supporting Documentation Subsequently Received or Research Indicated Was Allowable	\$ 153	.06%
Questioned Cost Not Pursued Due to Statute of Limitations	\$ 0	- %
Subtotal of Costs for Management to Pursue	\$ 360,740	133.5%
Amount Recouped	<u>\$ 482,839</u>	<u>178.6%</u>

The percentage for the “Subtotal of Costs for Management to Pursue” exceeds 100% because OCE calculated the amount of derivative income to be reallocated from LSNYC’s unrestricted funds for 2013 for 2013 to be \$286,946 rather than \$196,837. The percentage for “Amount Recouped” exceeds 100% because, in addition to the additional \$90,109 OCE determined should be reallocated for 2013, LSNYC determined that \$122,099 should be reallocated for 2014.

STATUS OF OPEN and RECENTLY CLOSED REFERRALS FROM OIG AUDIT DIVISION TO OCE (Thru September 15, 2015)

	State	Grantee	Date of OIG Onsite/ Review	Date of OIG Report	Date of Referral to OCE	OIG Referral - Issues and Amounts	LSC Action	Amount Disallowed by LSC	Resolution	Date Closed
1	NY	Legal Services NYC	1/13- 17/14 and 6/2-6/14	10/9/2014	10/16/2014	OIG referred \$196,837 in questioned costs - all stemming from attorneys' fees received during 2013. The OIG examined 6 of the 25 cases in question and determined, based on the % of LSC funding used to support those 6 cases, that \$196,837 should have been allocated to the LSC funding line.	OCE contacted the LSNYC ED, on October 17, 2014, to inquire as to whether any actions had yet been taken in response to the OIG report. The ED informed OCE that LSNYC had begun reviewing case and time records to determine the amount of time actually allocated to LSC for each case - rather than depending on the OIG's sampling to determine what, if any additional funds need to be questioned. By email dated October 22, 2014, OCE requested that OIG provide case information related to the 6 cases the OIG reviewed on site. That documentation was provided on October 23, 2014. By email dated October 22, 2014, OCE contacted the LSNYC ED to formalize its request for information related to the 25 cases for which LSNYC received attorneys' fees in 2013. LSNYC provided the requested information on November 26, 2014. On December 15, 2014, OCE requested that clarifying information be provided. LSNYC submitted clarifying information on February 6 and 13, 2015. Based on the information provided by LSNYC, OCE calculated the correct amount of derivative income requiring reallocation as \$286,946. After being provided a recommended course of action by OCE, the Vice President for Grants Management initiated a conversation with LSNYC during the week of March 2, 2015. OCE contacted the program to facilitate resolution of this issue, to include LSNYC transferring non-LSC funds to LSC funding line to account for the derivative income not properly allocated and OCE providing Technical Assistance to ensure LSNYC Management and fiscal staff is aware of LSC fiscal requirements, including how to properly allocate derivative income. LSNYC has agreed with OCE's calculations and has also agreed to disclose the amounts for the derivative income as a reclassification entry for attorneys' fees for 2013 and 2014 as part of the 2015 audit. OCE and LSNYC have worked together to determine the appropriate documentation of this transfer. LSNYC reported that the transfer would be completed by close of business on June 30, 2015. OCE received documentation to confirm the transfer had taken place on September 9, 2015. A total of \$409,045 in derivative income derived from attorneys' fees was reallocated from unrestricted funds to LSNYC's LSC funding line: \$286,946 for 2013 and \$122,099 for 2014.	\$409,045	Program's LSC funding line was be increased by \$409,045: \$286,946 for 2013 and \$122,099 for 2014.	9/9/2015
2	WV	Legal Aid of West Virginia, Inc.	7/14- 23/14	1/27/2015	3/13/15 (referral was dated 2/2/15 but was not received until 3/13/15). Referral reissued on 6/18/15	The revised amount referred by OIG is \$24,141 in questioned costs: \$3,842 in incorrectly allocated attorneys' fees; and \$5,737 in unallowable costs (including membership dues, flower purchases, credit card fees, and late payment fees); and \$14,562 in incorrectly allocated contract costs.	OCE has begun reviewing the OIG's Final Report on Selected Internal Controls, as well as the program's response to the Draft Report, in order to provide a recommended course of action to the Vice President for Grants Management. Review of the OIG's Final Report revealed approximately \$14,000 in expenditures noted in the report that were not included in the referral memo to LSC Management. On June 5, 2015 ,during a discussion between OCE and OIG staff, OIG recognized that those expenditures should have been referred to LSC Management and provided supporting documentation for OCE to review. On June 18, 2015, OIG reissued the referral memo to reflect the correct amounts referred, as well as the underlying justifications for each referral. OCE completed its review of the OIG's documentation and provided a recommendation memo for the Vice President of Grants Management. OCE is now moving forward with the agreed upon action steps.			
3	NJ	Northeast New Jersey Legal Services Corporation	9/8-12/14 and 9/17- 19/14	3/30/2015	4/1/2015	OIG referred \$72,572 in questioned derivative income (\$18,487 in State Supplemental Security Income, \$345 in interest income, \$10,766 in attorneys' fees, and \$42,974 in rental income)	OCE reviewed the OIG's Final Report on Selected Internal Controls, as well as the program's response to the OIG's Draft Report. Based on the program's agreement with the OIG's findings, OCE recommended that informal negotiations be attempted, rather than a costly questioned cost procedure. During a telephone call on June 8, 2015, the program's Executive Director and Controller notified OCE that the funds in question would be transferred from the program's unrestricted funding line to LSC by June 30, 2015 (the program's fiscal year end for 2014-15). On July 15, 2015 OCE received documentation to confirm the transfer had taken place.	\$72,572	Program's LSC funding line was increased by \$72,572.	7/15/2015

Pending and Recently Closed Issues Referred from Audited Financial Statements Thru June 30, 2015

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
1		Appalachian Research and Defense Fund	2013-618030-01	9/10/2013	For the second straight year, there was a prior period adjustment required.	OIG noted that, for the second straight year, there was a prior period adjustment required due to improper recording of unearned grant revenue. Referred to OCE for follow-up to ensure corrective action is taken.	OCE conducted an onsite Compliance Review in June 2013. Fiscal and regulatory compliance issues noted during the review have been the subject of ongoing communications with the grantee. LSC has continued to provide this grantee with necessary technical assistance and training as it deals with ongoing financial and leadership issues. These referrals are being kept open in order to ensure that all required corrective actions have been - and continue to be - taken to ensure grantee compliance.	OCE and OPP continue to work with this program. A new Executive Director began work in February 2015. LSC has imposed Special Grant Conditions on the program's 2015 funding which required that the new Executive Director undergo an OCE-provided training webinar within his first two months of employment and that the program submit to a Technical Assistance Review within 6 months of his start date. The new ED participated in an OCE-provided webinar on February 24, 2015. A Technical Assistance Review took place during the week of June 23, 2015 and a specific fiscal-related Technical Assistance Review took place in August 2015. OCE staff will continue to work with this grantee to ensure appropriate trainings and staff oversight take place.
		2013-618030-02	9/10/2013	The Organization does not have a formal written policy that was effectively communicated to staff.	OIG reported that time keeping requirements were not met because the grantee lacked a formal written policy which was effectively communicated to staff. Grantee management stated that they would implement policies. Referred to OCE for follow-up to ensure corrective action is taken.			
		2013-618030-03	10/3/2013	Time keeping requirements were not met in that the grantee lacked a formal written policy which was effectively communicated to staff.	OIG noted that grantee management stated that they would develop a written time keeping requirements policy in accordance with Legal Services Corporation regulations and ensure that the policy is effectively communicated to staff. Referred to OCE for follow-up to ensure corrective action is taken.			
2	AZ	DNA Peoples Legal Services	2014-703068-01	6/3/2014	IPA noted numerous material audit adjustments were required at year-end. Thus, the unadjusted General Ledger was not materially correct under accounting principles accepted in the United States.	OIG noted that grant allocation information should be accurate and timely so it properly reflects the operations of the organization.	The program sufficiently completed the actions required by its Special Grant Condition. It was anticipated that the new processes would cure the deficiencies noted in the 2013 audit; however review of the 2014 audit indicates that the same problems existed during 2014.	This information has been noted in OCE's risk assessment chart. OCE also provided the program New Executive Director Orientation training to assist the program with fiscal oversight. A targeted Special Grant Condition, related to budgetary controls and processes, was imposed on the program's 2014 grant. That SGC was sufficiently completed. However due to ongoing concerns, OCE continues to work with DNA's Director of Finance to ensure that new policies, procedures, and practices are put into place to ensure adequate and timely oversight of the allocation processes. Review of the 2014 audited financial statements indicated that this continues to be an issue so this finding must remain open. In discussions with DNA management, it was learned that new fiscal staff have been hired. OCE will work with DNA to ensure that new staff members are appropriately trained and managed so that these deficiencies are not allowed to continue.

Pending and Recently Closed Issues Referred from Audited Financial Statements Thru June 30, 2015

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
			2014-703068-02	6/3/2014	OIG noted a segregation of duties concern relating to bank reconciliations where they are being reviewed by the same staff who prepares them without prior review by the ED.	OIG noted that this was a finding in prior years and it poses a risk for fraud.	OCE reviewed the Corrective Actions proposed by the program, in response to the Independent Public Auditor's finding, and found they would be sufficient if implemented. Review of the program's responses to the fiscal component of the 2015 funding application determined that the program has sufficient segregation of duties in place related to bank reconciliations. OCE will keep this referral open until the IPA issues its findings for the 2014 audit.	This information has been noted in OCE's risk assessment chart. Additionally, during the July 2013 onsite review, OCE was provided with information regarding DNA's Fraud Risk Prevention Policy and training programs that had taken place and found, when taking into account the small number of program staff, the policy and the training to be sufficient to alleviate concerns such as those expressed by the IPA. Closed: The segregation of duties worksheet completed by DNA as part of the 2016 competition cycle indicated that 4 people, including the ED, participate in the bank reconciliation process to ensure that no one person has sole control over multiple functions.
3	CA	Inland Counties Legal Services, Inc.	2012-805230-01	8/13/2012	Internal Controls over cash accounts were not adequate.	OIG noted that grantee management accepted the finding and stated that a new controller had been hired. Referred to OCE for follow-up to ensure that controls over cash accounts have been implemented.	OCE reviewed the documents submitted by ICLS and found the actions taken appear to be sufficient. OCE conducted an onsite review in January 2015, at which time all of the IPA's concerns were reviewed. This referral is being kept open until OCE can ensure that the corrective actions taken were sufficient.	OCE reviewed the documents submitted by ICLS and found the actions taken appear to be sufficient. OCE conducted an onsite review in January 2015, at which time all of the IPA's concerns were reviewed. The Final Report from that visit is pending release and will be used to determine what, if any next steps need to be taken to resolve the pending referrals.
		2012-805230-02	8/13/2012	Policies and procedures for use of the accounting software and preparing transactions and reconciliations was not adequately documented. The new controller did not expend a significant effort to understand the system.	OIG noted that grantee management stated that they would strive to have that accounting manual updated in 2012 by the new controller. Referred to OCE for follow-up needed to determine if accounting manual was updated.	OCE reached out to the program to request the new policies, procedures, Manual etc. OCE has reviewed documents submitted by ICLS and determined the new procedures to be appropriate and adequately documented. This referral is being kept open until OCE can ensure that the corrective actions taken were sufficient.		
		2014-805230-01	6/3/2014	IPA noted grantee did not have a system in place to verify whether vendors were suspended or disbarred.	According to the IPA, the grantee stated that written protocols would be put in place to ensure that when considering bids for procurement in excess of \$25,000, a debarment and suspension check would be conducted. Referred to OCE for follow-up to ensure corrective action is taken.	OCE reviewed the sufficiency of the corrective actions take by the program during the January 2015 onsite review.		

Pending and Recently Closed Issues Referred from Audited Financial Statements Thru June 30, 2015

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
			2014-805230-02	6/3/2014	IPA noted that 5 clients who had expired immigration cards received legal services.	The IPA noted that the program is reviewing and revising their policies to ensure compliance with 45 CFR Part 1626. The OIG referred the issue to OCE to ensure necessary actions are undertaken.	The program's adherence to 45 CFR Part 1626 was assessed as part of the OCE onsite review in January 2015.	
4	AL	Legal Services Alabama, Inc.	2013-601037-01	10/3/2013	One difference was noted for payroll time entry used for cost allocation purposes.	OIG referred this as a repeat finding which requires OCE follow-up.	An onsite OCE site visit was conducted in January 2015.	OCE has noted this deficiency in its risk assessment chart. OCE conducted an onsite visit in January 2015. At that time OCE conducted testing to determine whether this a systemic issue or has been solved. The Final Report from that visit is pending release but notes no ongoing concerns with payroll time entries or cost allocation methodology.
5	VA	Central Virginia Legal Services, Inc.	2014-447030-01	2/25/2014	Recipient must state who prepares monthly bank reconciliations, who reviews the reconciliations, and who approves & certifies the reconciliations. Due dates for each steps to be established. Follow-up by LSC management needed to ensure implementation.	OIG noted based upon inquires with management that bank reconciliations and reviews were not being performed on a timely basis. OIG also noted that CVLAS management was not tracing bank reconciliation totals back to the trial balance and General Ledger.	By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to address some but not all of the IPA's concerns. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014. Although responses to the January - June 2015 Special Grant Conditions indicate that this deficiency has been cured, OCE will continue to provide technical assistance and support.	The recipient's LSC funding for 2015 is subject to several Special Grant Conditions designed to address these issues. CVLAS was able to successfully fulfill all of the SGCs attached to its January - June 2015 funding. New SGCs have been imposed on the recipient's funding for July - December 2015 to ensure that forward progress continues. Included in the documentation provided in response to SGCs was evidence of: timely bank reconciliations; training and implementation of oversight regarding timekeeping and payroll; training provided to fiscal and executive staff, as well as board finance and audit committee members, regarding budgeting financial management, financial reporting, fiscal oversight, internal controls, and risk management; the Executive Director receiving monthly reports (statement of financial position, statement of activities, trial balances, general ledgers and journal entries) and reviewing them for accuracy and reasonableness; copies of letters to grant sources notifying them of 45 Part 1610 restrictions/prohibitions; and copies of bank signatory cards for each month showing any changes (addition/removal) to signature authority.
			2014-447030-02	2/25/2014	CVLAS indicated that a payroll module would be added to the case management system but did not provide a timeframe. This is a repeat finding from the prior year.	Based upon inquires with management and review of time records OIG noted instances were attorneys had not contemporaneously input a portion of their time into CVLAS' time keeping system by case matter and supporting activities.	By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to address some but not all of the IPA's concerns. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014.	

Pending and Recently Closed Issues Referred from Audited Financial Statements Thru June 30, 2015

	Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
		2014-447030-03 2015-447030-01	2/25/2014 2/15/2015	OIG indicated that LSC Management may want to follow-up on this requirement as 12 of 25 selections made by the IPA did not contain notice to the funding source. The CA mentions sending letters will be the sole responsibility of the ED, does not mention when the action will be put into place.	OIG noted instances where CVLAS had not provided to the source of funds written notification of LSC prohibitions and conditions.	By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to address some but not all of the IPA's concerns. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014. Although responses to the January - June 2015 Special Grant Conditions indicate that this deficiency has been cured, OCE will continue to provide technical assistance and support.	
		2014-447030-04 2015-447030-03 2015-447030-04	2/25/2014 3/202015	Incorrect cost and time allocations can lead to possibly incorrect revenues and expenses for grants/contracts. Program management should make decisions based on revenues/expenses. The CA should be followed up on. The OIG noted that the IPA reviewed time sheets on which no supervisor signature was noted.	Cost allocations are not being performed on a timely basis. Also timesheet are not being properly monitored by management and adjusted when funding sources have been eliminated or depleted. Also the funds in the accounting system need to be utilized. The absence of supervisory approval allows for the possibility of fraudulent or misallocated time.	This issue was addressed via Special Grant Conditions. OCE also conducted a Technical Assistance Review (TAR) of this program in August 2014 and provided additional training and support. This deficiency was noted during OCE August 18-20, 2014 TAR and is the subject of 2015 Special Grant Conditions. Although responses to the January - June 2015 Special Grant Conditions indicate that this deficiency has been cured, OCE will continue to provide technical assistance and support.	
		2014-447030-05	2/25/2014	Based on review of the CA OIG feels LSC Management should ensure that the CA s are being followed and follow-up on whether the Board approved the drafted policy mentioned.	OIG noted during inquires with management and review of credit card files instances were credit card receipts were not being properly maintained.	By letter dated March 7, 2014, OCE requested specific information regarding the IPA's findings. The program responded on March 21, 2014. OCE reviewed the information received and found it sufficient to address some but not all of the IPA's concerns. OCE continues to work with the program to close these referrals. OCE conducted a Technical Assistance Review of this program on August 18-20, 2014 and will continue to provide technical assistance and oversight.	

Pending and Recently Closed Issues Referred from Audited Financial Statements Thru June 30, 2015

		Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
			2015-447030-02	2/14/2015	The OIG noted that former employees had not been removed as authorized signatories on CVLAS bank accounts.	There is the possibility of fraud by former employees.	This deficiency was noted during OCE August 18-20, 2014 review and is the subject of 2015 Special Grant Conditions. Responses to the January June 2015 Special Grant Conditions indicate that this deficiency has been cured.	
6	RI	Rhode Island Legal Services, Inc.	2014-140000-01	12/4/2014	The OIG noted that the IPA reported that a physical inventory of equipment purchased with Federal grant funds had not been performed in a two year period.	Physical inventory of equipment purchased with federal grants has not been conducted over the two year period.	OCE contacted the program on February 23, 2015 and requested that information related to corrective actions taken be submitted on or before March 20, 2015. The program requested additional time - until April 30 - to provide the necessary information.	The recipient's response indicated that the necessary corrective action had been taken in November and December 2014. However, a copy of the inventory was not submitted with their response. This referral will remain open until a copy of the inventory is submitted. Closed: A copy of the required inventory was submitted to evidence that it was completed.
7	SD	Dakota Plains Legal Services, Inc.	2014-742018-01	12/4/2014	The OIG noted that, during course of engagement, the IPA proposed material audit adjustments - some of which were the result of the Administrator resigning in January 2014 and not completing the year end close-out process.	Although the program reports hiring a new Administrator, more specific corrective action is required to address the internal control weaknesses.	OCE conducted an onsite Compliance Review in September 2014. Fiscal and regulatory compliance issues noted during the review have been the subject of ongoing communications with the grantee and resulted in several special grant conditions being imposed on DPLS' 2015 funding. LSC has continued to provide this grantee with necessary technical assistance to resolve the noted concerns.	OCE conducted an onsite review in September 2014. Many of the issues noted in the OIG's referral of IPA findings were also discovered during the course of that review. As a result, additional Special Grant Conditions were imposed on the program's 2015 funding. A Draft Report was issued on May 22, 2015, which contained 26 Required Corrective Actions, 8 of which were related to fiscal oversight. During the drafting of the report, OCE and OPP provided DPLS with technical assistance regarding the various policies and procedures which required revision or drafting to facilitate compliance with LSC regulations and fiscal oversight requirements. DPLS management has demonstrated sincere willingness to make the necessary improvements. The Final Report from this visit is pending release and notes that the program has begun the process of taking appropriate corrective actions to cure the noted deficiencies. Both OPP and OCE continue to work with DPLS to ensure these efforts continue, and are successful.
			2014-742018-02	12/3/2014	The December bank account reconciliations were not prepared as of audit fieldwork due to the vacant Administrator position in January 2014.	The IPA noted that 2 checks totaling \$279.99 were duplicated w/in GL. A check for \$9,418.18 written before year end was not included as an outstanding item. A deposit for \$26,307.23 prepared before year end was not deposited until Feb. 2014.		
			2014-742018-03	12/3/2014	The organization carried outstanding travel advance amounts from transactions which occurred throughout 2013. Some accounts showed amounts due the organization; some showed amounts due back to employees.	Outstanding travel advance amounts due to Program. Long outstanding travel amounts potentially put the Program at risk of collecting such.		

Pending and Recently Closed Issues Referred from Audited Financial Statements Thru June 30, 2015

	Grantee Name	Referral Number	Date of Referral	OIG's Finding Description	OIG's Justification for Referral	OCE's Determination	Status of Referral
		2014-742018-04	12/4/2014	The IPA noted three disbursements to two individuals for contract services. Based on supporting documentation including approved pay rates, timesheets, and purpose for the service, the individuals should have been paid as employees.	Processing payments to individuals as contract services who meet the employee criteria is not in accordance with Dept. of Labor regulations.		
		2014-742018-05	12/4/2014	The IPA noted several instances of lack of proper supporting documentation or approval for payments.	Disbursements without proper payment voucher documentation, receipts and approvals.		
		2014-742018-06	12/3/2014	The IPA noted employees were not paid the proper amounts based on supporting time cards and approved pay rates. IPA also noted instances where payroll was not charged to the proper program. Annual leave was paid without adequate approval or a formal policy.	No written policy on how overtime is calculated. Payroll not processed as calculated by the approved pay rate. There is risk that the annual leave payout may be different than calculated on annual leave listing. Allocation calculated based on wrong am		

LSC 403(b) Thrift Plan



OFFICE OF HUMAN RESOURCES

MEMORANDUM

TO: Audit Committee
FROM: Traci L. Higgins
DATE: September 15, 2015
SUBJECT: LSC 403(b) Thrift Plan – 3rd Quarter 2015 Update

403 (b) Plan Performance

Our fund performance reflects what our financial advisor describes as the “overdue market correction” that is currently underway. All of our funds have negative returns for the 3-month period ending August 31, 2015. Five funds have positive year-to-date returns, though none higher than 1.57%. Eight funds have positive 12-month returns, including four of the initial five with positive year-to-date returns. Only three funds have 12-month returns greater than 2%.

Three funds are on the Mesirow watch list: BMO Small Cap Growth Y, Lord Abbett Value Opportunities, and T. Rowe Price Equity Income Adv. BMO has struggled of late, but still has strong 3- and 5-year annualized returns. Lord Abbett currently is performing well relative to its peer funds, and the T. Rowe Price fund recently had a manager change, prompting Mesirow to place it on watch for “organization,” as opposed to “performance.”

One positive note is that our financial advisor is “particularly impressed” with the “downside performance” of our seven Target Date Funds, which for the 3- and 12-month periods have performed within the top 27% of funds in those categories.

A report detailing fund performance through August 31, 2015 is attached.

403 (b) Plan Distributions

A total of \$638,006.15 in distributions was made during the period June 25, 2015 – September 14, 2015. Distributions of \$567,917.71 were paid to former employees. Of the remaining distributions, \$48,500 was for four in-service withdrawals made by three current employees, and approximately \$21,500 was for a hardship withdrawal.

Please let me know if you have any questions or require additional information.

Research

LSC 403(b) List of Funds | US Mutual Fund Universe | Master Template

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Ranked by: descending Morningstar Category

Name	Morningstar Category	Ticker	Prospectus Net Expense Ratio	Tot Ret 3 Mo (mo-end)	Tot Ret YTD (mo-end)	Tot Ret 12 Mo (mo-end)	Tot Ret 3 Yr Annlzd (mo-end)	Tot Ret 5 Yr Annlzd (mo-end)	Tot Ret 10 Yr Annlzd (mo-end)	Tot Ret 15 Yr Annlzd (mo-end)
1. American Funds Capital World Gr&Inc R4	World Stock	RWIEX	0.790	-7.03	-2.37	-4.74	10.66	9.97	6.61	7.23
2. American Century One Choice 2050 Inv	Target Date 2046-2050	ARFVX	0.950	-6.38	-2.58	-1.70	10.13	11.67	—	—
3. American Century One Choice 2045 Inv	Target Date 2041-2045	AROIX	0.940	-6.16	-2.36	-1.51	9.93	11.43	6.47	—
4. American Century One Choice 2040 Inv	Target Date 2036-2040	ARDVX	0.900	-5.74	-2.19	-1.36	9.39	11.04	—	—
5. American Century One Choice 2035 Inv	Target Date 2031-2035	ARYIX	0.870	-5.20	-1.95	-1.18	8.70	10.35	6.19	—
6. American Century One Choice 2030 Inv	Target Date 2026-2030	ARCVX	0.840	-4.81	-1.95	-1.30	7.85	9.60	—	—
7. American Century One Choice 2025 Inv	Target Date 2021-2025	ARWIX	0.820	-4.41	-2.02	-1.54	7.05	8.94	5.80	—
8. American Century One Choice 2020 Inv	Target Date 2016-2020	ARBVX	0.790	-3.96	-1.98	-1.50	6.47	8.37	—	—
9. BMO Small-Cap Growth Y	Small Growth	MRSCX	1.410	-8.77	-1.31	-1.56	14.11	15.34	9.65	6.40
10. Columbia Small Cap Index A	Small Blend	NMSAX	0.450	-5.23	-2.44	1.26	14.70	16.84	7.72	8.26
11. American Century One Choice In Ret Inv	Retirement Income	ARTOX	0.760	-3.64	-1.99	-1.51	5.68	7.55	5.19	—
12. Nuveen Real Estate Securities A	Real Estate	FREAX	1.300	-5.07	-6.99	0.04	7.46	12.09	7.90	11.90
13. Prudential Jennison Natural Resources Z	Natural Resources	PNRZX	0.860	-17.92	-17.49	-42.41	-9.49	-4.93	2.10	8.42
14. Goldman Sachs Mid Cap Value Instl	Mid-Cap Value	GSMCX	0.740	-8.36	-5.68	-3.82	14.54	14.47	7.43	10.52
15. Lord Abbett Value Opportunities A	Mid-Cap Blend	LVOAX	1.170	-4.72	-1.02	2.34	15.78	14.21	—	—
16. Columbia Mid Cap Index A	Mid-Cap Blend	NTIAX	0.450	-6.81	-1.77	-0.45	14.55	15.61	8.28	7.56
17. TIAA-CREF Large-Cap Value Idx Retire	Large Value	TRCVX	0.310	-7.50	-6.31	-3.76	13.52	14.28	5.85	—
18. T. Rowe Price Equity Income Adv	Large Value	PAFDX	0.940	-8.94	-8.15	-7.46	10.00	11.98	5.43	6.07
19. Alger Capital Appreciation Instl I	Large Growth	ALARX	1.160	-5.74	1.57	4.07	16.37	17.61	11.09	3.69
20. TIAA-CREF Large-Cap Gr Idx Retire	Large Growth	TRIRX	0.310	-4.69	0.71	3.93	14.93	17.01	8.04	—
21. TIAA-CREF Growth & Income Retire	Large Growth	TRGIX	0.670	-5.58	-0.16	1.89	14.67	16.44	8.99	4.41
22. State Street Equity 500 Index Adm	Large Blend	STFAX	0.210	-6.02	-3.09	0.16	13.99	15.56	6.94	—
23. PIMCO Total Return Admin	Intermediate-Term Bond	PTRAX	0.710	-0.57	0.56	0.84	1.57	3.23	5.44	6.13
24. TIAA-CREF Bond Index Retirement	Intermediate-Term Bond	TBIRX	0.370	-0.61	0.18	1.19	1.10	2.56	—	—
25. American Century Infl Adj Bond A	Inflation-Protected Bond	AIAVX	0.720	-1.70	-0.94	-3.88	-2.47	1.90	3.35	5.10
26. Prudential High-Yield Z	High Yield Bond	PHYZX	0.570	-2.35	1.52	-1.29	5.29	7.44	7.36	6.79
27. American Funds Europacific Growth R4	Foreign Large Growth	REREX	0.840	-8.33	-0.09	-4.68	8.55	7.01	5.79	4.72
28. Oppenheimer Developing Markets Y	Diversified Emerging Mkts	ODVYX	1.070	-16.05	-15.23	-25.66	-1.10	1.43	8.13	10.64

Research

LSC 403(b) List of Funds | US Mutual Fund Universe | Master Template

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Ranked by: descending Morningstar Category

Name	% Rank Cat 3 Mo (mo-end)	% Rank Cat YTD (mo-end)	% Rank Cat 12 Mo (mo-end)	% Rank Cat 3 Yr (mo-end)	% Rank Cat 5 Yr (mo-end)	% Rank Cat 10 Yr (mo-end)	% Rank Cat 15 Yr (mo-end)	Annual Return 2014	Annual Return 2013	Annual Return 2012	Annual Return 2011	Annual Return 2010	Annual Return 2009
1. American Funds Capital World Gr&Inc R4	39	52	54	44	57	28	5	3.97	24.86	19.12	-7.55	7.71	32.29
2. American Century One Choice 2050 Inv	13	48	10	42	18	—	—	8.60	21.58	15.39	-0.96	15.70	26.66
3. American Century One Choice 2045 Inv	7	38	7	45	22	12	—	8.40	21.08	15.00	-0.78	15.50	26.36
4. American Century One Choice 2040 Inv	7	33	6	49	25	—	—	8.03	19.69	14.50	-0.27	14.99	25.95
5. American Century One Choice 2035 Inv	4	27	5	62	45	8	—	7.56	17.92	13.62	0.37	14.28	24.31
6. American Century One Choice 2030 Inv	7	34	7	56	43	—	—	7.22	15.86	12.79	1.04	13.39	22.88
7. American Century One Choice 2025 Inv	18	52	18	65	50	8	—	6.87	14.04	12.14	1.77	12.57	21.24
8. American Century One Choice 2020 Inv	25	61	27	42	33	—	—	6.61	12.58	11.47	2.50	11.70	20.11
9. BMO Small-Cap Growth Y	95	69	90	56	68	7	34	-0.43	42.25	12.06	-3.82	35.59	46.81
10. Columbia Small Cap Index A	27	34	26	30	19	24	44	5.25	40.60	15.96	0.58	25.71	25.19
11. American Century One Choice In Ret Inv	72	78	46	2	1	2	—	6.20	11.11	10.13	3.58	10.07	16.42
12. Nuveen Real Estate Securities A	49	72	61	41	31	5	3	30.94	1.04	18.07	7.69	30.24	30.18
13. Prudential Jennison Natural Resources Z	74	77	83	78	83	34	7	-19.69	10.08	-2.43	-18.54	28.14	73.74
14. Goldman Sachs Mid Cap Value Instl	77	78	63	54	57	37	8	13.71	32.97	18.54	-6.26	24.85	33.19
15. Lord Abbett Value Opportunities A	12	26	11	26	64	—	—	9.11	36.07	9.73	-4.18	24.50	33.82
16. Columbia Mid Cap Index A	56	39	38	52	36	22	44	9.22	32.92	17.31	-2.14	26.05	36.79
17. TIAA-CREF Large-Cap Value Idx Retire	57	72	53	33	28	47	—	13.10	32.03	17.09	0.05	15.20	19.41
18. T. Rowe Price Equity Income Adv	87	92	88	86	80	59	40	7.18	29.44	16.92	-0.94	14.87	25.40
19. Alger Capital Appreciation Instl I	74	33	38	20	16	2	30	13.30	34.81	18.11	-1.03	13.48	49.12
20. TIAA-CREF Large-Cap Gr Idx Retire	48	43	39	45	27	33	—	12.73	33.03	14.90	2.31	16.29	36.92
21. TIAA-CREF Growth & Income Retire	69	53	62	50	38	15	20	10.92	34.01	16.17	2.79	12.91	26.52
22. State Street Equity 500 Index Adm	35	42	31	40	28	29	—	13.39	31.97	15.84	1.79	14.81	26.25
23. PIMCO Total Return Admin	18	22	43	52	49	8	6	4.43	-2.17	10.08	3.91	8.56	13.55
24. TIAA-CREF Bond Index Retirement	22	48	25	74	78	—	—	5.71	-2.58	3.75	7.37	6.16	—
25. American Century Infl Adj Bond A	47	66	62	77	57	45	73	2.37	-9.31	6.44	12.64	5.24	10.33
26. Prudential High-Yield Z	20	19	24	18	16	7	20	2.84	7.23	14.16	5.07	14.72	48.35
27. American Funds Europacific Growth R4	48	46	40	35	51	20	13	-2.66	20.17	19.22	-13.61	9.39	39.13
28. Oppenheimer Developing Markets Y	49	83	80	38	20	2	1	-4.55	8.68	21.29	-17.85	27.39	82.10

Research

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Ranked by: descending Morningstar Category

Name	Annual Return 2008	Sharpe Ratio 3 Yr	Sharpe Ratio 3 Yr (% Rank Category)	Alpha 3 Yr	Alpha 3 Yr (% Rank Category)	Beta 3 Yr	Beta 3 Yr (% Rank Category)	R-Squared 3 Yr	Standard Deviation 3 Yr	Upside Capture Ratio 5 Yr	Upside Capture Ratio 3 Yr (% Rank Category)	Downside Capture Ratio 5 Yr	Downside Capture Ratio 3 Yr (% Rank Category)	% US Stocks Long
1. American Funds Capital World Gr&Inc R4	-38.41	1.12	37	6.16	49	0.77	47	86.80	9.42	94.51	47	66.96	47	40.47
2. American Century One Choice 2050 Inv	—	1.24	23	1.36	18	1.32	18	94.95	8.01	134.20	71	126.98	3	59.02
3. American Century One Choice 2045 Inv	-33.64	1.25	19	1.40	14	1.28	10	95.14	7.78	130.63	79	122.59	4	57.51
4. American Century One Choice 2040 Inv	—	1.27	19	1.39	16	1.20	18	95.38	7.29	124.60	76	115.04	2	52.62
5. American Century One Choice 2035 Inv	-30.58	1.27	17	1.31	17	1.11	6	95.52	6.72	115.67	84	105.32	2	48.39
6. American Century One Choice 2030 Inv	—	1.24	25	1.02	26	1.03	11	96.18	6.21	107.31	77	97.59	3	44.48
7. American Century One Choice 2025 Inv	-25.02	1.21	30	0.74	30	0.95	20	96.80	5.74	99.54	74	89.89	6	41.29
8. American Century One Choice 2020 Inv	—	1.21	30	0.69	27	0.87	32	96.36	5.27	92.21	61	81.86	15	38.71
9. BMO Small-Cap Growth Y	-42.50	0.97	64	-1.88	74	1.17	87	57.09	14.76	116.47	14	143.59	91	88.43
10. Columbia Small Cap Index A	-31.00	1.16	34	0.19	29	1.03	47	62.50	12.50	108.06	42	111.09	22	96.28
11. American Century One Choice In Ret Inv	-16.57	1.17	10	0.44	12	0.79	95	95.86	4.79	81.85	3	70.93	72	36.56
12. Nuveen Real Estate Securities A	-34.96	0.58	51	3.52	42	0.49	52	11.73	13.95	85.40	34	59.87	40	98.89
13. Prudential Jennison Natural Resources Z	-52.73	-0.43	49	-18.72	60	1.12	61	32.76	19.19	72.67	61	157.61	56	70.47
14. Goldman Sachs Mid Cap Value Instl	-36.47	1.44	36	1.10	38	0.94	33	84.32	9.74	99.23	54	110.11	32	98.25
15. Lord Abbett Value Opportunities A	-27.77	1.38	35	1.12	23	1.02	58	77.82	11.08	99.81	35	113.66	24	98.03
16. Columbia Mid Cap Index A	-36.26	1.30	52	0.28	48	1.01	51	76.75	10.96	104.70	55	113.42	49	97.58
17. TIAA-CREF Large-Cap Value Idx Retire	-37.01	1.34	34	-0.60	30	0.99	59	93.92	9.80	97.67	31	107.98	44	97.62
18. T. Rowe Price Equity Income Adv	-35.88	1.05	72	-3.20	84	0.95	46	91.61	9.49	90.06	82	109.63	77	91.53
19. Alger Capital Appreciation Instl I	-43.89	1.51	28	1.80	24	1.01	49	84.88	10.44	106.93	31	101.98	20	85.91
20. TIAA-CREF Large-Cap Gr Idx Retire	-38.67	1.45	34	0.55	45	1.00	48	93.15	9.92	102.25	31	95.83	64	97.18
21. TIAA-CREF Growth & Income Retire	-35.12	1.37	44	-0.37	62	1.06	65	94.43	10.37	102.73	22	101.78	84	90.98
22. State Street Equity 500 Index Adm	-36.89	1.42	33	-0.27	33	1.00	56	99.99	9.55	99.16	32	100.65	45	92.41
23. PIMCO Total Return Admin	4.55	0.43	56	-0.24	57	1.20	94	87.52	3.71	117.97	5	129.31	93	0.00
24. TIAA-CREF Bond Index Retirement	—	0.37	62	-0.46	66	1.03	68	99.59	2.97	96.61	54	109.35	68	0.00
25. American Century Infl Adj Bond A	-1.38	-0.46	57	-4.83	65	1.60	68	78.01	5.23	130.69	50	210.01	59	0.00
26. Prudential High-Yield Z	-22.14	1.22	21	4.22	20	0.65	69	19.27	4.29	141.93	16	17.83	43	0.08
27. American Funds Europacific Growth R4	-40.56	0.85	24	3.81	23	0.85	30	90.99	10.21	95.27	45	82.74	17	0.22
28. Oppenheimer Developing Markets Y	-47.84	-0.01	43	-6.48	35	1.10	68	80.43	13.99	90.17	19	105.49	47	0.90

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Ranked by: descending Morningstar Category

Name	% Non-US Stocks Long	% Bonds Long	% Cash Long	% Other/ Not Classified Long	Total Number of Holdings	Manager Tenure
1. American Funds Capital World Gr&Inc R4	51.89	0.88	3.09	3.66	455	22.50
2. American Century One Choice 2050 Inv	22.67	16.76	2.20	0.98	5075	7.33
3. American Century One Choice 2045 Inv	21.56	18.88	2.61	1.00	5262	8.75
4. American Century One Choice 2040 Inv	19.60	22.80	5.40	1.00	5262	7.33
5. American Century One Choice 2035 Inv	17.52	26.63	7.95	1.00	5371	8.75
6. American Century One Choice 2030 Inv	15.31	32.59	8.38	1.03	5371	7.33
7. American Century One Choice 2025 Inv	12.80	37.93	9.03	1.06	5371	8.75
8. American Century One Choice 2020 Inv	10.35	40.54	11.72	1.07	5371	7.33
9. BMO Small-Cap Growth Y	8.72	0.00	2.81	0.04	84	11.42
10. Columbia Small Cap Index A	0.23	0.00	3.49	0.00	760	4.08
11. American Century One Choice In Ret Inv	8.12	42.77	14.13	1.07	5232	8.75
12. Nuveen Real Estate Securities A	0.48	0.00	0.72	0.15	155	10.33
13. Prudential Jennison Natural Resources Z	23.75	0.00	4.04	1.75	119	9.17
14. Goldman Sachs Mid Cap Value Instl	0.76	0.00	0.99	0.00	214	13.75
15. Lord Abbett Value Opportunities A	0.00	0.00	0.59	1.39	100	9.75
16. Columbia Mid Cap Index A	0.00	0.00	2.27	0.16	560	4.08
17. TIAA-CREF Large-Cap Value Idx Retire	1.37	0.30	0.63	0.09	701	9.75
18. T. Rowe Price Equity Income Adv	4.05	0.64	2.87	0.91	540	29.92
19. Alger Capital Appreciation Instl I	10.19	0.00	3.52	0.39	142	11.00
20. TIAA-CREF Large-Cap Gr Idx Retire	1.22	0.62	0.29	0.69	662	10.08
21. TIAA-CREF Growth & Income Retire	8.60	0.00	0.19	0.24	210	10.50
22. State Street Equity 500 Index Adm	3.88	0.00	2.93	0.81	519	12.75
23. PIMCO Total Return Admin	0.00	141.21	143.86	4.21	8917	1.00
24. TIAA-CREF Bond Index Retirement	0.00	96.35	3.63	0.03	5469	5.75
25. American Century Infl Adj Bond A	0.00	112.83	0.04	2.17	264	13.83
26. Prudential High-Yield Z	0.00	97.33	2.45	0.20	604	15.75
27. American Funds Europacific Growth R4	88.07	0.88	7.42	3.42	537	23.75
28. Oppenheimer Developing Markets Y	93.31	0.00	3.90	1.89	240	8.33

Finance Committee

Agenda

FINANCE COMMITTEE

October 4, 2015

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session telephonic meeting of July 9, 2015
3. Approval of the minutes of the meeting of July 16, 2015
4. Approval of the minutes of the Committee's Open Session telephonic meeting of August 13, 2015
5. Presentation on LSC's Financial Reports for the ten-month period ending July 31, 2015
 - Presentation by David Richardson, Treasurer/Comptroller
6. Report on status of FY 2016 appropriations process
 - Carol Bergman, Director, Government Relations & Public Affairs
7. Report on status of FY 2017 appropriations process
 - Carol Bergman, Director, Government Relations & Public Affairs
8. Consider and act on **Resolution # 2015-0XX**, Temporary Operating Authority for FY 2016
 - David Richardson, Treasurer/Comptroller
9. Public comment
10. Consider and act on other business
11. Consider and act on adjournment

**Draft Minutes of the July 9, 2015
Open Session Telephonic Meeting**

**Legal Services Corporation
Telephonic Meeting of the Finance Committee**

Open Session

Thursday, July 9, 2015

DRAFT

Committee Chairman Robert J. Grey Jr. convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Finance Committee ("the Committee") at 5:05p.m. on Thursday, July 9, 2015. The meeting was held at the F. William McCalpin Conference Center, Legal Services Corporation, 3333 K Street, NW Washington, D. C. 20007.

The following Committee members were present:

Robert J. Grey Jr., Chairman
Laurie I. Mikva
Martha L. Minow
Alan Tanenbaum (Non-Director Member)
John G. Levi, *ex officio*

Other Board Members Present:

Julie A. Reiskin
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Lynn Jennings	Vice President for Grants Management
Patrick Malloy	Special Assistant to the President and Vice President of Grants Management
David L. Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services (OFAS)
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Treefa Aziz	Government Affairs Representative, Office of Government Relations and Public Affairs (GRPA)
Robert DeNunzio	Summer Intern, Office of Government Relations and Public Affairs (GRPA)
Eileen Dombarowski	Summer Intern, Office of Government Relations and Public Affairs (GRPA)

Leila Safavi	Summer Intern, Office of Government Relations and Public Affairs (GRPA)
Jonathan Acevedo	Summer Intern, Office of Government Relations and Public Affairs (GRPA)
Jeffrey E. Schanz	Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
Don Saunders	National Legal Aid and Defenders Association (NLADA)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chairman Grey called the meeting to order.

MOTION

Chairman Grey moved to approve the agenda. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

President Sandman briefed the Committee on management's recommendation for LSC's fiscal year 2017 budget request. He answered Committee members' questions.

Mr. Schanz and Mr. Maddox of the Inspector General's office discussed their 2017 budget request for fiscal year 2017. They both answered Committee members' questions.

Committee Chairman Grey invited public comment regarding Management's and the Inspector General's budget request for fiscal year 2017. The Committee received public comments from Mr. Saunders, National Legal Aid and Defenders Association (NLADA).

There was no other business to consider.

MOTION

Chairman Grey moved to adjourn the meeting. Dean Minow seconded the motion.

VOTE

The Committee meeting adjourned at 5:50 p.m.

**Draft Minutes of the July 16, 2015
Open Session Meeting**

**Legal Services Corporation
Meeting of the Finance Committee**

Open Session

Thursday, July 16, 2015

DRAFT

Committee Chairman Robert J. Grey Jr. convened an open session meeting of the Legal Services Corporation's ("LSC") Finance Committee ("the Committee") at 4:45p.m. on Thursday, July 16, 2015. The meeting was held at the Radisson Blu Minneapolis Hotel, 35 South 7th Street, Minneapolis, Minnesota 55402.

The following Committee members were present:

Robert J. Grey Jr., Chairman
Laurie I. Mikva
Martha L. Minow
Father Pius Pietrzyk, O.P.
Robert E. Henley Jr. (Non-Director Member), by telephone
Alan Tanenbaum (Non-Director Member), by telephone
John G. Levi, *ex officio*

Other Board Members Present:

Charles Keckler
Victor Maddox
Julie A. Reiskin
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs
Lynn Jennings	Vice President for Grants Management
David L. Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services (OFAS)
Wendy Rhein	Chief Development Officer
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher,	Director, Office of Government Relations and Public Affairs (GRPA)

Marcos Navarro	Office of Government Relations and Public Affairs (GRPA)
Jeffrey E. Schanz	Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)
Daniel O'Rourke	Assistant Inspector General for Investigations, Office of the Inspector General (OIG)
Tom Hester	Associate Counsel, Office of the Inspector General (OIG)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Janet LaBella	Director, Office of Program Performance (OPP)
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee
Frank B. Strickland	Non-Director Member, Institutional Advancement Committee
Jean Lastine	Executive Director, Central Minnesota Legal Services
Anne Hoefgen	Executive Director, Legal Services of Northwest Minnesota
Jessie Nicholson	Executive Director, Southern Minnesota Regional Legal Services
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Terry Brooks	American Bar Association, Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chairman Grey called the meeting to order.

MOTION

Dean Minow moved to approve the agenda. Father Pius seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Dean Minow moved to approve the minutes of the Committee's meeting of June 15, 2015. Father Pius seconded the motion

VOTE

The motion passed by voice vote.

Mr. Richardson provided a summary on LSC's Financial Reports for the first eight months of Fiscal Year 2015. He also briefed the Committee on internal budgetary adjustments for the FY 2015 Consolidated Operating Budget. He answered Committee members' questions.

Ms. Bergman briefed the Committee on the status of the Fiscal Year 2016 appropriations. She answered Committee members' questions.

Mr. Richardson gave a report on the proposed Temporary Operating Authority for Fiscal Year 2016, and accompanying resolution.

MOTION

Dean Minow moved to recommend the proposed Temporary Operating Authority for Fiscal Year 2016, and resolution to the Board for approval. Father Pius seconded the motion.

VOTE

The motion passed by voice vote.

President Sandman and Mr. David Maddox briefed the Committee on the budget request for FY 2017, and accompanying resolution. Both answered Committee members' questions.

MOTION

Dean Minow moved to recommend the proposed budget request for FY 2017, and accompanying resolution to the Board for approval. Father Pius seconded the motion.

VOTE

The motion passed by voice vote.

Committee Chairman Grey invited public comment and receive none. There was no other business to consider.

MOTION

Dean Minow moved to adjourn the meeting. Father Pius seconded the motion.

VOTE

The Committee meeting adjourned at 5:30p.m.

**Draft Minutes of the August 13, 2015
Open Session Telephonic Meeting**

**Legal Services Corporation
Telephonic Meeting of the Finance Committee**

Open Session

Thursday, August 13, 2015

DRAFT

Committee Chairman Robert J. Grey Jr. convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Finance Committee ("the Committee") at 11:05 a.m. on Thursday, August 13, 2015. The meeting was held at the F. William McCalpin Conference Center, Legal Services Corporation, 3333 K Street, NW Washington, D. C. 20007.

The following Committee members were present:

Robert J. Grey Jr., Chairman
Martha L. Minow
Father Pius Pietrzyk, O.P.
Alan Tanenbaum (Non-Director Member)
John G. Levi, *ex officio*

Other Board Members Present:

Charles N.W. Keckler
Harry J.F. Korrell III
Victor B. Maddox
Julie A. Reiskin

Also attending were:

James J. Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Katherine Ward	Executive Assistant, Office of Legal Affairs
Lynn Jennings	Vice President for Grants Management
Patrick Malloy	Special Assistant to the President and Vice President for Grants Management
David L. Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services (OFAS)
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Treefa Aziz	Government Affairs Representative, Office of Government Relations and Public Affairs (GRPA)

Jeffrey E. Schanz	Inspector General
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General (OIG)
John Seeba	Assistant Inspector General for Audit, Office of the Inspector General (OIG)
Daniel O'Rourke	Assistant Inspector General for Investigations, Office of the Inspector General (OIG)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Beverly Groudine	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Chairman Grey called the meeting to order.

MOTION

Dean Minow moved to approve the agenda. Mr. Levi seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Dean Minow moved to approve the minutes of the Committee's telephonic meeting of July 9, 2015. Mr. Levi seconded the motion

VOTE

The motion passed by voice vote.

President Sandman gave a report on the proposed reprogramming of funds for the establishment of the Office of Data Governance and Analysis to replace the Office of Information Management, and accompanying resolution. He answered Committee members' questions.

MOTION

Dean Minow moved to recommend the resolution for Board approval. Mr. Levi seconded the motion.

VOTE

The motion passed by voice vote.

Committee Chairman Grey invited public comment and receive none. There was no other business to consider.

MOTION

Father Pius moved to adjourn the meeting. Dean Minow seconded the motion.

VOTE

The Committee meeting adjourned at 11:20 a.m.

**First Ten-Months Financial Report
for FY 2015**

FINANCIAL & ADMINISTRATIVE SERVICES

MEMORANDUM

TO: Robert J. Grey, Jr., Finance Committee Chairman

FROM: David L. Richardson, Treasurer/Comptroller *dlr*

DATE: September 10, 2015

SUBJECT: July 2015 Financial Reports

The financial report for the ten-month period ending July 31, 2015 is attached. There are four attachments (some with multiple pages) that support this report.

The first section of Attachment A presents information for the Delivery of Legal Assistance, ***Roman numeral I***, and the Herbert S. Garten Loan Repayment Assistance Program (LRAP), ***Roman numeral II***. The expenditures are compared to the annual budget, and the report shows the variance for each budget line. The expenditures are also compared to the same period of the prior year.

- I. There are six elements included in the Delivery of Legal Assistance:
 1. The Basic Field Programs budget is \$343,612,147; the grant expenses total \$340,943,094. The grant expenses include Basic Field Programs of \$320,014,222, Native American of \$9,615,253, and Migrant of \$11,313,619. The remaining funds of \$2,669,053 are earmarked for a Michigan services area on short-term funding, for a close-out audit to be conducted in Louisiana, and additional funds for American Samoa.
 2. The U.S. Court of Veterans Appeals Funds budget totals \$2,505,422, and the grant expenses are \$2,470,000. Some of the remaining funds will be used to reimburse LSC for the FY 2015 grant administration expenses, and the remainder will support next year's activities.

3. The Grants from Other Funds budget totals \$583,580, and one emergency grant totaling \$47,282 has been awarded to Legal Services of North Florida. The remaining funds of \$536,298 are available to support emergency or special one-time grants.
 4. The Technology Initiatives budget totals \$4,193,149. We have received returned grant funds of \$158,309 and made supplemental awards totaling \$132,480 to augment two previous technology grants. These transactions result in a \$25,829 increase to the available funds that now total \$4,218,978. The 2015 grants have been approved with a target of finalizing grant negotiations and making awards by September 30.
 5. The Hurricane Sandy Disaster Relief Funds budget totals \$75,959; there are no grant expenses.
 6. The Pro Bono Innovation Funds budget is \$4,000,000. This year's awards have been approved with a target to make grants by September 30.
- II. The Herbert S. Garten Loan Repayment Assistance Program's budget is \$2,408,419; loan expenses are \$439,346. The remaining funds of \$1,969,073 will be used for future loans.

The second section of Attachment A presents expenditures for MGO and the OIG. The expenditures are compared to a pro rata allocation of the annual budget based on the number of months of the fiscal year covered by the reporting period.

- III. MGO's annual budget totals \$25,033,796. The budget is comprised of the MGO operating budget of \$20,400,000, the MGO Research Initiative of \$66,622, and the MGO Contingency Funds totaling \$4,567,174.

The MGO operating budget allocation for this reporting period is \$17,000,000, compared to the actual expenses of \$14,817,067. LSC is under budget by \$2,182,933 or 12.84%, and the encumbrances are \$310,562. The expenditures were up by \$925,829 over the same period in 2014.

The increases in expenditures in 2015 compared to 2014 are attributable to: (a) higher Compensation and Benefits costs (\$542,540) associated with an increase in the number of regular employees; (b) Consulting costs (\$325,314), which are up principally because of the use of outside counsel in Legal Affairs (\$106,306), and for information technology consulting costs (\$164,251) for upgrading of our Website, building the new grantee portal that will be our conduit for managing information related to our grantees, and selecting a new grants management system; and (c) an increase in Other Operating Expenses (\$63,077) because of renewing expired software licenses, and maintenance and security of our network systems

We are experiencing savings in Temporary Employee Pay, which shows a decrease (\$54,994) because of new hires of regular employees.

The MGO Research Initiative budget allocation is \$55,518, and there are \$224 of expenses.

The MGO Contingency Funds allocation is \$3,805,978, and there are no expenses.

- IV. The OIG's annual budget totals \$5,151,271. The budget is comprised of the OIG operating budget of \$4,950,600, and Contingency Funds of \$200,671.

The budget allocation is \$4,125,500, compared to actual expenses of \$3,673,499. The OIG is \$452,001, or 10.96%, under budget, and the encumbrances are \$101,506. The expenditures are \$252,325 less than in 2014 because of a reduction in Compensation and Benefits due to open positions.

The OIG Contingency Funds allocation is \$167,226, and there are no expenses.

Attachment B, page 1, presents comparative budgets and expenditures for MGO by cost center. Attachment B, page 2, shows the budgets and expenditures by budget category for the MGO operating budget. All cost centers and budget categories are under budget.

The largest variance under budget, totaling \$1,078,573, is in the Compensation and Benefits category. This amount represents 49.41% of this month's total MGO variance. The variance is attributable to delays in hiring, and to open positions. The open positions by office as of July 31 are as follows:

Executive Office – Two positions are open; Special Assistant to the President for Board Relations (recruiting and interviews for the position are ongoing) and Executive Assistant for the Executive Office (recruiting has not been initiated);

Government Relations/Public Affairs – Communications Manager/Writer position is open and the recruiting is in progress;

Program Performance – One Program Counsel and two Program Analysts; a Program Counsel was hired and began work on September 8; recruiting for a Grants Coordinator began in July; and recruiting for a Program Analyst position has not been initiated;

Data Governance and Analysis – Four positions are open; recruiting for a Director is under way; once the Director is hired, recruiting for three additional positions will begin; and

Compliance and Enforcement – Fiscal Compliance Analyst; recruiting is under way.

Attachment B, page 3, shows the MGO Contingency Funds budget categories. Attachment B, page 4, provides a summary of the expenditures by office and by budget category. Attachment C, pages 1 and 2, presents a breakdown of the other operating expenses by account code and by cost center.

Attachment D, page 1, shows a comparative OIG budget and expenditures by budget category. Attachment D, page 2, shows the OIG Contingency Funds budget categories. The OIG is under budget in all categories.

There are two additional items outside of the usual budget process that I want to call to your attention. The first concerns grant recoveries. We recover excess fund balances maintained by grantees and because of questioned costs proceedings. When these funds are collected, they are accounted for separately and used to increase the Grants from Other Funds budget line during the next fiscal year. Grant recoveries of \$1,536,897 have been collected or in the process of being collect through this reporting period. The second item concerns private grants for specific purposes. LSC received a

Robert J. Grey, Jr.
July 2015 Financial Reports
Page 5

grant of \$800,000 from the Margaret A. Cargill Foundation, and grants of \$767,000 were awarded. LSC administrative costs were included in the grant; they are being accumulated to be charged for our year-end reporting.

If you have any questions, please let me know.

Attachments (A – B – C - D)

cc Board of Directors
President
Corporate Secretary
Inspector General

LEGAL SERVICES CORPORATION
CONSOLIDATED OPERATING BUDGET WORKSHEET
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2015
FOR FISCAL YEAR 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	F I S C A L Y E A R 2 0 1 5						C O M P A R A T I V E	
	ANNUAL BUDGET	ACTUAL	ANNUAL BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
I. DELIVERY OF LEGAL ASSISTANCE								
1. Basic Field Programs	343,612,147	340,943,094	\$343,612,147	\$2,669,053	0.78	\$0	335,824,344	\$5,118,750
2. U.S. Court of Vets Appeals Funds	2,505,422	2,470,000	2,505,422	35,422	1.41	-	-	2,470,000
3. Grants From Other Funds	583,580	47,282	583,580	536,298	91.90	-	-	47,282
4. Technology Initiatives	4,193,149	(25,829)	4,193,149	4,218,978	100.62	-	2,977,573	(3,003,402)
5. Hurricane Sandy Disaster Relief Funds	75,959	-	75,959	75,959	100.00	-	-	-
6. Pro Bono Innovation Funds	4,000,000	-	4,000,000	4,000,000	100.00	-	-	-
TOTAL DELIVERY OF LEGAL ASSISTANCE	354,970,257	343,434,547	354,970,257	11,535,710	3.25	-	338,801,917	4,632,630
II. HERBERT S. GARTEN LOAN REPAYMENT ASSISTANCE PROGRAM								
	2,408,419	439,346	2,408,419 *	1,969,073	81.76	-	1,047,200	(607,854)
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2015 COB	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
III. MANAGEMENT & GRANTS OVERSIGHT								
1. MGO Operating Budget	20,400,000	\$14,817,067	\$17,000,000	\$2,182,933	12.84	310,562	13,891,238	925,829
2. MGO Research Initiative	66,622	224	55,518	55,294	99.60	-	131,151	(130,927)
3. MGO Contingency Funds	4,567,174	-	3,805,978	3,805,978	100.00	-	-	-
TOTAL MANAGEMENT & GRANTS OVERSIGHT	25,033,796	14,817,291	20,861,496	6,044,205	28.97	310,562	14,022,389	794,902
IV. INSPECTOR GENERAL								
1. I G Operating Budget	4,950,600	3,673,499	4,125,500	452,001	10.96	101,506	3,925,824	(252,325)
2. I G Contingency Funds	200,671	-	167,226	167,226	100.00	-	-	-
TOTAL INSPECTOR GENERAL	5,151,271	3,673,499	4,292,726	619,227	14.43	101,506	3,925,824	(252,325)
TOTAL	\$387,563,743	\$362,364,684	\$382,532,898	\$20,168,214		\$412,068	\$357,797,330	\$4,567,353

* 523,594 LRAP ACCOUNTS RECEIVABLE

LEGAL SERVICES CORPORATION
CONSOLIDATED OPERATING BUDGET WORKSHEET
FOR THE TEN-MONTH PERIOD ENDING JULY 31, 2015
FOR FISCAL YEAR 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	F I S C A L Y E A R 2 0 1 5						C O M P A R A T I V E	
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2015 COB	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
III. MANAGEMENT & GRANTS OVERSIGHT								
1. Board of Directors	\$377,050	227,200	\$314,208	\$87,008	27.69	\$0	\$227,793	(\$593)
2. Executive Office	1,321,850	1,022,147	1,101,542	79,395	7.21	-	891,557	130,590
3. Legal Affairs	1,437,150	997,010	1,197,625	200,615	16.75	29,667	910,186	86,824
4. Government Relations/Public Affairs	1,102,200	857,084	918,500	61,416	6.69	7,881	779,521	77,563
5. Human Resources	777,600	562,056	648,000	85,944	13.26	23,840	561,393	663
6. Financial & Admin Services	3,779,600	2,754,761	3,149,667	394,906	12.54	48,397	2,696,353	58,408
7. Information Technology	1,904,350	1,403,404	1,586,958	183,554	11.57	142,222	1,244,371	159,033
8. Program Performance	4,594,950	3,327,817	3,829,125	501,308	13.09	-	3,107,599	220,218
9. Information Management	604,775	427,962	503,979	76,017	15.08	5,469	469,043	(41,081)
10. Compliance & Enforcement	4,500,475	3,237,626	3,750,396	512,770	13.67	53,086	3,003,422	234,204
MANAGEMENT & GRANTS OVERSIGHT SUBTOTAL	\$20,400,000	14,817,067	\$17,000,000	\$2,182,933	12.84	\$310,562	\$13,891,238	\$925,829
11. M & G O Research Initiative	66,622	224	55,518	55,294	99.60	-	131,151	(130,927)
12. M & G O Contingency Funds	4,567,174	-	3,805,978	3,805,978	100.00	-	-	-
TOTAL MANAGEMENT & GRANTS OVERSIGHT	\$25,033,796	\$14,817,291	\$20,861,496	\$6,044,205	28.97	\$310,562	\$14,022,389	\$794,902

LEGAL SERVICES CORPORATION
FINANCIAL REPORT BY BUDGET CATEGORY
FOR THE PERIOD ENDING JULY 31, 2015
FOR FISCAL YEAR 2015
MANAGEMENT AND GRANTS OVERSIGHT

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2015 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUM- BRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)	
		FISCAL YEAR 2015						COMPARATIVE	
TOTAL COMP./BENEFITS	14,307,050	10,843,970	11,922,543	1,078,573	9.05	-	10,301,430	542,540	
TEMP. EMPLOYEE PAY	689,500	446,217	574,583	128,366	22.34	-	501,211	(54,994)	
CONSULTING	1,023,600	628,337	853,000	224,663	26.34	213,272	303,023	325,314	
TRAVEL/TRANSPORTATION EXPS	1,142,400	620,998	951,998	331,000	34.77	-	599,671	21,327	
COMMUNICATIONS	121,925	64,903	101,604	36,701	36.12	-	61,829	3,074	
OCCUPANCY COST	1,775,500	1,434,022	1,479,584	45,562	3.08	-	1,432,077	1,945	
PRINTING & REPRODUCTION	113,150	39,282	94,292	55,010	58.34	45,970	41,025	(1,743)	
OTHER OPERATING EXPENSES	1,003,875	712,387	836,563	124,176	14.84	51,320	604,119	108,268	
CAPITAL EXPENDITURES	223,000	26,951	185,833	158,882	85.50	-	46,854	(19,903)	
TOTAL	\$20,400,000	14,817,067	17,000,000	2,182,933	12.84	\$310,562	13,891,239	925,828	

LEGAL SERVICES CORPORATION
FINANCIAL REPORT BY BUDGET CATEGORY
FOR THE PERIOD ENDING JULY 31, 2015
FOR FISCAL YEAR 2015
MANAGEMENT AND GRANTS OVERSIGHT CONTINGENCY FUNDS

(1) BUDGET CATEGORY	FISCAL YEAR 2015					COMPARATIVE		
	(2) ANNUAL BUDGET	(3) ACTUAL	(4) TEN - TWELFTHS OF THE FY 2015 BUDGET	(5) VARIANCE BUD VS ACT UNDER / (OVER)	(6) % OF VARIANCE UNDER / (OVER)	(7) ENCUMBRANCES	(8) PRIOR Y-T-D ACTUAL	(8) VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
TOTAL COMP./BENEFITS	\$2,694,633	-	2,245,527	2,245,527		-	-	-
TEMP. EMPLOYEE PAY	-	-	-	-		-	-	-
CONSULTING	-	-	-	-		-	-	-
TRAVEL/TRANSPORTATION EXPS	-	-	-	-		-	-	-
COMMUNICATIONS	-	-	-	-		-	-	-
OCCUPANCY COST	-	-	-	-		-	-	-
PRINTING & REPRODUCTION	-	-	-	-		-	-	-
OTHER OPERATING EXPENSES	1,872,541	-	1,560,451	1,560,451		-	-	-
CAPITAL EXPENDITURES	-	-	-	-		-	-	-
TOTAL	\$4,567,174	-	3,805,978	3,805,978		\$0	-	-

LEGAL SERVICES CORPORATION
OPERATING EXPENSES FOR FISCAL YEAR 2015
FOR THE PERIOD ENDING JULY 31, 2015
MANAGEMENT AND GRANTS OVERSIGHT

BUDGET CATEGORY	BOARD OF DIRECTORS	EXECUTIVE OFFICE	LEGAL AFFAIRS	GOV'T REL PUBLIC AFFS	HUMAN RESOURCES	OFFICE FINANCIAL & ADMIN SRVCS
COMPENSATION & BENEFITS	-	973,157	777,336	773,895	509,437	891,599
TEMPORARY EMPLOYEE PAY	-	11,167	46,715	20,119	-	10,600
CONSULTING	59,230	10,560	134,065	-	18,116	28,522
TRAVEL/TRANSPORTATION EXPS	135,311	20,037	7,256	18,903	19,147	8,058
COMMUNICATIONS	1,743	3,241	1,814	3,846	1,196	6,971
OCCUPANCY COST	-	-	-	-	-	1,434,022
PRINTING & REPRODUCTION	-	70	-	16,465	-	22,747
OTHER OPERATING EXPENSES	30,916	3,915	29,824	23,856	13,177	346,853
CAPITAL EXPENDITURES	-	-	-	-	983	5,389
TOTAL	\$227,200	\$1,022,147	\$997,010	\$857,084	\$562,056	\$2,754,761
BUDGET CATEGORY	INFORMATION TECHNOLOGY	PROGRAM PERFORMANCE	INFORMATION MANAGEMENT	COMPLIANCE & ENFORCEMENT	TOTAL MGT & GRANTS OVERSIGHT	
COMPENSATION & BENEFITS	799,272	2,820,703	415,750	2,882,821	10,843,970	
TEMPORARY EMPLOYEE PAY	3,062	223,671	-	130,883	446,217	
CONSULTING	319,124	35,306	-	23,414	628,337	
TRAVEL/TRANSPORTATION EXPS	7,452	214,116	-	190,718	620,998	
COMMUNICATIONS	23,985	12,561	26	9,520	64,903	
OCCUPANCY COST	-	-	-	-	1,434,022	
PRINTING & REPRODUCTION	-	-	-	-	39,282	
OTHER OPERATING EXPENSES	229,930	21,460	12,186	270	712,387	
CAPITAL EXPENDITURES	20,579	-	-	-	26,951	
TOTAL	\$1,403,404	\$3,327,817	\$427,962	\$3,237,626	\$14,817,067	

OTHER OPERATING EXPENSES FOR THE TEN - MONTH PERIOD ENDING JULY 31, 2015

ANNUAL BUDGET	ACTUAL	TEN -TWELFTHS OF THE FY 2015 BUDGET	UNDER / (OVER) BUD VS ACT VARIANCE
\$1,003,875.00	712,387.00	836,563.00	124,176.00

ACCOUNT CODES	DESCRIPTION	COST CENTERS	YTD EXPENSE
		BOARD OF DIRECTORS	574.00
		FINANCIAL & ADMIN SERVICES	21,689.44
		INFORMATION TECHNOLOGY	85,423.51
5600	EQUIPMENT RENTAL	TOTAL	107,686.95
		HUMAN RESOURCES	138.75
		FINANCIAL & ADMIN SERVICES	31,651.18
		INFORMATION TECHNOLOGY	8,946.19
5610	OFFICE SUPPLIES	TOTAL	40,736.12
		GOVERNMENT RELATIONS/PUBLIC AFFAIRS	69.55
		HUMAN RESOURCES	164.21
		FINANCIAL & ADMIN SERVICES	11,951.04
		INFORMATION TECHNOLOGY	59,863.49
5611	OFFICE EQUIPMENT	TOTAL	72,048.29
		FINANCIAL & ADMIN SERVICES	173,027.75
5620	COMMERICAL INSURANCE	TOTAL	173,027.75
		LEGAL AFFAIRS	21,251.96
		GOVERNMENT RELATIONS/PUBLIC AFFAIRS	23,786.40
		HUMAN RESOURCES	350.00
		FINANCIAL & ADMIN SERVICES	55,169.79
		INFORMATION MANAGEMENT	72.64
		INFORMATION TECHNOLOGY	72,701.89
		OFFICE OF PROGRAM PERFORMANCE	899.00
5640	DATA PROCESSING	TOTAL	174,231.68
		BOARD OF DIRECTORS	30,327.00
		HUMAN RESOURCES	7,089.02
		OFFICE OF PROGRAM PERFORMANCE	20,117.94
5650	ADVERTISING & CLIPPING SERVICES	TOTAL	57,533.96

OTHER OPERATING EXPENSES FOR THE TEN - MONTH PERIOD ENDING JULY 31, 2015				
ANNUAL BUDGET	ACTUAL	TEN -TWELFTHS OF THE FY 2015 BUDGET	UNDER / (OVER) BUD VS ACT VARIANCE	
\$1,003,875.00	712,387.00	836,563.00	124,176.00	

ACCOUNT CODES	DESCRIPTION	COST CENTERS	YTD EXPENSE
		EXECUTIVE OFFICE	280.00
		LEGAL AFFAIRS	1,239.00
		HUMAN RESOURCES	75.00
		FINANCIAL & ADMIN SERVICES	28.00
		INFORMATION TECHNOLOGY	500.00
5660	DUES & MEMBERSHIPS	TOTAL	2,122.00
		LEGAL AFFAIRS	7,333.00
		FINANCIAL & ADMIN SERVICES	501.00
		OFFICE OF PROGRAM PERFORMANCE	242.99
		INFORMATION MANAGEMENT	4,797.98
		OFFICE OF COMPLIANCE AND ENFORCEMENT	269.74
5670	SUBSCRIPTIONS	TOTAL	13,144.71
		HUMAN RESOURCES	2,276.68
		FINANCIAL & ADMIN SERVICES	28,841.80
5680	EMPLOYEE LECTURES/OTHER ACT.	TOTAL	31,118.48
		BOARD OF DIRECTORS	15.00
		CHIEF DEVELOPMENT UNIT	3,635.00
		HUMAN RESOURCES	3,083.09
		FINANCIAL & ADMIN SERVICES	23,992.69
		INFORMATION TECHNOLOGY	2,495.00
		PROGRAM PERFORMANCE	200.00
		INFORMATION MANAGEMENT	7,315.11
5690	OFFICE EXPENSES	TOTAL	40,735.89
TOTAL OTHER OPERATING EXPENSES			\$712,385.83

LEGAL SERVICES CORPORATION
FINANCIAL REPORT BY BUDGET CATEGORY
FOR THE PERIOD ENDING JULY 31, 2015
FOR FISCAL YEAR 2015
INSPECTOR GENERAL

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		FISCAL YEAR 2015					COMPARATIVE	
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2015 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUMBRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
TOTAL COMP./BENEFITS	\$3,990,600	3,110,311	3,325,499	215,188	6.47	-	3,391,488	(281,178)
TEMP. EMPLOYEE PAY	35,000	19,213	29,167	9,954	34.13	-	8,423	10,790
CONSULTING	430,000	286,696	358,333	71,637	19.99	88,281	255,003	31,693
TRAVEL/TRANSPORTATION EXPS	280,000	182,682	233,333	50,651	21.71	8,000	171,057	11,625
COMMUNICATIONS	35,000	15,075	29,167	14,092	48.31	-	23,454	(8,379)
OCCUPANCY COST	11,000	12	9,167	9,155	99.87	-	2,325	(2,313)
PRINTING & REPRODUCTION	18,000	9,368	15,000	5,632	37.55	-	11,796	(2,428)
OTHER OPERATING EXPENSES	86,000	42,267	71,667	29,400	41.02	5,225	49,824	(7,557)
CAPITAL EXPENDITURES	65,000	7,875	54,167	46,292	85.46	-	12,454	(4,579)
TOTAL	\$4,950,600	3,673,499	4,125,500	452,001	10.96	\$101,506	3,925,824	(252,326)

LEGAL SERVICES CORPORATION
FINANCIAL REPORT BY BUDGET CATEGORY
FOR THE PERIOD ENDING JULY 31, 2015
FOR FISCAL YEAR 2015
INSPECTOR GENERAL CONTINGENCY FUNDS

BUDGET CATEGORY	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	ANNUAL BUDGET	ACTUAL	TEN - TWELFTHS OF THE FY 2015 BUDGET	VARIANCE BUD VS ACT UNDER / (OVER)	% OF VARIANCE UNDER / (OVER)	ENCUMBRANCES	PRIOR Y-T-D ACTUAL	VARIANCE ACTUAL VS PRIOR Y-T-D INCR / (DECR)
TOTAL COMP./BENEFITS	-	-	-	-	-	-	-	-
TEMP. EMPLOYEE PAY	-	-	-	-	-	-	-	-
CONSULTING	-	-	-	-	-	-	-	-
TRAVEL/TRANSPORTATION EXPS	-	-	-	-	-	-	-	-
COMMUNICATIONS	-	-	-	-	-	-	-	-
OCCUPANCY COST	-	-	-	-	-	-	-	-
PRINTING & REPRODUCTION	-	-	-	-	-	-	-	-
OTHER OPERATING EXPENSES	200,671	-	167,226	167,226	-	-	-	-
CAPITAL EXPENDITURES	-	-	-	-	-	-	-	-
TOTAL	\$200,671	-	167,226	167,226	\$0	\$0	-	\$0

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**Temporary Operating Authority for
FY 2016**

FINANCIAL & ADMINISTRATIVE SERVICES

MEMORANDUM

TO: Robert J. Grey, Finance Committee Chairman

FROM: David L. Richardson, Treasurer/Comptroller *dlr*

DATE: September 18, 2015

SUBJECT: Fiscal Year (FY) 2016 Proposed Temporary Operating Budget (TOB)

Each October, Management provides a proposed TOB to the Board of Directors for consideration. The TOB before you is based on an expected Continuing Resolution that would provide the same funding (\$375,000,000) as received with the FY 2015 appropriation and would be distributed as follows:

Basic Field Programs	\$343,150,000
Technology Initiatives	4,000,000
Pro Bono Initiative	4,000,000
Herbert H. Garten Loan Repayment Assistance Program	1,000,000
Management and Grants Oversight	18,500,000
Inspector General	4,350,000
	\$375,000,000

The projected funding for the U.S. Court of Veterans Appeals is \$2,500,000. When the projected FY 2015 carryover of \$12,513,070 is included, the TOB totals \$390,013,070.

Attachment A presents a breakdown of the TOB by budget line in four columns.

Column 1 presents the projected funds from the FY 2016 Continuing Resolution; Column 2 provides an estimate of the FY 2015 Carryover; Column 3 shows the projected FY 2016 Court of Veterans Appeals Grant; and Column 4 combines columns 1 through 3.

The following is a description of how the projected TOB, as reflected in Attachments A and B, is allocated.

The Basic Field Grant funds are distributed based on the funding formula as provided in the appropriation. A competitive process for approximately one-third of the service areas is undertaken each year with the successful applicants, in most instances, receiving multi-year grants based on continued appropriations. The carryover funds are earmarked for a Michigan service area that is on short-term funding, for a close-out audit of a Louisiana program, and additional funds for American Samoa.

The U.S. Court of Veterans Appeals grant is also awarded based on a competitive process and a multi-year grant is provided based on continued funding. Carryover funds will be used to support the grant and administrative costs.

Grants from Other Funds are carryover funds that LSC receives from grant recoveries, and are used to provide emergency and special one-time grants.

The Hurricane Sandy Disaster Relief Funds carryover is the balance of the appropriations that are available to support the New York and New Jersey areas.

The Technology Initiative Grants program recently awarded 36 grants for special projects to improve access to justice through technology. A new competitive process will occur next spring with grants to be awarded by September 2016.

The Pro Bono Innovation Fund competitive process yielded 14 grants in FY 2015. The FY 2016 competitive application process will begin in early 2016, with grants to be awarded by September.

The Herbert S. Garten Loan Repayment Assistance Program (LRAP) provides awards of up to \$5,600 to grantee staff with large outstanding law school debt and who have less than 5 years of service. As long as the recipient is in good standing, they can receive this award for up to three years for a total of \$16,800. A competitive process will again be undertaken for the new funds, and the review of prior recipients and their eligibility will be conducted to make the FY 2016 awards.

The Management and Grants Oversight (MGO) budget is created by the office directors under the direction of the President. Attachment B presents a summary of the resulting budgets. Key areas of the proposed budget for MGO include the following items:

- Board of Directors –
 - 4 three-day board meetings to be held in San Francisco, CA; Charleston, SC; Washington, DC; and Burlington, VT.
 - Funds are budgeted for 36 guests to attend board meetings and for 15 additional trips for board members to take while conducting LSC business.
 - Consulting funds are added to this budget for a facilitator to aid the Board in updating the strategic plan for period 2017 – 2020.
- LSC Staff Overview – 109 full time staff members in MGO, detailed in the offices as follows:

	Staff budgeted for FY 2016
Executive Office	8
Legal Affairs	8
Government Relations/Public Affairs	7
Human Resources	6
Financial and Administrative Services	11
Information Technology	8
Program Performance	28
Data Governance	5
Compliance and Enforcement	28
Totals	109

- Executive Office – \$64,400 for travel needs, which includes travel to Board meetings, to conferences, and to speaking engagements;
- Legal Affairs – \$300,000 in the consulting budget line, of which \$285,000 is for outside counsel costs and \$15,000 is to complete the migrant study;
- Financial and Administrative Services – The budget includes funds for occupancy costs in the amount of \$1,710,000 for lease payments and \$165,000 for additional pass-through operating costs and building maintenance and upkeep; other operating expenses totaling \$463,000 are for office equipment rental and maintenance, office supplies and equipment, annual renewal of the financial management software, outside payroll service fees, bank service charges, commercial insurance coverage, and directors' and officers' liability insurance;
- Information Technology – \$497,500 in Consulting, most of which will be used to customize the new grants management software. Other Operating Expenses of \$356,700 are to fund the maintenance of our computer systems, annual software renewal fees, annual cost of the multifunction copiers lease, annual cost of the disaster recovery site, and the purchase of equipment and software costing under \$500. Capital expenditures of \$53,500 are for new computers, servers, software with a cost of over \$500.
- The Office of Program Performance will continue to invest resources in program quality visits, capability assessment visits, training and other projects for program support. These initiatives are supported by temporary employees with an estimated cost of \$342,850. The travel budget of \$314,675 supports staff, temporary employees, and consultant travel.
- Compliance and Enforcement has budgeted for on-site reviews supported by temporary employees with costs of \$159,650 and travel totaling \$375,270.

MGO Contingency Funds of \$4,357,275 have been set aside to support future Corporation needs and to support our spend-down plan that considers the sustainability of our operations through 2017.

The following budget information is provided by the Office of Inspector General.

The OIG's FY 2016 TOB funds the executive, audit, investigative, management and evaluation, and legal functions required by the Inspector General Act and LSC appropriation law. The OIG will continue to implement its new Strategic Plan by performing its risk guided oversight work of LSC and grantee operations. The \$5,050,000 TOB is based on a \$4,350,000 base and a projected \$700,000 in carryover funds. Key budget areas include:

1. Full staffed at 30 positions, including salary adjustments (as of September the OIG has 28 full time staff members and 2 open positions);
2. Travel budget is \$270,000;
3. 35 Quantity controls reviews of selected independent public accountants annual audits of the LSC grantees at a cost of \$160,000 in consulting (plus an additional \$40,000 in the travel budget). The program can be scaled to a minimum of 15 reviews if appropriations are lower;
4. Information management and technology support and investments for OIG's operations are budgeted at \$212,000 (in consulting, other operating, and capital budget lines) and is also scalable;
5. OIG's information security vulnerability reviews of select LSC grantees is budgeted at \$60,000; and,
6. Pursuant to the IG Act, the OIG has budgeted \$14,000 to fund the Council of Inspectors General on Integrity and Efficiency, and \$60,000 for staff training.

This budget allows the OIG's work plan to remain flexible and can accommodate additional independent and objective reviews as requested by the Board, Congress or the public.

Attached is a draft TOB resolution for your consideration. Attachment A presents a summary by line item and Attachment B summarizes each office's budget by budget category. Questions or concerns related to the MGO budget should be directed to me at 202-295-1510 or Wendy Christmas at 202-295-1516. Questions regarding the Office of Inspector General's budget should be directed to Jeffrey Schanz (202) 295-1677 or David Maddox (202) 295-1653.

Attachments

LEGAL SERVICES CORPORATION
 PROPOSED TEMPORARY OPERATING BUDGET

 FOR THE FISCAL YEAR 2016

	(1)	(2)	(3)	(4)
	FY 2016 CONTINUING RESOLUTION FUNDS	FY 2015 CARRYOVER	COURT OF VETS APPEALS & ADJUSTMENTS	FY 2016 TEMPORARY OPERATING BUDGET
	-----	-----	-----	-----
I. DELIVERY OF LEGAL ASSISTANCE				

1. Basic Field Programs	343,150,000	1,212,552	-	344,362,552
2. U.S. Court of Veterans Appeals Funds	-	2,500	2,500,000	2,502,500
3. Grants From Other Funds	-	2,073,193	-	2,073,193
4. Technology Initiatives	4,000,000	147,739	-	4,147,739
5. Hurricane Sandy Disaster Relief Funds	-	75,959	-	75,959
6. Pro Bono Innovation Funds	4,000,000	-	-	4,000,000
	-----	-----	-----	-----
DELIVERY OF LEGAL ASSISTANCE TOTALS	351,150,000	3,511,943	2,500,000	357,161,943
II. HERBERT S. GARTEN				
LOAN REPAYMENT ASSISTANCE PROGRAM	1,000,000	1,463,627	-	2,463,627

III. MANAGEMENT & GRANTS OVERSIGHT				

1. MGO Operating Budget	18,500,000	2,480,225	-	20,980,225
2. MGO Contingency Funds	-	4,357,275	-	4,357,275
	-----	-----	-----	-----
TOTAL - MANAGEMENT & GRANTS OVERSIGHT	18,500,000	6,837,500	-	25,337,500
IV. INSPECTOR GENERAL				

	4,350,000	700,000	-	5,050,000
	-----	-----	-----	-----
TOTAL BUDGET	\$375,000,000	\$12,513,070	2,500,000	\$390,013,070
	=====	=====	=====	=====

**LEGAL SERVICES CORPORATION
 TEMPORARY OPERATING BUDGET
 FOR MANAGEMENT AND GRANTS OVERSIGHT
 AND INSPECTOR GENERAL
 FOR FISCAL YEAR 2016**

BUDGET CATEGORY	BOARD OF DIRECTORS	EXECUTIVE OFFICES	LEGAL AFFAIRS	GOVERNMENT RELATIONS & PUB AFFS	HUMAN RESOURCES	OFFICE FINANCIAL & ADMIN SRVCS
COMPENSATION & BENEFITS	0	1,252,825	1,190,700	969,875	706,800	1,261,200
TEMP. EMPLOYEE PAY	0	35,450	93,600	29,650	0	1,900
CONSULTING	124,800	5,600	300,000	10,000	25,600	9,800
TRAVEL & TRANSPORTATION	219,600	64,400	20,000	47,100	34,600	19,450
COMMUNICATIONS	4,950	5,700	4,900	4,600	1,650	12,600
OCCUPANCY COSTS	4,000	0	0	0	0	1,875,000
PRINTING & REPRODUCTION	0	500	0	1,000	0	72,700
OTHER OPERATING EXPENSES	63,400	7,400	51,900	27,900	12,300	463,000
CAPITAL EXPENDITURES	0	0	0	0	0	42,500
TOTAL	<u>416,750</u>	<u>1,371,875</u>	<u>1,661,100</u>	<u>1,090,125</u>	<u>780,950</u>	<u>3,758,150</u>
BUDGET CATEGORY	INFORMATION TECHNOLOGY	PROGRAM PERFORM	DATA GOV & ANALYSIS	COMPLIANCE & ENFORCE	MGT & GRNTS OVERSIGHT	INSPECTOR GENERAL
COMPENSATION & BENEFITS	1,001,800	3,895,950	703,000	3,917,925	14,900,075	4,082,500
TEMP. EMPLOYEE PAY	6,825	342,850	0	159,650	669,925	15,000
CONSULTING	497,500	37,000	0	60,500	1,070,800	430,000
TRAVEL & TRANSPORTATION	27,000	314,675	15,500	375,270	1,137,595	270,000
COMMUNICATIONS	36,300	19,500	1,500	18,300	110,000	25,000
OCCUPANCY COSTS	0	500	0	0	1,879,500	2,000
PRINTING & REPRODUCTION	0	0	0	0	74,200	18,000
OTHER OPERATING EXPENSES	356,700	5,500	3,200	830	992,130	152,500
CAPITAL EXPENDITURES	53,500	0	50,000	0	146,000	55,000
TOTAL	<u>1,979,625</u>	<u>4,615,975</u>	<u>773,200</u>	<u>4,532,475</u>	<u>20,980,225</u>	<u>5,050,000</u>

BOARD OF DIRECTORS

RESOLUTION

**TEMPORARY OPERATING BUDGET AND
SPECIAL CIRCUMSTANCE OPERATING AUTHORITY
FOR FISCAL YEAR 2016**

WHEREAS, the Board of Directors (“Board”) of the Legal Services Corporation (“LSC”) has reviewed information regarding the status of the Fiscal Year (FY) 2016 appropriation and anticipated funding through a continuing resolution (CR) for LSC, and the U.S Court of Veterans Appeals grant; and

WHEREAS, the projected funds available for the Temporary Operating Budget (TOB) including projected FY 2015 carryover are as follows:

- 1) Continuing Resolution funding of \$375,000,000;
- 2) U.S. Court of Veterans Appeals funding of \$2,500,000;
- 3) Carryover in the amount of \$12,513,070, which is comprised of:
 - a. Basic Field Programs carryover of \$1,212,552;
 - b. U.S. Court of Veterans Appeals of \$2,500;
 - c. Grants from Other Funds of \$2,073,193;
 - d. Technology Initiative Grant funds of \$147,739;
 - e. Hurricane Sandy Disaster Relief Funds of \$75,959
 - f. Herbert S. Garten Loan Repayment Assistance Program of \$1,463,627;
 - g. Management and Grants Oversight Operations (“MGO”) of \$2,480,225;
 - h. MGO Contingency Funds of \$4,357,275; and
 - i. Office of Inspector General of \$700,000; and

WHEREAS, Management and the Inspector General recommend that a TOB be adopted reflecting the funds available;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts a TOB for FY 2016 totaling \$390,013,070 of which \$357,161,943 is for the *Delivery of Legal Assistance*; \$2,463,627 is for the *Herbert S. Garten Loan Repayment Assistance Program*; \$20,980,225 is for *Management Grants Oversight (“MGO”)*; \$4,357,275 is for *MGO Contingency Funds*; and \$5,050,000 is for the *Office of Inspector General*, as reflected in the attached documents; and

BE IT FURTHER RESOLVED that the Board hereby authorizes Management, in consultation with the Chairman of the Board and Chairman of the Finance Committee, to increase or decrease the annual grants awards, as necessary, in response to the FY 2016 appropriation.

**Adopted by the Board of Directors
On October 6, 2016**

John G. Levi
Chairman

Attest:

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

Institutional Advancement Committee

Institutional Advancement Committee

Agenda

INSTITUTIONAL ADVANCEMENT COMMITTEE

October 4, 2015

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of the minutes of the Committee's open session meeting on July 17, 2015
3. Update on development activities
4. Leaders Council update
5. Public comment
6. Consider and act on other business
7. Adjourn open session

CLOSED SESSION

8. Approval of minutes of the Committee's closed session meeting July 17, 2015
9. Development report
10. Consider and act on prospective donors
11. Adjourn closed session

**Draft Minutes of the July 17, 2015
Open Session Meeting**

**Legal Services Corporation
Meeting of the Institutional Advancement Committee**

Open Session

Friday, July 17, 2015

DRAFT

Chairman John G. Levi convened an open session meeting of the Legal Services Corporation's ("LSC") Institutional Advancement Committee ("the Committee") at 4:32 p.m. on Friday, July 17, 2015. The meeting was held at the Radisson Blu Minneapolis Hotel, 35 South 7th Street, Minneapolis, Minnesota 55402.

The following Committee members were present:

John G. Levi, Chairman
Robert J. Grey, Jr.
Charles N. W. Keckler
Martha L. Minow
Father Pius Pietrzyk
Herbert S. Garten, (Non-Director Member)
Frank B. Strickland (Non-Director Member)

Other Board members present:

Victor B. Maddox
Laurie Mikva
Julie A. Reiskin
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Wendy Rhein	Chief Development Officer
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary (OLA)
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs (OLA)
David Richardson	Comptroller/Treasurer, Office of Financial and Administrative Services
Lynn Jennings	Vice President for Grants Management
Carol Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Marcos Navarro	Office of Government Relations and Public Affairs (GRPA)

Jeffrey E. Schanz	Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)
Daniel O'Rourke	Assistant Inspector General for Investigations, Office of the Inspector General (OIG)
Tom Hester	Associate Counsel, Office of the Inspector General (OIG)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Sylvia Struss	Administrative Director, DNA People's Legal Services
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Committee:

Chairman Levi called the meeting to order.

MOTION

Father Pius moved to approve the agenda. Mr. Keckler seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Father Pius moved to approve the minutes of the Committee's meeting of April 14, 2015. Mr. Keckler seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Rhein gave an updated report on development activities. She answered Committee members' questions.

Ms. Rhein presented the proposed Protocol for the Allocation of Private Funds. She answered Committee members' questions.

MOTION

Father Pius moved to recommend the proposed Protocol for Allocation of Private funds with stated changes to the Board for approval. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

Chairman Levi invited public comment and received none. There was no new business to consider.

MOTION

Dean Minow moved to authorize an executive session of the Committee meeting. Father Pius seconded the motion.

VOTE

The motion passed by voice vote.

The Committee continued its meeting in close session at 4:47p.m.

Donor Report

PRIVATE FUNDS CONTRIBUTION RECORD - SUMMARY

Source	Amount
Individuals	\$123,232.70
Foundations	\$2,055,500.00
Corporations	\$13,110.00
Law Firms	\$2,618,500.00
TOTAL \$4,810,342.70	

**Institutional Advancement Committee
Communication Subcommittee Agenda**

INSTITUTIONAL ADVANCEMENT COMMITTEE
COMMUNICATIONS SUBCOMMITTEE

October 4, 2015

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Subcommittee's meeting July 18, 2015
3. Discussion of communication efforts
4. Public comment
5. Consider and act on other business
6. Consider and act on adjournment of meeting

**Draft Minutes of the July 18, 2015
Open Session Meeting**

**Legal Services Corporation
Meeting of the Institutional Advancement Communications Subcommittee**

Open Session

Saturday, July 18, 2015

DRAFT

Chairman Julie A. Reiskin convened an open session meeting of the Legal Services Corporation's ("LSC") Institutional Advancement Communications Subcommittee ("the Subcommittee") at 8:34 a.m. on Saturday, July 18, 2015. The meeting was held at the Radisson Blu Minneapolis, 35 South 7th Street, Minneapolis, Minnesota 55402.

The following Subcommittee members were present:

Julie A. Reiskin, Chairman
Robert J. Grey, Jr.
Martha L. Minow
Father Pius Pietrzyk, O.P.
Gloria Valencia-Weber
John G. Levi, ex officio

Other Board members present:

Charles N.W. Keckler
Victor B. Maddox
Laurie Mikva

Also attending were:

Jim Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Wendy Rhein	Chief Development Officer
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Lynn Jennings	Vice President of Grants Management
Carol A. Bergman	Director, Office of Government Relations and Public Affairs
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs

Marcos Navarro	Office of Government Relations and Public Affairs
Jeffrey Schanz	Inspector General
Daniel O'Rourke	Assistant Inspector General for Investigations, Office of the Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
Tom Hester	Associate Counsel, Office of the Inspector General
Lora M. Rath	Director, Office of Compliance and Enforcement
Herbert Garten	Non-Director Member, Institutional Advancement Committee
Frank B. Strickland	Non-Director Member, Institutional Advancement Committee
Jean Lastine	Central Minnesota Legal Services
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Subcommittee:

Chairman Reiskin called the meeting to order.

MOTION

Dean Minow moved to approve the agenda. Father Pius seconded the motion.

VOTE

The motion passed by voice vote.

Mr. Rauscher briefed the Subcommittee on LSC's communication updates, and their progress. He gave a presentation on the use and outcomes of social media machines of Twitter, Facebook, LinkedIn, and LSC's new website. Mr. Rauscher answered Subcommittee members' questions.

Chairman Reiskin informed the board she would be arranging a webinar presentation by Kate Marple, of Medical Legal Partnerships in the coming weeks.

Chairman Reiskin invited public comments and received none.

There was no other business to consider.

MOTION

Father Pius moved to adjourn the meeting. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

The Subcommittee meeting adjourned at 8:58 a.m.

Delivery of Legal Services Committee

Agenda

DELIVERY OF LEGAL SERVICES COMMITTEE

October 5, 2015

Agenda

Open Session

1. Approval of Agenda
2. Approval of minutes of the Committee's meeting on July 17, 2015
3. Review of LSC management proposal to include client-eligible representatives on Office of Program Performance oversight visits
4. Panel presentation and Committee discussion on fiscal oversight and internal controls
 - **Gregory Knoll**, Executive Director, Legal Aid Society of San Diego, Inc.
 - **John Seeba**, Assistant Inspector General for Audit, Office of Inspector General, Legal Services Corporation
 - **Mohammed Sheikh**, Director of Finance, Bay Area Legal Aid
 - **Lora Rath**, Director, Office of Compliance and Enforcement, Legal Services Corporation (Moderator)
5. Public comment
6. Consider and act on other business
7. Consider and act on motion to adjourn the meeting

**Draft Minutes of the July 17, 2015
Open Session Meeting**

**Legal Services Corporation
Meeting of the
Delivery of Legal Services Committee**

Open Session

Friday, July 17, 2015

DRAFT

Co-Chair Father Pius Pietrzyk convened an open session meeting of the Legal Services Corporation's ("LSC") Delivery of Legal Services Committee ("the Committee") at 3:07 p.m. on Friday, July 17, 2015. The meeting was held at the Radisson Blu Minneapolis Hotel, 35 South 7th Street, Minneapolis, Minnesota 55402.

The following Committee members were present:

Father Pius Pietrzyk, Co-Chair
Gloria Valencia-Weber, Co-Chair
Victor Maddox
Julie A. Reiskin
John G. Levi, *ex officio*

Other Board members present:

Robert J. Grey, Jr.
Charles N.W. Keckler
Laurie Mikva
Martha Minow

Also attending were:

James J. Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Lynn Jennings	Vice President for Grants Management
Patrick Malloy	Special Assistant to the President and Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel & Corporate Secretary
Stefanie Davis	Assistant General Counsel, Office of Legal Affairs
David Richardson	Comptroller and Treasurer, Office of Finance and Administrative Services
Wendy Rhein	Chief Development Officer
Carol Bergman	Director, Office of Government Relations and Public Affairs

Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs
Marcos Navarro	Office of Government Relations and Public Affairs
Jeffrey Schanz	Inspector General
Tom Hester	Associate Counsel, Office of the Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation (OIG)
Daniel O'Rourke	Assistant Inspector General for Investigations (OIG)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Janet LaBella	Director, Office of Program Performance (OPP)
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee
Frank S. Strickland	Non-Director Member, Institutional Advancement Committee
Richard Collins	Professor of Law, University of Colorado
David Armstrong	Wisconsin Judicare
Anne M. Hoefgen	Legal Services of Northwest Minnesota
Megan Hay	Anishinabe Legal Services
Cody Nelson	Anishinabe Legal Services
Jessie R. Nicholson	Southern Minnesota Regional Legal Services
David Lund	Legal Aid Services of Northeastern Minnesota
Rosalie Chavez	New Mexico Legal Aid, Native American Program
Sylvia Struss	Administrative Director, DNA People's Legal Services
Ed Reinhart	Senior attorney, Legal Services of North Dakota
Colline Wahkinney-Keely	Executive Director, Oklahoma Indian Legal Services
Dorothy Alther	Executive Director, California Indian Legal Services
Chris Allery	Supervising Attorney, Anishinabe Legal Services
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants

The following summarizes actions taken by, and presentations made to, the Committee:

Committee Co-Chairman Father Pius called the meeting to order.

MOTION

Mr. Maddox moved to approve the agenda. Committee Co-Chair Professor Valencia-Weber seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Committee Co-Chair Professor Valencia-Weber moved to approve the minutes of the Committee's meeting of April 13, 2015. Ms. Reiskin seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Janet LaBella, panel moderator and Director of the Office of Program Performance, introduced the panelists: Chris Allery, Supervising Attorney, Anishinabe Legal Services; Dorothy Alther, Executive Director, California Indian Legal Services; Ed Reinhardt, Senior Attorney, Legal Services of North Dakota; Sylvia Struss, Administrative Director, DNA – People's Legal Services; and Colline Wahkinney-Keely, Executive Director, Oklahoma Indian Legal Services. The panel briefed the Committee on providing legal services to Native American communities. Ms. LaBella and the panel answered the Committee members' questions.

Committee Co-Chair Father Pius invited public comment and receive none.

There was no new business to consider.

MOTION

Committee Co-Chair Valencia-Weber moved to adjourn the meeting. Ms. Reiskin seconded the motion.

VOTE

The motion passed by voice vote.

The Committee meeting adjourned at 4:22 p.m.

Panel Presentation:
Fiscal Oversight and Internal Controls

Internal Controls Best Practices

**October 5, 2015
San Francisco, CA**

Gregory E. Knoll, Executive Director – Legal Aid Society of San Diego, Inc.

Gregory Knoll has served as the Executive Director/Chief Counsel for Legal Aid Society of San Diego, Inc. since 1974. As the Chief Executive Officer of this non-profit law firm, he has complete responsibility for the administration, management, and supervision of the legal work performed by a 120-person staff, including 48 lawyers and 41 paralegals/advocates. The law firm provides a wide-range of free legal services to the indigent residents of San Diego County.

Greg is also the Executive Director of Legal Aid Society's Consumer Center for Health Education and Advocacy, one of the first comprehensive education and advocacy centers for physical and mental health consumers eligible to receive healthcare from federal, state, and county programs. The Consumer Center opened in May of 1999 as a result of Greg's efforts in establishing the Health Consumer Alliance, a collaborative effort of nine California legal services programs, the Western Center on Law & Poverty, and the National Health Law Program.

In addition to serving as both member and as chair of various San Diego County boards, commissions, task forces, and stakeholder groups concerned with healthcare reform, Greg is the long time Chair of the Oversight Committee for the San Diego County Geographic Managed Care Medi-Cal Program known locally as "Healthy San Diego." Greg is currently the Vice Chair of San Diegans for Health Care Coverage. While Greg currently specializes in health policy and systemic change and guest lectures on these and other topics at various universities and medical schools, he also has extensive litigation experience and has been the recipient of the Loren Miller Attorney of the Year Award from the NAACP, the San Diego County Martin Luther King, Jr. Drum Major for Justice Award, and the Cesar E. Chavez Social Justice Award.

Greg is a graduate of Rutgers University School of Law in Newark, New Jersey. He was selected as the Outstanding Attorney of the Year by the San Diego County Bar Association for 2013.

John M. Seeba, Assistant Inspector General for Audit, Legal Services Corporation

John M. Seeba is the Assistant Inspector General for Audit. John started with LSC in June of 2012 as the Director of Audit Operations and Administrative Officer for the Office of Inspector General. John has over 35 years of audit experience in the federal and private sector arenas. Prior to joining LSC, John was the Inspector General at the Federal Trade Commission (FTC) where he was responsible for all audits and investigations of the FTC. Over his career, John held many increasingly responsible positions at several federal agencies. He was the Assistant Inspector General for Audit at the Department of Commerce and at the U.S. Postal Service Office of Inspector General. John also has experience at the Inspector General's Office for the Department of Defense conducting financial statement audits of the working capital funds and trust funds, as well as work in acquisitions of major weapon systems. Earlier, as an internal

auditor for the Internal Revenue Service (IRS), John audited the IRS and also served as a Revenue Agent reviewing taxpayer returns. John holds a Bachelor of Science degree in Accounting from the Rochester Institute of Technology, in Rochester, NY. He is a Certified Public Accountant in the state of Maryland, a Certified Internal Auditor, and a Certified Information Systems Auditor. John was recognized with the Postal Service's National Executive Award for work in the financial management area.

Mohammad Z. Sheikh, Director of Finance and Administration - Bay Area Legal Aid

Mohammad Sheikh joined Bay Area Legal Aid in 2002, as Director of Finance and Administration, bringing over 25 years of financial management experience to Bay Area Legal Aid (BayLegal). In his role, Mohammad directs all fiscal activities of BayLegal including accounting practices, budgeting, financial analysis, grants management and contracts, and monitoring of financial performance.

Prior to joining BayLegal, Mohammad held positions as Director of Finance for STAND! Against Domestic Violence and as Controller for the Sierra Club Foundation.

Mohammad received his B.A. in Accounting from the University of Texas, Arlington. He passed his uniform Certified Public Account exam in 1995.

Governance and Performance Review Committee

Agenda

GOVERNANCE AND PERFORMANCE REVIEW COMMITTEE

October 4, 2015

Agenda

OPEN SESSION

1. Approval of agenda
2. Approval of minutes of the Committee's Open Session meeting of July 16, 2015
3. Review Committee Charter
 - Carol Bergman, Director of Government Relations & Public Affairs
 - Ron Flagg, General Counsel
4. Resources for Board Succession Plan
 - Carol Bergman, Director of Government Relations & Public Affairs
 - Ron Flagg, General Counsel
5. GAO Report on Federal Low-Income Programs
 - Carol Bergman, Director of Government Relations & Public Affairs
6. Report on Board and Committee 2015 evaluations
 - Carol Bergman, Director of Government Relations & Public Affairs
7. Report on foundation grants and LSC's research agenda
 - Jim Sandman, President
8. Consider and act on other business
9. Public comment

10. Consider and act on motion to adjourn meeting

**Draft Minutes of the July 16, 2015
Open Session Meeting**

**Legal Services Corporation
Meeting of the Governance and Performance Review Committee**

Open Session

Thursday, July 16, 2015

DRAFT

Committee Chair Martha L. Minow convened an open session meeting of the Legal Services Corporation's ("LSC") Governance and Performance Review Committee ("the Committee") at 5:39 p.m. on Thursday, July 16, 2015. The meeting was held at the Radisson Blu Minneapolis Hotel, 35 South 7th street, Minneapolis, Minnesota 55402.

The following Board Members were present:

Martha L. Minow, Chair
Charles N.W. Keckler
Julie A. Reiskin
John G. Levi, *ex officio*

Other Board members present:

Laurie Mikva
Victor B. Maddox
Father Pius Pietrzyk, O.P.
Gloria Valencia-Weber

Also attending were:

James J. Sandman	President
Rebecca Fertig Cohen	Chief of Staff
Lynn Jennings	Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel and Corporate Secretary
Wendy Rhein	Chief Development Officer
David L. Richardson	Comptroller and Treasurer, Office of Financial & Administrative Services
Carol A. Bergman	Director, Office of Government Relations and Public Affairs
Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs
Jeffrey E. Schanz	Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General
Bernie Brady	Legal Services Corporation's Travel Coordinator
Lora Rath	Director, Office of Compliance & Enforcement

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Janet LaBella	Director, Office of Program Performance
Frank Strickland	Non-Director Member, Institutional Advancement Committee
Herbert Garten	Non-Director Member, Institutional Advancement Committee
Jean Lastine	Executive Director, Central Minnesota Legal Services
Anne Hoefgen	Executive Director, Legal Services of Northwest Minnesota
Jessie Nicholson	Executive Director, Southern Minnesota Regional Legal Services
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)

The following summarizes actions taken by, and presentations made to, the Board:

Committee Chair Minow called the open session meeting to order.

MOTION

Ms. Reiskin moved to approve the agenda. Mr. Keckler seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Mr. Keckler moved to approve the minutes of the Committee's meeting of April 13, 2015. Ms. Reiskin seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Bergman reported on the GAO inquiry regarding a study of federal programs that target low income individuals, families, and communities. Ms. Bergman answered Committee members' questions.

President Sandman gave updated reports on the Public Welfare Foundation, the Hewlett Foundation, and LSC's research agenda. President Sandman answered Committee members' questions.

With regard to future business to consider, Committee Chair Minow requested that the Committee evaluate the current Committee charter, and asked Committee members to have suggestions by the October meeting on how to better implement the charter. Committee Chair Minow also requested the next Committee meeting agenda include the risk analysis item regarding board of director transition.

Committee Chair Minow solicited public comment and received none.

MOTION

Mr. Keckler moved to adjourn the meeting. Ms. Reiskin seconded the motion.

VOTE

The motion passed by voice vote.

The Committee meeting adjourned to Closed Session at 5:59p.m.

Governance & Performance Committee Charter

**CHARTER
OF THE
GOVERNANCE AND PERFORMANCE REVIEW COMMITTEE
OF THE LEGAL SERVICES CORPORATION**

I. Purpose

The purpose of the Committee shall be to assist the Board in overseeing the promulgation and implementation of policies regarding corporate governance.

II. Membership

The Chairman of the Board (“Chairman”) shall appoint at least three Directors other than the Chairman to serve on the Committee. The Chairman, who shall serve as an *ex officio* voting member of the Committee and count towards a quorum, shall appoint the Chair of the Committee from among these Directors. Three Committee members will be required in order to constitute a quorum. No member of the Committee may be an officer or employee of the Corporation.

III. Meetings

The Committee:

- (1) shall meet at least four times per calendar year, but may meet more frequently at the call of the Chairman or any two members of the Committee; and
- (2) may adopt procedural rules that are not inconsistent with this Charter, the Corporation’s Bylaws, or the laws to which the Corporation is subject.

IV. Resources

All offices, divisions and other components of the Corporation, including the Office of Inspector General, shall cooperate with all requests made by the Committee for information and support. The Committee shall be given the resources necessary to carry out its responsibilities.

V. Authority

The Committee:

- (1) shall have unrestricted access to the Corporation’s books, records, facilities, personnel, and consultants;
- (2) is authorized to carry out the duties and responsibilities described in this Charter, as well as any other activities reasonably related to the Committee’s purposes or as may be directed by the Board from time to time;

(Adopted by the LSC Board of Directors on and effective
as of August 2, 2008, and amended on October 31, 2009 and January 28, 2011)

- (3) may delegate authority to one or more designated members of the Committee;
- (4) may rely on the expertise and knowledge of such consultants and experts that the Board approves for carrying out its oversight responsibilities; and
- (5) may require any officer, employee, or hired consultant of the Corporation to attend Committee meetings or meet with any member(s) or advisor(s) to the Committee.

VI. Duties and Responsibilities

GOVERNANCE

Subject to review and approval by the Board, the Committee:

- (1) shall establish and oversee the implementation of and compliance with the Corporation's governance documents (such as the Corporation's Bylaws), governance guidelines and principles and governance practices;
- (2) shall oversee the Corporation's compliance with the public meeting requirements under the LSC Act and regulations;
- (3) shall implement orientation and training programs for Directors;
- (4) shall implement routine conflict of interest checks for Directors;
- (5) shall lead annual reviews of the role and performance of the Board, its members and its Committees, and report the results of such reviews to the Board for its consideration; and
- (6) shall periodically assess governance policies and practices and report the results to the Board along with recommendations for changes, if any.

PRESIDENT, INSPECTOR GENERAL, AND OFFICERS OF THE CORPORATION

Subject to review and approval by the Board, the Committee shall annually review, and report to the Board on the performance and compensation of the President, the Inspector General, and those officers of the Corporation so designated under Article VI of the Bylaws of the Corporation. Review of individuals other than the President and Inspector General shall be conducted with the advice of the President.

COMPENSATION PLAN

The Committee shall annually review LSC's compensation plan and the compensation of the officers of the Corporation.

(Adopted by the LSC Board of Directors on and effective
as of August 2, 2008, and amended on October 31, 2009 and January 28, 2011)

3

Resources for Board Succession Plan



OFFICE OF LEGAL AFFAIRS

To: Governance & Performance Committee

From: Ronald S. Flagg, Vice President for Legal Affairs and General Counsel

Re: Existing Resources to Assist in Transition to and Orientation for a New Board

Date: September 15, 2015

Attached are three documents that summarize the existing resources available to assist in a transition to and an orientation for a new LSC Board of Directors:

Attachment A: List of Resources for LSC Board Transitions

Attachment B: Sources of Authority Governing LSC Board Actions

Attachment C: Cover page and table of contents to memorandum regarding LSC Directors' Rights, Duties and Responsibilities

Attachment A: List of Resources for LSC Board Transitions

History of LSC

The Founding of LSC
CLASP article – Civil Legal Aid in the US
Fordham Urban Law Journal Article on LSC

Mission and Overview

Annual Report
Fact Sheet - What is LSC?
Strategic Plan 2012-2016
FY 2016 Budget Request

Congress

Overview of Congressional Appropriations and Oversight
Annual appropriations and budget timeline

Legal Structure

LSC Resource Book
- LSC Act
- 2014 Appropriation Act
- LSC Regulations
- IG Act
- Property Acquisition and Management Manual
Overview of LSC's Entity Status
- 2007 & 2010 GAO Reports
LSC FOIA Policy Memo
Compilation of Important OLA Opinions
2012 Compilation of LSC Policies

Organizational Structure

Organizational Chart and Staff Count
Departmental Descriptions
Fiscal Oversight Task Force Report

Management Responsibilities

Annual Departmental Goals
LSC Project Management Calendar

Grants Management

- Descriptions of LSC's grant programs (Basic, TIG, PBIF, LRAP, Migrant, Sandy, Emergency)
- TIG (list of awards and notable projects, and TIG Conference Program)
- Pro Bono Innovation Fund (list of awards, notable projects, and Pro Bono Task Force Report)
- Competition and Grantee Oversight Flow Chart
- Grant cycle timelines
- 2015 Grant Assurances (Basic Field, TIG, PBIF)
- 2015 Special Grant Conditions
- OIG Semi-Annual Report to Congress
- LSC Performance Criteria
- Oversight visit schedule
- Sample oversight visit reports (OCE/OPP)
- Examples of management decisions in questioned cost proceedings
- OCE/OPP quarterly activity reports
- Reports to Audit Committee on Audits and Investigations

Fiscal Management

- Current Operating Budgets (Corporation-wide and Departmental)
- Guidelines for Consolidated Operating Budgets
- Last Audited Financial Statements
- Last Annual Report
- Last Income Statement
- Sample management memos to Finance Committee
- Overview of annual audit process
- Quarterly contracting reports

Management Responsibilities (Cont.)

Human Resources Management

- Who's Who at LSC
- Staff Directory and Key Staff Contact Information
- Travel and Expenses Guidelines
- Employee Handbook
- LSC Administrative Manual
- Performance Management System Overview
- Code of Ethics and Conduct
- CBA (whenever completed)
- Local 135 Bargaining Unit descriptions
- Memo on Political Activities
- Hatch Act Guidance

Board

Bylaws
List of board members with terms and biographies
Board Committee Charters
List of board committee assignments
List of board meeting locations
Copy of most recent Board Book
Government in the Sunshine Act Memo

Development

Board resolution initiating the campaign
LSC Case Study
40th Anniversary Schedule of Events
Solicitation and Contribution Protocols

LSC Grantees

LSC by the Numbers
Fact Sheet – LSC Restrictions
CRS Report on LSC Restrictions
Overview of Grantee Audit Process/IPAs

Attachment B

Sources of Authority Governing LSC Board Actions (Posted on LSC.gov)

Administrative Requirements

Compensation

- [LSC Act \(§ 1005\(d\): Compensation of Corporation Officers and Employees\)](#)
- [LSC Bylaws \(§ 6.10: Compensation\)](#)
- [Governance and Performance Review Committee Charter \(§ VI: Duties and Responsibilities\)](#) – The Committee annually reviews and reports to the Board on the performance and compensation of the President, Inspector General, and officers of the Corporation. It also conducts annual reviews of LSC’s compensation plan.
- [Resolution 2014-014 \(Revised Board of Directors Compensation Policy\)](#)
- [Resolution 2003-012 \(Fixing President’s Salary to Level V of the Executive Schedule\)](#)
- [Resolution 1999-003 \(Concerning the Inspector General’s Level of Compensation\)](#)

Contracting

- [LSC Administrative Manual \(Chapter 1: Procurement and Contracting\)](#)

LSC Business Travel

- [LSC Administrative Manual \(Chapter 5: Business Travel\)](#)

Records Management

- [LSC Administrative Manual \(Chapter 15: LSC Records Management Policy\)](#)
- [Recordkeeping Policy \(LSC Code of Ethics and Conduct, p.12\)](#)

Reporting and Tracking of Volunteer Hours

- [IRS Form 990](#)

Board Governance

Annual Disclosure of Outside Interests

- [LSC Bylaws \(§ 3.05: Outside Interests of Directors\)](#)

Board Committees

- [LSC Bylaws \(Article V: Committees\)](#)
- [Audit Committee Charter](#)
- [Delivery of Legal Services Committee Charter](#)
- [Finance Committee Charter](#)
- [Governance and Performance Review Committee Charter](#)
- [Institutional Advancement Committee Charter](#)
- [Operations and Regulations Committee Charter](#)
- [Resolution 2013-001 \(Delegating to the Chairman Authority to Appoint the Membership and Designate the Chars of Board Committees\)](#)
- [Resolution 1995-004 \(The Jurisdiction of Board Committees\)](#)

Board Ethics and Conduct

- [LSC Act \(§ 1005\(c\): Conflict of Interest\)](#)
- [Confidentiality Policy \(LSC Code of Ethics and Conduct, p. 3\)](#)
- [Conflicts of Interest Policy \(LSC Code of Ethics and Conduct, p. 4\)](#)
- [Equal Employment Opportunity Policy \(LSC Code of Ethics and Conduct, p. 23\)](#)
- [Fair Dealing Policy \(LSC Code of Ethics and Conduct, p. 17\)](#)
- [Leadership Responsibilities \(LSC Code of Ethics and Conduct, p. 2\)](#)
- [Protection of LSC Assets \(LSC Code of Ethics and Conduct, p. 15\)](#)
- [Whistleblower Protection Policy \(LSC Code of Ethics and Conduct, p. 18\)](#)

Board Meetings

- [LSC Act \(§ 1004\(h\): Quarterly Meetings\)](#)
- [LSC Bylaws \(Article IV: Meetings of Directors\)](#)
- [Resolution 1984-005 \(Adopting Policy That Telephonic Transmission Constitutes Physical Presence at a Board Meeting\)](#)

Board Self-Evaluation Process

- [Governance and Performance Review Committee Charter \(§ VI: Duties and Responsibilities\)](#)

Committee Self-Evaluation Process

- [Governance and Performance Review Committee Charter \(§ VI: Duties and Responsibilities\)](#)
- [Resolution 2010-003 \(To Establish a Board Committee Self Evaluation Protocol\)](#)

Friends of Legal Services Corporation (FoLSC)

- [Resolution 2004-003 \(Delegation to the Board Chair: Authority to Make an Appointment to the Board of FoLSC\)](#)

Risk Management

- [Audit Committee Charter \(§ VIII: Duties and Responsibilities\)](#) – The Committee reports to and advises the Board on controls and mechanisms designed to minimize the risk of fraud, theft, corruption, and misuse of funds.
- [LSC Bylaws \(Article X: Indemnification\)](#)
- [LSC Risk Management Program](#)
- [Resolution 2013-019 \(Risk Management Oversight\)](#)

Terms of Office, Removal, and Resignation

- [LSC Act \(§ 1004\(b\): Term of Office\)](#)
- [LSC Act \(§ 1004\(d\): Chairman\)](#)
- [LSC Act \(§ 1004\(e\): Removal\)](#)
- [LSC Bylaws \(Article III: Board of Directors\)](#)

LSC Management Oversight

Annual Evaluations and Reviews

- [Governance and Performance Review Committee Charter \(§ VI: Duties and Responsibilities\)](#)
- [Resolution 2011-002 \(Establishing a Plan for the Annual Review of LSC I.G.\)](#)
- [Resolution 1998-006 \(Procedure for the Annual Evaluation by the Board of the President or the Inspector General of the Corporation\)](#)

Audits and Financial Practices

- [Audits and Financial Statements Policy \(LSC Code of Ethics and Conduct, p. 14\)](#)
- [Audit Committee Charter \(§ VIII: Duties and Responsibilities\)](#)
- [LSC Employee Handbook \(§ 2.5: Audit Committee Review of Complaints or Concerns Regarding Accounting, Internal Controls, and Auditing Issues\)](#)

Authority Delegated to LSC President, Officers, and Staff

- [LSC Act \(§ 1005\(a\): Appointment of President; Officer Compensation and Terms\)](#)
- [LSC Bylaws \(Article VI: Officers\)](#)
- [Resolution 2014-020 \(Adopting a Health Reimbursement Arrangement Plan and Affirming the LSC President's Authority to Amend Employee Health Benefits\)](#)
- [Resolution 2012-011 \(Authorizing the President to Make Certain Internal Budgetary Adjustments in the Managements and Grants Oversight Account\)](#)
- [Resolution 1999-015 \(Authorizing the President to Enter into Employment with Corporation Officers\)](#)
- [Resolution 1992-001 \(Delegation of Authority to General Counsel to Review Executive Session Transcripts\)](#)
- [Resolution 1984-002 \(Policy Reaffirming Authority of President and Corporation's Staff\)](#)

Authority Delegated to the Office of Inspector General (OIG)

- [Resolution 1995-003 \(Transfer of Certain Audit Responsibilities to the OIG\)](#)

Employee Ethics and Conduct

- [LSC Bylaws \(§ 6.12: Outside Interests of Officers and Employees\)](#)
- [Resolution 2008-007 \(Adopting Code of Ethics and Conduct and Designating Ethics Officers\)](#) – Designated General Counsel as Ethics Officer with sole discretion and authority to implement the Code, except provisions relating to ethics and conduct of General Counsel. Also ratified Inspector General’s designation of Assistant Inspector General and Legal Counsel to serve as Ethics Officer for the OIG.
- [Confidentiality Policy \(LSC Code of Ethics and Conduct, p. 3\)](#)
- [Conflicts of Interest Policy \(LSC Code of Ethics and Conduct, p. 4\)](#)
- [Equal Employment Opportunity Policy \(LSC Code of Ethics and Conduct, p. 23\)](#)
- [Fair Dealing Policy \(LSC Code of Ethics and Conduct, p. 17\)](#)
- [Leadership Responsibilities \(LSC Code of Ethics and Conduct, p. 2\)](#)
- [Protection of LSC Assets \(LSC Code of Ethics and Conduct, p. 15\)](#)
- [Whistleblower Protection Policy \(LSC Code of Ethics and Conduct, p. 18\)](#)

Employee Grievance Procedures

- [LSC Employee Handbook \(§ 11.4: Grievance Procedure\)](#)
- [Resolution 1997-005 \(Filing and Processing of Employee Grievances Against the President or Inspector General\)](#) – Requires the Board to take appropriate action on employee grievances against the President or Inspector General within 60 days after a grievance is filed or at the next scheduled Board meeting, whichever occurs later.

Employee Handbook

- [Resolution 2014-002 \(Adopting Revisions to LSC's Employee Handbook\)](#) – Eliminated the requirement of Board approval for modification of major provisions of the Employee Handbook relating to personnel actions or policies.

Grantee Compliance

- [LSC Act \(§ 1006\(b\)\(1\)\(A\): Authority to Insure Recipient Compliance\)](#)
- [Operations and Regulations Committee Charter \(§ VI: Duties and Responsibilities\)](#) – Reviews Corporation’s monitoring and enforcement efforts to ensure grantee compliance.

- [Resolution 2008-008 \(Roles and Responsibilities of LSC Offices Responsible for Grantee Oversight\)](#)
- [Resolution 1988-001 \(Recipient's Refusal to Produce Requested Materials\)](#)

LSC Funds

- [LSC Bylaws \(§ 7.01: Deposits and Accounts\)](#)
- [Resolution 2012-003 \(Selection of Accounts and Depositories for LSC Funds\)](#)

Outside Employment of Employees and Officers

- [LSC Act \(§ 1005\(a\): Outside Compensation of Officers Prohibited\)](#)
- [Conflicts of Interest Policy \(LSC Code of Ethics and Conduct, p. 10\)](#)
- [LSC Employee Handbook \(§ 5.4: Outside Employment Policy\)](#)

Strategic Planning

- [LSC Strategic Plan 2012-2016](#)

Fundraising

Annual Gifts from Board Members

- [Board Member Giving Policy](#) – Encourages all Board members to give annual gifts according to their means, at a level they deem appropriate.

Donor Rights

- [Donor's Bill of Rights](#) – Includes the right of donors to be informed of the identity of LSC's Board members, to expect the Board to exercise prudent judgment in its stewardship responsibilities, and to be informed whether individuals seeking donations are Board members, employees, or volunteers of LSC.

Private Contributions

- [Protocol for the Acceptance and Use of Private Contributions of Funds to LSC](#)
- [Protocol for the Acceptance and Use of Contributions for LSC Staff Events](#)
- [Protocol for the Acceptance and Use of In-Kind Contributions to LSC](#)

- [Resolution 2012-012 \(Modifying LSC's Protocol for Its Acceptance and Use of Private Contributions\)](#)

Statutory and Regulatory Requirements

Authorized Communications with Congress

- [LSC Act \(§ 1006\(c\)\(2\): Lobbying Activities\)](#) – Permits personnel of the Corporation to make appropriate communication with Congress or any State or local legislative bodies under a formal request or in connection with legislation or appropriations directly affecting the activities of the Corporation.
- [Finance Committee Charter \(§ VII: Duties and Responsibilities\)](#) – The Committee recommends to the Board the amount of each appropriation request prepared by the Corporation and reports to the Board the status of appropriation bills or other legislative proposals that may affect the finances of the Corporation.
- [Resolution 1998-007 \(Revised Communications Policy\)](#) – Requires the Board to be fully and currently informed of all material communications between LSC and Congress, including the LSC Annual Report and communications and reports prepared by the OIG.
- [Resolution 1994-023 \(Authorizing Board Chair or Designee to Act for the Board on Appropriations or Legislative Measures\)](#)

Freedom of Information Act (FOIA)

- [LSC Act \(§ 1005\(g\): Applicability of FOIA\)](#)
- [LSC Regulations \(Part 1602: Procedures for Disclosure of Information under FOIA\)](#)
- [Freedom of Information Act \(5 U.S.C. § 552\)](#)

Government in the Sunshine Act

- [LSC Act \(§ 1004\(g\): Applicability of Government in the Sunshine Act\)](#)
- [LSC Regulations \(Part 1622: Public Access to Meetings under Government in the Sunshine Act\)](#)
- [Government in the Sunshine Act \(5 U.S.C. § 552b\)](#)

Lobbying and Other Restricted Political Activities

- [LSC Act \(§ 1006\(c\)\(2\): Lobbying Activities\)](#)
- [LSC Act \(§ 1006\(e\): Political Activities; Applicability of Hatch Act\)](#)
- [LSC Regulations \(Part 1612: Restrictions on Lobbying and Certain Other Activities\)](#)
- [Hatch Act \(5 U.S.C. Chapter 15\)](#)
- [LSC Administrative Manual \(Chapter 12: Congressional and Government Agency Correspondence and Public Affairs\)](#)
- [Restricted Political Activities \(LSC Code of Ethics and Conduct, p. 16\)](#)

Rulemaking

- [LSC Act \(§ 1008\(e\): Publication in Federal Register of Rules, Regulations, Guidelines and Instructions\)](#)
- [LSC Rulemaking Protocol](#)
- [Operations and Regulations Committee Charter \(§ VI: Duties and Responsibilities\)](#) – Receives, proposes, reviews, and discusses proposed rules and rulemaking priorities.
- [Resolution 2012-008 \(Board of Directors Policy on Required Board Notice and Approval of Certain LSC Promulgations\)](#)
- [Resolution 1976-001 \(Publication of Proposed Regulations, Rules and Guidelines\)](#) – Original delegation of authority to the LSC President to publish proposed regulations, rules, and guidelines in the Federal Register for purposes of receiving public comment.



OFFICE OF LEGAL AFFAIRS

MEMORANDUM

TO: Board of Directors

FROM: Victor M. Fortuno
Vice President & General Counsel

DATE: August 8, 2011

SUBJ: LSC Directors' Rights, Duties and Responsibilities

As a general reference source, we here offer a relatively brief discussion of your rights, duties, and responsibilities as Directors of the Legal Services Corporation ("LSC" or "Corporation"). During your review of this overview of the legal requirements and restrictions that bear upon your service on the Board, some questions may occur to you. In the event such questions arise, please do not hesitate to let me know.

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**GAO Report on
Federal Low-Income Programs**

Why GAO Did This Study

The federal government provides assistance aimed at helping people with low-incomes who may earn too little to meet their basic needs, cannot support themselves through work, or who are disadvantaged in other ways. With fiscal pressures facing the federal government and the demands placed on aid programs, GAO was asked to examine federal low-income programs.

This report (1) describes federal programs (including tax expenditures) targeted to people with low incomes, (2) identifies the number and selected household characteristics of people in poverty, (3) identifies the number, poverty status, and household characteristics of selected programs' recipients, and (4) examines research on how selected programs may affect incentives to work. For a list of low-income programs that were \$100 million in obligations or more in fiscal year 2013, GAO consulted with the Congressional Research Service; surveyed and interviewed officials at relevant federal agencies; and reviewed relevant federal laws, regulations, and agency guidance. GAO also conducted analyses on low-income individuals using Census data on the SPM and official poverty measure and microsimulation data from the Urban Institute that adjusts for under-reporting of benefit receipt in Census survey data. To examine labor force effects, GAO reviewed economic literature. Selected low-income programs were large in dollars and helped meet a range of basic needs.

GAO is not making new recommendations in this report. GAO clarified portions in response to comments from one agency.

View [GAO-15-516](#). For more information, contact Kay Brown at (202) 512-7215 or brownke@gao.gov.

July 2015

FEDERAL LOW-INCOME PROGRAMS

Multiple Programs Target Diverse Populations and Needs

What GAO Found

More than 80 federal programs (including 6 tax expenditures) provide aid to people with low incomes, based on GAO's survey of relevant federal agencies. Medicaid (the largest by far), the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), and the refundable portion of the Earned Income Tax Credit (EITC) comprised almost two-thirds of fiscal year 2013 federal obligations of \$742 billion for these programs. Aid is most often targeted to groups of the low-income population, such as people with disabilities and workers with children. Survey responses showed that criteria used to determine eligibility vary greatly; most common were variants of the federal poverty guidelines, based on the Census Bureau's official poverty measure.

In 2013, 48.7 million people (15.5 percent), including many households with children, lived in poverty in the United States, based on Census's Supplemental Poverty Measure (SPM). This measure takes into account certain expenses and federal and state government benefits not included in the official poverty measure. The SPM is not used to determine program eligibility; however, it does provide more information than the official measure on household resources available to meet living expenses. In 2013, the SPM poverty threshold ranged from \$21,397 to \$25,639 for a family of four, depending on housing situations. Based on six mutually exclusive household types GAO developed, individuals in a household headed by a person with a disability or a single parent had the highest rates of poverty using the SPM, while childless or married parent households had larger numbers of people in poverty using the SPM.

In 2012, the most recent year of data available, GAO estimated that 106 million people, or one-third of the U.S. population, received benefits from at least one or more of eight selected federal low-income programs: Additional Child Tax Credit, EITC, SNAP, SSI, and four others. Almost two-thirds of the eight programs' recipients were in households with children, including many married families. More than 80 percent of recipients also lived in households with some earned income during the year. Without these programs' benefits, GAO estimated that 25 million of these recipients would have been below the SPM poverty threshold. Of the eight programs, EITC and SNAP moved the most people out of poverty, however, the majority of recipients of each of the programs were estimated to have incomes above the SPM threshold, after accounting for receipt of benefits.

Research suggests that assistance from selected means-tested low-income programs can encourage people's participation in the labor force, but have mixed effects on the number of hours they work. Changes in certain low-income programs through the years, including the EITC, have enhanced incentives for people to join the labor force, according to studies. While workers who receive means-tested benefits face benefit reductions as their earnings rise, research shows that various factors limit how much people change their work behavior in response. For example, people may not be aware of such changing interactions in a complex tax and benefit system or be able to control the number of hours they work, according to studies. Research also shows that enhancing work incentives can create difficult policy trade-offs, including raising program costs or failing to provide adequate assistance to those in need.

Board and Committee Evaluations



Legal Services Corporation

Board of Directors Board-Evaluation*

*Adapted from a form written by Carter McNamara, MBA, PhD, Authenticity Consulting, LLC. Copyright 1997-2008. Field Guide to Developing and Operating Your Nonprofit Board of Directors.

November 2015

LSC Board of Directors Evaluation Tool*

Please indicate your level of agreement or disagree with the following statements:

Use the following scale: 1=Strongly Agree; 2=Agree; 3=Disagree; 4=Strongly Disagree

1. The Board has a full and common understanding of LSC’s mission and procedures, and the roles and responsibilities of the Board; Board members are involved and interested in the Board’s work.
Comments:
2. The structural pattern of LSC’s governance (Board, Committees, President, Officers, and staff) is clear.
Comments:
3. The Board has clear goals and measurements resulting from relevant and realistic strategic planning; the Board regularly monitors and evaluates progress toward strategic goals and program performance.
Comments:
4. The Board receives regular and timely reports on finances, budgets, program performance, grantee issues, and other important matters.
Comments:
5. The Board provides input to and annually approves the budget request to Congress.
Comments:
6. The Board effectively represents LSC to the community.
Comments:
7. Board meetings facilitate focus and progress on important organizational matters
Comments:
8. The Board has an adequate opportunity to evaluate the LSC President, Officers and Inspector General annually.
Comments:
9. Board adheres to standards of ethics and conduct.
Comments:
10. Board members possess the skills and knowledge to carry out their duties.
Comments:

LSC Board of Directors Evaluation Tool*

Please list three to five areas/issues on which you believe the board should focus its attention in the next year. (Please be as specific as possible.)

1.

2.

3.

4.

5.



LSC Board of Directors Evaluation Tool*

Self-Evaluation

- | | Yes | No |
|--|-----------------------|-----------------------|
| 1. Do I understand LSC’s mission? | <input type="radio"/> | <input type="radio"/> |
| 2. Am I knowledgeable about LSC’s programs and services? | | |
| 3. Do I follow trends and important developments related to LSC? | <input type="radio"/> | <input type="radio"/> |
| 4. Do I read and understand LSC’s financial statements? | | |
| 5. Do I have a good working relationship with the LSC Board Chair? | <input type="radio"/> | <input type="radio"/> |
| 6. Do I have a good working relationship with the LSC President? | | |
| 7. Do I prepare for and participate in board meetings and committee meetings? | <input type="radio"/> | <input type="radio"/> |
| 8. Do I act as a goodwill ambassador for LSC in my community? | | |
| 9. Do I find serving on the Board to be a satisfying and rewarding experience? | <input type="radio"/> | <input type="radio"/> |

What factors contributed to my performance or lack of performance in the areas above? (Please be specific.)

What would I need to maintain/increase my level of board commitment?

Other comments or suggestions that will help the board increase its effectiveness.



Legal Services Corporation

Board of Directors Committee Evaluation*

*Based on the General Board Committee Protocols of the American Red Cross Board of Governors, 2009

November 2015

Self Evaluation Tool*

Goals or Purpose of Committee

1. Committee members understand the goals and purpose of our committee; committee members agree on the goals and purpose of the committee.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

2. There is alignment between our committee's goals and purposes and the actions taken and/or the decisions made by the committee.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

3. Our committee has responded effectively and appropriately to issues of immediate concern brought before it; our committee has made significant progress on long-term strategic issues related to its goals and purposes.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

Support for the Committee

4. Our committee has adequate resources (for example, staff time and expertise) to support its function.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

Time and Location of Meetings

5. Our committee meetings are held regularly and with appropriate frequency.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

6. The length of our committee meetings is appropriate and respectful of the agenda. We consistently use our meeting time well; issues get the time and attention proportionate to their importance.

1 2 3 4
Strongly Agree Strongly Disagree

Comments:

Self Evaluation Tool*

7. We receive the meeting agenda and materials sufficiently in advance of the meeting to allow for appropriate review and preparation.

1

2

3

4

Strongly Agree

Strongly Disagree

Comments:

Recording/Minutes

8. The minutes of our meetings are accurate and reflect the discussion, next steps and/or action items articulated by the members.

1

2

3

4

Strongly Agree

Strongly Disagree

Comments:

Membership

9. Our committee membership represents the talents and skills required to fulfill the goals and purposes of the committee. Our committee members come to meetings prepared and ready to contribute.

1

2

3

4

Strongly Agree

Strongly Disagree

Comments:

10. Our committee members treat each other with respect and courtesy.

1

2

3

4

Strongly Agree

Strongly Disagree

Comments:

11. As a general rule, when I speak I feel listened to and that my comments are valued.

1

2

3

4

Strongly Agree

Strongly Disagree

Comments:

General Comments

12. What I like the most about our committee meetings?

13. What I would like to see improve at our committee meetings?

14. What areas should the committee focus on in the future?

Board of Directors

Agenda

BOARD OF DIRECTORS

October 6, 2015

Agenda

OPEN SESSION

1. Pledge of Allegiance
2. Approval of Agenda
3. Approval of Minutes of the Board's Open Session meeting of July 18, 2015
4. Approval of Minutes of the Board's Open Session telephonic meeting of August 13, 2015
5. Chairman's Report
6. Members' Report
7. President's Report
8. Inspector General's Report
9. Consider and act on the report of the Finance Committee
10. Consider and act on the report of the Audit Committee
11. Consider and act on the report of the Operations & Regulations Committee
12. Consider and act on the report of the Governance & Performance Committee
13. Consider and act on the report of the Institutional Advancement Committee
14. Consider and act on the report of the Delivery of Legal Services Committee
15. Consider and act on process for updating the 2012 -2016 LSC Strategic Plan

16. Report on implementation of the Pro Bono Task Force Report and the Pro Bono Innovation Fund

17. Public Comment

18. Consider and act on other business

19. Consider and act on whether to authorize an executive session of the Board to address items listed below under Closed Session

CLOSED SESSION

20. Approval of Minutes of the Board's Closed Session meeting of July 18, 2015

21. Approval of Minutes of the Governance & Performance Review Committee's Closed Session Meeting of July 16, 2015

22. Briefing by Management

23. Briefing by the Inspector General

24. Consider and act on General Counsel's report on potential and pending litigation involving LSC

25. Consider and act on list of prospective funders

26. Consider and act on motion to adjourn meeting

**Draft Minutes of the July 18, 2015
Open Session Meeting**

**Legal Services Corporation
Meeting of the Board of Directors**

Open Session

Saturday, July 18, 2015

DRAFT

Chairman John G. Levi convened an open session meeting of the Legal Services Corporation's ("LSC") Board of Directors at 9:05 a.m. on Saturday, July 18, 2015. The meeting was held at the Radisson Blu Minneapolis Hotel, 35 South 7th Street, Minneapolis, Minnesota 55402.

The following Board members were present:

John G. Levi, Chairman
Martha L. Minow, Vice Chair
Robert J. Grey, Jr.
Charles N.W. Keckler
Victor B. Maddox
Laurie Mikva
Father Pius Pietrzyk, O. P.
Julie A. Reiskin
Gloria Valencia-Weber
James J. Sandman, *ex officio*

Also attending were:

Rebecca Fertig Cohen	Chief of Staff
Lynn Jennings	Vice President for Grants Management
Wendy Rhein	Chief Development Officer
David Richardson	Comptroller and Treasurer, Office of Financial and Administrative Services (OFAS)
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary (OLA)
Jeffrey Schanz	Inspector General
David Maddox	Assistant Inspector General for Management and Evaluation, Office of the Inspector General (OIG)
Daniel O'Rourke	Assistant Inspector General for Investigations, Office of the Inspector General
Tom Hester	Associate Counsel, Office of the Inspector General (OIG)
Carol A. Bergman	Director, Office of Government Relations and Public Affairs (GRPA)

Carl Rauscher	Director of Media Relations, Office of Government Relations and Public Affairs (GRPA)
Marcos Navarro	Office of Government Relations and Public Affairs (GRPA)
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)
Janet LaBella	Director, Office of Program Performance (OPP)
Jean Lastine	Central Minnesota Legal Services
David Lund	Legal Services North Eastern Minnesota
Jessie Nicholson	Southern Minnesota Regional Legal Services
Terry Brooks	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Robin C. Murphy	National Legal Aid and Defenders Association (NLADA)

The following summarizes actions taken by, and presentations made to, the Board:

Chairman Levi called the meeting to order. The Pledge of Allegiance was recited.

MOTION

Mr. Grey moved to approve the agenda. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Mr. Grey moved to approve the minutes of April 14, 2015 and May 22, 2015. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

Chairman Levi gave the Chairman's Report. He thanked the presenters, grantees and extended a special thanks to Professor Valencia-Weber. He also thanked the Board, Non-Director members and LSC staff for their hard and continuous work.

President Sandman gave the President's Report, which covered improvement to LSC's internal business processes, the implementation of recommendations of the Fiscal Oversight Task Force, the two briefings held to educate members of Congress and their staff about LSC, a briefing on private funding, and the ABA Commission on the future of Legal Services. He answered board members' questions.

Inspector General Schanz, Mr. Maddox and Mr. O'Rourke gave the Inspector General's Report. Mr. Schanz briefed the Board on the changes made to the audit report. Mr. Maddox and Mr. O'Rourke gave presentations on the new OIG Strategic Plan for 2015 – 2019, OIG's investigative activities, and the capstone report, and the new OIG website. They all answered questions from board members.

Mr. Grey gave the report for the Finance Committee.

MOTION

Mr. Grey moved to adopt the resolution on the temporary authority for fiscal year 2016.

VOTE

The motion passed by voice vote.

MOTION

Mr. Grey moved to adopt the resolution on the budget request for fiscal year 2017.

VOTE

The motion passed by voice vote of seven ayes and two nays.

Mr. Maddox gave the report for the Audit Committee.

Mr. Keckler gave the Operations and Regulations Committee report.

MOTION

Mr. Keckler moved to approve publication of the Notice on Agricultural Workers Population Data with amendments.

VOTE

The motion passed by voice vote.

MOTION

Mr. Keckler moved to adopt the Final Rule to 45 CFR Part 1628 – Recipient Fund Balances.

VOTE

The motion passed by voice vote.

MOTION

Mr. Keckler moved to adopt the new rulemaking protocol and associated policy statement as amended and approve for publication.

VOTE

The motion passed by voice vote.

MOTION

Mr. Keckler moved to approve initial rulemaking of 45 CFR Part 1630 – Cost Standards and The Property Acquisition & Management Manual.

VOTE

The motion passed by voice vote.

Dean Minow gave the report for the Governance and Performance Review Committee.

Chairman Levi gave the Institutional Advancement Committee report.

MOTION

Chairman Levi moved to approve the Protocol for the Allocation of Private Funds with amendments.

VOTE

The motion passed by voice vote.

Chairman Levi gave the report for the Communications Subcommittee of the Institutional Advancement Committee.

Father Pius gave the report for the Delivery of Legal Services Committee.

Ms. Jennings and Mr. Flagg gave a report on the implementation of the Pro Bono Task Force.

Chairman Levi invited public comment and received none.

There was new business to consider.

MOTION

Dean Minow moved to adopt the resolution on Funding for Civil Legal Services. Ms. Reiskin seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Father Pius moved to authorize an executive session of the Board meeting. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

The Board continued its meeting in closed session at 10:55 a.m.

**Draft Minutes of the August 13, 2015
Open Session Telephonic Meeting**

**Legal Services Corporation
Telephonic Meeting of the Board of Directors**

Open Session

Thursday, August 13, 2015

DRAFT

Chairman John G. Levi convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Board of Directors at 11:20 a.m. on Thursday, August 13, 2015. The meeting was held at the F. William McCalpin Conference Center, Legal Services Corporation, 3333 K Street, N.W. Washington, D.C. 20007.

The following Board members were present:

John G. Levi, Chairman
Martha L. Minow
Robert J. Grey, Jr.
Harry J.F. Korrell, III
Charles N.W. Keckler
Victor B. Maddox
Julie A. Reiskin
James J. Sandman, *ex officio*

Also attending were:

Lynn Jennings	Vice President for Grants Management
Patrick Malloy	Special Assistant to the President and Vice President for Grants Management
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Katherine Ward	Executive Assistant, Office of Legal Affairs
David Richardson	Comptroller and Treasurer
Jeffrey Schanz	Inspector General
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, 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
Don Saunders	National Legal Aid and Defender Association (NLADA)
Robin Murphy	National Legal Aid and Defender Association (NLADA)
Beverly Groudine	American Bar Association Standing Committee on Legal Aid and Indigent Defendants

The following summarizes actions taken by, and presentations made to, the Board:

Chairman Levi called the meeting to order.

MOTION

Father Pius moved to approve the agenda. Dean Minow seconded the motion.

VOTE

The motion passed by voice vote.

MOTION

Mr. Grey recommended adopting the resolution to establish the Office of Data Governance and Analysis to replace the Office of Information Management.

VOTE

The motion passed by voice vote.

Chairman Levi invited public comment, and received none. There was no new business to consider.

MOTION

Dean Minow moved to adjourn the meeting. Father Pius seconded the motion.

The meeting of the Board adjourned at 11:23 a.m.

LSC Strategic Plan

LSC Strategic Plan

October 2015 Board Meeting:	Board discussion of timeline
October – November 2015:	Draft Public Notice & RFP for Consultant
November 2015:	Board approval of Public Notice & RFP (during SAR telephonic meeting) Draft Survey & Interview List
December 2015:	Issue RFP for Consultant
January 2016:	Select Consultant Issue Public Notice for Comment (1) Send Survey
January – March 2016:	Receive Public Notice Comments Receive Survey Comments Conduct Interviews Conduct Webinar(s)
March 2016:	Compile Feedback
April 2016 Board Meeting:	Present Feedback to the Board
April – June 2016:	Draft Updated Strategic Plan
July 2016 Board Meeting:	Consideration of Draft Strategic Plan
July – August 2016:	Issue Public Notice for Comment (2)
September 2016:	Review Comments Telephonic Board Meeting to Present Feedback & Discuss Revisions
October 2016 Board Meeting:	Board Approval of Updated Strategic Plan



Legal Services Corporation

**Strategic Plan
2012-2016**

*Adopted by the Board of Directors
October 2012*

Legal Services Corporation

Strategic Plan 2012 – 2016

Part One: Overview

Fundamental Principles

The Legal Services Corporation (LSC) was founded on a shared American ideal: access to justice regardless of one's economic status. Every day, people across America recite the Pledge of Allegiance and make a commitment to a nation "*with Liberty and Justice for All.*"

In the Preamble to the United States Constitution, the Framers recognized that to "establish justice" was a primary goal of the new Republic. But justice is no mere abstraction; it requires clear laws and an impartial system of courts and judges to adjudicate disagreements and vindicate rights. George Washington called the true administration of justice, "the firmest pillar of good government." This promise of justice for all can only be realized when all have access to the system that administers justice.

Congress recognized this in its finding and declaration of purpose in the Legal Services Corporation Act: "...for many of our citizens," the statute emphasizes, "the availability of legal services has reaffirmed faith in our government of laws." As Judge Learned Hand said, "If we are to keep our democracy, there must be one commandment: Thou shalt not ration justice."

A Crucial Time

At the same time, LSC acknowledges that financial resources—whether from the federal government or other sources—are limited, especially given the current state of the national and global economies. Established to provide financial and strategic support for civil legal assistance throughout the United States and its territories, LSC is the largest single funder of civil legal aid programs in the nation. Currently, LSC provides grants to 134 independent organizations with more than 900 offices serving every county in every state, the District of Columbia, and various territories of the United States.

Virtually all of LSC's current revenue comes from annual congressional appropriations. Local legal services providers depend upon a combination of these federal funds, state and local government funding, revenue from Interest on Lawyers' Trust Accounts (IOLTA), and private donations. Historically, LSC has encountered cycles of shrinking appropriations and some restoration of funding. The current funding situation, while part of the historical cycle, especially challenges LSC in the face of the extreme economic conditions since 2007.

Following four straight years of appropriation increases, LSC has faced significant reductions in the last two budgetary cycles. Since April of 2011, LSC's federal appropriation for basic field grants has been reduced by more than 18 percent. In addition, LSC's grantees have experienced funding reductions from other sources. Revenue from IOLTA — a source of significant support for local legal aid programs — continues to fall as interest rates remain very low. Budget pressures have caused many state and local governments to reduce their appropriations for civil legal services. LSC grantees reported a two percent reduction in funding from non-LSC sources in 2011. These reductions will affect eligible clients' access to legal services across a broad demographic: rural and urban, minority and majority, young and old, men and women.

LSC recently surveyed the organizations it supports to learn the impact of funding reductions on their operations. The results were sobering. Including reductions that grantees anticipate implementing in 2012, grantees project a loss of 576 attorneys, 303 paralegals, and 506 support staff since the end of 2010 — a loss of 1,385 full-time legal services employees, a 14.1 percent reduction in staffing. A number of grantees report that they have frozen or reduced employee salaries and benefits, reduced intake hours, and eliminated categories of services. Legal aid lawyers were already the lowest paid group in the legal profession before these freezes and reductions.

Twenty-four programs reported that they expect to close offices in 2012. A significant number of these closures will occur in rural areas. Rural programs strive to provide equality of service throughout their counties through hotlines, satellite interview sites, courthouse help desks, and private attorneys. But there is little doubt that the increased distance between potential clients and legal aid offices will present yet another barrier to serving these isolated populations effectively.

The same financial challenges that have led to reduced funding also contribute to the rising need for civil legal assistance. While capacity is falling, the population eligible for civil legal services at LSC-funded organizations continues to rise steeply. Today, LSC estimates that nearly 66 million Americans are eligible for services at the entities it funds — an all-time high, and an increase of 29 percent since 2007, before the recession began.

Strategic Goals

Despite the challenges of the current state of affairs, LSC has a duty to the American people to pursue its fundamental mission of access to justice. With this in mind, the LSC Board of Directors has prepared this plan to set forth the strategic goals that will guide LSC for the next five years.

LSC's primary goal is to maximize the availability, quality, and effectiveness of the civil legal services that its grantees provide to eligible low-income individuals.¹

To achieve this goal, LSC must work to afford its grantees the resources, tools, and management expertise to reach and assist their clients most effectively. LSC will pursue its work in this crucial period along three avenues:

- (1) identifying and replicating best practices associated with delivering high quality civil legal assistance to the poor by its grantees;
- (2) promoting the development and implementation of technologies that maximize the availability of legal information and assistance; and
- (3) expanding the availability of civil legal assistance through the most effective use of pro bono services and other private resources by LSC's grantees.

In order to achieve this first goal, which reflects its fundamental mission, LSC will employ robust assessment tools to ensure that it identifies, recognizes, and replicates the best practices among its grantees and those qualities that define its highest-performing grantees. The LSC Board recognizes that the development of such tools will be a complicated endeavor involving many variables, but is nonetheless convinced of the necessity of developing such assessment tools and will develop them with care. LSC also will provide attention and assistance to lower-performing grantees and to grantees who may request such assistance. Meeting this goal will be a significant challenge in the current funding environment. LSC's approach to improving quality must be focused on promoting innovation that accomplishes more with fewer resources.

LSC's second goal is to become a leading voice for civil legal services for poor Americans.

LSC will provide national leadership and opportunities for collaboration with others committed to promoting civil legal services, including other funders of legal aid, governmental agencies, and judicial systems throughout the country. The primary goals of this collaboration will be: (a) to increase awareness of the significance and value of civil legal aid with the intention of increasing public and private resources devoted to this purpose; and (b) to more closely match resources and needs, identify innovative approaches, and coordinate LSC's efforts to achieve maximum effectiveness.

In order to become a leading voice, LSC will:

¹ Throughout this document "low-income" and "poor" refer to the definitions in LSC's governing act and include compliance with the eligibility rules. See Legal Services Corporation Act As Amended, 42 U.S.C. §2996 et seq., Public Law 93-35593 Congress, H.R. 7824, July 25, 1974; LSC Act, Public Law 95-222, 95 Congress, H.R. 6666, December 28, 1977; LSC Reauthorization Act, and other amendments. See also 24 C.F.R. §§ 1611 & 1611X.

- ❑ identify federal government agencies that might have additional resources available for LSC grantees and to expand awareness of the availability of such resources to grantees;
- ❑ identify and reach out to national foundations and other sources to broaden LSC's funding base, in order to:
 - provide funds for research, the development of promising practices, and other projects with the potential to improve civil legal assistance more generally, and
 - create a renewed awareness in the philanthropic community about legal services for the poor;
- ❑ work together with providers of legal services to low-income individuals to raise public awareness about civil legal aid and both the positive contribution it makes in the lives of the poor as well as the economic benefits to the government and to society as a whole;
- ❑ provide to Congress and the Executive Branch information about the outcomes and impact of the work of LSC grantees, and the financial resources necessary to provide quality legal services to the poor; and
- ❑ improve communication about the work that LSC and its grantees do in the cause of providing legal services to the poor.

LSC's third goal is to achieve the highest standards of fiscal responsibility both for itself and its grantees.

The United States Congress entrusts LSC with funds collected from the American taxpayer. Both to live up to that trust and to justify further confidence, LSC will be a prudent steward of the resources allocated to it. LSC will comply with the parameters expressed by Congress and conform to the highest professional standards of fiscal transparency and accountability, both within the Corporation and in its fiscal oversight of those who receive funds from LSC.

In January 2012, the LSC Board of Directors approved the recommendations of its Fiscal Oversight Task Force. In achieving this goal, LSC will implement the recommendations of the Task Force.

Part Two: The Three Strategic Goals

1. Maximize the Availability, Quality, and Effectiveness of Legal Services

Maintenance of the rule of law is, and always has been, a central purpose of the American Republic. The rule of law requires an opportunity to vindicate one's legal rights, which often requires the assistance of counsel. For those unable to afford a lawyer, this lack of qualified legal counsel results in a rule of law eroded in meaning and effect. It is therefore critical that LSC continue to improve the availability, quality, and effectiveness of civil legal services for those qualified under federal law to receive them. This will require clear performance criteria and best practices, an ability to assess performance and quality with objectivity and care, and the capacity to recognize high-performing grantees and assist lower-performing grantees.

Initiative One:

Identify, promote, and spread best practices in meeting the civil legal needs of the poor. All civil legal services providers across the country face the challenge of limited resources while seeking to address growing unmet needs and management challenges. Many of LSC's grantees have developed effective approaches to one or more areas of civil practice affecting the poor. Many grantees have also devised successful strategies for partnering with pro bono lawyers, law schools, and other providers to extend their work or otherwise increase responsiveness to clients and potential clients.

Because of its unique position as the federally-created, national organization in this field, LSC can and must lead an initiative to identify, share, and promote best practices among its grantees and other organizations in providing high-quality and effective legal information, advice, and representation. Best practices include approaches to particular issues, such as assistance in the face of mass foreclosures and in the area of family law, as well as strategies for expanding access to legal services. Best practices also involve acknowledging differences among grantees' client populations that may significantly affect the manner in which legal services are provided, but which may be difficult to quantify. Such variables include, among other things, geographical isolation, regional court practices, non-English language use, and distinct cultural communities.

- ❑ **Best practice identification:** LSC's assessments of grantee operations will identify promising practices and vet them among other grantees to highlight approaches that warrant being named a "best practice." In addition to the suggestions made by its own Fiscal Oversight and Pro Bono Task Forces, LSC will also solicit suggestions from grantees and other providers and funders to enlarge the pool of potential best practices. This will also include the identification of those federal agencies that are most involved in the types of legal issues that LSC grantees handle for their clients so as to facilitate

coordination with these agencies to better streamline responsiveness to the needs of clients.

- ❑ **Best practice resource:** LSC will become a “go-to” place for collecting and sharing information about best practices in the provision of civil legal assistance. This should include enhancing web-based resources, including a user-friendly library tool that improves the accessibility, scope, currency, and use of the library currently maintained by LSC.
- ❑ **Best practice sharing:** LSC will devise successful ways to share the best practices it identifies through the potential use of web tools, social media, conferences, and other techniques that grantees may find helpful in promoting dialogue and peer assessment.
- ❑ **Best practice expansion:** LSC will develop benchmarks and share the best practices it identifies.

Initiative Two:

Develop meaningful performance standards and metrics

As part of ensuring high quality legal services, LSC must be able to measure the performance of grantees fairly, objectively, and effectively. The performance of a grantee includes, among other things, the quality and effectiveness of the legal services it provides to clients, the efficiency by which it provides such services, and its ability to adhere to the requirements established for legal services set by Congress and by LSC. It is important for LSC to identify both higher- and lower-performing grantees so that it can recognize best practices and assist those grantees in need of improvement.

Standards and Metrics

Therefore, LSC will formulate performance standards and metrics for its grantees. In developing these, LSC should be informed by its own previously drafted Performance Criteria, the American Bar Association’s Standards for the Provision of Civil Legal Aid, experts in non-profit management, other funders of legal services, and the experience of grantees.

The development of performance measurements is not intended to require a single, uniform, national set of standards to be applied to every grantee. Nor should they be applied in such a way as to alter the fundamental mission of LSC, which is to increase access to quality legal services for the poor. The development and application of such standards and metrics should take account of the diversity in service delivery models chosen by grantees, and the local priorities that grantees have set pursuant to the LSC Act and LSC regulations, and the different environments in which grantees operate. Similarly, standards and metrics should account for the relatively greater difficulty associated with certain types of cases or certain legal environments.

Developing cultural competency in the delivery of services should be inherent in how a grantee’s outcomes, efficiency, and needs assessments are evaluated.

The process for developing such standards and metrics should be both inclusive and rigorous. Hence, the process for developing standards and metrics should seek and use regular feedback from those in the legal services community, from other funders, as well as from those with expertise in formulating similar standards and metrics in the legal services and non-profit sectors. We anticipate that the standards and metrics will evolve over time and that the initial introduction may benefit from pilot programs.

Data collection from grantees should avoid impeding their organizational efficiency. Online data collection should be structured to reduce reporting costs and to increase analytical effectiveness. To the extent practicable, the data collection required by other major funders of LSC grantees should be reviewed in order to minimize redundancy. Grantees currently provide LSC with data that can be better utilized and analyzed with methods established to have validity and reliability. Improving data collection, analyses, and reports is critical to demonstrate the quality and effectiveness of LSC's advocacy for the poor.

With this in mind, LSC will make use of both quantitative metrics listed below and qualitative measures, as appropriate. These metrics are meant as a guideline, and should be adapted according to experience and further research as to the best way to evaluate grantee performance and outcomes. These should be understood as a related set of metrics that together seek to provide a broad and complete picture of the performance of LSC's grantees, in conjunction with other information, including qualitative and compliance-related standards and assessments.

- ❑ Outcome metric(s): Evaluating how a grantee organization's delivered legal services translate into identified benefits for individual clients, as well as other societal benefits and governmental savings. Innovations by grantees in devising and using outcome measurement will be of central importance in the establishment of best practices in this area.
- ❑ Efficiency metric(s): Evaluating the cost-effectiveness of a grantee organization's activities by measuring how invested federal grant dollars translate into an amount of legal services delivered. All such measures of output should be assessed in the context of the nature of a grantee's cases and how the legal services rendered achieve beneficial outcomes and address client needs.
- ❑ Needs assessment metric(s): Ensuring that grantees effectively assess the needs of eligible clients in their service areas, establish priorities reflecting such assessment in a manner consistent with the Legal Services Corporation Act and LSC regulations, and evaluate their effectiveness in meeting those priorities.

Performance Incentives and Corrective Measures

Performance measures cannot alter the legislatively-determined funding formula that sets the level of Basic Field grants. When clear, evidence-based standards of performance are established, LSC will seek to provide performance incentives to grantees outside these funding

formulas. Following the establishment of a fair and objective data-collection and analysis process, LSC should be prepared to implement a system under which rewards or corrective actions would be triggered.

- Any rewards or corrective measures will be implemented only when LSC is confident of the quality and fairness of the performance standards. No single metric would be the basis of such action. While such rewards or corrective measures would only be introduced after the implementation of such standards, planning for them could be developed concurrently.
- Rewards for grantees exceeding a standard (e.g., a high percentile ranking on established quantitative and qualitative metrics) might include:
 - LSC certification as a top-performing organization;
 - Invitation to special LSC recognition programs;
 - Increased access to funds or projects generated through LSC's own institutional advancement efforts; or
 - Ability to compete for special grant programs that LSC may administer.
- Corrective actions for grantees consistently falling below a minimum standard (to be specified only after opportunity for public review and comment) might include:
 - A special review by LSC or peers;
 - Required professional development activities (such as training);
 - Implementation of specific quality or efficiency processes;
 - Enhanced oversight requirements;
 - Establishing additional conditions in the renewal or re-granting process;
 - Suggested changes in staffing or program focus; or
 - Other actions permitted by applicable law and corresponding regulations.

Initiative Three:

Provide legal practice and operational support to improve measurably the quality of civil legal services to the poor

LSC's congressionally mandated oversight responsibilities enable and obligate it to help grantees maximize their performance through support for their practices and operations. Oversight should be coupled with assistance to achieve such performance.

Assistance to grantees should include the areas set forth below. LSC will take care to ensure that such training does not duplicate other programs offered by other governmental and private organizations and will, to the extent feasible, collaborate with others offering such training.

- **Grantee training.** LSC will supplement and extend training efforts to reflect the growing expertise in best practices and to improve and increase collaboration across grantees and

other providers. LSC will aim to offer training programs using its own Management and Grants Oversight budget, at little or no cost to its grantees. LSC will review the possibilities of training efforts in at least the following areas:

- Best Practice Training: Training programs to share information and discussion about best practices both to deepen peer review and to promote the adoption of best practices.
 - State-of-the-Art Training from Other Organizations: Timely, high-quality training programs offered by other organizations will be identified and, where possible, made available to grantees as cost-effectively as possible. In addition, LSC will work to stimulate the creation of training programs by other organizations where indicated by the expertise, capacity, and leverage that could be achieved.
 - Compliance Training: Training to enable grantees to meet LSC’s financial, regulatory, and reporting requirements as efficiently as possible, and to minimize the need for enforcement actions.
- **Peer support and collaboration programs.** Interaction among LSC grantees is often the result of grantees’ initiatives. The experience and advice of colleagues is a potent resource for grantee staff and management. LSC will develop peer support and collaboration programs, including, for example:
- Online collaboration tools for LSC grantee staff to discuss relevant issues among themselves, such as technical advice, pro bono practices, partnerships with law schools and other organizations, identification of other resources, management expertise, and fundraising.
 - National in-person conferences for leadership of grantee organizations. These would identify prospects for collaboration and allow the sharing of expertise. They would also permit LSC to learn from the practical experience of grantee leaders and to improve its support of them as a result.
- **Management support.** Grantee organizations face many common issues, including succession planning, fundraising, hiring and retention, financial management, practice management, case management, and operations. LSC will develop management support programs, including, for example:
- An Executive Director mentoring program – A “matchmaking” service available to Executive Directors who want to tap the experience of a longer-tenured peer at another organization, or who want to be put in touch with a peer to share information and management experience.

- ❑ Transition training programs. LSC recognizes at this point in its history that it faces the likely prospect of the retirement of a significant percentage of the executive directors of its grantees. LSC should assist grantees as they transition to new leadership roles after the retirement of long-serving senior staff.
 - ❑ A management tool library, including sample materials for human resources, requests for proposals, contracting documents, and fundraising letters and materials.
 - ❑ Training programs for grantee boards of directors that focus on LSC-specific issues and avoid duplication of training programs already available from other organizations.
 - ❑ Training programs to promote the participation and effectiveness of non-attorney and client representatives who serve on grantee boards of directors.
- ❑ **Innovative technology for delivering professional development programs.** Online technology tools are increasingly effective for professional development activities, and LSC should develop a repertoire of online, on-demand tools and make online availability the default method of delivery. Many of these tools are available as low- to mid-cost open-source or software-as-a-service models. LSC will explore these alternatives. LSC should also examine the possibility of making more widely available proven technology developed through the Technology Initiative Grant (TIG) program.
- ❑ **Enhance Private Attorney Involvement (Pro Bono).** In 2011, the LSC Board of Directors invited some of America’s best legal practitioners, judges, and public advocates to assist it in identifying ways in which to maximize the use of pro bono involvement in providing legal services to the poor. The five working groups of this Pro Bono Task force provided initial reports at the April 2012 meeting of the LSC Board of Directors. The Task Force was divided into the following working groups: Technology; Obstacles to Pro Bono; Rural Issues; Urban Issues; and “Big Ideas.” The LSC Board and management will continue to review the recommendations made by this Task Force in an effort to implement those practices that can best assist its grantees in providing civil legal services to the poor.

Accountability

LSC must hold itself accountable for results, just as it holds its grantees so accountable. LSC’s efforts on these initiatives will be organization-wide, but led by a new Office of Grants Management. For Initiative Three, LSC’s efforts will be assisted by the technical expertise of the Office of Information Technology. The success of LSC’s efforts will be measured by progress in the development of standards and strategic plans, and by increasingly objective measures of the

year-over-year improvement of LSC grantees as a whole. LSC management must also develop procedures to provide for periodic reassessment of key metrics, both of its own performance and that of its grantees, to ensure that they reflect up-to-date LSC mission priorities and objectives. LSC will staff these initiatives and provide the necessary training as part of its forthcoming Strategic Human Capital plan. This will include the formation of the Office of Grants Management, containing the required analytical expertise and a robust training and technical assistance capacity.

2. Become a Leading Voice for Access to Justice and Quality Legal Assistance in the United States

The nation needs greater and more focused leadership in addressing the civil legal needs of the poor. As the only federally-created, national legal services organization, as the largest single funder of civil legal services in the United States, and with its detailed knowledge of the activities of 134 legal services organizations serving every state and the territories, LSC has both the opportunity and the obligation to play a critical leadership and organizational role in advocating and securing access to justice for the poor in civil matters. Promoting understanding of the role and value of civil legal services and acting in partnership with other funders and stakeholders in the justice system are essential to expanding the public and private support necessary to sustain the work of LSC's grantees.

Initiative One:

Provide a comprehensive communications program around a compelling message

Developing a commonly understood, consistently delivered, well-articulated, and compelling message about access to justice is critical for maintaining and expanding both public and private funding for civil legal services. Without expansion of resources – whether from public or private sources – access to justice will remain limited. While LSC is a critical national funder of civil legal services, it is but one among many sources of assistance. As such, LSC's message must be developed in conjunction with other stakeholders and actors in the justice system, including clients, courts, federal agencies, state-level Access to Justice Commissions, pro bono networks, IOLTA and other grantmakers, and the actual providers of legal services, whether or not funded by LSC.

The creation of a messaging framework will give grantees a narrative that they will be able to use to recruit board members, explain their work to their communities, and cultivate other potential funders. The development of a compelling message must be directed not only to funders, but also to the general public, with the crucial goal of heightening broad-based understanding of the role that legal services play in our nation's system of justice.

LSC's Congressionally-given mandate is to provide financial support for civil legal services to the nation's poor. Therefore, LSC has a responsibility to express to the nation's lawmakers the true extent of the need for civil legal services and the resources necessary to decrease the gap

between the need and the availability of civil legal services to the poor. As part of its communications strategy, LSC will ensure that it makes known such needs to Congress and the Executive Branch.

Components of the communications programs will include:

- ❑ **The establishment of a compelling narrative** that is adopted by all LSC staff and board members for communicating LSC’s mission, activities, and value.
- ❑ **The creation of a short message** and other potential communications that could appear in brochures, booklets, other materials, and online.
- ❑ **The development of supporting materials** to support the common narrative.

Initiative Two:

Build a business case for funding civil legal services

In addition to a better narrative message, LSC must better explain the financial and economic benefits that result from funding civil legal services for the poor. Because civil legal services programs can save government and society money, funding these services is an efficient use of government resources. Averted foreclosures and evictions, for example, avoid homelessness with all its attendant costs and collateral consequences. Likewise, civil restraining orders in domestic violence cases can avoid future hospitalizations and unemployment.

Some studies at the state level have already quantified the economic benefits of civil legal services, but further evidence is needed. Development of this data is intrinsically linked to the development of valid outcome measurements as a component of the Performance Management Initiative (1.2), as discussed above. It will also be a prerequisite for evidence-based communication and advocacy, by demonstrating not only direct benefits to clients served, but also indirect benefits to society, the courts, and the public treasury.

There are three primary courses of action to build this case:

- ❑ **Gather and analyze broad, nationwide data** on the results achieved in civil legal services cases as the starting point for a strong economic analysis;
- ❑ **Conduct research** on the best methods for quantifying the cost savings realized by the outcomes achieved; and
- ❑ **Create a research-backed case** for the investment in civil legal services that shows the value of current expenditures and reasonable estimates of the public value that would be created by increased funding – a projected marginal value for legal aid dollars. As data are gathered, this research will be incorporated into LSC’s budgeting process and Congressional communications.

Initiative Three:

Recruit and enlist new messengers and sources of funds to increase private support for civil legal services

The legal services community needs to enlist new messengers to make the case for legal aid to new audiences. LSC must find those who have already embraced the case for civil legal services and made it their own, and use these exemplars to recruit others who would approach the issue from a different angle in order to reach different audiences. Members of the LSC Board of Directors can model the role of community leaders as spokespersons for civil legal assistance. LSC also must remain active in seeking potential non-Congressional sources of funds for the organization, to broaden its financial base and provide funds for special initiatives, while at the same time integrating support for legal services within the field of national philanthropy.

LSC can and should ensure that individuals who are not part of the civil legal services community as well as the traditional advocates are equipped with relevant information and opportunities to speak about civil legal services for low-income individuals. LSC must expand the base of private financial support for civil legal services. There are at least four steps LSC will pursue:

- **Use the legal services network** to help identify those outside the community who are making the case on a local, regional, and national basis;
- **Engage potential messengers** to see how best to take advantage of their natural inclinations on a broader or more targeted basis;
- **Expand the network** through these messengers to see whom they know; and
- **Seek funding opportunities** from other grant-making organizations for special projects and initiatives consistent with this Strategic Plan and LSC's statutory mandate.

Initiative Four:

Institutional advancement and grantee development support

As a creation of the federal government, LSC will remain dependent on the federal treasury for all of its basic field grants. Nevertheless, LSC should pursue private sources of financial support that will complement its Congressionally-given mandate, within the limitations imposed by applicable law. To do this, LSC will create an internal advancement office in order to support its own ability to fund the following:

- Research projects;
- Fellowships created for new lawyers and senior lawyers to serve in legal services programs;
- Create appropriate public service announcements and public education materials;
- Launch of an honorary auxiliary board;
- Launch of a national alumni association; and

- ❑ Other pilot projects and initiatives.

LSC will continue to pursue the possibility of creating this internal capacity through a grant (or grants) that could provide the necessary financial support to establish such an operation. This internal office would not in any way compete with fundraising efforts of LSC grantees. LSC management, together with oversight from the Institutional Advancement Committee of the Board, sensitive to this issue, will work to assure that such competition for funds does not occur.

In addition, LSC has recognized that many of its grantees need support in their own work of institutional advancement. With this internal advancement office, LSC will be able to provide advice and assistance to grantees in this important area, as listed below, and LSC will collaborate as appropriate with other organizations that provide development support to grantees:

- ❑ LSC will combine knowledge and insights from all of its communication efforts with those from the work of LSC's Institutional Advancement Committee to create materials and support training for grantees in their development efforts.
- ❑ LSC (including members of the LSC Board, to the extent of their availability) will work with grantees to develop and share common communications strategies and materials.
- ❑ LSC will share with its grantees strategies on how and when to deliver compelling messaging, on how to identify alternative sources, and on how to cultivate long-term relationships with donors.

Supporting grantees in their development efforts would provide them with:

- ❑ An understanding that LSC is focused on their most critical issue; and
- ❑ New strategies for developing private-sector resources.

Providing grantees with development support should include:

- ❑ **Delivering** the LSC narrative, the business case, and information on how best to use non-traditional messengers so that LSC's grantees have the tools needed to make their own cases.
- ❑ **Training** on the various tools, so that grantees fully understand their messages, their potential uses, and how they should be used.
- ❑ **Sharing development strategies** through online and in-person seminars, so that grantees can be introduced to new concepts, ask questions, and begin to use the concepts with local potential donors.
- ❑ **Assessment** of efforts through the creation of appropriate performance metrics to evaluate the effectiveness of LSC development and development support endeavors.

Initiative Five:

Enhanced Strategic Collaboration

In its role as the principal federal funder of civil legal services, LSC can facilitate coordination between the legal services community and those governmental entities that significantly affect the clients served by LSC grantees.

Such coordination should include, to the extent permissible under existing law and feasible with LSC's resources:

- ▬ Collaborating with state Access-to-Justice Commissions and the Access to Justice Initiative of the U.S. Department of Justice to coordinate the provision of civil legal services to the poor; and
- ▬ Working with the Access to Justice Initiative and other federal agencies to address particular policies or practices of a federal agency that impact clients significantly.

Accountability

LSC's efforts on these initiatives will be organization-wide, but led by the President of LSC, supported by Government Relations and Public Affairs, the research and informational components of the new Office of Grants Management, and a designated Institutional Advancement Officer (for Initiatives Three and Four). The Office of Financial and Administrative Services will provide technical support as needed for grant applications and evidence-based budgeting (as part of Initiatives Two and Three). The LSC Board will be accountable for continued engagement in building the public profile of LSC and the development of new policies to implement this initiative. The success of LSC's efforts will be measured by progress in formation of strategic partnerships, the wide adoption of its developed messaging, and by objective measures of the year-over-year improvement of LSC grantees in acquiring external sources of funding. LSC management must also develop procedures to provide for periodic reassessment of these key metrics to ensure that they reflect up-to-date LSC mission priorities and objectives. LSC will staff these initiatives and provide the necessary training as part of its forthcoming Strategic Human Capital Plan, including the acquisition of development, communications, and economic expertise as required.

3. Ensure Superior Fiscal Management

The American taxpayer is the ultimate source of the funds that LSC distributes to its grantees. At a time when Americans are tightening their belts, it is incumbent upon LSC to ensure that its grantees are managing and spending these taxpayer funds prudently. In addition, the money entrusted to LSC and its grantees is meant to be used in service to the poor. Money that is better spent will be able to aid more of those in need. Proper fiscal oversight is not in competition with the goal to assist the poor, but enhances the ability to accomplish it.

In accordance with the recommendations of LSC's Fiscal Oversight Task Force, LSC will strengthen its fiscal oversight processes by conducting a thorough review of current processes,

by implementing improved and streamlined processes, and by adopting new organizational structures to reduce redundancies and improve effectiveness. LSC will aim to give Congress and the American people confidence that money appropriated to LSC is managed and expended prudently and lawfully.

The recommendations of the Fiscal Oversight Task Force, adopted by LSC's Board of Directors in January of 2012, encompass the initiatives necessary to achieve this goal. The following is a summary of those initiatives:

Organizational Identity and Mission

- ❑ Clarify and affirm LSC's responsibilities related to grantee fiscal oversight.
- ❑ Establish a consistent "tone at the top," define and promulgate a strong organizational culture, and continue to keep the LSC Board active and engaged in its oversight of grant-making operations.

Communication and Coordination among the Board, Management, and the Office of Inspector General

- ❑ Consolidate management's oversight responsibilities, currently dispersed among the Office of Program Performance (OPP), the Office of Compliance and Enforcement (OCE), and the Office of Information Management (OIM), into one office (called the Office of Grants Management (OGM)), instituting a "cradle-to-grave" approach to grants management and fiscal oversight.
- ❑ Appoint a Vice President-level individual to lead OGM whose background includes grants management and internal controls.
- ❑ Document and memorialize the roles, expectations, and operating practices of LSC's Board, management, and the Office of Inspector General (OIG) in order to ensure that all necessary fiscal oversight activities are undertaken and to enable progress to be maintained during periods of leadership transition.
- ❑ Formalize and maintain or increase the flow of fiscal oversight-related information and communication to the LSC Board from management and the OIG.

Grantee Fiscal Oversight Process

- ❑ Conduct a unified, comprehensive LSC risk assessment process (incorporating input from the OIG and the grantees' Independent Public Accountants (IPAs)) that includes identifying financial risks and incorporating current methods and best practices for addressing such risks through fiscal oversight.
- ❑ Structure management's grantee reviews to address financial risks comprehensively, both prior to grant award and post-award.
- ❑ Create systems to support timely and efficient sharing within LSC of appropriate information about grantees and monitoring of the status of grantee corrective actions.
- ❑ Identify, monitor, and disclose conflicts of interest related to staff and grantees.

Knowledge, Skills, and Experience

- Encourage the sequencing of Board appointments so as to stagger the terms of Board members as permitted by the LSC Act.
- Continue the practice of utilizing non-Board members with experience in accounting, finance, and internal controls to serve on key financial-related committees and urge the Boards of grantee organizations to adopt a similar practice.
- Ensure that employees filling fiscal oversight roles within the new OGM structure have the necessary knowledge and skills.
- Provide directed training to staff, grantees, grantee Board members, and IPAs.

Accountability

LSC's efforts on these initiatives will be organization-wide, but led by a new Vice-President for Grants Management, acting in coordination, where appropriate, with the Office of Inspector General. The LSC Board, the Office of Legal Affairs, and the President of LSC will be accountable for policies supporting improvements in fiscal oversight, and for rapid and appropriate responses to wrongdoing. The success of LSC's efforts in this area will be measured by the adoption and implementation of a risk-based program of assessment, and by objective measures of a year-over-year reduction of risk indicators among LSC grantees as a whole, as well as by a decline in losses to malfeasance, due to more rapid detection of waste, fraud, and abuse. LSC management, in coordination with the OIG, must also develop procedures to provide for periodic reassessment of these key metrics to ensure that they reflect up-to-date LSC mission priorities and objectives. LSC will staff these initiatives and provide the necessary training as part of its forthcoming Strategic Human Capital plan, including the acquisition of financial, accounting, and auditing expertise as required.

Part Three: Achieving these Goals

The LSC Board will review periodically (but at least annually) the three main strategic goals listed above. To assist in this review, LSC management will perform a formal annual review of the performance of LSC according to this Strategic Plan. This review should include the concrete steps that have been taken to achieve each initiative proposed for the various goals, additional action that is required, as well as designated metrics for determining the degree to which the initiatives taken support each goal.

Conclusion

Access to justice is a founding principle of this nation and the commitment of Congress in creating LSC. At this challenging time, LSC commits to improving access to justice for the poor by improving the quantity and quality of civil legal assistance, promoting innovation that accomplishes more with fewer resources, and demonstrating the highest standards of fiscal responsibility through its work and the work of the legal service providers it supports. The trust of the American people demands no less.

Appendix

Appendix: The Strategic Planning Process

The strategic plan has been informed by research, interviews, and surveys conducted over a six-month period. It has been facilitated by a consultant, VShift.

A variety of documents were reviewed during the course of the process. They included past Strategic Directions documents for LSC, statutes and regulations, and literature measurement methodologies and metrics.

Additional primary research involved such sources as financial reports from LSC-funded organizations, staffing plans, program overviews, news reports, materials from civil legal services advocacy organizations, and best practices in similar organizations.

Most of these documents were reviewed prior to the start of the in-depth interviews, but some of them were identified by interview subjects and were reviewed as they were suggested.

Perspectives from stakeholders were collected via a combination of in-depth interviews and online surveys.

In-Depth Interviews

During the first three months of the project, over 75 in-depth interviews were conducted by a combination of VShift, LSC board members, and LSC senior staff.

Discussion guides were prepared for different interview groups, and the interviews lasted an average of 45 minutes each, with the shortest being about 30 minutes and the longest going well over 90 minutes.

The interview subjects consisted of five primary groups:

- LSC Board of Directors
- LSC Staff
- LSC Grantee Executive Directors
- External stakeholders
- Members of Congress and congressional staff

The goal of the interviews was two-fold: (1) to gain insight into the views of the different audiences; and (2) to seek innovative ideas from members of different constituencies.

Surveys

Four different audiences were surveyed during this process:

- LSC Grantee Executive Directors

- LSC Grantee Board Chairs
- LSC Grantee Client-Eligible Board Members
- LSC Staff

These were administered both via an online service (Survey Monkey) and through offline methodologies for the client-eligible board members.

All grantee Executive Directors and Board Chairs and all LSC staff members were invited to complete the online survey. Client-Eligible Board Members were invited to participate by grantee Executive Directors and Board Chairs.

The survey was designed: (1) to gather qualitative information as a baseline that can be used for comparison in the future, (2) to ensure that current views are understood and taken into account in the planning process, and (3) to have the widest possible participation in the planning process.

The survey questions covered three main areas: (1) basic demographic information, (2) the respondents' perceptions of LSC effectiveness, and (3) respondents' reactions to potential LSC activities going forward.

LSC's consultant, VShift, prepared reports from these data collection activities and briefed the Board on the findings.

Board Briefings

VShift conducted two briefings for the LSC Board of Directors. These included:

- Key insights from VShift analysis done to date;
- A range of initial hypotheses on structuring the strategic plan;
- Potential marketing and communications approaches to address funding challenges;
- Key opportunities for achieving quick results; and
- Legislative priorities, challenges, and options.

These were primarily one-way briefings focused on providing the Board with essential information, but they also included clarifying questions, initial reactions, and some feedback from individual Board members.

**Pro Bono Task Force Report
and Pro Bono Innovation Fund
Implementation Updates**

**LSC PRO BONO TASK FORCE IMPLEMENTATION UPDATE
OCTOBER 2015**

I. PRO BONO TASK FORCE OVERVIEW

In March 2011, LSC created a Pro Bono Task Force (“PBTF”) comprised of judges, corporate general counsels, bar leaders, technology experts, leaders of organized pro bono programs, law firm leaders, government lawyers, law school deans, and the heads of legal aid organizations, to consider how to increase pro bono contributions to civil legal aid. The Task Force divided into working groups and spent months conducting interviews, identifying effective practices, and sharing ideas before reporting its findings and recommendations to the LSC Board of Directors.

In October 2012, the Pro Bono Task Force released its findings and recommendations. Since then, LSC has made significant progress in implementing the Task Force’s recommendations. The following provides an update on recent activity.

II. IMPLEMENTING THE TASK FORCE RECOMMENDATIONS

A. Development and Implementation of a Pro Bono Innovation Fund

One of the Task Force’s key recommendations was for LSC to work with Congress to create a Pro Bono Innovation/Incubation Fund. Within two years, this recommendation was implemented and funding awards were announced. On January 17, 2014, the President signed P.L. 133-76, the Consolidated Appropriations Act of 2014, which included \$2.5 million in LSC’s appropriation for the creation of a Pro Bono Innovation Fund. Soon after Congress acted, LSC developed and implemented a competitive grant program with a rigorous review process.

i. PBIF Round II Awardees

In September 2015, LSC announced the second round of fifteen PBIF awardees totaling \$3.8 million, increasing the number of PBIF grantees to twenty-six. Each of the grants requires that the programs attend the Equal Justice Conference to participate in a planning and best practices session. Descriptions of the grants are listed below.

ALASKA

Alaska Legal Services Corporation

Pro Bono Training Academy

Total Award: \$187,566

Grant Term: 24 mos.

Subgrantee: University of Washington School of Law

Rural Alaska Natives have unique and complex legal issues. Alaska Legal Services Corporation will build a Pro Bono Training Academy for volunteer lawyers who lack relevant expertise to represent low-income Alaskans, particularly Alaska Natives, who live in extremely remote locations throughout the state. With no law school in Alaska, the organization will partner with the University of Washington School of Law, which recently opened an extension office in Anchorage. The law school is considered an expert in distance-learning and will consult in the

development of a free online training curriculum for pro bono attorneys, focusing on five practice areas of need for clients. Law professors and project staff will also develop the distance learning-curricula and will engage law students in summer externships in Alaska and in school-year clinics to help with development of pro se materials for clients. The project will also create additional online resources for volunteers including forms, manuals, pleadings, and brief banks.

CALIFORNIA

Bay Area Legal Aid

Using Business Process Analysis to Increase Pro Bono Impact

Total Award: \$280,111

Grant Term: 24 mos.

BayLegal's project proposes to permanently change the structure of its pro bono efforts in the San Francisco Bay Area by replacing the one-by-one case placement model with technology that streamlines and automates routine case placement and processing work and requires significantly less staff intervention. The project will also engage BayLegal's pro bono team and litigation director to develop specialized pro bono opportunities for law firm partners that involve complex litigation and will benefit a larger number of low-income people. This will build broader and deeper relationships with law firm partners and meets their expressed desire to work on more complex and far-reaching issues for low-income communities.

GEORGIA

Georgia Legal Services Program

Pro Bono Structure and Support for a Georgia Law Practice Incubator

Total Award: \$197,813

Grant Term: 24 mos.

"Lawyers for Equal Justice" is a new, freestanding nonprofit incubator program that was established by the State Bar of Georgia, the Access to Justice Commission, and the five Georgia law schools. The incubator is designed to support recent law graduates in establishing practices that use technology, alternative fee arrangements, new models of practice, and enhanced pro bono to serve the large population of underserved low-income clients. Georgia Legal Services Program proposes to create a "pro bono learning lab" within the new incubator to develop and create a structure and accountability for the pro bono promise of incubators. The project will coordinate pro bono opportunities to the incubator, will oversee and track pro bono cases and case outcomes, and will coordinate trainings and mentoring of incubator attorneys with legal aid advocates. The incubator attorneys will handle basic poverty law cases including: family, consumer, administrative law, simple wills and advance directives, and housing with an emphasis on cases in rural areas. It will also seek to incorporate policies for pro bono into the business plans for a solo or small firm practice. The project will develop two toolkits on incubator-pro bono best practices for law schools and legal aid.

IDAHO

Idaho Legal Aid Services, Inc.

Improving Pro Bono Opportunities Project

Total Award: \$276,000

Grant Term: 24 mos.

Subgrantee: Idaho Volunteer Lawyer Program

Idaho Legal Aid Services (ILAS), in partnership with the Idaho Volunteer Lawyers Program (IVLP), will create the Pro Bono Opportunities Website. This portal will create a searchable online space where Idaho attorneys who wish to volunteer for a case can find statewide case opportunities. Currently, the IVLP relies on a telephone based system for placing clients with attorneys. With this project, a Pro Bono Opportunities web portal will be developed that will allow attorneys to search case opportunities by criteria such as legal issue, geographic area, whether the client is a veteran, and other factors. If no case opportunity meets their search criteria, the system will be able to automatically notify them when similar cases are posted. While many case opportunities will be posted by IVLP, the portal will allow ILAS to easily forward opportunities for consenting clients who need services beyond what ILAS attorneys can provide. The project will make pro bono services a more robust part of Idaho's low-income legal service delivery system by increasing pro bono representation, increasing the number of low-income Idahoans who receive legal representation, and expanding the cases and services for which attorneys can volunteer.

ILLINOIS

LAF (Formerly Legal Assistance Foundation of Metropolitan Chicago)

Advance Directives and Property Transfers for Seniors (ADAPT)

Total Award: \$239,207

Grant Term: 24 mos.

Subgrantee: Center for Disability and Elder Law, Inc.

One of the most important legal services that can be provided to seniors is planning for incapacity through advance directives, including durable Powers of Attorney for Health Care and Property, Living Wills, and Transfer on Death Instruments. While the senior population grows, local legal resources dedicated to providing these services remain inadequate. LAF in Chicago proposes to offer a "legal checkup" for advance directives for every low-income senior who contacts LAF for assistance on any legal matter. LAF will partner with the Center for Disability and Elder Law to adapt a successful pro bono workshop model into LAF's intake and scheduling system, so trained volunteer lawyers can provide these services to clients. The project includes critical supports to ensure clients are able to access and follow-through on services and training for volunteers and staff to work seniors. Client documents will be automated and integrated into LAF's case management system to simplify and streamline the work of the volunteer attorneys. In collaboration with Illinois Legal Aid Online, the project will also create an eLearning curriculum that will be available to any volunteer attorney statewide.

KENTUCKY

Legal Aid Society, Inc.

Volunteer Lawyers for Veterans Program

Total Award: \$333,982

Grant Term: 18 mos.

**Subgrantees: Legal Aid of the Bluegrass, Appalachian Research and Defense Fund,
Kentucky Legal Aid**

The Leal Aid Society, Legal Aid of the Bluegrass, Kentucky Legal Aid, and Appalachian Research and Defense Fund will create a statewide pro bono program for eligible military veterans to receive the legal assistance they need. The project will coordinate recruitment and

training of volunteer lawyers between the four legal aid organizations and create uniform and streamlined intake protocols and case acceptance policies for eligible veterans. The project will also use existing technology to create a statewide hotline to connect any veteran to trained legal aid staff who will triage their legal issue before referring the client to pro bono volunteers. It will also build on the KY Justice Online system to create more content for veterans and to allow volunteer lawyers to provide assistance to clients on their legal questions through the Pro Bono Portal.

LOUISIANA

Southeast Louisiana Legal Services Corporation

Healthy Justice Partnership Project

Total Award: \$290,520

Grant Term: 24 mos.

Subgrantee: The Pro Bono Project

Ten years after Hurricane Katrina decimated New Orleans' health care delivery system, a new model of community health clinics has emerged to serve the City's most vulnerable populations. This partnership between Southeast Louisiana Legal Services (SLLS), The Pro Bono Project based in New Orleans, and the Daughters of Charity Services of New Orleans will launch a medical-legal partnership to integrate legal aid as part of healthcare in eight community-based health clinics. The partnership will remove access barriers for low-income clients through new and expanded pro bono services delivered by volunteer lawyers, paralegals, and law students. The project will provide services on critical disability, Medicaid, and housing issues and seeks to measure improved health and legal outcomes of clients served through the project.

MASSACHUSETTS

Community Legal Aid, Inc.

Medical-Legal Partnership

Total Award: \$209,524

Grant Term: 24 mos.

Unmet legal needs negatively impact the health of low-income and minority communities and interfere with the ability of health care providers to improve the health of their most vulnerable patients. Community Legal Aid (CLA) will develop a medical-legal partnership to provide legal help to patients participating in a new primary care model at the UMass Memorial Medical Center (UMMMC), the fourth largest safety net health provider in the state. The new primary care model seeks better health outcomes for some of the most vulnerable families in Central Massachusetts using a community health framework that integrates care coordination and behavioral health into the primary care setting. In partnership with the UMMC General Counsel's Office and Office of Community Benefits, this project will recruit private attorneys in Central Massachusetts to conduct full assessments of patients' legal needs and partner with a CLA attorney to integrate legal services into the new primary care model. The project will include a rigorous evaluation to measure the impact of the medical-legal partnership intervention on the new primary care model.

MISSOURI

Legal Services of Eastern Missouri

Lawyers for Entrepreneurs

Total Award: \$160,000

Grant Term: 24 mos.

Community economic development activities, including small business development, are critical to breaking the cycle of poverty and revitalizing low-income areas. Legal Services of Eastern Missouri's project will leverage the resources and skills of volunteer business attorneys to provide free business legal assistance and education to low-income entrepreneurs starting or expanding community businesses with an emphasis on minority and women entrepreneurs who have limited access to capital to afford legal resources. The project will increase pro bono opportunities for transactional attorneys and recruit new volunteers, meet the legal needs of a larger number of disadvantaged entrepreneurs, and produce online pro bono training materials. The project will also conduct a national survey of existing transactional pro bono projects for micro-entrepreneurs and will develop a manual of best practices that can be shared with other legal aid programs interested in launching a similar effort.

Legal Aid of Western Missouri

Adopt-A-Neighborhood

Total Award: \$257,441

Grant Term: 24 mos.

In the urban core of Kansas City, the lack of access to legal assistance often means that issues ranging from the lack of access to healthy food to the causes of blighted property simply never get addressed. The Adopt-a-Neighborhood project seeks to expand Legal Aid of Western Missouri's efforts to bring large law firm resources to the urban core and improve neighborhood conditions. Based on a successful six-year partnership formed between a major law firm and the Marlborough neighborhood in Kansas City, the project will expand opportunities for large- and mid-sized firms to form long-term pro bono partnerships in low-income communities and is an excellent way of providing training for newer attorneys and getting positive publicity for its work. The project will work with community partners to conduct need and asset assessments in five urban core neighborhoods to determine the best role for law firm and pro bono volunteers. Pro bono opportunities can include the simple negotiation of documents and contracts for small community nonprofits, litigating clear title and abandoned property issues, to large projects like assisting with negotiations to bring a grocery store to the neighborhood or converting an abandoned warehouse into a community center.

NEW MEXICO

New Mexico Legal Aid

New Mexico Volunteer Lawyers for Family Justice

Total Award: \$272,718

Grant Term: 24 mos.

New Mexico Legal Aid will create a web-linked statewide coalition of pro bono attorneys, law students and paralegals to assist low-income families in some of the highest poverty rate communities in the country. Using the organization's DirectLaw pro bono web portal, attorneys

who are concentrated in urban areas will access web-based resources and communicate securely online and via video-conferencing with clients, giving priority to underserved rural families and single-parent households. The project will train law students and paralegals to use the DirectLaw system to provide remote research and other support for pro bono attorneys. New Mexico Legal Aid will also partner with the Southwest Women's Law Center and the New Mexico Women's Bar Association to build the statewide coalition by conducting a "One Woman, One Case" campaign to expand the number of attorneys who can handle family law matters and other legal issues that address persistent poverty.

NEW YORK

Legal Aid of Society of Northeastern NY

Closing the Gap

Total Award: \$362,559

Grant Term: 18 mos.

Subgrantees: Legal Assistance of Western New York, Volunteer Legal Services Project

The need for legal assistance is acute in rural New York. Low-income tenants or debtors face significant odds when appearing in court without an attorney. The Legal Aid Society of Northeastern NY, Legal Assistance of Western NY, and the Volunteer Legal Services Project of Monroe County will collaborate to close the urban-rural service gap by creating a virtual platform to connect rural clients with online interviews, shared documents, and urban volunteer attorneys who will help review and prepare pro se pleadings for housing and consumer law matters. The project includes an active campaign to recruit, support, and sustain volunteers and clients in using the new system. The project will create a scalable technology infrastructure that creates efficiencies, expands services and lowers the cost of serving rural areas.

Legal Services NYC

Federal Student Debt Initiative

Total Award: \$346,738

Grant Term: 24 mos.

Low-income people are targeted by predatory, for-profit trade schools that make misleading promises about the training offered and job prospects post-graduation. Students at these schools often take out tens of thousands of dollars in federal student debt to attend, but are left without much to show for it—and without the means to repay their loans. Other low-income people attend legitimate schools, but fall on hard times because of disability or unemployment. Legal Services NYC will engage pro bono attorneys to obtain relief for these individuals. The project will enlist volunteers who are transactional lawyers at large firms and corporations, as well as law students and others. Volunteers will secure debt discharges, consolidation, and income-related relief for low-income people. To strengthen the effectiveness and coordination of pro bono student debt advocates across the country, the project will also create a national database of FOIA materials on predatory for-profit schools in partnership with probono.net. Legal Services NYC will also create comprehensive training manuals and videos for volunteers that will be available on probono.net for other legal aid programs.

OHIO

Legal Aid Society of Cleveland

ACT 2 Project

Total Award: \$214,566

Grant Term: 24 mos.

Of the active attorneys in greater Cleveland, 29% are aged 60 or older and this percentage will grow to over 30% in the next ten years. The *ACT 2* Project will create well-structured and supported pro bono opportunities to meaningfully engage late career and retired attorneys to serve more low-income clients. *ACT 2* attorneys will have different roles at Cleveland Legal Aid ranging from most engaged to less time intensive. *ACT 2* attorneys can serve as in-house volunteers handling extended representation cases as part of a practice group. They can also participate as in-house volunteers who are responsible for a specific pro bono project. As a third option, these volunteers can engage in traditional pro bono service through any of the organization's existing efforts. The project will provide space, administrative, and paralegal support for the volunteers, in addition to the traditional supports for volunteers. It will also match senior lawyers with law students and new lawyers so these early-career lawyers can be mentored and introduced to pro bono by their more experienced colleagues.

VIRGINIA

Blue Ridge Legal Services, Inc.

Circuit-Based Rural Pro Bono Model Project

Total Award: \$171,255

Grant Term: 24 mos.

The 25th Judicial Circuit in Virginia includes some of the most rural counties in Virginia, with over 25,000 living below the poverty line according to 2013 Census data. Most of the counties have no history of organized pro bono engagement by the private bar. Blue Ridge Legal Services' project proposes to achieve universal pro bono participation by attorneys in the 25th Judicial Circuit by working with the Circuit's 12 judges as well as the leadership of the various bar associations in the Circuit. The project is a pilot of the Virginia Access to Justice Commission which seeks to test the effectiveness of engaging the judiciary in encouraging the private bar to undertake pro bono to meet the civil legal needs of the region's low-income clients. The project envisions the creation of a pro bono planning committee comprised of the local judiciary, bar leaders, and legal aid representatives to develop and implement a plan for expanding pro bono participation among the Circuit's rural bar associations. The project will also seek to engage the only law school in the Circuit, Washington & Lee Law School, in a collaborative effort to identify the best ways to incorporate law students into the new pro bono efforts.

ii. On Going and Up Coming PBIF Activities

- The Pro Bono Innovation Fund team continues to monitor the progress of Round I grantees.
- The PBIF team recently participated in a kick-off meeting with the PBIF evaluator.

- GRPA continues to field calls from Members of Congress to answer questions and organize press events, when requested.
- LSC staff is preparing for a panel for the NLADA Conference entitled: “LSC's Pro Bono Task Force Recommendations in 2015: Current Efforts.” The presentation will focus on encouraging more impactful PBIF applications by highlighting some particularly innovative projects that are underway.
- Planning meetings for PBIF Round III begin in October 2015.

B. Revision of LSC’s Private Attorney Involvement Regulation

The Pro Bono Task Force also recommended that LSC revise its Private Attorney Involvement (PAI) regulation to encourage pro bono. This recommendation was also implemented within two years. Following extensive outreach to grantees and other stakeholders and multiple rounds of public comments, LSC published a final rule revising 45 C.F.R. Part 1614 on October 15, 2014. 79 Fed. Reg. 61770 (Oct. 15, 2015). The new regulation became effective November 14, 2014. LSC continues to conduct outreach to its grantees regarding the new regulation. LSC continues to update the PAI Frequently Asked Questions section of the web site. Two new questions have been added since the last PBTF update. They are:

Definition of Private Attorney

Question: Are attorneys employed by law firms who participate in a “loaned associate” program in which they work at a recipient for a discrete period of time, then return to the firm, considered private attorneys?

Answer: Yes. Attorneys working at a recipient for a discrete period of time as part of a firm-sponsored loaned associate program are private attorneys for purposes of Part 1614. It is important to distinguish between loaned associates, who are attorneys actually employed by a firm, and the post-graduate fellows discussed above in question 3. Generally speaking, post-graduate fellows are recent law school graduates who commit to working on a specific project at a legal aid organization for a one- or two-year term. Some fellows, such as Skadden fellows, may be sponsored or funded by a law firm, but they are not employees of the firm. They are considered employees of the legal aid organization for purposes of Part 1614.

Recruitment and Training

Question: Regarding the new PAI rule on counting supervision and mentoring time for law students under PAI requirements, can the time of the attorney used to recruit, interview, and conduct other activities to obtain the student volunteers count too? For example, I have so far spent about 15 hours in reviewing summer intern applications, a full day of interviews, following up with offers, and confirming start dates. Does this count as PAI under the new rules?

Answer: Yes. Because recipients may now allocate costs to PAI associated with law student work supporting the recipients’ provision of legal information and legal assistance to eligible clients, recipients may also allocate costs associated with recruiting and hiring law students. This is consistent with allowing recipients to allocate costs associated with recruitment of private attorneys to the PAI requirement.

In addition, the LSC panel presenting at the NLADA Conference on implementation of the Pro Bono Task Force recommendations will also address questions related to the implementation of the revised Private Attorney Involvement Rule.

California Supreme Court Courtroom Participant Biographies

California Supreme Court Courtroom Speakers

October 5, 2015

California Supreme Court Courtroom

San Francisco, CA

Sujit Choudry, Dean and I. Michael Heyman Professor of Law, UC Berkeley School of Law

Sujit Choudhry is an internationally recognized authority on comparative constitutional law and comparative constitutional development. His work addresses basic methodological questions in comparative constitutional law. He has also written on constitutional design as a tool to manage the transition from violent conflict to peaceful democratic politics, especially in ethnically divided societies, and is currently studying constitutional design in the context of transitions from authoritarian to democratic rule. He has published over seventy articles, book chapters, working papers and reports. His edited collections include *Constitutional Design for Divided Societies: Integration or Accommodation* (Oxford, 2008) and *The Migration of Constitutional Ideas* (Cambridge, 2006). He is currently co-editing two collections, *The Oxford Handbook of Indian Constitutional Law* (Oxford) and *Constitution Making* (Edward Elgar). He is a member of the Executive Committee of the International Society of Public Law, the Board of Editors of the *International Journal of Constitutional Law*, and the Editorial Board of the *Constitutional Court Review* (South Africa), and the Board of Advisers for the *Cambridge Studies in Constitutional Law*.

Dean Choudhry is the Founding Director of the Center for Constitutional Transitions. The Center for Constitutional Transitions is the world's first university-based center that generates and mobilizes knowledge in support of constitutional building. The Center for Constitutional Transitions assembles and leads international networks of experts to complete thematic research projects that offer evidence-based policy options to practitioners. It partners with a global network of multilateral organizations, think tanks, NGOs, and universities, based in Berlin, Buenos Aires, Cairo, Delhi, the Hague, Ottawa, London, New York, Tunis, and Zaragoza.

Dean Choudhry is a member of the United Nations Mediation Roster, has been a consultant to the World Bank Institute at the World Bank, has worked as a foreign constitutional expert in support of constitutional transitions in Egypt, Jordan, Libya and Tunisia (with the International Institute for Democracy and Electoral Assistance), Nepal (with the United Nations Development Program and the Nepal Bar Association), and Sri Lanka (with the Forum of Federations and the Center for Policy Alternatives). In Canada, Professor Choudhry was a member of the Governing Toronto Advisory Panel, which proposed major reforms to the structure of municipal government in Toronto, and sat on the Board of Directors of Legal Aid Ontario, one of the largest publicly funded legal assistance programs in the world. He was counsel of record before the Supreme Court of Canada in *Charkaoui* (security certificates), and in *Khadr 1* and *Khadr 2* (Guantanamo detainees). He was named Practitioner of the Year by the South Asian Bar Association of Toronto in 2011.

Prior to coming to Berkeley Law, Dean Choudhry was Cecelia Goetz Professor of Law at the NYU School of Law, and Scholl Chair at the Faculty of Law, University of Toronto. In 2010, he was one of four Canadians to receive the Trudeau Fellowship, the Canadian equivalent of the MacArthur awards.

Professor Choudhry holds law degrees from Oxford, Toronto, and Harvard, was a Rhodes Scholar, and served as law clerk to Chief Justice Antonio Lamer of the Supreme Court of Canada.

Kevin Johnson, Dean and Mabie-Apallas Professor of Public Interest Law and Chicana/o Studies, University of California Davis School of Law

Kevin R. Johnson is Dean, Mabie-Apallas Professor of Public Interest Law, and Professor of Chicana/o Studies. He joined the UC Davis law faculty in 1989 and was named Associate Dean for Academic Affairs in 1998. Johnson became Dean in 2008. He has taught a wide array of classes, including immigration law, civil procedure, complex litigation, Latinos and Latinas and the law, and Critical Race Theory. In 1993, he was the recipient of the law school's Distinguished Teaching Award.

Dean Johnson has published extensively on immigration law and civil rights. Published in 1999, his book *How Did You Get to Be Mexican? A White/Brown Man's Search for Identity* was nominated for the 2000 Robert F. Kennedy Book Award. Dean Johnson's latest book, *Immigration Law and the US-Mexico Border* (2011), received the Latino Literacy Now's International Latino Book Awards – Best Reference Book. Dean Johnson blogs at ImmigrationProf, and is a regular contributor on immigration on SCOTUSblog.

A regular participant in national and international conferences, Dean Johnson has also held leadership positions in the Association of American Law Schools and is the recipient of an array of honors and awards. He is quoted regularly by the New York Times, Los Angeles Times, and other national and international news outlets.

A magna cum laude graduate of Harvard Law School, where he served as an editor of the Harvard Law Review, Dean Johnson earned an A.B. in economics from UC Berkeley, graduating Phi Beta Kappa. After law school, he clerked for the Honorable Stephen Reinhardt of the U.S. Court of Appeals for the Ninth Circuit and worked as an attorney at the international law firm of Heller Ehrman White & McAuliffe. Dean Johnson has served on the board of directors of Legal Services of Northern California since 1996 and currently is President of the board. From 2006-11, he served on the board of directors of the Mexican American Legal Defense and Education Fund, the leading Mexican-American civil rights organization in the United States.

Dean Johnson is the recipient of many awards and honors, including the Association of American Law Schools Minority Groups Section Clyde Ferguson Award (2004), the Hispanic National Bar Association Law Professor of the Year award (2006), the National Association of Chicana and Chicano Studies Scholar of the Year award (2008), the Central American Resource

Center (CARECEN) Romero Vive Award (2012), and the Centro Legal de la Raza Outstanding Achievements in the Law Award (2015). In 2003, he was elected to the American Law Institute.

Elizabeth Magill, Richard E. Lang Professor of Law and Dean, Stanford Law School

Mary Elizabeth Magill was appointed the Richard E. Lang Professor of Law and Dean of Stanford Law School on September 1, 2012. She is the law school's 13th dean. Before coming to Stanford she was on the faculty at the University of Virginia School of Law for 15 years, serving most recently as vice dean, the Joseph Weintraub–Bank of America Distinguished Professor of Law, and the Elizabeth D. and Richard A. Merrill Professor.

An expert in administrative law and constitutional structure, Dean Magill teaches administrative law, constitutional law, and food and drug law. Her scholarly articles have been published in leading law reviews, and she has won several awards for her scholarly contributions. She is a member of the American Law Institute, and served as a fellow in the Program in Law and Public Affairs at Princeton University, a visiting professor at Harvard Law School, and the Thomas Jefferson Visiting Fellow at Downing College, Cambridge University.

After completing her BA in history at Yale University in 1988, Dean Magill served as a senior legislative assistant for energy and natural resources for U.S. Senator Kent Conrad, a position she held for four years. She left the Hill to attend the University of Virginia School of Law, where she was articles development editor of the *Virginia Law Review* and received several awards for academic and scholarly achievement. After graduating in 1995, Dean Magill clerked for Judge J. Harvie Wilkinson III of the U.S. Court of Appeals for the Fourth Circuit and then for U.S. Supreme Court Justice Ruth Bader Ginsburg.

The Importance of Access to Justice and the Judiciary Panel

October 5, 2015

California Supreme Court Courtroom

San Francisco, CA

Chief Justice Scott Bales, Arizona Supreme Court

Scott Bales joined the Arizona Supreme Court in 2005 and became Chief Justice on July 1, 2014. He regularly teaches courses as an adjunct professor at the law schools at Arizona State University and the University of Arizona. He is also a member of the ABA's Law School Accreditation Committee, the Executive Committee of the ABA's Appellate Judges Conference, and the Council of the American Law Institute.

Before his appointment to the Court, he had practiced law in Arizona for twenty years as both a private and public lawyer. From 2001-2005, he worked at Lewis and Roca LLP, where his practice focused on appellate and complex litigation. As Arizona's Solicitor General from 1999-2001, he handled major appeals in state and federal court, oversaw the enforcement of Arizona election laws, and supervised the preparation of legal opinions on issues concerning state government.

Justice Bales also was a Deputy Assistant Attorney General for the U.S. Department of Justice's Office of Policy Development, a federal prosecutor in the United States Attorney's Office in Phoenix, and a Special Investigative Counsel for the Justice Department's Inspector General. He clerked for Justice Sandra Day O'Connor on the U.S. Supreme Court and Judge Joseph T. Sneed III on the Ninth Circuit Court of Appeals. After graduating from Michigan State University with degrees in history and economics, he received a master's degree in economics and his law degree from Harvard.

Chief Justice Thomas A. Balmer, Oregon Supreme Court

Thomas A. Balmer was elected by his colleagues as Oregon's 43rd Chief Justice and began service on May 1, 2012. He was first appointed to the Supreme Court by Governor John Kitzhaber in 2001; he was elected in 2002 and re-elected in 2008 and 2014. Chief Justice Balmer practiced with the Portland law firm of Ater Wynne LLP and its predecessor firm, Lindsay, Hart, Neil & Weigler from 1982-93 and 1997-2001, and also served as Managing Partner. He was Deputy Attorney General of Oregon (1993-97) under Attorney General Theodore R. Kulongoski. Earlier in his career, he was an associate with Wald, Harkrader & Ross (Washington, D.C.) (1980-82), a Trial Attorney with the Antitrust Division of the U.S. Department of Justice (1979-80), and an associate with the Boston firm of Choate, Hall & Stewart (1977-79). Chief Justice Balmer received his J.D. from the University of Chicago Law School in 1977 and his A.B. from Oberlin College in 1974. He has been as an Adjunct Professor

of Law at Northwestern School of Law of Lewis & Clark College and an Adjunct Professor of Political Science at Lewis & Clark College. He is the author of numerous articles, book reviews, book chapters and op-ed columns on antitrust, constitutional law and other topics.

Chief Justice Balmer's law-related activities include serving as Chair (1992-93) and Board Member (1989-93) of Multnomah County Legal Aid Service, Inc.; Chair (2007-09) and Board Member (1999 to present) of Classroom Law Project; and Board Member (2004-11) of the Oregon Law Institute. He currently serves on the Advisory Committee of the Campaign for Equal Justice and the University of Chicago Law School Public Interest Advisory Committee. Chief Justice Balmer has participated in various international legal programs, including lecturing on judicial ethics in Tashkent, Uzbekistan (under the auspices of the United Nations); working with judges and schools on law-related education in Zagreb, Croatia, and speaking to judges and court administrators through the Russian-American Rule of Law Consortium. He is a member of the Board of Directors of the Conference of Chief Justices and is Chair of the Civil Justice Improvements Committee, a broad-based two year project that will study and make recommendations to reduce cost and delay in civil cases.

In the wider community, Chief Justice Balmer has been a volunteer the Goose Hollow Family Shelter since 1994 and served as a founding Board Member (2000-01) of the Portland Parks Foundation and as a Board Member of Chamber Music Northwest (1997-2003). He has coached youth soccer and lacrosse teams, served on several committees of the Portland City Club, and been a member of budget advisory committees for Metro and the City of Portland.

Chief Justice Tani G. Cantil-Sakauye, California Supreme Court

Chief Justice Tani Gorre Cantil-Sakauye is the 28th chief justice of the State of California. She was sworn into office on January 3, 2011, and is the first Asian-Filipina American and the second woman to serve as the state's chief justice.

After former Governor Arnold Schwarzenegger nominated her as Chief Justice on July 22, 2010, the California State Bar Judicial Nominees Evaluation Commission rated her as exceptionally well qualified for the position. At a public hearing on August 25, 2010, she was unanimously confirmed by the Commission on Judicial Appointments, and in a general election on November 2, 2010, an overwhelming majority of voters elected her to that position.

Chief Justice Cantil-Sakauye chairs the Judicial Council of California, the administrative policymaking body of state courts, and the Commission on Judicial Appointments. She has served for more than 20 years on California appellate and trial courts, and has been appointed or elevated to higher office by three governors. In 1990, Governor George Deukmejian appointed her to the Sacramento Municipal Court and in 1997, Governor Pete Wilson elevated her to the Superior Court of Sacramento County. On the superior court, she presided over both

criminal and civil assignments. In 1997, she established and presided over the first court in Sacramento dedicated solely to domestic violence issues. In addition, then-Judge Cantil-Sakauye chaired the court's criminal law committee and was a member of the presiding judge's task force on domestic violence and the Home Court committee. In 2005, Governor Schwarzenegger nominated her to the Court of Appeal, Third Appellate District.

Chief Justice Ronald M. George appointed her to the Judicial Council of California in September 2008. She has also served as chair of the council's Advisory Committee on Financial Accountability and Efficiency for the Judicial Branch, a member of the Domestic Violence Practice and Procedure Task Force and chaired its Best Practices Domestic Violence subcommittee, vice-chair of the Executive and Planning Committee, vice-chair of the Rules and Projects Committee, co-chair of the Judicial Recruitment and Retention Working Group, and as a member of the Commission for Impartial Courts Implementation Committee.

The Chief Justice was a Special Master, selected by the Supreme Court of California to hear disciplinary proceedings before the Commission on Judicial Performance. She was president of the Anthony M. Kennedy American Inn of Court, an organization dedicated to promoting civility, ethics, and professionalism in the practice of law. And was a member of the national Conference of Chief Justices Board of Directors.

Born in 1959 in Sacramento, Chief Justice Cantil-Sakauye attended C. K. McClatchy High School (1977) and Sacramento City College (1978) before receiving her BA from the University of California, Davis, graduating with honors in 1980. After taking a year off to visit her ancestral homeland, the Philippines, the Chief Justice entered the UC Davis, Martin Luther King, Jr., School of Law in 1981. After receiving her JD in 1984, she worked as a deputy district attorney for the Sacramento County District Attorney's Office, where she prosecuted a variety of criminal offenses. In 1988, she served on the senior staff of Governor Deukmejian in two capacities: as deputy legal affairs secretary and as a deputy legislative secretary.

Chief Justice Cantil-Sakauye is a former board member of several nonprofit organizations and has been active in numerous professional community organizations, including membership in the California Judges Association, the National Asian Pacific American Bar Association, and the Sacramento Asian Bar Association, and received the Filipina of the Year Award. She is currently a member of the Board of Directors for the Conference of Chief Justices, the Board of Visitors for UC Davis, an Advisory Board member of the Sacramento Federal Judicial Library and Learning Center Foundation, an honorary member of the Foundation for Democracy and Justice, a private nonprofit organization devoted to civics education, and is actively engaged in a civic learning initiative *Your Constitution: The Power of Democracy*.

Chief Justice Cantil-Sakauye is married to Mark Sakauye, a retired police lieutenant, and they have two daughters.

District Judge William Orrick, U.S. District Court, Northern District Court of California

William Orrick is a United States District Judge, appointed by President Barack Obama and confirmed by the Senate on May 15, 2013. A graduate of Boston College Law School in 1979, he began his legal career as a legal services lawyer with Georgia Legal Services Programs in Savannah, Georgia from 1979-1984, where he was a Staff Attorney, acting Managing Attorney and Supervising Attorney in the Savannah Regional Office.

Returning home to San Francisco in 1984, Judge Orrick was hired by Coblenz, Patch, Duffy & Bass LLP, where he remained until 2009. A litigation partner handling primarily complex commercial and employment cases, he also was co-chair of the firm's Pro Bono and Diversity Committees, became Chancellor of the Episcopal Diocese of California, and was involved in a number civic organizations.

Judge Orrick left private practice in 2009 to work in the United States Department of Justice in Washington DC. He served as Counselor to Assistant Attorney General for Civil Division and Deputy Assistant Attorney General in charge of Office of Immigration Litigation until he was nominated for his current position in 2012.

Chief Justice Mark E. Recktenwald, Hawai'i Supreme Court

Mark E. Recktenwald was sworn in as Chief Justice of the Supreme Court on September 14, 2010. He joined the Supreme Court as an Associate Justice on May 11, 2009, and previously served as Chief Judge of the Intermediate Court of Appeals beginning in April 2007.

Prior to his appointment to the Intermediate Court of Appeals, Recktenwald served as the director of the Department of Commerce and Consumer Affairs, as an Assistant United States Attorney for the District of Hawai'i, and as an attorney in private practice.

He received his undergraduate degree from Harvard University and his law degree from the University of Chicago.

How Business and Technology Can Help Expand Access to Justice Panel

October 5, 2015

California Supreme Court Courtroom

San Francisco, CA

John Hyman, General Counsel, Corporate Secretary, and Head of Human Resources, Pebble

Jeff Hyman is General Counsel, Head of HR and Corporate Secretary at Pebble Technology Corp, the Palo Alto-based pioneer of the smart watch industry. Jeff joined Pebble in March 2014 after more than 5 years at Apple Inc, where he lead the legal team responsible for the design, technology development, supply chain and manufacture of Apple's hardware products. Prior to Apple, Jeff was a senior business attorney at Intel Corp and started his legal career as a business and intellectual property litigation attorney at Cooley Godward.

Jeff has had a career-long commitment to pro bono work. After litigating numerous civil rights and other cases while a law firm attorney, Jeff created Intel's first (and still active) Legal Department pro bono program and then did the same at Apple. Inspired by those experiences, he co-founded the Bay Area Pro Bono Co-Op, collaboration among several major Bay Area companies to enable in-house legal teams to more easily engage in pro bono work. Jeff also served on the Board of the Legal Aid Society of San Mateo County for several years.

Jeff earned his law degree at Santa Clara University's School of Law and graduated with a double major in Economics and Politics from the University of California Santa Cruz.

Charles (Chas) Edward Rampenthal, General Counsel, LegalZoom.com

Chas Rampenthal joined LegalZoom in 2003, initially as its general counsel and vice president of new product development. He currently leads LegalZoom's initiatives for legal, government relations, and corporate development (contracts, M&A, and investment projects), and provides oversight for the company's portfolio of legal products, with a focus on product quality. He earned his bachelor's degree in economics and math summa cum laude from Southern Illinois University and his J.D. from the University of Southern California. Prior to law school, Rampenthal served honorably in the United States Navy as an officer and naval aviator.

Alon Rotem, General Counsel, Rocket Lawyer

Alon joined Rocket Lawyer in October 2013 and is currently responsible for managing all legal affairs, including corporate, litigation, commercial, regulatory, intellectual property, ethics/compliance and global matters.

Prior to joining Rocket Lawyer, Alon practiced law at Goodwin Proctor LLP, where he served as the company's outside legal counsel since 2010. At Goodwin Proctor, Alon practiced in the business department of the Technology Companies Group where he represented a variety of enterprise and consumer software companies as well as venture capital investors in San

Francisco and Silicon Valley. Prior to Goodwin Procter, Alon also practiced law at Ropes & Gray LLP.

Alon holds a J.D. from UC Berkeley School of Law and a B.S. in Managerial Economics from UC Davis.

Luncheon Speaker Biographies

**Luncheon Presentation: California and British Columbia Technology Innovations
to Expand Access to Justice**
October 5, 2015
Hyatt Regency San Francisco
San Francisco, CA

Bonnie Hough, Managing Attorney, California Administrative Office of the Courts

Bonnie Rose Hough is the Managing Attorney with the California Administrative Office of the Court's (AOC) Center for Families, Children & the Courts, where she has been employed since 1997. She serves as Committee Counsel to the Judicial Council's Task Force on Self-Represented Litigants and also is staff to the Elkins Family Law Task Force. Her unit coordinates the California Courts Self-Help Website; oversees grant funds for court based self-help centers and legal services programs; and works to develop educational materials for judges and court staff to assist them in handling cases with self-represented litigants. She also assists the Family and Juvenile Law Advisory Committee of the Judicial Council in drafting family law rules and forms. Previously, she was in private practice in family law, and co-founder of the Family Law Center in Marin County, where she served as executive director for six years.

Ms. Hough received a J.D. from Hastings College of the Law, and an M.P.A. from San Francisco State University. She is a fellow with the Harvard Law School's Bellow-Sacks project.

**John Simpson, Manager: Community and Publishing Services, Legal Services Society of British
Columbia**

John Simpson is a lawyer at the Legal Services Society of British Columbia. He manages public legal education and information in print and on the web, community training on the law, and community engagement initiatives throughout BC. In past lives, he managed intake, hotline and other services, and worked for many years as a poverty lawyer in a legal aid office. He has a particular interest in the use of technology to help self-represented people resolve legal problems. He's also an avid road cyclist (and is not absolutely certain how many bikes he owns currently).

Pro Bono Awards Reception
Speaker Biographies

Pro Bono Awards Reception
October 5, 2015
Kirkland & Ellis LLP
San Francisco, CA

Craig Holden, President, California State Bar Association

Craig Holden is a partner in the Los Angeles office of Lewis, Brisbois, Bisgaard, and Smith, LLP and is Chair of the firm's National Commercial Litigation Practice. Craig's practice focuses on a wide range of complex commercial matters, with an emphasis on intellectual property, privacy and data breach, and financial transactions. His clients have ranged from Fortune 100 companies and entrepreneurs to professional athletes and entertainment companies. Craig's peers in the legal industry have named him "Super Lawyer" (awarded to less than 5% of practicing lawyers) and "Advocate of the Year"; and clients have lauded him for his strategic thinking, meticulous preparation, and cut-to-the-chase focus.

As a litigator, Craig is a skilled trial lawyer with first-chair experience in jury trials in federal and state court, as well as bench trials and numerous arbitrations; and he has served as lead appellate counsel in state and federal appellate courts. He has also been effective in getting clients early resolution of disputes through strategic and dispositive motion practice or alternative dispute resolution. Craig has expertise in Conflict of Laws (including international conflicts) and Electronic Discovery, and has served as an adjunct professor on these subjects.

As a business counselor, Craig has served as outside general counsel on a wide range of legal matters for privately held companies in high-technology, engineering/manufacturing, entertainment, professional services, hospitality and retail industries. Craig's prior corporate in-house legal experience – including for a global entertainment and consumer products company – helps him better understand a client's need for practical, results-oriented and cost-effective legal advice.

Craig has been a leader in legal, business and charitable organizations, and has been recognized for his efforts to mentor and develop programs to help at-risk youth, increase diversity and inclusion in the legal profession, and increase access to legal services for people of modest means. Among other leadership roles, he is the President of the State Bar of California for the 2014-2015 term, and serves on a leadership council for the Rand Corporation, a non-partisan think-tank focused on cutting edge issues relating to business regulation and civic justice.

Associate Justice Goodwin Liu, California Supreme Court

Justice Goodwin Liu is an Associate Justice of the California Supreme Court. He was confirmed to office by a unanimous vote of the California Commission on Judicial Appointments on August 31, 2011, following his appointment by Governor Edmund G. Brown, Jr. on July 26, 2011. The Governor administered the oath of office to Justice Liu in a public ceremony in Sacramento, California on September 1, 2011.

Before joining the state's highest court, Justice Liu was Professor of Law at the UC Berkeley School of Law (Boalt Hall). His primary areas of expertise are constitutional law, education law and policy, and the U.S. Supreme Court. He has published widely on these subjects in books, law reviews, and the general media.

The son of Taiwanese immigrants, Justice Liu grew up in Sacramento, where he attended public schools. He went to Stanford University and earned a bachelor's degree in biology in 1991. He attended Oxford University on a Rhodes Scholarship and earned a masters degree in philosophy and physiology. Upon returning to the United States, he went to Washington D.C. to help launch the AmeriCorps national service program and worked for two years as a senior program officer at the Corporation for National Service.

Justice Liu graduated from Yale Law School in 1998, becoming the first in his family to earn a law degree. He clerked for Judge David Tatel on the U.S. Court of Appeals for the D.C. Circuit and then worked as Special Assistant to the Deputy Secretary of the U.S. Department of Education, where he developed and coordinated K-12 education policy. He went on to clerk at the U.S. Supreme Court for Justice Ruth Bader Ginsburg during the October 2000 Term. In 2001, he joined the appellate litigation practice of O'Melveny & Myers in Washington, D.C., and worked on an array of antitrust, white collar, insurance, product liability, and pro bono matters.

Justice Liu is a prolific and influential scholar. He has published articles on constitutional law and education policy in the *California Law Review*, *Michigan Law Review*, *NYU Law Review*, *Stanford Law Review*, and *Yale Law Journal*, among others. His 2006 article, "Education, Equality, and National Citizenship," won the Steven S. Goldberg Award for Distinguished Scholarship in Education Law, conferred by the Education Law Association. Justice Liu is also a popular and acclaimed teacher. In 2009, he received UC Berkeley's Distinguished Teaching Award, the university's most prestigious honor for individual excellence in teaching. He earned tenure at Boalt Hall in 2008 and was promoted to Associate Dean. The Boalt Hall Class of 2009 selected him as the faculty commencement speaker.

Justice Liu serves on the Council of the American Law Institute. He has previously served on the Board of Trustees of Stanford University, the Board of Directors of the Alliance for Excellent Education, the American Constitution Society, the National Women's Law Center, and the Public Welfare Foundation. In 2008, he was elected to the American Law Institute. He has also served as a faculty advisor to the California College Prep Academy, a public charter school co-founded by UC Berkeley and Aspire Public Schools.

**40th Anniversary Concluding Event
Participant Biographies**

LSC 40th Anniversary Concluding Event Speakers

October 6, 2015

Julia Morgan Ballroom

San Francisco, CA

Paulette Brown, President, American Bar Association

Paulette Brown, partner and co-chair of the firm wide Diversity & Inclusion Committee at Locke Lord LLP, is president of the American Bar Association. She has been a member of the ABA House of Delegates since 1997 and is a former member of the ABA Board of Governors and its Executive Committee as well as the Governance Commission. Brown has served on the Commission on Women in the Profession and was a co-author of "Visible Invisibility: Women of Color in Law Firms." She has held many positions throughout her career, including as in-house counsel to a number of Fortune 500 companies and as a municipal court judge. Brown has been recognized by the *National Law Journal* as one of "The 50 Most Influential Minority Lawyers in America" and by the *New Jersey Law Journal* as one of the "prominent women and minority attorneys in the State of New Jersey." She has repeatedly been named as a New Jersey Super Lawyer and by *US News* as one of the Best Lawyers in America in the area of commercial litigation. Brown earned her J.D. at Seton Hall University School of Law and her B.A. at Howard University.

Dan Clivner, Partner, Sidney Austin LLP

Dan Clivner is a senior member of the M&A and Private Equity practices and co-managing partner of the Los Angeles office. Dan handles high-profile transactional matters for clients in the media and entertainment, telecom, technology, financial services and retail industries. He has extensive experience advising both domestic and international private equity and corporate clients on a variety of matters related to M&A, corporate governance and securities law matters such as leveraged buyouts, joint ventures, public company acquisitions and restructurings. Dan also advises boards, management, special committees and investment banking firms on domestic and international corporate transactions.

Prior to joining Sidley, Dan served as managing partner of the Los Angeles office of an international law firm. In 1996, he relocated to Los Angeles from New York to advise The Seagram Company and NBC Universal (formerly Universal Studios) in connection with numerous television, theme park, motion picture and music acquisition, disposition and financing transactions, including the acquisition of Polygram N.V., the sale of USA Networks and PolyGram Filmed Entertainment and Seagram's merger with Vivendi SA.

Ranked by *Chambers* as a leading lawyer (Band 2) in Corporate/M&A: Private Equity in California, Dan earned his J.D. from St. John's University School of Law, where he was Editor of the *St. John's Law Review*. He received his B.B.A. in finance and economics, with honors, from Baruch College.

The Honorable Dave Jones, Insurance Commissioner, The State of California

Dave Jones is California's Insurance Commissioner. He was first elected Insurance Commissioner on November 2, 2010 and re-elected November 4, 2014. Jones leads the California Department of Insurance and regulates the California insurance market. Insurers collect \$259 billion a year in premiums in California, making it the nation's largest insurance market

The Daily Journal, the state's largest legal newspaper, in 2011 named him one of California's Top 100 Lawyers. The Greenlining Institute gave Jones their "2012 Big Heart Award" for his work promoting insurance industry diversity. Jones received the 2012 Distinguished Advocate Award from Autism Speaks.

Jones served in the California State Assembly from 2004 through 2010, where he chaired the Assembly Health Committee, the Assembly Judiciary Committee and the Budget Subcommittee on Health and Human Services. Jones began his career as a legal aid attorney, providing free legal assistance to the poor with Legal Services of Northern California from 1988 to 1995. In 1995, Jones was one of only 13 Americans awarded the prestigious White House Fellowship. He served in the Clinton Administration for three years as Special Assistant and Counsel to U.S. Attorney General Janet Reno. Jones served on the Sacramento City Council from 1999 to 2004.

Jones graduated with honors from DePauw University, Harvard Law School and Harvard's Kennedy School of Government. He and his wife, Kim Flores, have two children, Isabelle and William, and live in Sacramento.

LSC 40th Anniversary Concluding Event: A History of LSC
October 6, 2015
Julia Morgan Ballroom
San Francisco, CA

Helaine Barnett, Chair, Task Force to Expand Access to Civil Legal Services in New York

Helaine M. Barnett is chair to the Chief Judge Lippman Task Force to Expand Access to Civil Legal Services in New York. She was appointed President of the Legal Services Corporation in January 2004. Prior to her appointment as LSC President, she spent 37 years with The Legal Aid Society in New York City, the last ten of which she headed its multi-office Civil Division. She was appointed in 2010 by the Chief Judge of New York to Chair his newly created 31 member statewide Task Force to Expand Access to Civil Legal Services, which has now become the New York State Permanent Commission on Access to Justice. She has held leadership positions in the American Bar Association, serving on its Board of Governors and its Executive Committee. She currently represents the New York City Bar Association in the ABA House of Delegates, and is a special advisor to the ABA Commission on the Future of Legal Services. Helaine Barnett is a recipient of numerous awards – including the Lifetime Achievement Award from the New York Law Journal and the New York State Bar Association’s Gold Medal Award – and has published several law review articles on access to justice. She is a graduate of the NYU School of Law and Barnard College.

Tom Ehrlich, Visiting Professor, Stanford Graduate School of Education

Thomas Ehrlich, a visiting professor at the Stanford Graduate School of Education, was the first president of the Legal Services Corporation. He was formerly a law professor and Dean of Stanford Law School and returned to Stanford in 2009 as a Visiting Professor of Education. He has previously served as President of Indiana University, a Distinguished University Scholar at California State University, and provost of the University of Pennsylvania. He was also the first director of the International Development Cooperation Agency, reporting to President Carter. He is a trustee of Mills College, and has been a trustee of the University of Pennsylvania and Bennett College. He is a member of the American Academy of Arts & Sciences. In 2000, Indiana University established the Thomas Ehrlich Award, an annual award given to faculty members who display outstanding achievements in the field of community service. Ehrlich graduated magna cum laude from Harvard College in 1956 and magna cum laude from Harvard Law School in 1959.

Justice Earl Johnson, Jr., Visiting Scholar, Western Center on Law and Poverty

Earl Johnson is a former Associate Justice of the California Court of Appeal, Division Seven. He has served as an adjunct professor and a visiting scholar at multiple higher education institutions and has written numerous publications. Johnson's previous employment includes professor and associate professor at the University of Southern California Law Center in Los Angeles and Deputy Director of Neighborhood Legal Services in Washington DC. He is a member of the law school honorary society, Order of the Coif. He also is a Fellow of the American Bar Foundation and serves on the Advisory Research Committee and on the journal's editorial. In 1990, the California State Bar named its new fellowship program for recent graduates "The Earl Johnson Community Lawyer Fellows." Johnson has been listed in *Who's Who in America* since 1978 and *Who's Who in the World* since 1980. Earl Johnson received a B.A. from Northwestern University, a J.D. from the University of Chicago Law School, and an L.L.M. in Criminal Law from the Northwestern University School of Law.

Mickey Kantor, Partner, Mayer Brown LLP

Mickey Kantor is a partner at Mayer Brown LLP, an international law firm headquartered in Chicago. Prior to joining Mayer Brown, Kantor was the United States Secretary of Commerce from 1996 to 1997 and the United States Trade Representative. He has been called "arguably the finest trade negotiator in the world" and is said to be "blessed with fantastic political insights and connections." He was recently recognized in the *International Who's Who of Business Lawyers* 2009. He has received numerous awards and honors including the Civic Medal of Honor by the Los Angeles Area Chamber of Commerce, the Order of the Southern Cross Award by The Government of Brazil, the William O. Douglas Award by the Constitutional Rights Foundation, the Thomas Jefferson Distinguished Public Service Medal from the Center for the Study of the Presidency, the Albert Schweitzer Leadership Award from the Hugh O'Brien Youth Foundation, and was the Council on Foreign Relations' 1997 Elihu Root Distinguished Lecturer.

LSC 40th Anniversary Concluding Event: A Conversation on Access to Justice: Texas Chief Justice Nathan Hecht and New York Chief Judge Jonathon Lippman

October 6, 2015

Julia Morgan Ballroom

San Francisco, CA

Chief Justice Nathan Hecht, Texas State Supreme Court

Nathan L. Hecht is the 27th Chief Justice of the Supreme Court of Texas. He has been elected to the Court six times, first in 1988 as a Justice, and most recently in 2014 as Chief Justice. He is the longest-serving Member of the Court in Texas history and the senior Texas appellate judge in active service. Throughout his service on the Court, Chief Justice Hecht has overseen revisions to the rules of administration, practice, and procedure in Texas courts, and was appointed by the Chief Justice of the United States to the federal Advisory Committee on Civil Rules. Before taking the bench, he was a partner in the Locke firm in Dallas. He clerked for Judge Roger Robb on the U.S. Court of Appeals for the District of Columbia Circuit and was a Lieutenant in the U.S. Navy Reserve Judge Advocate General Corps. Chief Justice Hecht is a Life Member of the American Law Institute and a member of the Texas Philosophical Society. He holds a B.A. degree with honors in philosophy from Yale University, and a J.D. degree cum laude from the SMU School of Law, where he was a Hatton W. Sumners Scholar.

Chief Judge Jonathan Lippman, New York State Supreme Court

Chief Judge Jonathan Lippman is the Chief Judge of the State of New York and Chief Judge of the Court of Appeals, where he presides over New York's highest court while heading a statewide court system. From May 2007 until his appointment as Chief Judge, Judge Lippman was the Presiding Justice of the Appellate Division of the Supreme Court, First Department. Prior to that, from January 1996 to May 2007, he served as the Chief Administrative Judge of all New York State Courts by appointment of then-Chief Judge Judith Kaye. Judge Lippman is a member of the Board of Directors of the State Justice Institute, Chair of the American Bar Association's Board of Elections, a member of the American Law Institute, a former member of the Board of Directors of the Conference of Chief Judges, a former President of the Conference of State Court Administrators, and Vice-Chair of the Board of the National Center for State Courts. He lectures and publishes frequently and has received many awards and honors, including the 2008 William H. Rehnquist Award of the National Center for State Courts and the Cyrus R. Vance Tribute of the Fund for Modern Courts. He received his B.A. in 1965 from New York University and his J.D. from New York University School of Law in 1968.

Martha Minow, Morgan and Helen Chu Dean & Professor of Law, Harvard Law School

Martha Minow is the Morgan and Helen Chu Dean and Professor of Law at Harvard Law School where she has taught since 1981. She served on the Independent International Commission Kosovo and helped to launch Imagine Co-existence, a program of the U.N. High Commissioner for Refugees. She had a five-year partnership with the federal Department of Education and the Center for Applied Special Technology and has worked on the Divided Cities initiative. In 2009, President Barack Obama nominated Minow to the board of the Legal Services Corporation and she now serves as Vice-Chair. She has also been a senior fellow of Harvard's Society of Fellows, a member of Harvard University Press Board of Syndics, a senior fellow and twice acting director of what is now Harvard's Safra Foundation Center on Ethics, a fellow of the American Bar Foundation, and a Fellow of the American Philosophical Society. Her honors include the Gold Medal for Outstanding Contribution to Public Discourse, the Sacks-Freund Teaching Award, and multiple Honorary Doctorates. She has had many scholarly articles published in journals of law, history, and philosophy and has written several books. Minow received her B.A. from the University of Michigan, an Ed.M. from Harvard, and a J.D. from Yale University.

LSC 40th Anniversary Concluding Event: Technology Innovations to Increase Access to Justice
October 6, 2015
Julia Morgan Ballroom
San Francisco, CA

Margaret Hagan, Fellow and Lecturer in Law, Stanford University of Law

Margaret Hagan is a fellow at Stanford Law's Center on the Legal Profession and a lecturer at Stanford Institute of Design. She was a fellow at Stanford Institute of Design from 2013 to 2014, where she launched the Program for Legal Tech and Design, experimenting in how design can make legal services more usable, useful, and engaging. She taught a series of project-based classes, with interdisciplinary student groups tackling legal challenges through user-focused research and design of new legal products and services. She also leads workshops to train legal professionals in the design process and to produce client-focused innovation. Margaret graduated from Stanford Law School in June 2013. She served as a student fellow at the Center for Internet and Society and president of the Stanford Law and Technology Association. While a student, she built the game app Law Dojo to make studying for law school classes more interactive and engaging. She also started the blog *Open Law Lab* to document legal innovation and design work. Hagan holds an AB from the University of Chicago, an MA from Central European University in Budapest, and a PhD from Queen's University Belfast in International Politics.

Snorri Ogata, Chief Information Officer, Superior Court of California, Los Angeles County

Snorri Ogata is the Chief Information Officer for the Los Angeles County Superior Court, where he is responsible for overall information technology efforts in support of 530 judicial officers, 4,500 employees, and 40 locations. He joined the court as CIO in January 2014. Most recently, Mr. Ogata was the CIO for the Orange County Superior Court and has over 30 years of IT experience in a variety of industries. He is an active member of the Court Information Technology Officer Consortium and is the current chair of the California Court CIO group.

Brian Rowe, National Technology Assistance Project Coordinator, Northwest Justice Project

Brian Rowe is the National Technology Assistance Project Coordinator at the Northwest Justice Project and a professor at the University of Washington and Seattle University. He is also a former Chairman of the Board for Washington Lawyers for the Arts. Rowe teaches as an adjunct in the areas of Privacy law, Ethics, Copyright and Information Policy. He has worked for Creative Commons, Public Knowledge, the Washington State Access to Justice Board, Microsoft, Wizards of the Coast, and Disability Rights Washington. Rowe has a background in Information technology and law. He was the winner of the 2009 WSBA IP Section Scholarship Award and a Google Public Policy Fellowship. Rowe holds a B.S. in Informatics and a B.A. in Political Science, both from the University of Washington and a J.D. from Seattle University.

Glenn Rawdon, Program Counsel for Technology, Legal Services Corporation

Glenn Rawdon is Program Counsel for Technology with the Legal Services Corporation. He is responsible for helping legal services programs with their technology efforts and with the administration of the Technology Initiative Grants (TIG) program. Since the program started in 2000, TIG has made over 550 grants totaling over \$46 million, many of them in partnerships with SJI and the courts. He is a member of the Executive Committee of the Self-Represented Litigants Network and a frequent speaker on self-help strategies. Before coming to LSC in 1999, he was a managing attorney at Legal Services of Eastern Oklahoma for five years and before that, he was in private practice. He has served as co-chair of the Law Office Management section of the Oklahoma Bar Association and was a member of the Legal Technical Advisory Counsel of the ABA. *(Moderator)*

**LSC 40th Anniversary Concluding Event: The Role of Corporate General Counsel in Expanding
Access to Justice
October 6, 2015
Julia Morgan Ballroom
San Francisco, CA**

Seth Jaffe, Senior Vice President and General Counsel, Levi Strauss & Co.

Seth Jaffe has been Senior Vice President and General Counsel of Levi Strauss & Co. since 2011. He also serves as Vice President of the Levi Strauss Foundation. Jaffe began his career at the McCutchen Doyle law firm in San Francisco as a litigator and business counselor, and he subsequently joined the Levi Strauss & Co. legal department. Jaffe next became Chief Administrative Officer and General Counsel of CareThere Inc. He then served for ten years as Senior Vice President, General Counsel and Secretary of Williams-Sonoma, Inc. He received his AB from Brown University and his JD from the University of Michigan Law School.

Alex Miller, Senior Vice President and Chief Counsel of Product and Operations Visa, Inc

Alex Miller is Senior Vice President and Chief Counsel of Product and Operations at Visa Inc. Miller began his legal career as a litigation associate at Cleary Gottlieb Steen & Hamilton LLP. He then worked as a litigation associate at Heller, Ehrman, White & McAuliffe prior to joining Visa's legal department in 2002. Miller assumed his current role at Visa in 2014, having previously served in a variety of senior level roles within Visa's legal department. Miller received his A.B., with distinction, in Public Policy from Stanford University and his J.D., with honors, from Stanford University Law School.

Laura Stein, Executive Vice President and General Counsel, The Clorox Company

Laura Stein is Executive Vice President and General Counsel of the Clorox Company. Previously, she was Senior Vice President and General Counsel of the H.J. Heinz Company. Prior to joining Heinz, Stein was Assistant General Counsel - Regulatory Affairs at Clorox, and before that was a corporate lawyer with Morrison & Foerster in San Francisco and Hong Kong. Stein is a director of Franklin Resources, Inc., co-chair of the Corporate Pro Bono Advisory Board, and a member of the American Law Institute. Stein received her J.D. from Harvard Law School, and is a graduate of Dartmouth College where she earned undergraduate and master's degrees.

**LSC 40th Anniversary Concluding Event: The Impact of Pro Bono Lawyers in Expanding Access
to Justice**
October 6, 2015
Julia Morgan Ballroom
San Francisco, CA

Jeffrey Bleich, Partner, Munger, Tolles & Olson LLP

Jeff Bleich is a partner at Munger, Tolles & Olson LLP. He has served as U.S. Ambassador to Australia, Special Counsel to President Obama in the White House, and Director of the White House Commission on Youth Violence. Bleich also served as President of the State Bar of California and the Bar Association of San Francisco. He has been recognized nationally for his extensive pro bono work on behalf of disadvantaged youth and others. Prior to first joining Munger Tolles in 1992, Bleich clerked for Chief Justice Rehnquist of the U.S. Supreme Court, Judge Abner Mikva of the D.C. Circuit, and Judge Howard Holtzmann at The Hague. Bleich holds a B.A. from Amherst College, an M.P.P. from Harvard University, a J.D. from the UC Berkeley School of Law, as well as two honorary Doctor of Laws degrees.

Douglas Clark, Managing Partner, Wilson, Sonsini, Goodrich and Rosati

Douglas J. Clark is co-managing partner of Wilson Sonsini Goodrich & Rosati. Since joining the firm in May 1993 as a litigator, Clark has focused primarily on securities litigation, representing defendants in more than 70 class and derivative actions. Doug has represented numerous companies in SEC investigations and exchange inquiries, and advises companies and their boards of directors on governance, investigatory, and compliance matters. In addition to serving as co-managing partner, Doug was the leader of the firm's litigation department for seven years.

Kate Fritz, Managing Partner, Fenwick & West, LLP

Kate Fritz is a partner in the Litigation, Intellectual Property and Privacy Groups, and Managing Partner of Fenwick & West LLP. Fritz is a member of the Litigation and Intellectual Property Sections of the California Bar Association and the American Bar Association, and the Association of the Bar of the City of New York. She has co-chaired the Bar Association of San Francisco's Pro Bono Committee, is a member of the Pro Bono Institute's Law Firm Advisory Board, and was a member of the Legal Service Corporation's Pro Bono Task Force and co-chair of the Subcommittee on Technology Best Practices in Pro Bono.

Neema Jalali, Partner, Gibson, Dunn & Crutcher LLP

Neema Jalali is a patent litigation partner in the San Francisco office of Gibson Dunn. He is a member of the firm's National Pro Bono Committee. Jalali has handled all phases of litigation in a variety of technologies, including software, hardware, materials, and medical devices. Prior to practicing law, Jalali was a Senior Software Developer at Oracle Corporation. Jalali received his J.D., cum laude, from Harvard Law School and B.S. in Computer Science, with honors, from the California Institute of Technology.

Niall Lynch, Partner, Latham & Watkins

Niall Lynch is a partner in the San Francisco office of Latham & Watkins and a member of the firm's global Antitrust & Competition and White Collar Defense & Investigations Practices. He represents multinational corporations and their executives in global criminal and civil price-fixing investigations in the U.S. and around the world, as well as follow-on class action lawsuits. Prior to joining Latham, Lynch worked for 15 years with the U.S. Department of Justice, and was the Assistant Chief in the San Francisco Field Office. Lynch holds a B.A. from the University of California, Berkeley and a J.D. from University of California, Hastings College of the Law.

Stephen Neal, Chairman, Cooley LLP

Stephen Neal is Chairman of Cooley LLP. He has been with the firm since 1995. Prior to joining Cooley, Mr. Neal was a partner and member of the Management Committee at Kirkland & Ellis in Chicago. He is a fellow of the American College of Trial Lawyers. He is also chairman of the board of Levi Strauss & Co. and chairman of the Monterey Bay Aquarium. Stephen Neal received an A.B. from Harvard University in 1970 and J.D. from Stanford University in 1973.

Geoffrey Yost, Partner, O'Melveny & Myers LLP

Geoff Yost is a litigation partner at O'Melveny & Myers LLP. He is a member of the firm's Intellectual Property and Technology Practice Group, and is the pro bono partner in O'Melveny's San Francisco office. Yost has 21 years of litigation experience and primarily focuses his practice on technology, intellectual property, and environmental litigation. He also supervises an extensive portfolio of pro bono work. Yost holds a B.A. from the University of California at Berkeley and a J.D., cum laude, from Santa Clara University School of Law.