

LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS

MEETING OF THE
INSTITUTIONAL ADVANCEMENT COMMITTEE
OPEN SESSION

Friday, January 29, 2016

2:18 p.m.

The Mills House Wyndham Grand Hotel
115 Meeting Street
Charleston, South Carolina 29401

COMMITTEE MEMBERS PRESENT:

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

OTHER BOARD MEMBERS PRESENT:

Harry J.F. Korrell, III
Victor B. Maddox
Laurie Mikva
Julie A. Reiskin
Gloria Valencia-Weber

STAFF AND PUBLIC PRESENT:

James J. Sandman, President

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

Rebecca Fertig Cohen, Chief of Staff

Mayealie Adams, Special Assistant to the President
for the Board

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

Janet LaBella, Director, Office of Program
Performance

Lora M. Rath, Director, Office of Compliance
and Enforcement

Wendy Rhein, Chief Development Officer

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

Stefanie Davis, Assistant General Counsel, Office
of Legal Affairs

Joel Gallay, Special Counsel to the Inspector
General, Office of the Inspector General

John Seeba, Assistant Inspector General for Audit,
Office of the 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

STAFF AND PUBLIC PRESENT (Continued):

Robert E. Henley, Jr., Non-Director Member, Finance
Committee

Allan J. Tanenbaum, Non-Director Member, Finance
Committee

Andrea Loney, Executive Director, South Carolina
Legal Services

Leslie Fisk, South Carolina Legal Services

Adam Protheroe, South Carolina Legal Services

Gerald Jones, South Carolina Legal Services

Matthew Billingsley, South Carolina Legal Services

Rusty Infinger, South Carolina Legal Services

Rita Roache, South Carolina Legal Services

Stephanie van der Horst, South Carolina Legal Services

Juanita F. Middleton, South Carolina Legal Services

Jamie L. Bell, South Carolina Legal Services

Angela Myers, South Carolina Legal Services

Kimaka Nichols Graham, South Carolina Legal Services

Mark Fessler, South Carolina Legal Services

Kirby Mitchell, South Carolina Legal Services

Sheila Thomas, South Carolina Legal Services

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

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

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

2 (2:18 p.m.)

3 CHAIRMAN LEVI: So I'm going to call the
4 Institutional Advancement Committee meeting to order,
5 and ask for a motion to approve the agenda.

6 M O T I O N

7 MR. KECKLER: So moved.

8 FATHER PIUS: Seconded.

9 CHAIRMAN LEVI: Then also the minutes.

10 M O T I O N

11 MR. KECKLER: So moved.

12 FATHER PIUS: Seconded.

13 CHAIRMAN LEVI: And now we can discuss the
14 committee's evaluations for 2014 and goals for 2016.
15 And I'll ask Wendy if you want to make a few comments,
16 and then I'll talk about a couple of my reactions.

17 MS. RHEIN: You want to start with the
18 evaluations first?

19 CHAIRMAN LEVI: Sure. I think the comments
20 are all well-taken, and while I recognize that some
21 felt that we could enhance our efforts, I want to make
22 sure we're all aware of the fact that this is really

1 new for us.

2 And it's with some very careful entering of
3 the waters that we proceeded because we had a skeptical
4 community, and we also had a new operation internally,
5 and not really -- and this is not critical to say
6 this -- and not the know-how internally.

7 So now we are a few years down the road, and
8 so we have a right to start to expect somewhat more of
9 us, and to think about ways -- because, look. I ticked
10 them off today. We've seen the benefits of doing this,
11 that we're not interfering with congressional funding.
12 We're not interfering with our grantees.

13 And we are able to augment some of the things
14 that they're doing, but also to help our own board more
15 clearly understand what's happening out there -- in
16 other words, being able to provide and gather better
17 data. Being able to help train librarians. Being
18 able -- and I think we'll see how this goes -- but to
19 better understand what the justice gap is, have a new
20 report. These are things that we're supporting now
21 with private funds.

22 Then we heard today -- again, I'm

1 reminded -- I did ask the group of presenters
2 afterwards; we didn't have a chance to -- the statewide
3 programs -- whether they've ever thought about having
4 like a rural rotation -- but starting the Summer Rural
5 Legal Corps.

6 The lack of lawyers in rural America, knowing
7 my kids' generation, and some of you have kids a
8 similar age, I think rural America, it's going to be
9 hard to get people to move out there. So how we serve
10 that population -- well, the Summer Rural Legal Corps
11 is just a little start. But maybe some wonderful
12 things will happen as a result of that. Who knows.
13 Yes?

14 MS. REISKIN: Just kind of putting it in
15 perspective, in the nonprofit world what you've done
16 with this is nothing short of amazing. I mean, this is
17 not a little thing. This is huge. And it is really
18 incredible.

19 And I think if most nonprofits could operate
20 with a quarter of the efficiency of this, the world
21 would be better. I mean, this has been really amazing,
22 I mean really, really incredible. So it's not a little

1 thing. It's huge. And that's great.

2 CHAIRMAN LEVI: I have to thank Wendy and all
3 of you. I do think there are some concerns about
4 whether we're getting what the board wants to see in
5 the communications. I think we're getting better at
6 it. I saw a few -- there was a disagreement
7 registered.

8 And I hope that if any of you -- I've said my
9 thoughts here. Wendy, I don't know if you have any
10 observations, or others on the board want to talk about
11 the evaluation.

12 MR. MADDOX: John, can I just --

13 CHAIRMAN LEVI: Yes.

14 MR. MADDOX: -- jump in on your comments?

15 About rural America, I was in Harlan County, Kentucky a
16 few weeks ago. I have a case down there. And I
17 learned that a few years ago, two years ago, there were
18 70 operating coal mines in the county. Now there are
19 three.

20 MS. REISKIN: Oh, wow.

21 MR. MADDOX: And this is true of dozens of
22 counties in southeastern Kentucky. Yesterday I learned

1 that CSX, the railroad company, just closed its entire
2 Huntington, West Virginia operation, laying off
3 thousands of people.

4 And the consequences of that are that the
5 people who can leave, the young people, even more so
6 than they have for the last 50 years in the eastern
7 Kentucky coal field, they're moving to Lexington.
8 They're moving to Chicago. They're moving to Dallas
9 and Atlanta, wherever.

10 And the people who are left, they're there
11 because they can't leave. So it is going to get much
12 worse. And I don't know. It's just the -- when you're
13 down there and you see it up close and personal, it's
14 just -- it's pretty amazing.

15 CHAIRMAN LEVI: Adrienne Worthy's description
16 of West Virginia really matches that, I thought. Yes,
17 Gloria?

18 PROFESSOR VALENCIA-WEBER: At the TIG
19 conference, I was at a breakfast that involved the New
20 Mexico legal aid and people from the Texas legal aid
21 areas in the eastern part of Texas. And part of it was
22 talking about doing some collaborative things together

1 because as you look at that part of the area,n they
2 have the situation where one of the grantees may be
3 representing a client who lives on one side of the
4 state border but works on the other.

5 And sometimes they have found that they have a
6 client that has legal needs on both sides, and has gone
7 to the respective grantee on that side. And a lot of
8 this is a rural area, people commuting, living on one
9 side, working on the other.

10 And now we're having cutbacks in that area,
11 and the oil and gas people are beginning to do layoffs.

12 And there has been always a housing crunch there
13 because what housing there was was taken up by the oil
14 and gas people.

15 And you can't find any ordinary market housing
16 at the peak of the oil and gas booms, and you can't
17 even find a hotel room because the oil companies
18 contract, for a whole year, the hotels and motels, such
19 that it's driven the people in Carlsbad to have to
20 build a motel because their tourist trade to go to the
21 Carlsbad Caverns National Park cannot find motel and
22 hotel rooms because they're all reserved by the oil and

1 gas companies.

2 So the layoffs are going to do something else.

3 And there is a great deal of hope among some of the
4 grantees that I spoke to about the Rural Fellows
5 because they have a very hard time finding and keeping
6 people in those areas.

7 CHAIRMAN LEVI: On that point, did we raise
8 the board -- how far is the board from its -- I asked
9 everybody to kick in, and I think with a few of our
10 non-board member committee members, we are just a
11 couple hundred dollars away from --

12 MS. RHEIN: Four hundred. Four hundred
13 dollars.

14 CHAIRMAN LEVI: Four hundred dollars. So
15 we're -- through our combined efforts, funding a
16 fellow, a Rural Legal Fellow. And I think that's sort
17 of a nice -- at the end of the year I am sent out that
18 note and asked if -- and I just feel like -- two things
19 about it.

20 One, I think this issue in rural America is
21 really quite serious. Also, I think, we are a
22 not-for-profit board, and it's kind of, I think, a nice

1 legacy thing. The next group may -- it isn't that
2 expensive a contribution. We do get these honoraria.

3 And I don't want to put anybody in a position
4 where -- but it's a kind of a togetherness thing that
5 we've done. And that also shows support to others
6 that, you know what? You believe in this program. You
7 believe in what we're trying to accomplish here in
8 rural America.

9 So I feel very good about it. I'm sure we'll
10 make up the final \$400. But also, I think it's
11 important, for the next board that comes in here, to
12 remember that we have this ability, that we are a
13 501(c)(3). We didn't have to be set up that way, but
14 we are. And we can take this kind of advantage of it
15 to augment the congressional appropriation and not
16 interfere with our grantees' efforts.

17 And so I just want to thank everybody for
18 their year-end in doing that. And I think also that
19 Wendy sent out -- and it's in here -- how we've done so
20 far.

21 I will say, in terms of my own view of what
22 needs to happen in 2016, continuing to talk to leading

1 law firms and their sometimes quite surprised managing
2 partners who don't know who Legal Services Corporation
3 is and are not aware of the gravity of the crisis.

4 And I think that that's a way -- whether they
5 end up giving or not is almost secondary. But it's an
6 opportunity to tell the story to an audience that
7 doesn't always hear the story. So we shouldn't forget
8 that piece of this effort.

9 And I think that has been helpful. I don't
10 know if Carl's in the room, but Susan Beck has
11 certainly picked up on it, the American Lawyer has, and
12 they've begun to ask the questions. But anyway --

13 MS. RHEIN: I would just add that given our
14 own choices that the board has made, that the senior
15 staff has made, on our own restrictions of who we're
16 going to speak to as prospects, that in a short period
17 of time, I think this campaign has done very well.

18 We are very mindful of not going after
19 prospects who are funding our grantees, which means we
20 eliminate a significant pool of funders in the United
21 States who want to fund things in their own communities
22 in particular.

1 So we're being very strategic about that, and
2 we're being very careful about who we're approaching
3 and who we're talking to. And in light of the fact
4 that we have not received a single "No" from any of our
5 foundation requests to date, since this is a brand-new
6 program, I think that we're setting some good patterns.

7 CHAIRMAN LEVI: Do you just want to handle
8 agenda items, then, 3, 4, 5, and 6, in a sense?

9 MS. RHEIN: Sure.

10 CHAIRMAN LEVI: Because they can go fairly
11 quickly, unless there are other comments on this.

12 (No response.)

13 MS. RHEIN: Okay. An update on the
14 development activities: There is a brief financial
15 report in your book in the open section regarding funds
16 raised to date. Since LSC has started receiving
17 private grants and other monies, we've reached a little
18 over \$5.1 million in contributions, which is, as I
19 said, a good step forward in a few years, and we'll
20 continue to work on that.

21 There are, of course, some other things that
22 are still out there, as you know, that we'll talk a

1 little bit more later. The Rural Summer Legal Corps
2 project, which this group had decided at one of our
3 previous board members -- board meetings, excuse
4 me -- to make that investment, will start this summer.

5 LSC has partnered with Equal Justice Works to
6 be able to administer that project, and we received a
7 wide number of applications from our grantees, and
8 Jim's going to talk a little bit more about that a
9 little bit later in the governance and performance
10 meeting as well.

11 We have been working on a lot of the grants
12 management. As you can imagine, receiving five and six
13 new grants over a four-month period of time has meant
14 shifting a lot of internal resources -- staff time,
15 tracking of finances, all of those different
16 things -- to launch all of these initiatives in a short
17 period of time.

18 Most of the grants that we received are only
19 one year or 18 months, so they have very fast
20 turnarounds on being able to produce some solid work.
21 So there's a lot of shifting going on in trying to
22 manage that process as best we possibly can.

1 And just to keep going on, one of the things
2 we had talked about last time was the fact that we're
3 shifting outside of the 40th anniversary campaign into
4 an ongoing private fundraising campaign. This will be
5 new logo for LSC's Campaign for Justice that will be on
6 the -- we have a micro website attached to LSC's site
7 that focuses specifically on the projects for which we
8 are raising private money.

9 And so we're in the process right now of
10 redoing that micro site and taking all the 40th
11 campaign language off and keeping, however, the events
12 from last year, of course, will still be on there and
13 those that have contributed to the campaign.

14 But we're shifting the language and we're
15 shifting the focus to look at ongoing projects and
16 things that remain in the case statement that we would
17 like to continue to fund. So that's the -- Marcos
18 designed that for us, our new logo.

19 And finally, to go on to item number 6, every
20 year, as you know, we are required to register in 38
21 states and the District of Columbia as a charitable
22 organization. Every state has its own rules.

1 Every state has its own policies and things we
2 have to fill out -- what gets notarized, what
3 doesn't -- and every year the state of Minnesota
4 requires that you all endorse, in a board meeting, the
5 application for us to be a registered nonprofit in the
6 state of Minnesota.

7 CHAIRMAN LEVI: So we have to move that?

8 MS. RHEIN: Yes, you do.

9 M O T I O N

10 FATHER PIUS: So moved.

11 CHAIRMAN LEVI: Second?

12 DEAN MINOW: Second.

13 CHAIRMAN LEVI: All in favor?

14 (A chorus of ayes.)

15 CHAIRMAN LEVI: Opposed?

16 (No response.)

17 DEAN MINOW: That's a committee. We have
18 to --

19 CHAIRMAN LEVI: That's just a committee. It
20 has to go to the board.

21 DEAN MINOW: How many states are we registered
22 in?

1 MS. RHEIN: We're required, according to the
2 state laws, if we're going to accept money from any
3 donor in those states, we have to register in 38
4 states. Most of the other states don't require us to
5 register. If we have 501(c)(3) status, we show them
6 the letter and we're fine. It's just waived.

7 But all of these 38 states and the District
8 require some form of an application as well as a filing
9 fee. And I'm very happy to report that you all have
10 just officially funded a Rural Summer Legal Corps
11 fellow.

12 CHAIRMAN LEVI: Wow.

13 MS. RHEIN: That was fast.

14 CHAIRMAN LEVI: Any comment, public comment?

15 (No response.)

16 CHAIRMAN LEVI: Consider and act on other
17 business?

18 (No response.)

19 CHAIRMAN LEVI: Now we're going into closed
20 session, aren't we? So we have to have a motion to do
21 that.

22 //

1 M O T I O N

2 FATHER PIUS: So moved.

3 CHAIRMAN LEVI: Second?

4 DEAN MINOW: Second.

5 CHAIRMAN LEVI: All in favor?

6 (A chorus of ayes.)

7 CHAIRMAN LEVI: So if there are any people on
8 the phone, goodbye, unless they're members of the
9 committee, and then they can dial back in.

10 (Whereupon, at 2:27 p.m., the open session of
11 the Committee was adjourned, to reconvene in closed
12 session.)

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