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LEGAL SERVICES

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BOARD OF DIRECTORS MEETING

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Room 426
Marvin Center
800 21st Street, Northwest
Washington, D. C.

Sunday, October 5, 1975

The meeting was reconvened at 9:20 a.m.,
Mr. Roger Cramton, Chairman, presiding.

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P R O C E E D I N G S

1
2 MR. CRAMTON: The meeting will come to order.

3 The Board met in executive session last evening and
4 considered the matter which it said it would consider, the
5 qualifications of various candidates for president of the
6 corporation, which brings us back to the agenda, and we were
7 in the midst of a report by the Chairman of the Committee on
8 By-Laws and Regulations.

9 And the next item is discussion of issues relating
10 to the formation of state advisory councils.

11 Mr. Kutak.

12 MR. KUTAK: Mr. Chairman, as you know, it will be
13 incumbent upon your Committee on Regulations, I guess we could
14 now call it in the interests of simplicity, to have ready for
15 this Board some proposed regulations at a very early date
16 regarding the scope and operation to the extent we are per-
17 mitted of the state advisory council.

18 I am looking ahead and thinking that if the Board
19 does not have a meeting again until November and we would, as
20 we should, go through the process of formulation, dissemination,
21 hearing and reevaluation, we are going to possibly be up
22 against a critical timetable or deadline if we do not get
23 started on this issue or this area. And I would welcome, very
24 frankly, some reactions from the Board with respect to the
25 direction the Committee ought to take in formulating this issue.

1 Let me back up a minute and say at large something
 2 that I really wanted to cover yesterday but for the shortage of
 3 time and apparent desire on the part of the Board to wrap up
 4 the discussion on freedom of information, that the strategy
 5 your committee was employing for the development of these regu-
 6 lations was going to be simply impractical for us to handle
 7 and that we hope at an early date that the administration of
 8 the corporation will provide for us, either through the office
 9 of your counsel or through yourself, the time by which we can
 10 really do the spadework.

11 And while I am not going to press the analogy too
 12 greatly, I would envision -- and I would like to have your
 13 reactions to this if it makes sense to you -- something kind of
 14 like the ALI model. I would like to look at our lawyers as
 15 kind of recorders. They would do the drafting; they will study
 16 the problem -- in fact, the analogy really holds up because
 17 regulations are really kind of a restatement here of ten years
 18 of laws and learning -- that they actually do the drafting of
 19 the statute as against what I found myself and what I am begin-
 20 ning to do with the help of many able people sitting over here
 21 to my left, and that they come up to your committee in the same
 22 way that the reporters come up to the council of the ALI to
 23 discuss policy and to approve the development of the language,
 24 the substance of the draft, but the council of the ALI doesn't
 25 draft the restatement any more than I hope we would. And your

1 committee will actually have to sit down and write the regula-
2 tions, but will evaluate and analyze the substance of it. Then,
3 if it clears our hurdle, we would -- and I am not quite sure
4 of the mechanics, but I would like to think either we take it
5 to the Board preliminarily or you may say let's publish it and
6 take it to the public preliminarily and have your hearing.

7 I am not quite sure of your sequence and the way it
8 would be most effective in the constraints of your time, but
9 in any way we get through the public response to our draft,
10 at which time we certainly bring it to the Board, just like
11 the reporters bring the drafts to the Institute. And they can
12 be thrashed out again on a policy level, not with the idea
13 that the Board is going to be expected to draft but the Board
14 is going to be expected to respond and say, "This doesn't make
15 sense, Kutak." And then we can get it back into focus if that
16 is the case. But that kind of model where we don't look at
17 lawyers as just simply scribblers in the back room cranking
18 out models, but really scholars who are trying to develop model
19 regulations is my goal.

20 That leads to a second and only other general point
21 that I wanted to raise, and that is I think we, as a Board here,
22 have a real opportunity, an opportunity to write regulations
23 or promulgate them, if you will, that might bring a new tone to
24 the operation of Legal Services rather than crank out long
25 boilerplate technical regulations that would certainly insure

1 the necessity of a lawyer if for no other reason than simply to
2 interpret them, that we could write regulations that are clear,
3 concise, indeed simple, and with a whole new style to them.

4 I was struck by an article in Time magazine recently
5 about new what they called legal ease, and it was e-a-s-e,
6 the ease of it being there is a whole new trend in the commer-
7 cial field and insurance field of writing things that the layman
8 can understand, and to free ourselves from 100 to 500 years of
9 Middle English in the process.

10 I hope this aspiration can be achieved and that we
11 will be able to produce for you the kind of regulation that
12 accomplishes the end it needs, but with the purpose of setting
13 out a very high standard of legibility or comprehensibility and
14 easibility of study, not only by ourselves and by our lawyers
15 and our community, but by the clients whom they will serve.

16 With those two prefatory remarks, Mr. Chairman --
17 and I appreciate what we need to do is take these very nebulous
18 concepts and reduce them into a position for you to approve,
19 for which we hope we might have a meeting between now and the
20 next meeting of the Board -- I would like to open up some dis-
21 cussion at large addressing only the issue of the state
22 advisory council.

23 You just circulated, while of course I have been
24 filibustering, a memorandum for your guidance in this discus-
25 sion. It comes, as a matter of fact, from a very good working

1 book that I am using to develop the first initial cut with
2 respect to our thinking on this state advisory council.

3 MR. BROUGHTON: Would you yield for a question?

4 MR. KUTAK: Only if I don't lose the floor.

5 MR. BROUGHTON: I didn't intend that.

6 This document we have just been handed, has this
7 been prepared by you?

8 MR. KUTAK: No, sir, this has been prepared by the
9 corporation staff.

10 MR. BROUGHTON: Would you yield for one other ques-
11 tion?

12 As chairman of the committee and one who, I am sure,
13 has given some thought to this, what do you specifically en-
14 vision insofar as the role of the council?

15 MR. KUTAK: I would envision it to be functioning
16 in a very constructive, broad way. I hope that we don't look
17 at the council as being merely inquisitors who are out there
18 to evaluate a performance and to see if there is a violation
19 of an action, although, incidentally, that is a very good and
20 important role. But I would hope that they could also serve
21 as a resource for this Board, that they could support inci-
22 dentally the officers out there in the field. They could be,
23 if nothing else, a liaison to the bar, a liaison with the
24 governmental agencies, not to look at it in a negative,
25 countercheck force, but a very good group of spokesmen for us

1 out there.

2 MR. BREGER: And for the local program.

3 MR. BROUGHTON: Support group for the local program
4 and this Board.

5 MR. BREGER: I think it is important to recognize,
6 in the same way as we hopefully will help to insulate the
7 national corporation from unwarranted political interference,
8 the state boards can fill a similar function with the local
9 government.

10 MR. KUTAK: We can turn what was obviously designed,
11 I believe, when the provision was written in, to be basically a
12 control factor on the legal aid operation to be sure they didn't
13 wander off the terrain into, I think, a very constructive and
14 positive force.

15 Now, we may not get this response, and incidentally
16 if we did it may require so much energy that it is too costly
17 an operation to undertake. These things, however, I think, we
18 ought to let experience dictate. We ought to start out thinking
19 we have an unusual response here, and if we think positively
20 and work affirmatively, we might be able to provide not only
21 for ourselves as a corporation but for our people, lawyers in
22 the field, a new dimension of professional as well as public
23 support. And I would like to at least approach the council with
24 that opportunity in view of --

25 MR. BROUGHTON: Do you envision the council having
a role in that part of the statute which provides the Director

1 of Office and Management and Budget and with the governments
2 of the several states to establish maximum income levels,
3 taking into account family size, urban-rural business, et
4 cetera. That question has come to me and I have thought about
5 it. I am looking right here. That statute does, as I read it,
6 mean the governments do have to be consulted with respect to
7 all those matters which are very important. And if so, that
8 would be a means of supporting. Otherwise, that is a very
9 critical point of involvement, it seems to me.

10 MR. CRAMTON: Mr. Smith.

11 MR. SMITH: I was just going to ask Bob, it seems to
12 me the answer to a lot of the questions on the memo you circu-
13 lated would be in the affirmative as far as desirability of
14 guidelines in certain areas and our structuring certain require-
15 ments relative to the appointments, perhaps more suggestions
16 in some cases than requirements as far as governs procedures
17 and appointments.

18 But I am impressed with your concept that these can
19 be a great source of semi-independent input to us and reflect
20 differences in situations in different states. And I am wonder-
21 ing if there isn't a danger of going too far in our regula-
22 tions, not just getting started, but I was thinking of the
23 possibility that we go so far in structuring these, we make
24 them merely an extension of ourselves.

25 MR. KUTAK: Rather than experimentation.

1 MR. SMITH: Then we lose the semi-independent input
2 we might otherwise get, and we just have extensions of ourselves
3 out there.

4 MR. KUTAK: Or different relationships are estab-
5 lished with different levels of inputs. I would like to see at
6 least these councils, which I hope can be constituted with the
7 broad-based fine representation, we impress upon our governors
8 and they, in turn, communicate to the bar and get really top-
9 flight people.

10 MR. SMITH: I think to make them significant, one
11 of the questions I noted here was, "How do we respond to their
12 suggestions?" And I think we have to respond to their sugges-
13 tions in somewhat different fashion than we would respond to
14 just the suggestion of any individual throughout the country
15 who happened to suggest something. In other words, we have to
16 impress upon them our recognition of their significance, I
17 think, by establishing some particular specific channels for
18 responses to their suggestions.

19 MR. CRAMTON: Mr. Breger.

20 MR. BREGER: Taking up on Glee's suggestion, I wonder
21 whether we have considered in our budget request for fiscal '77
22 having a staff person whose job would be to serve as liaison
23 with the advisory councils. I only mention this now rather
24 than at a later date because we are right up against our new
25 budget. And that is something we might consider.

1 MR. KUTAK: Vice-president in charge of state
2 advisory councils.

3 MR. BREGER: I wouldn't necessarily say vice-president
4 but someone on the staff level whose job would be to liaise
5 with the councils to help them help us.

6 MR. CRAMTON: Wouldn't that properly fall in the
7 regional offices which could have straight boundaries anyway?
8 In the regional offices there would be a number of state
9 advisory councils that that regional office would deal with just
10 as they are dealing with complaints. Particularly if one of
11 the functions is complaints against programs in those areas,
12 normally those complaints should be handled by the staff and be
13 filtered up through that system before they ever go to an
14 outside body. Otherwise, we have the same problem of short-
15 circuiting staff responsibility and have an organizational
16 structure that is going to respond effectively, and there is
17 a possibility that lower-level employees in the corporation
18 would use the existence of state advisory councils to not carry
19 out their responsibilities, which is to investigate complaints
20 against recipients and to see that their activities are shaped
21 up and that they are corresponding to the statute. I would
22 think there would have to be some kind of exclusion of adminis-
23 tration remedy, that the advisory council never comes into play
24 until essentially the staff route has been to some extent
25 exhausted.

1 MR. SMITH: I would agree with you, Mr. Chairman, on
2 the point you are discussing of complaints. But I would hope
3 that the structuring of these would be such that the complaints
4 would be only one of the things we would expect from the
5 advisory council. On the other hand, we would expect a lot of
6 affirmative, constructive, initiative on suggestions for doing
7 new things. And that would come in the complaint area so it
8 would have to be handled differently.

9 MR. KUTAK: Don't forget imaginative, too.

10 MR. SMITH: That's right.

11 MR. CRAMTON: I think I share the notion of some
12 affirmative or more constructive use, particularly in terms of
13 trying to get bodies so created which would assist the corpora-
14 tion in extending service to unserved areas and maybe help
15 develop constituencies in support of the program. I think in
16 order to do that we have got to structure and control these
17 advisory councils or attempt to control them perhaps more than
18 your remark suggests. And I also think there is a legal
19 question which we have to examine as to what functions
20 Congress contemplated these bodies would undertake and how
21 open the options that we have are.

22 MR. KUTAK: Mr. Chairman, I really have only the
23 threshold questions to the Board in response to your challenge.
24 One is: Does the Board concur in the thought, which would
25 therefore be an assumption I would work on, that the role of

1 the councils could be more than a narrow technical role of
2 overseeing and reporting violations; and two, if the Board could
3 be disposed to permit a more creative role for these councils,
4 to what degree does the Board want the corporation to seize the
5 initiative, urging the Governors to respond, or should we be
6 passive and silent, or should we be affirmative and really sell
7 the point?

8 The answers as indicated even tentatively by the
9 Board now will help us in scoping out the substance of the
10 regulation.

11 MR. THURMAN: Mr. Chairman.

12 MR. CRAMTON: Mr. Thurman.

13 MR. THURMAN: I am very sympathetic with much that
14 Bob has said. I guess I get a little frightened when I think
15 of 50 of the same type advisory groups pouring in ideas and
16 suggestions to us. That is an awful lot of input, assuming
17 they are all going to work as you outline.

18 MR. KUTAK: I think it is going to take an awful lot
19 of resource from our corporation -- not from the Board, I hope
20 -- to make them work, as you know, Sam.

21 MR. THURMAN: These are going to be busy lawyers
22 for the most part, and they don't want to do something that is
23 pretty perfunctory.

24 MR. CRAMTON: I think the two questions you posed
25 in my own mind are interrelated. Isn't the breadth of the

1 function that they exercise related a little bit to how the
2 structure is composed? If they are composed of solely people
3 appointed by whoever happens to be the president of the state
4 bar then in office, who makes a slate to the Governor and the
5 Governor rubber-stamps it, then that is one thing. What if
6 they are composed of several client community representatives,
7 several legal editors and four or five lawyers drawn because
8 they have experience and knowledge of legal services?

9 MR. THURMAN: The pattern that is developing in
10 California is very interesting. They have 90-some-odd inter-
11 ested lawyers who have applied to be on the advisory council.
12 They have moved that far ahead and they had narrowed that down
13 to 15 the last time I talked to them down there. I don't know
14 whether Rudy knows more about what has been developing.

15 MR. MONTEJANO: They are moving very fast.

16 Mr. Chairman, my personal thought is possibly,
17 number one, they all have to be lawyers.

18 MR. CRAMTON: No, they don't. Only five of nine.

19 MR. MONTEJANO: I have talked with the people on the
20 West Coast, and I thought the feeling was unanimous that prob-
21 ably the thing to do was to have the state advisory council out
22 there anyway, and hopefully across the nation, serve in a quasi-
23 judicial capacity limited to that. Otherwise you might get
24 into a shifting political wind situation for one year that may
25 be wholly supportive of the corporation and another year not

1 totally supportive of the corporation, and rather than trying
2 to deflate those winds, better to have them play just a straight,
3 limited quasi-judicial function.

4 MR. THURMAN: That's one possibility. I hesitate a
5 little bit to adopt that point of view.

6 MR. STOPHEL: There is something to be said for
7 going pretty much with the statutory language until we get some
8 experience in what kind of help we are going to need or can use
9 effectively from these. I share your view that -- well, what
10 you are going to get is a few state advisory councils who will
11 be very active, very innovative, very helpful. You are going
12 to get some who, I fear, will probably not participate at all.
13 They simply perhaps meet and eat and leave and do very little
14 constructive or otherwise toward our program. That is not to
15 say that we ought not encourage those who will take the
16 initiative to do it. But I think that in our initial regula-
17 tions we probably ought not step ahead too far in saying what
18 we expect or how the structure ought to be until we have ex-
19 plored this through experience of how they can be most helpful
20 to us.

21 I think the statutory language in the case of over-
22 sight function, which is warranted and probably something that
23 was put in as perhaps a political situation to extend that to
24 say, "You will have this make-up of your advisory council," and
25 so forth, I am not sure we are in a position to say that that
is the best thing. We are saying we have to say under the

1 statute how the board of the local program was made up, 60
2 per cent lawyers -- perhaps that is a figure that could be used
3 in the advisory councils instead of the majority.

4 But my inclination would be to go slowly on too much
5 structuring, either of make-up or what we expect of them.

6 MR. KUTAK: Glenn, to pursue that a little more,
7 what about a home rule option? In other words, say for awhile
8 if a state wishes to take a minimum statutory stance, that may
9 be their election. We certainly need to have that because that
10 is what the law provides. But in the interests of this idea
11 of laboratories in the federalistic sense, if a state, particu-
12 larly one that may be as energetic as North Carolina --

13 MR. BROUGHTON: What do you mean "laboratories in
14 the federal sense?"

15 MR. KUTAK: That everybody is not matching to the
16 same regulation, that maybe California or North Carolina -- and
17 I know North Carolina has shown a great deal of interest in the
18 council and has already tentatively assembled a most impressive
19 list of fine, high-quality, first-class people of all back-
20 grounds -- maybe they would like to say, "We would like to do
21 a little bit more." Yet, some states, like California
22 which stretches 4,000 miles, might find yet still a third
23 role. Maybe our regulations ought to permit for the base
24 statutory role, but then perhaps permit additional alternative
25 roles and invite their reactions and see if they wish to

1 respond. This gives us both some opportunities to work with
2 state advisory councils without, as you suggest, Glenn, gearing
3 up 50 organizations, all of which may be a very past enterprise.

4 MR. CRAMTON: Mr. Smith.

5 MR. SMITH: Mr. Chairman, as I have indicated, I am
6 very enthusiastic about the positive aspects of these advisory
7 councils and the things they can do for us. The one thing I
8 am wondering, in achieving the national potential from that
9 positive aspect, is if at this point we shouldn't put out some
10 kind of a signal to the states that maybe are moving too fast
11 to the effect that we are developing these guidelines, so that
12 they wouldn't move to the point where they have already gone past
13 the reception of our guidelines -- not in a negative sense but
14 in a positive way, that we are doing this and that within six
15 weeks to two months we will have them developed and have the
16 call put out. And I think it might prevent some states from
17 moving too rapidly without any guidance.

18 DR. CRAMTON: I think that's right because I think
19 some of them are under a misapprehension that, for example,
20 they are supposed to accept a slate that is given to them by
21 the state bar association. The statute doesn't say that. All
22 it says is that the majority have to be lawyers and the
23 Governor is to make his appointments after recommendations have
24 been made by the state bar association, but it doesn't mean
25 other people can't make recommendations and it doesn't mean the

1 Governor is limited to choose from a slate of the state bar
2 association. It doesn't mean there shouldn't be client com-
3 munity representatives. In fact, we could require, I think,
4 that there be client community representatives on it, or at
5 least say we won't pay for their expenses unless they are
6 composed in a certain form so that they are representative of
7 the range of interests that we want to be involved in in deter-
8 mining whether or not there are apparent violations of the
9 statute.

10 MR. KUTAK: Mr. Chairman, is there a conference of
11 Governors this fall scheduled?

12 MR. SMITH: There is one about every month or so,
13 it seems to me.

14 MR. CRAMTON: Some pleasant place.

15 MR. KUTAK: I would not add unnecessarily to your
16 burdens, but this is an opportunity again. And I wonder if
17 maybe we ought to check in whereby some signal could be con-
18 veyed saying kind of, "Hold the fort; we're coming."

19 MR. SMITH: Without in any way dampening their
20 enthusiasm; indeed, it might sharpen their enthusiasm knowing
21 we are giving it this much attention and concern.

22 MR. KUTAK: And we think it is important, and kind
23 of flag that importance to them.

24 MR. THURMAN: What has to be done by January 14,
25 though, the appointments must have been made, and before that

1 time the lists must have been sent. That is what our statute
2 says.

3 MR. SMITH: They have 90 days after that.

4 MR. THURMAN: You are correct.

5 MR. BREGER: Formally we can't appoint until we
6 request them to appoint.

7 MR. SMITH: They have until April 14.

8 MR. KUTAK: May I suggest this, gentlemen, if I get
9 the sense, that, number one, we ought to have some draft if we
10 possibly can for you for the next Board meeting, at least to
11 begin to crank up our thinking, that meeting being in November.

12 MR. CRAMTON: Or almost a position paper on what
13 some of the issues of policy are that can be discussed before
14 you get to the draft.

15 MR. KUTAK: Which tells us we have a committee
16 meeting sometime in October.

17 The second thing is there is a desire, at least, to
18 permit a broader experimentation with the state advisory council
19 than merely the narrow one.

20 MR. CRAMTON: That has been expressed by some and
21 some contrary ideas have been expressed.

22 MR. KUTAK: There is some idea of exploring that.

23 And three, it may be necessary not only just to
24 promulgate a regulation here but to, in this case in particular,
25 contemplate, if you please, an affirmative action program.

1 MR. THURMAN: It is a nice phrase you turned there.

2 MR. KUTAK: Bold and imaginative. And that we might
3 want to think of it in that context.

4 Okay.

5 MR. CRAMTON: There are a whole series of issues
6 which we haven't gotten into about the performance of the
7 function that seems to be contemplated by the statute. That
8 is this reporting to the corporation of apparent violations of
9 the statute rules and regulations. One is the question of how
10 violations or apparent violations come to the attention of
11 advisory councils. That is, a member of our staff who receives
12 a complaint against a recipient or grantee in a particular
13 state is supposed to send a copy of that to the state advisory
14 council. It gets into the exhaustion of administrative
15 remedies questions. It seems to me it has very serious implica-
16 tions for how the corporation itself handles and processes
17 complaints and deals with them effectively.

18 Do we get the advisory council in first or only at
19 the end? If you get them in at the end, hasn't the corporation
20 already decided the matter that the advisory council is
21 supposed to consider? What is the advisory council supposed to
22 do when they get a complaint? Their meetings are subject to
23 this open meeting requirement. Yet, most of the complaints
24 are going to be in the case of a particular attorney's rela-
25 tionship to a particular client, the canons of professional

1 ethics or the code of professional responsibility was violated
2 or the act was violated, and so on. Is the client supposed to
3 be called before them? Is the attorney supposed to be called
4 before them? Aren't there really very grave problems about
5 the attorney-client relationship? And if they consider them-
6 selves as kind of state grievance committee procedures -- those
7 are always confidential -- how can they possibly do that in
8 public session?

9 The Act, it doesn't seem to me, was very well thought
10 through on this issue and question. And frankly, it's kind of
11 a mess, both the functions to be performed, the manner in which
12 it is to be performed, in relation to the open meeting section.

13 MR. KUTAK: That is only presupposing one thing --
14 exclusivity of remedies. And all of your line of inquiries
15 would imply there is only one recourse.

16 MR. CRAMTON: No, I am just saying it is a problem.

17 MR. KUTAK: I don't necessarily read an exclusivity
18 approach with respect to these grievances. This is a mechanism.
19 That opens up a series of questions.

20 MR. BROUGHTON: You mean the advisory council would
21 be a mechanism?

22 MR. KUTAK: Yes, but not necessarily the only
23 mechanism.

24 MR. BROUGHTON: That could pose a problem, at least
25 if I understand the preliminary review prevails so far as some

1 of the people who would accept appointment, for example, in
2 North Carolina, and you were kind enough to mention the list
3 that has been submitted to the Governor. Included on that
4 list is one member of our supreme court, two or three of our
5 trial judges, and the way in which you approach that issue,
6 for example, may give them some pause as to whether they could
7 accept appointment.

8 MR. CRAMTON: That's right.

9 MR. BROUGHTON: And each of these cases, the in-
10 dividuals involved are extremely well regarded in professional
11 attainment and their approach to this problem.

12 MR. BREGER: Similarly, the extent to which it is
13 the exclusive remedy may cause problems of possible conflicts
14 in regard to members of local boards or even Legal Service
15 attorneys' appointments if they are going to have to adjudicate
16 complaints against their own programs.

17 MR. CRAMTON: It seems to me it raises all kinds of
18 questions. Some members of the Board received a communication
19 complaining about misconduct by a particular recipient. We
20 don't have anything to do with that until October 14 or 13 when
21 we take over this program. But assuming that happens after we
22 have advisory councils in operation, and so on, and assume
23 staff people get such a letter of complaint, too, what is
24 supposed to be the course of action?

25 My ordinary thinking is staff is supposed to

1 investigate it. They are supposed to inquire into it. They
2 are supposed to see whether there is any substance to it. If
3 they come to the conclusion there is no substance to it, some
4 kind of a reply or letter that expresses that conclusion goes
5 to the complainant, and that is kind of the end of it. Maybe
6 you could say at the end there is a state advisory mechanism
7 and this is available under the statute. Is that how it is
8 supposed to operate?

9 MR. STOPHEL: I would agree with you. I would think
10 that kind of matter is kept within the corporation, and the
11 advisory council is not and should not be used by us as an
12 investigative arm or as any sort of a judicatory body. I
13 think rather that I see their function best used at the grant-
14 making level where a program in a particular state is operating
15 well or is not operating well in the view of the Governor's
16 representatives. He has in the past, as I understand it,
17 signed off on programs, the Governor, has had a veto, so to
18 speak. He doesn't have that under our Act, and I think this
19 advisory council is pretty much a substitute for that sort of
20 thing. And for us to take an internal problem, which I see
21 every recipient's problem as our problem, and send it outside
22 for any sort of investigation or adjudication, would be harmful
23 to our program and should not be part of our program.

24 MR. CRAMTON: Yet, that is the only item that is
25 specifically included in the statute as within the duty of

1 these advisory councils. It doesn't say what they are
2 supposed to do except in one sentence: "This advisory council
3 shall be charged with notifying the corporation of any apparent
4 violation of the provisions of this title and applicability,
5 rules, regulations, and guidelines promulgated pursuant to this
6 title." No other function is mentioned. That doesn't mean we
7 couldn't ask them to do other functions.

8 MR. STOPHEL: They inform us of a violation.

9 MR. CRAMTON: Specific violations, not just kind
10 of general evaluations of the programs, and this part of the
11 state is not being served very well and needs some more service
12 and so on.

13 MR. STOPHEL: I think in some states you are going
14 to have the advisory council saying this program ought to be
15 defunded, "This program has done this and this and this,
16 with which we disagree, and we think it ought to be."

17 MR. CRAMTON: You think it ought to be tied in
18 with the refunding or grant application process and not with
19 specific complaints about the handling of specific cases?

20 MR. STOPHEL: Obviously, if they receive a com-
21 plaint about a specific item, they are going to let us know.
22 They are charged with that responsibility of informing us of
23 that apparent violation. I think the information comes to
24 them from outside, not from within our organization.

25 MR. THURMAN: I think I buy that. And Mr. Chairman,

1 aren't we really under more wraps than we have been talking
2 about here? The legislative history says the sole function of
3 such advisory councils --

4 MR. CRAMTON: That is one Senator, you know.

5 MR. THURMAN: This is the conference report, the
6 Senate report. Of course, Kennedy spoke to this point, too.
7 But the conference report says, "The sole function of such
8 advisory councils will be to notify the corporation of any
9 alleged violation of this legislation."

10 MR. CRAMTON: The statute doesn't say that, the sole
11 function that is specified in the statute, but does it mean
12 that the statute does not say shall exercise no other function?
13 Legislative history is worth something, but we are bound by
14 the statute first and not what people, who are knowledgeable
15 about the legislative process, can get into these committee
16 reports and statements.

17 MR. BROUGHTON: We have this mandate I mentioned a
18 moment ago, as I read it: "The corporation shall establish, in
19 consultation with a Director of the Office of Management and
20 Budget, and Governors of the several states, maximum income
21 levels," et cetera. Now, is that consultation with the
22 Governor something that he would say, "Well, we have got this
23 advisory council; let them establish that or advise him."

24 MR. CRAMTON: I think I agree that you are correct
25 in saying we need the advice of counsel on what limitations

1 the statute and the legislative history place on us, and
2 whether it would be a violation of the statute to ask the
3 advisory councils to do anything other than the one function
4 that is mentioned in the provision I read. We are all in
5 agreement on that, aren't we? We need advice of counsel on
6 this question?

7 MR. SMITH: That's right. Mr. Chairman, the sentence
8 you read, of course, makes it very clear that there would be
9 one-way communication from them to us. But then the decision
10 the other way, whether we refer things to them for resolution
11 and so on, my first inclination is that most of the information
12 that comes from them, the resolution would be up to us or in
13 the channels you mentioned in the regional level, but because
14 that issue is still undecided I go back to the point I made a
15 minute ago. I think while your notification or request to the
16 Governors for appointment of these has to be done by January
17 14 because, using North Carolina as an example, for one thing
18 a lot of states are moving that fast, before you ask the
19 Governors about the appointment, maybe you should almost
20 immediately notify them we are working on these guidelines,
21 and point out to them it might have a great bearing on the
22 type of recommendation that the Governor wants to accept and
23 appoint. Because, obviously, if we go one direction, it
24 wouldn't be appropriate for a supreme court justice or trial
25 judges to be on the advisory council. Another direction might

1 be appropriate. But some type of notice should go directly,
2 and emphatically indicating the approach we are taking; and
3 because of that, the Governors ought to hold up appointment or
4 finalization of appointments until we have developed the
5 guidelines and the responsibility we expect these councils to
6 assume. I think that is one immediate thing we need to do.

7 MR. KUTAK: Mr. Chairman, I think maybe the Board
8 has given us about as much as it wishes at this time, but I
9 guess I would like to leave the Board with one impression.
10 That is, this amendment obviously was put in as one of the
11 curtailing, restricting, if you would try to characterize it
12 politically, you would say negative amendments.

13 MR. CRAMTON: Watchdog.

14 MR. KUTAK: We could interpret it very narrowly
15 and, indeed, by our interpretation and implementation have it
16 approach it negatively as well, and I suppose without too much
17 effort be successful in frustrating its purpose. Or we could
18 take what has the germ seed of an idea here and provide some
19 opportunity to utilize it in a way that perhaps, while starting
20 out negatively, can be converted into a positive, constructive
21 force.

22 Now, at the same time, we have got a lot of other
23 fish to fry and a tremendous problem just getting the corpora-
24 tion set up and running in the right direction. So we balance
25 these considerations and wonder where our priorities are.

1 Because I would stipulate that if we balloon this into a
2 possible maximum opportunity --

3 MR. CRAMTON: You could spend as much time on this
4 as you did on the fine arts.

5 MR. KUTAK: It looks like I am going to. I want to
6 assure the Board we have a lot of values here that we have to
7 recognize. I would like at the very first opportunity that
8 we send a signal out, particularly a signal that came from the
9 Congress, that we did not show unconsciously or subconsciously
10 any antagonism to what was a very antagonistic interjection of
11 an idea.

12 I think that we ought to not only -- well, I can
13 assure the Board we approach it in utter good faith and
14 absolutely as a baseline compliance so there is no way to ob-
15 struct the congressional intent, that we also proceed in some
16 conservative manner that we don't spend all of our priorities
17 here, that we see how we can utilize this situation in a way
18 that is helpful to the Board, helpful to the constituency and,
19 very frankly, can be converted into a ways and means that would
20 further the cause. And I would like to struggle with those
21 values and see if I can't come back to you with some sort of
22 solution.

23 MR. CRAMTON: Would the Board like to hear briefly
24 on the subject from members of the public who are here?

25 Are there comments? It is obvious from our

1 discussion, this is our first brush with it, and we are not
2 very well educated on it.

3 Mr. Sable.

4 MR. SABLE: Mr. Chairman, the NLADA-ABA clients-
5 counsel group did look into this issue in some detail and set
6 out our views in the proposed regulations.

7 MR. CRAMTON: We have seen those.

8 MR. SABLE: We did not get a copy of the state
9 memorandum.

10 MR. CRAMTON: All it is is a list of issues, an
11 outline. Actually, the Board members didn't get it. It was
12 just a broad: How are the councils to organize themselves?
13 Multijudicial recipients, how are they to be handled? It is a
14 checklist of questions, that's all. It doesn't state any views

15 MR. SABLE: It was our position, after looking into
16 it, it was the intent of Congress to keep these advisory coun-
17 cils in this narrow view. I think Mr. Stophel has suggested
18 taking clients, seeing those which were not clearly frivolous,
19 and passing them on to the corporation. We think there was
20 a sound policy reason behind that which was not to dissipate
21 the resources of the corporation. I think that is mentioned
22 in one of the conference reports. With the more expansive
23 view of what these groups would do, I think you would get
24 a substantial amount of the prerogatives of the corporation
25 being spread out at substantial expense to the corporation.

1 With 50 or more of these agencies, even at \$10,000, you would
2 be talking about a half-million dollars in funds, doing things
3 which I think the corporation is charged by the Congress to do.

4 Just one other point on this, and we would probably
5 respond in more detail at a later time.

6 I think it is clear from the intent of Congress
7 and from the correct way to set this up, there should be no
8 exhaustion requirement. That is, I think the point of these
9 councils is to give an independent access to the public, to
10 clients, to anyone else who, for one reason or another, doesn't
11 feel they will get a proper response from the local board or
12 from the regional office. This gives them another place to go
13 where they can raise their complaint, and I don't think they
14 should be required to go to the corporation.

15 I think there is no intent that complaints going to
16 the corporation should go to the advisory council. Ultimately,
17 in either case, it is up to the corporation to deal with these
18 complaints. And I think the point of these advisory councils
19 is merely to give the public another access point. And the
20 role of the advisory council is to put the program on notice
21 they have been complained against, and reject those which are
22 frivolous on their face, and those which do have some merit to
23 bring them to the corporation so the corporation can act on
24 them.

25 One other point. I guess we would agree with the

1 Chairman, it would be very helpful to broaden the scope of these
2 beyond just lawyers, but to have client representatives and
3 other members of the public who had an interest in that. And
4 I think the statute clearly permits that.

5 MR. CRAMTON: Any other comments?

6 Mr. Smith.

7 MR. SMITH: In line with the fact, however, we re-
8 solve some of these issues, I think the appointments should be
9 made by the Governors after we have developed our guidelines
10 and decide to what extent we do want to make recommendations
11 relative to appointments and responsibilities of the councils
12 after they are appointed.

13 And because a number of the states apparently have
14 some misunderstanding and are moving more rapidly than may be
15 desirable for them to do without waiting for our request, I
16 would like to move that we direct our Chairman to send a letter
17 to the Governors immediately advising them that we do have this
18 matter under discussion, that we are developing guidelines both
19 as to responsibilities, as to the composition of the advisory
20 councils, and further advising them that their specific request
21 for appointment of such councils, together with the guidelines,
22 will be transmitted to them sometime prior to January 14.

23 It might help forestall any precipitous action on
24 their part. It also would give them assurance that we are

1 approaching it in a positive manner, that we haven't overlooked
2 this provision, and that they will be hearing from us, but that
3 they should wait until they do hear from us.

4 MR. CRAMTON: Is there a second to that motion?

5 MR. MONTEJANO: Second.

6 MR. CRAMTON: Discussion?

7 Mr. Newman has sought to be recognized. Is there
8 unanimous consent to hear him?

9 Mr. Newman.

10 MR. NEWMAN: I would just note two things on that.
11 First, it is the Bar Association who has been doing the work
12 right now, not the Governors. And any such letter might ask
13 the Governors to hand over right away to these associations
14 this letter.

15 The other thing is you would have to be careful in
16 wording the letter, whether the three months start tolling with
17 this, or as I would think you might prefer later when you
18 really do give the Governors the signals that they can actively--

19 MR. CRAMTON: You are suggesting the letter should
20 go to the state bar associations and not the Governors?

21 MR. NEWMAN: Or it goes to the Governors and says
22 two things: One, please get this to the associations; and
23 two, this is not the letter that starts the three months toll-
24 ing. This is simply to get your juices going.

25 MR. CRAMTON: I think rather to stop them from

1 flowing so quickly.

2 MR. SMITH: With regard to the second point, I think
3 my position made clear this letter would contain the fact the
4 other letter, the one that starts the 90-day period, would
5 come before January 14.

6 With regard to the other point, it is the bars who
7 are doing most of the work, but in my area the bar has been
8 motivated by the Governor who has told the bar, "Get to work
9 and get some suggestions to me." I think it would be logical
10 the Governor would share it with the bar. We could even point
11 out he should.

12 MR. CRAMTON: And the letter clearly ought to
13 indicate it is not the tolling bell.

14 MR. KUTAK: This special appearance letter you are
15 referring to is one that counsel is going to look at, but we
16 could talk about ourselves because you use the word "guidelines,"
17 and I wondered whether the Board wanted guidelines from us as
18 well as regulations, or did you have envisioned an interpretive--

19 MR. CRAMTON: I don't think it is clear what we ought
20 to do in this area, regulations, guidelines, or policy state-
21 ment, or what.

22 MR. SMITH: I should probably clarify my motion by
23 saying I didn't mean the letter to be in the literal language
24 I used in my motion, but the Chairman, in consultation with
25 counsel, develop the letter that conveyed the import of my

1 motion.

2 MR. BREGER: I think it would be clear the letter
3 would enclose as few options as possible.

4 MR. SMITH: That's right. Mainly, it is a request
5 to keep options open.

6 MR. CRAMTON: Is there further discussion?

7 Are you ready for the question?

8 All those in favor of Mr. Smith's motion, please
9 say "aye."

10 (Chorus of "ayes.")

11 Those opposed, "no."

12 (No response.)

13 Motion is carried. And the staff will prepare a
14 letter which I can review, and Mr. Kutak perhaps can review,
15 and we will get it out very promptly.

16 MR. KUTAK: And Mr. Chairman, we will try to
17 schedule -- we won't try; we will schedule a meeting of your
18 committee this month to pound away at this.

19 MR. CRAMTON: Do you have anything further to
20 report on the final item that was listed on the agenda,
21 Discussion of Schedule for Issues of Regulations?

22 MR. KUTAK: I can only make a reference back to my
23 opening remarks, and that is to say that I would be very
24 anxious to have our council have the availability of personnel.
25 And when that can be provided, I think the very first task

1 that we must ask of them is to develop with us and for us a
2 program of regulations to be developed. And we have made a
3 couple of stabs at it. And it is not an easy task. And I
4 would suggest that it will be frustrated until we know what
5 people are on board and how soon they think they can work out.
6 Because it is a factor of how many people would be available
7 and for what period of time.

8 So I will assure you that the very earliest date
9 that we have personnel available to us, your committee will
10 get together with them to jointly develop what seems to be a
11 feasible and practical timetable of development of these regu-
12 lations. The one caveat is I really hope that I don't find
13 this the sole career that I have undertaken on this Board.
14 I want to try to push the regulations out as quickly as we can.

15 MR. CRAMTON: Thank you very much.

16 The next item is a report by the Chairman of the
17 Committee on Presidential Search.

18 Mr. Thurman.

19 MR. THURMAN: I might bring us up to date as to
20 what has occurred since the last Board meeting.

21 The first week in September, in addition to many --
22 and I emphasize "many" -- personal contacts and letters and
23 telephone calls by the various members of the Search Committee,
24 as well as others on the Board, and certainly including the
25 Chairman, we did hold a meeting, executive session, with

1 invited guests, on September 19 here in Washington at the
2 corporate headquarters. And we had invited representatives
3 there and attendants from the Project Advisory Group, American
4 Bar Association, both the Committee on Legal Aid and the Section
5 of General Practice and the National Bar Association. And on
6 this occasion, the list was further narrowed.

7 I guess I have lost count, but we have had close to
8 300 names that have been seriously considered. Many of these
9 are individuals who have been nominated. Others are individuals
10 who have applied. And we have followed up with letters to the
11 individuals who were named as references, and have also sought
12 to get our own input on these various individuals.

13 And on the occasion of September 19, this list was
14 narrowed considerably. And as a consequence, on October 3 and
15 4, the last two days, we held further meetings. The whole day
16 on the 3rd, and a part of yesterday, the same groups were
17 invited to send representatives, and most of them did.

18 In addition, as of yesterday, we had a representa-
19 tive from the Regional Directors. And on these last two days,
20 we talked with and interviewed at some length in at least two
21 sessions, one of these invited representatives and one by the
22 Presidential Search Committee itself, four candidates. And
23 all of the input from the invited representatives was passed on
24 faithfully, I believe, to both the Presidential Search Committee
25 and to all of the members of the Board.

1 And that took us down, then, to the Executive
2 Committee meeting of the Board last evening, and the Chairman
3 has reported fully on that.

4 MR. CRAMTON: The next item on the agenda is the
5 report by the Chairman of the Committee on Appropriations and
6 Audit. A number of items.

7 MR. STOPHEL: All right. We will take the easy
8 items first and leave those lengthy ones to come later.

9 If you will turn to Tab 11 in your books, you will
10 find there the resume of a gentleman that the Audit and
11 Appropriations Committee is going to recommend by appropriate
12 resolution, which under Tab 1 is Resolution D.

13 As we told you at the last meeting, I think, we
14 advertised for and received numerous -- I think over 500 --
15 applications for Comptroller of our corporation. After an
16 exhaustive review of those resumes and narrowing down of the
17 candidates to the three that seemed best qualified among a num-
18 ber who had excellent qualifications, these three were inter-
19 viewed by the Chairman of the Board, by the Chairman of the
20 Audit and Appropriations Committee, and by several members of
21 the transition staff.

22 It is our recommendation and the recommendation of
23 your committee that we adopt Resolution D which is as follows:

24 "RESOLVED, that the Board of Directors hereby
25 ratifies the appointment of Fabio de la Torre as Comptroller

1 of the Legal Services Corporation, to receive such compensation
2 as shall be fixed by the President of the Corporation, or if no
3 President is in office, by the Chairman of the Board of
4 Directors, or his designee; and

5 RESOLVED FURTHER, that the name of Fabio de la
6 Torre, Comptroller of the Legal Services Corporation, is hereby
7 added to the list of authorized signatories for the Corporation's
8 account in the Riggs National Bank of Washington, D. C."

9 After obtaining a second to this motion, I will
10 speak further to his qualifications. I move the adoption of
11 the resolution.

12 MR. MONTEJANO: Second.

13 MR. STOPHEL: You will notice that Mr. de la Torre
14 is a certified public accountant, having come to this country
15 from Havana, Cuba. He is a member of the American and Maryland
16 Institutes of CPA's. He is presently employed as a comptroller
17 of a large corporation.

18 We feel that, having reviewed his technical quali-
19 fications, his background, particularly in areas similar to
20 the activities of our corporation, and those particularly with
21 the Lawyers Committee for Civil Rights Under Law, with whom
22 he worked from July of 1970 to August of 1974, he brings to us
23 characteristics and talents that will be used by our corpora-
24 tion in this very important position.

25 MR. CRAMTON: Thanks for that report.

1 You have heard the motion. It has been seconded.

2 MR. OBERDORFER: Mr. Chairman, may I add one fact?

3 Fabio, in addition to his other qualifications, was for a
4 period Comptroller for the national headquarters of the
5 Lawyers Committee for Civil Rights Under Law.

6 MR. SMITH: That is in this resume we have.

7 MR. CRAMTON: Is there discussion on the resolution?

8 (No response.)

9 If not, are you ready for the question?

10 All those in favor, please say "aye."

11 (Chorus of "ayes.")

12 All those opposed, say "no."

13 (No response.)

14 Mr. de la Torre, welcome aboard.

15 MR. DE LA TORRE: Thank you.

16 MR. CRAMTON: Why don't you stand up so that those
17 who are here can see you?

18 MR. STOPHEL: He had a very nice visit to
19 Chattanooga, Tennessee, which persuaded him he should come to
20 our Board.

21 MR. CRAMTON: What is your next item, Mr. Stophel?

22 MR. STOPHEL: For your information, you recall we
23 employed Price Waterhouse and Company to design and install
24 an accounting system, and we have two interim reports under
25 Table 12 in your book which do not require action on our part

1 but were simply received by your committee as an update of
2 those activities in the accounting field. The committee
3 reported that our corporation is exempt from federal income
4 tax, which is a great relief to all of us but not unexpected.

5 The next item on our agenda is covered in Draft
6 Resolution E. If you will turn to that resolution and add to
7 it the accompanying resolution, which I will pass out to the
8 Directors, having to do with actions regarding receiving and
9 obligating our appropriated funds. This perhaps should have
10 come through the Committee on Administration early on in our
11 program because --

12 MR. BROUGHTON: Is there a change in that?

13 MR. STOPHEL: In Resolution E, the granting authority
14 to counsel to transact business of the corporation, after our
15 last meeting when Price Waterhouse was engaged, they began a
16 review of what had been done to date in line with designing and
17 installing our accounting system.

18 In connection with that review, it was discovered
19 that, through an oversight, our counsel had not been authorized
20 to do certain activities which had been engaged in and which I
21 think were clearly the intent of this Board when we appointed
22 Mr. Oberdorfer as counsel for the corporation. We reviewed
23 carefully the minutes of our past meetings and believed that
24 this resolution needs to be adopted in order to specifically
25 state the matters that are involved and the activities and to
ratify those actions which have been taken by Mr. Oberdorfer,

1 particularly in connection with the obligation of funds which
2 the General Accounting Office requires with specificity in your
3 resolutions as to that matter.

4 I will propose the adoption of the resolution. Then
5 we can have further discussion, Mr. Chairman, if that seems
6 appropriate.

7 MR. CRAMTON: Is there a second?

8 MR. SMITH: I will second it, and I have a question
9 about it.

10 MR. CRAMTON: Resolution E has been moved and
11 seconded. Is there discussion?

12 Mr. Smith.

13 MR. SMITH: My question is, as I read this revised
14 resolution, Glenn, it appears to operate prospective, but
15 you mentioned the ratification of previous accounts.

16 MR. STOPHEL: Look at Resolution E. The one I just
17 handed out is an addition to Resolution E, not a substitution.
18 And I am going to discuss this further, go into this, as a
19 supplemental.

20 MR. THURMAN: Where is Resolution E?

21 MR. STOPHEL: Under Tab 1.

22 MR. CRAMTON: It is in your book after Tab 1.

23 MR. STOPHEL: Let me just read it as perhaps some
24 have not read it:

25 "WHEREAS, the Board of Directors of the Legal

1 Services Corporation, by resolution of July 14, 1975, retained
2 Louis F. Oberdorfer as Counsel to the Corporation, with the
3 intention that Mr. Oberdorfer would have full authority and
4 power to transact the day-to-day business of the Corporation,

5 "RESOLVED, that the Board of Directors hereby
6 empowers and authorizes Mr. Oberdorfer or his designee to do
7 or cause to be done all such things as shall be necessary for
8 the orderly day-to-day transaction of business of the Legal
9 Services Corporation, including, but not limited to, commitment
10 of the funds of the Corporation, contracting for services and
11 for consultants, purchase of equipment and supplies for the
12 Corporation, and employment or discharge of employees of the
13 Corporation as well as negotiations with labor unions repre-
14 senting employees of the Office of Legal Services, until the
15 President of the Corporation assumes his duties or the Board
16 of Directors, by resolution, terminates the authority granted
17 herein; and

18 RESOLVED FURTHER, that the Board of Directors hereby
19 ratifies and confirms all actions taken by Mr. Oberdorfer
20 consistent with the authority granted in Clause One of this
21 resolution, beginning on the date of his retention as Counsel
22 to the Corporation."

23 Does that clear your point, Mr. Smith?

24 MR. SMITH: Certainly.

25 MR. CRAMTON: Is there discussion?

1 MR. BROUGHTON: You propose to add this?

2 MR. CRAMTON: It is a separate resolution.

3 MR. STOPHEL: We propose it as a separate resolution.

4 MR. THURMAN: Question on Resolution E.

5 MR. CRAMTON: All those in favor of the adoption of
6 Resolution E, please say "aye."

7 (Chorus of "ayes.")

8 Opposed, "no."

9 (No response.)

10 The resolution is adopted.

11 We now go to the additional resolution.

12 MR. STOPHEL: The additional resolution was not pre-
13 sented to the committee but to me by the transition staff in
14 line with the fact that we should be receiving funds from the
15 Community Services Administration, and again in an attempt to
16 be specific in the authority granted to our representatives,
17 this resolution has been reviewed by me as Chairman of that
18 committee but not by the full committee.

19 Mr. Ortique, as you know, had to go back, and Mr.
20 Kutak has been involved in his committee.

21 This resolution is as follows, and I move its
22 adoption:

23 "RESOLVED, that Chairman of the Board, the President
24 of the Corporation or the designee of either is hereby
25 authorized to the extent permitted by law to negotiate and

1 enter into contract with the Department of the Treasury, the
2 Office of Management and Budget, the Community Services
3 Administration or any other"-- and I have added the word
4 "other" -- "governmental entity, private corporation, bank or
5 other person, in order to draw down, obligate, and spend the
6 Corporation's appropriated funds for fiscal year 1976 or such
7 other appropriated funds which from time to time may become
8 available to the Legal Services Corporation."

9 This resolution, obviously, is one authorizing the
10 receipt of appropriated funds by contract or otherwise as our
11 negotiations ensue.

12 I move the adoption of the resolution.

13 MR. KUTAK: So move.

14 MR. MONTEJANO: Second.

15 MR. OBERDORFER: Mr. Chairman, just as an element
16 of legislative history, an idea here perhaps not literally
17 expressed was that in order to draw down funds from the
18 Treasury in advance of their expenditure, it may be necessary
19 to make commitments back to the Treasury that are not now
20 contemplated, and we wanted to have somebody authorize and
21 make those commitments about where those funds should be and
22 how long they should be and other kinds of things that are
23 an element to obligations on the corporation.

24 MR. BROUGHTON: By commitment you mean to the
25 Treasurer or representation to the Treasury Department as to

1 how particular funds will be spent?

2 MR. OBERDORFER: Or left on deposit, drawn down
3 perhaps in a formal sense but left in escrow or on deposit
4 with the Treasury, or something like that.

5 MR. STOPHEL: This relates to a discussion in our
6 committee as to whether our corporation might be authorized
7 to draw down our entire appropriation and place those funds
8 on interest or otherwise. But there is no clear indication
9 yet, and this will be in negotiations with the Treasury.

10 MR. OBERDORFER: More precisely, it may be necessary,
11 as we were told by some experts in the field, as a formal
12 matter to sort of take title in the corporation to the funds
13 appropriated for the balance of the year, but that the Treasury
14 might be reluctant to transfer title to us unless we executed
15 certain commitments back to the Treasury that we don't now
16 anticipate but want to be authorized to do on short notice.

17 MR. BROUGHTON: You mean, Glenn, about appropriated
18 funds, such time as Congress formally acts? Is that what you're
19 talking about?

20 MR. CRAMTON: Even before then, when the 71.5
21 continuation resolution becomes essentially ours in terms of
22 what is left over after October 13.

23 MR. BROUGHTON: You mean what is left over after the
24 transfer next week, is that right?

25 MR. CRAMTON: That's right, and Community Services

1 Administration is obligated to make those funds available to us,
2 and through the Treasury and CSA appropriate arrangements have
3 to be made for that. And we need someone who is in a position
4 to make appropriate commitments and contracts and sign docu-
5 ments, and the appropriate person seems to be Mr. Oberdorfer
6 at this juncture.

7 STAFF MEMBER: That is basically right. We know
8 CSA has appropriated approximately \$2 million of funds.

9 MR. CRAMTON: Of the 71.5?

10 MR. STOPHEL: And therefore, at transfer time,
11 there will be a transfer of uncommitted funds for program
12 activity and transfer of administration funds. So we will be
13 receiving funds directly from CSA. And under the language of
14 the '76 appropriation, it appears that even the '76 funds may
15 come through CSA rather than directly from Treasury.

16 MR. BROUGHTON: But you are talking about the
17 possibility of those two sources -- in other words, congres-
18 sional action on that which is pending, plus that which is in
19 the committee, so to speak, for CSA.

20 MR. STOPHEL: That's correct.

21 MR. CRAMTON: Actually, specifically mentioned is
22 fiscal year 1975.

23 MR. STOPHEL: It should say 1976.

24 MR. CRAMTON: Or such other appropriated funds as
25 may from time to time become available. There is a resolution

1 of similar --

2 MR. STOPHEL: We will pass on that.

3 MR. CRAMTON: Are you ready for the question?

4 All those in favor of the resolution, please say
5 "aye."

6 (Chorus of "ayes.")

7 Those opposed, say "no."

8 (No response.)

9 The resolution is adopted.

10 MR. STOPHEL: One other housekeeping-type resolution
11 we need to cover. It is under Tab 1 just following Resolution
12 E.

13 As you know, we are a private corporation, although
14 formed by charter and so forth. We have operations in states
15 around the country where we have our regional offices. The
16 resolution in your book has to do with qualification in those
17 states to do business. And the resolution which is recommended
18 to you by the Audit and Appropriations Committee is as follows:

19 "RESOLVED, that the Board of Directors of the Legal
20 Services Corporation hereby appoints Frank Russo as Vice-
21 President of the Legal Services Corporation for the sole purpose
22 of signing documents necessary for the Corporation to apply
23 for qualification and authority to do business in the several
24 states pursuant to the law of those states; and

25 "RESOLVED FURTHER, that this limited authority
conferred upon Mr. Russo will expire immediately upon the

1 lawful qualification of the Legal Services Corporation to do
2 business in the relevant states."

3 I move the adoption of this resolution.

4 MR. BROUGHTON: Second the motion.

5 MR. CRAMTON: Is there discussion?

6 MR. STOPHEL: Mr. Russo is a member of our
7 transition staff, has been serving under the title of Acting
8 Assistant Treasurer, I believe.

9 MR. CRAMTON: If there is no discussion, are you
10 ready for the question?

11 All those in favor of the motion, please say "aye."

12 (Chorus of "ayes.")

13 Those opposed say "no."

14 (No response.)

15 We now come to some matters of perhaps larger
16 import which deal with the funding base of the corporation.

17 MR. STOPHEL: Let me preface my remarks when we
18 get to the --

19 MR. BROUGHTON: Mr. Chairman, on behalf of myself
20 and the court reporter, can we stretch?

21 MR. CRAMTON: Coffee has arrived. If it is time for
22 a stretch, let's take a 10-minute coffee break now.

23 (Whereupon, a short recess was taken.)

24 MR. CRAMTON: Mr. Stophel, I gather you have some
25 items to report that concern money.

1 MR. STOPHEL: Money, yes, we certainly do.

2 The Audit and Appropriations Committee met at length
3 to discuss three appropriations matters: First, our fiscal '76
4 appropriation; secondly, the supplemental appropriation request
5 for '76, and thirdly, our '77 fiscal year request.

6 It became obvious to us that as a committee we
7 could not deal with these matters in the depth necessary to
8 ferret out the judgmental factors that are involved, the
9 decisions that are inherent in some of the justification
10 request materials. And for that reason, I want to preface my
11 presentation of the materials that you have and the discussion
12 of those by saying that your committee plans to meet probably,
13 at least tentatively, on October 16 for the full day to discuss
14 appropriation matters. That meeting may carry over to the
15 17th. You will recognize this as the tentative dates we had
16 originally set aside for our Board to meet, which I think we
17 have probably now decided will not be necessary.

18 But the committee will plan to meet here in
19 Washington, and all Board members are invited to participate,
20 because we expect a good bit of public discussion, as we had
21 yesterday during our committee meeting, of all three of these
22 matters.

23 If you will turn to Tab 8 in your materials,
24 dealing first with the 1976 fiscal year appropriation, the
25 status of the 1976 appropriation bill is described in a brief

1 memorandum, dated October 3, 1975, which is basically that the
2 confreres have agreed to an appropriation of \$88 million for
3 1976 for the corporation, and for the transition quarter
4 \$24,630,000.

5 However, the appropriation bill has not been passed
6 because of other matters, which are discussed in this memoran-
7 dum which are in that bill. It is difficult for us to project
8 when that bill may be passed. We would trust shortly. The
9 sooner those funds come down, the sooner we can make our deci-
10 sion as to reallocation of funds.

11 As you know, our budget request for \$96,466,000, the
12 reduction from that figure means that this Board must undertake
13 to allocate to the programs, or in such manner as the Board may
14 decide, those funds that we will receive. In line with that
15 proposed use, which will be discussed further by your committee,
16 we will plan to come with a formal recommendation to the next
17 meeting of the Board.

18 I am going to give you a staff-prepared analysis of
19 a proposed use, and this is a staff document relating to the
20 expenditure of the \$88 million. Basically, this same thing
21 was handed out yesterday to the committee and to the public,
22 except that we have revised the figures slightly because we
23 had a change.

24 You will notice that we begin with the \$88 million
25 appropriation which the confreres have approved. We subtract

1 the administrative funds. Our request for those administrative
2 funds was for \$2.8 million. The staff has suggested reducing
3 that to \$2.7 million.

4 You will notice, then, the amounts that are con-
5 sidered to be committed to programs. And one matter of judgment
6 that is inherent in this presentation is the annualized level
7 of approved grants of \$60,982,000 which, in effect, takes into
8 this one year the total deficit, if you want to call it a
9 deficit, caused by the short funding.

10 We discussed that at length at the time we pre-
11 sented our budget proposal. And this would mean that, as of
12 the end of this fiscal year, that deficit would be entirely
13 taken up. There are those who believe this should not be
14 done in one year; it should be spread. There have been sug-
15 gestions since the \$88 million is approximately two-thirds of
16 our request, that perhaps two-thirds of the deficit should
17 be taken in. There are others who feel that since we are
18 dealing with a six-month program this year, basically six
19 months, that perhaps one-half of the deficit should be taken
20 in. Those are matters which will be considered at length, and
21 the committee will make a recommendation to you, although we
22 would be delighted to have discussion on this further today.

23 One item which should also be mentioned in this
24 connection, in the suggested use of the balance, the reserve
25 for Section 221 programs of \$650,000. As you will see as you

1 read your materials, on the '76 appropriation request, we trust
2 that those funds will be coming as an addition to our funding,
3 and that our funds will not have to be used for '76. But the
4 staff is suggesting we reserve \$650,000, which is one-half
5 year, one-half of the \$1.3 million now being used in those
6 programs, that we would reserve those funds just in the event
7 we do not receive that transfer of funds.

8 This brings us down to \$8.12 million, which theoreti-
9 cally is available for increasing a distribution to the pro-
10 grams in effect, which also is an important factor we have to
11 consider, as on what basis would this distribution be made and
12 when.

13 If our appropriation comes through in November, for
14 example, would we simply tell each program, "You will receive
15 X per cent of your annualized funding," or would we say we want
16 to review with our regional people and make an allocation of
17 those funds on some basis other than across the board.

18 Would we want to say, for example, to the back-up
19 centers or to some of these other specialized programs, "You
20 will not receive any increase during this fiscal year; we want
21 to send the increase out to the operating programs," so to
22 speak, so later on, on the firing line, we are giving legal
23 services?

24 Those are some judgmental factors, and I would be
25 happy to have, Mr. Chairman, any discussion you care to have

1 as to this aspect. As I said, our committee did not formalize
2 a proposal for you, because we did not consider that we had
3 taken enough time for an in-depth review of this matter which
4 we think is important.

5 You will also see a long sheet in your materials
6 which is a summary of the budget broken down into columns.
7 And let me say that you will recall that our budget request
8 was a lump sum, \$96.466 million, and our appropriation will
9 be a lump sum, \$88 million. So that the segregation of these
10 funds into categories is up to this Board. This is a staff
11 document, which is one method of doing that.

12 Do you want to open this for comments before we
13 move into further discussion of the '76?

14 MR. KUTAK: Mr. Chairman, as a congressional watcher,
15 let me say that I think that the Board owes this committee a
16 remarkable expression of congratulations and gratitude. When
17 you think of the fact that -- and it may be a detail that is
18 so small it slipped by you -- when on very short notice our
19 Chairman and the Chairman of our Budget Committee went to the
20 Hill and won from the Senate the entirety of the appropriation
21 requested, an almost unprecedented practice in congressional
22 relations, and also as the testimony would reveal -- and I hope
23 the Board could receive the printed testimony because I think
24 it is very edifying --

25 MR. CRAMTON: You haven't received it yet?

1 MR. KUTAK: No, I haven't.

2 MR. THURMAN: We got that.

3 MR. OBERDORFER: We sent it to you.

4 MR. KUTAK: I haven't gotten mine yet.

5 MR. CRAMTON: You should have received it. It is
6 available, and they will make sure you get one.

7 MR. BROUGHTON: I don't think it was mailed out.
8 I think it was made available at the last meeting, because
9 those of us who went up later did not get that.

10 MR. KUTAK: In any event, I perused it. And let
11 me say again, I think the presentation was just simply re-
12 markable and very impressive. And I want for myself, and I
13 think for the rest of us who are on the sidelines only watching
14 and supporting, to congratulate you, Mr. Chairman, and Glenn,
15 you, sir, for what I think has been a highly professional and
16 truly remarkable performance. And those that don't know it
17 ought to know what a terrific job you have done.

18 MR. STOPHEL: May I say that, although I am the
19 Chairman of this committee, I must bow to the Chairman of this
20 Board in the presentation, and after our first meeting, as you
21 know, he had two days to prepare to go to the Hill. And I
22 agree with you that we owe him a great debt of thanks for his
23 efforts in getting together a proposal and the excellent pre-
24 sentation he made before both committees. I was there for the
25 looks of things.

1 MR. KUTAK: The feedback was very, very wonderful.

2 MR. CRAMTON: It was a group enterprise in which
3 the activities of many members of the Board and many members
4 of outside the Board, persons outside the Board, were extremely
5 helpful in communicating information to key members of Congress.
6 We are delighted we have \$16.5 million additional for the
7 current fiscal year. And we hope very soon, no later than the
8 November meeting, to have some very encouraging things to say
9 to all the regional and local programs that will increase their
10 funding levels for the current year.

11 MR. KUTAK: You keep it up, you may develop the
12 reputation of J. Edgar Hoover who never had his appropriation
13 requests cut.

14 MR. CRAMTON: I would like to have that kind of a
15 reputation with the --

16 MR. THURMAN: Limited to that.

17 MR. CRAMTON: -- Subcommittee on Appropriations
18 that deals with state, commerce and justice in the House of
19 Representatives. It would be very valuable to this body.

20 MR. STOPHEL: May I say the \$88 million under this
21 proposed use is approximately a 13 per cent increase of the
22 operating programs with an annualized level of \$60.9 million.

23 I told Mr. Ortique that I would bring to this Board
24 a matter which he raised in our committee. And that was the
25 possibility of this Board authorizing the Appropriations

1 Committee, following its meeting at which the matter would be
2 dealt with in depth, to send a message to the programs con-
3 cerning a possible minimum amount that they would receive as
4 a distribution to their programs during this fiscal year.

5 Frankly, I think that with the materials we had
6 available, the committee did not choose to make that as a formal
7 recommendation to this Board. However, one committee member,
8 Mr. Ortique, who could not be with us today, felt that this
9 was important, and as the Chairman has said we feel that
10 at some date soon this message does need to go out, if we do
11 plan to make this distribution to the program with this fiscal
12 year.

13 There is a two-page memorandum on the basis for
14 revision which backs up the money amounts that you have in the
15 form that I handed you, showing that the administrative expense
16 was reduced by \$100,000, and then showing the other changes
17 that were made or that are proposed to be made by the staff to
18 take into account the difference between the \$96.466 million
19 and the \$88 million.

20 MR. BREGER: Glenn, was the suggestion of a 10
21 per cent increase for the Indians, West Virginia, support
22 program and R&D a ballpark figure, or how did we determine the
23 10 per cent increase for central organization funded programs?

24 MR. STOPHEL: Let me ask Mr. Fisher or Mr. Corbett
25 to respond.

1 MR. CORBETT: Some of the Indian programs have re-
2 ceived restoration of a former level of operation. West
3 Virginia has recently been in operation and has set the scale of
4 its payments based on more current cost bases than, say,
5 Wisconsin would have had. And the R&D, there was an allocation
6 to two programs that were more in the nature of staff programs
7 rather than R&D's that had been at a fixed level over a number
8 of years. Those were excluded.

9 And the original Heber Smith, they have had an
10 adjustment in the past. Two years ago the scale was slightly
11 adjusted upward. Therefore, they were held to the 10 per cent.
12 This was something that was a recommendation, and I felt per-
13 sonally that some of the R&D's had a fixed figure, and it would
14 not be appropriate to make the 10 per cent without further
15 checking.

16 MR. BREGER: Is that 10 per cent for the support
17 centers as well?

18 MR. CORBETT: No, sir, there wasn't any provision
19 made on that. Fifty per cent in the \$5.6 million, you have
20 the 12 per cent plus the six other programs that would be
21 affected by the Green amendment. They have all received 50
22 per cent of that sum already. If there were a decision made
23 to extend those programs for an additional three months, this
24 would be at the same level, I presume. And therefore, you would
25 only be dealing with the short, small amount in the balance.

1 And it seems to me that how much is paid to those organizations
2 will be determined by the study which has been authorized by
3 the Board. So it was difficult to determine how you would make
4 such an allocation in advance of that study.

5 MR. BREGER: Thank you.

6 MR. BROUGHTON: Mr. Corbett, what is the figure
7 where you have evaluation? Is that 8?

8 MR. STOPHEL: It should be \$800,000.

9 MR. BROUGHTON: What does that cover?

10 MR. STOPHEL: Do you want to respond, Mr. Corbett,
11 to the \$800,000 for evaluation?

12 MR. CORBETT: One of the assumptions in the budget
13 is that this Board will wish to as soon as possible set up an
14 evaluation, design and evaluate all the programs within a year,
15 if that is possible. It would take some time to set up that
16 design. But expectation is it would go out on a contract for
17 evaluation of all programs. The \$800,000 would be a partial
18 coverage.

19 In the transition quarter, there is \$1.1 million.
20 The last time all programs were evaluated, back about 1970, a
21 contract to Auerbach Corporation at \$1.3 million for 225
22 programs, and to Kettelle for 45 programs at about \$800,000,
23 and I am not sure that the evaluation would be as expensive,
24 but that was used as the basis for setting what it might cost
25 to evaluate all programs in a sort of period of time.

1 MR. BROUGHTON: By that you mean the local projects
2 throughout the country?

3 MR. CORBETT: Yes, sir, all of the programs that the
4 corporation is taking over in headquarters, as well as the
5 regional programming.

6 MR. STOPHEL: Does it include any amount for the
7 evaluation of the support centers which we are getting into?

8 MR. CORBETT: That figure is separately carried
9 also as part of the increase differential between \$22 million
10 and the \$24.6 million. We put money in there for the back-up
11 center survey. When the Chairman appeared before the Senate
12 committee and asked for 28 per cent on the fifth quarter, he
13 explained that in terms of start-up costs, one-time costs that
14 would be incurred. And so in making the allocation, we put it
15 in that differential.

16 MR. BROUGHTON: What is the total figure? I am not
17 sure I understand what is expected to be committed.

18 MR. CORBETT: I don't believe there is an exact
19 cost. The initial indications were something in the nature of
20 \$200,000, and I am not sure whether there would be additional
21 costs. You have a large team making an effort to do an in-
22 depth survey, the time and per diem costs and others would be
23 very substantial.

24 MR. STOPHEL: Would that \$200,000 come from the
25 \$800,000 that is here?

1 MR. CORBETT: It could initially, and we did provide
2 as I say, in the transition quarter from the bookkeeping stand-
3 point to put additional funds in just to cover the back-up
4 center, it being a one-time and not part of the continuing base

5 MR. STOPHEL: Really, rough estimates of the
6 evaluation cost because we are not sure when the contract would
7 be let.

8 MR. CORBETT: Yes.

9 MR. STOPHEL: And, therefore, when the commitments
10 would come.

11 MR. BROUGHTON: That is a contract that would be
12 left with consultants to do this.

13 MR. STOPHEL: What has been done in the past is
14 that the evaluation of recipients has typically been done by
15 contracting out the evaluation.

16 Now, the proposal that was made, as I understood it
17 on the back-up centers, is that this basically is more an in-
18 house function that we were going to undertake through Mr.
19 Polikoff.

20 MR. OBERDORFER: The way we are talking about it --
21 and we haven't worked it out -- it is going to be a little of
22 each. That is, our thought is that Tony Mondello on staff
23 would be part of it, some of the particulars of some of the
24 characteristics of what Bob Kutak was talking about for the
25 regulations-writing process. That is, there will be some staff

1 people whose job is evaluation. Remember, on that table of
2 organization, we have a section on evaluation. That is an
3 important on-going function of the corporation.

4 Our thought was that we start them off in their first
5 maiden voyage in this business of evaluation by interfacing
6 with Polikoff and the people, Polikoff being a contractor,
7 not an employee, or consultant not an employee, and authorized
8 by the contract we work out with him to have people on his
9 staff who will work with people on our staff to accomplish the
10 evaluation of back-up.

11 MR. BROUGHTON: Mr. Chairman, I have this comment
12 to make about that. At the meeting yesterday, I asked the
13 question whether there had been any evaluation of the back-up
14 centers. And Mr. Boarman replied that there had been.

15 At the conclusion of the meeting yesterday, I in-
16 quired further of him as to when there was. I think he may
17 have said --

18 MR. CRAMTON: 1973.

19 MR. BROUGHTON: Right. And I asked him if he could
20 obtain for me, which he did, more information about this. And
21 I have here a copy of evaluation findings which were prepared
22 for the Office of Economic Opportunity, Office of Legal
23 Services, in connection with one evaluation of one center.

24 This is the Indian Legal Services back-up center,
25 Boulder, Colorado. This was prepared, as I understand from

1 him, on a contract between the Office of Legal Services and the
2 American Technical Assistance Corporation. Now, I understand
3 that this cost is in excess of \$200,000.

4 MR. THURMAN: Just that one study?

5 MR. CRAMTON: No, the whole group of studies.

6 MR. BROUGHTON: No. There are some 15 other reports
7 similar to this. I just wanted to see a sample of it. I
8 haven't had a chance to read it, of course. But the concern I
9 wish to express is that this is dated June 1973, which is two
10 years and four months ago. And I am a fiscal conservative, and
11 I freely admit to it, and I am just concerned.

12 I have supported strongly the budget requests, and
13 I have supported strongly our getting more money to the field.
14 And I am not raising this question in connection with any of
15 the controversy concerning the Green amendment as such, but I
16 am raising it and I am seriously questioning the need for the
17 expenditure now at this point. We have this report, and what
18 was made of this, I don't know. I haven't had a chance to
19 pursue it to that extent.

20 But I was interested to hear that there had been
21 an evaluation study a little over two years ago under con-
22 tract with OEO. And I don't have the exact figures, but it
23 has been represented to me it was over \$200,000 involved in
24 the contract between OEO and I assume this is a firm of manage-
25 ment consultants. And I do question the need for expenditure

1 at this point of an additional team of consultants to come in.
2 In fact, I would go to the point of moving that we do not,
3 beyond staff and the legal considerations being given, engage
4 in any expenditure, at least until such time as these reports
5 which I assume are -- well, he got this one from the Office of
6 Legal Services and, as I understand it, there are other reports
7 covering the other centers in presumably sufficient number of
8 copies unless these reports have been analyzed.

9 I don't know what has been made of them; I haven't
10 had an opportunity to see this. I just got this one. I asked
11 him if he could supply me overnight a copy. Here is a copy of
12 one particular center, and I haven't even had a chance to scan
13 it. But I do want to bring it to the Board's attention, and
14 it does seem to me to be very questionable to be now spending
15 additional funds for further consultants, at least until it is
16 determined whether these reports had any benefit or any infor-
17 mation that the Board could consider.

18 And so I move to that effect and hopefully maybe
19 we can get some report on this by the next meeting.

20 MR. OBERDORFER: What I am thinking about is I
21 wonder if I could examine Mr. Boarman about the details of
22 that.

23 MR. BROUGHTON: I haven't done anything. I asked
24 him after the meeting about it since it was my first knowledge
25 of it. And I said, "Could you get me a copy of one of the

1 reports." I have enough to carry around so I didn't want all
2 16 of them.

3 MR. CRAMTON: I think we all share your views we
4 don't want to redo something that has already been done, and
5 if this job has been done, and it has been done in a form
6 which the staff could use in making recommendations in terms
7 of the interpretation and application of the Green amendment
8 to functions now performed by back-up centers, by some mere
9 updating and so on, then I am sure Mr. Oberdorfer and all of us
10 are going to say we are not going to do it again.

11 And one of the first tasks of Mr. Polikoff, I would
12 think, would be to examine all existing material. A great deal
13 of material about the back-up centers was developed in connec-
14 tion with the legislative hearings because they were the sub-
15 ject of controversy, and they have supplied us with a great
16 deal of material. And the reference was made to evaluations
17 of some of them that have been done for other purposes such as
18 obtaining money from foundations.

19 There are these 16 documents which involve a sub-
20 stantial commitment of time and effort. And I would think one
21 of the very first tasks would be to analyze all of that
22 material and to make a more detailed report at the next meeting
23 of the Board since this is a matter which is supposed to be
24 reported on at each meeting of the Board, of what seems to be
25 required next.

1 And these estimates that are put in in some of these
2 budget items have all been put in on the assumption that cer-
3 tain things that may turn out to be necessary to do that in-
4 volve money. But if it isn't necessary to do them, we are not
5 going to sink dry holes that we know are going to be dry.

6 MR. BROUGHTON: This came to my attention, and I
7 supposed it did to most of the members of the Board. I didn't
8 know the extent of it and pursued it after the meeting and
9 wanted to report that back to the Board. As I recall, after
10 Mr. Boarman made some reference, I think Mr. Polikoff did say
11 something about that would be source material.

12 MR. CRAMTON: One of the reasons that the Appro-
13 priations and Audit Committee felt it difficult to take any
14 conclusive action yesterday to recommend to the Board today
15 either about the allocation of '76 funds or about a '76
16 supplemental or about the '77 fiscal request is because many
17 of the individual items involve precisely this kind of
18 question in which we did not feel sufficiently fully informed
19 about the magnitude of the dollar requirements so that we
20 could defend, before congressional committees and other people
21 who are properly concerned about the use of taxpayer monies,
22 the items.

23 MR. STOPHEL: Or this Board. We are not prepared
24 to come to this Board with this as a committee recommendation
25 because we are not convinced in the same way you have expressed

1 a concern that this is the most appropriate use of the funds.
2 And until we are so convinced and are in a position to attempt
3 to convince you, we don't plan to bring that formal recommenda-
4 tion.

5 MR. BROUGHTON: As I say, my motion and the purpose
6 of it is that before any of the funds were spent beyond staff
7 salaries in the analysis, and so forth, that these reports
8 which are bought and paid for and available and which do not go
9 back too long -- I am not prepared to discuss the depth or
10 merit or demerits of the reports, but this was an example, as
11 I say, dated June 1973, that they be analyzed, and then a
12 report made back to the Board, and at that point a determination
13 be made by the Board as to whether additional funds should be
14 allotted for further outside management consultants.

15 As I say, we have got a report here that cost the
16 government over \$200,000, the exact figure I don't know, but
17 that is the figure that has been represented to me.

18 MR. CRAMTON: And that is my motion.

19 MR. STOPHEL: I am not sure who is in the position
20 on our staff to do the analysis of these reports.

21 MR. CRAMTON: Mr. Polikoff.

22 MR. OBERDORFER: We can do this all kinds of ways.
23 Mel, what you are saying is eminently sound, and that is that
24 before Polikoff or anybody goes anywhere, they ought to first
25 examine what is in the library materials.

1 MR. BROUGHTON: Yes, and report back to the Board.

2 MR. OBERDORFER: What I was going to suggest to
3 you is that Polikoff did say yesterday -- I don't know whether
4 in the public meeting or elsewhere -- that the first thing we
5 do is to do this. We are racing the clock. If we have to
6 wait another month before he can do anything, before we can
7 engage his service, the people we have got involved on the
8 staff right now are getting finished with this transition are
9 either not going to do this or are going to be diverted from
10 things they have been assigned to. What I would like to
11 suggest to you, and say it on the record, we are required now
12 to make a monthly report on our work in carrying out the
13 Board's resolution to make --

14 MR. CRAMTON: Report at each Board meeting. It
15 has been on more or less a monthly basis.

16 MR. OBERDORFER: And there will be one in November.
17 That report next month specifically includes a report to the
18 Board on these materials, and the extent, if any, to which
19 they can foreshorten the task of making a decision, factual
20 investigation necessary for a decision, about how to imple-
21 ment the Green amendment. I would hope you would not under-
22 take or cause the Board to choke in the crib the Polikoff
23 enterprise by saying he has to stand fast for 30 days, one
24 month out of the five that he has got available to him while
25 this particular thing is done. It could take him more than
a month but I doubt it. And that would mean that he would

1 be in suspended animation until after the meeting in November.
2 And I really would hope you wouldn't force that on us.

3 MR. BROUGHTON: I am not trying to force anything as
4 such. I am trying to express a point of view which is a
5 sincere point of view, as I am sure you understand. And it
6 would seem to me, if in his work or that of the staff, to go
7 through 16 booklets like that would perhaps consume 30 days --
8 I don't know.

9 MR. OBERDORFER: Could we say we will start with
10 that?

11 MR. CRAMTON: Maybe we can get a report back at the
12 next meeting.

13 MR. BROUGHTON: All I say is that before we go to
14 the expenditure of outside consultants -- and the discussion was
15 a little big vague, and this had not come to my attention be-
16 fore and I would like for other Board members to speak to this
17 -- I think that we do have a responsibility, and I think, Mr.
18 Chairman, maybe we need more inquiry and more discussion than
19 perhaps we get about some of these things.

20 This was all new to me yesterday. And so when he
21 mentioned sources and guidelines and that sort of thing, I had
22 some questions, and then raised the question of any previous
23 evaluation. And this is an answer to that question.

24 MR. OBERDORFER: Just so you don't ask the question
25 are we being repetitious about this, we were required by the

1 resolution last month to get started and report this month.
2 And we accepted our responsibility under the resolution. We
3 got started. And on the time directed in the resolution, we
4 reported.

5 Now, I don't feel embarrassment we didn't report
6 before that. Discussion is fine. And I think the suggestion
7 is one that we should have articulated and thought of more
8 precisely ourselves. Before he does anything else, he reads
9 what we have got and tells us whether he needs to do any more.

10 MR. CRAMTON: No \$200,000 in consultants' fees is
11 going to be committed over the next month.

12 MR. BREGER: Would it be possible, Lou, for the
13 report on the analysis of the library materials to be mailed
14 to Board members when it is completed, if it is completed
15 sufficiently prior to the next Board meeting, for that to be
16 useful?

17 MR. OBERDORFER: Sure.

18 MR. BREGER: My suggestion, rather than hold up
19 everything until the next Board meeting, if that aspect is
20 completed in time, it can be sent to us.

21 MR. OBERDORFER: I assure you the things we get
22 ready for Board meetings, when you add the ones we get ready
23 well in advance of the Board meetings, and the ones we get
24 ready at 2:00 o'clock in the morning before the Board meetings,
25 the latter is predominant.

1 MR. BROUGHTON: I realize that. And maybe all of
2 us are trying to do too many things too fast.

3 MR. OBERDORFER: That is because Congress gave us
4 90 days to do this job.

5 MR. BROUGHTON: It is because of that, perhaps, as
6 one member, I am anxious to later find out what we may have
7 done. It was not within my contemplation, so far as the reso-
8 lution is concerned, that we go to the extent that I inter-
9 preted Mr. Polikoff to indicate he might go. In fact, as you
10 remember, when it came up before, I raised the question with
11 the Board then as to the question -- we have had a legal
12 opinion from a member of the firm of Hogan and Hartson on this,
13 whether we should go ahead and get into a final position so
14 far as the Board is concerned as to the meaning of the Green
15 amendment. It is controversial, it is true, but I think we
16 owe it to the Board and to the public and everybody involved
17 to make some decision on that.

18 I do feel that this study -- my motion, I think,
19 covers it -- should be analyzed first and a report made back
20 to the Board, and before any funds are committed for an addi-
21 tional study by some management consultant similar to the
22 ones that made the OEO report.

23 MR. CRAMTON: Members of the Board were invited
24 yesterday to speak on the general question of the meaning of
25 the Green amendment, and we were notably reticent to do so.

1 Mr. Smith.

2 MR. SMITH: Mr. Chairman, while I appreciate the
3 concerns expressed by Melville, I was going to offer as a Board
4 member substantially the same thing Mr. Oberdorfer has said,
5 and that is that I felt that the way the staff has progressed
6 thus far and the report yesterday was in keeping with the reso-
7 lution which we adopted. And I think that that reporting and
8 the ongoing work needs to proceed as rapidly as possible. And
9 I am afraid that the resolution, as proposed by Melville, would
10 interpose an artificial limitation that might cause some loss
11 of time, maybe not a whole month, but maybe a few days even.

12 And we are operating on such a tight time schedule
13 to get this done within the required limitation of time anyway,
14 that I would be as one Board member perfectly satisfied with
15 the suggestion that Mr. Oberdorfer placed on the record, and
16 that is that they would first analyze all of the library
17 materials, these 16 reports that are available, and I am sure
18 they would have done that anyway, but now it is open and on
19 the record that is what they will do.

20 I am afraid the resolution proposed by Mr. Broughton
21 would foreclose the use of Mr. Polikoff in that analysis when
22 he limited it to staff analysis. Mr. Polikoff is a consultant
23 and not a staff member. For that reason, I would hate to see
24 us adopt a resolution that would foreclose the use of Mr.
25 Polikoff in the analysis because we would be intending probably

1 to use him in the ongoing study to whatever extent the analysis
2 revealed was still necessary.

3 So I would like to see us accept the suggestion of
4 Mr. Oberdorfer and not adopt the resolution that would, in
5 effect, tie our own hands and maybe cause us to lose a little
6 valuable time.

7 MR. BROUGHTON: I take it you are not seconding my
8 motion.

9 (Laughter.)

10 MR. CRAMTON: I have not yet heard a second, and
11 wonder whether the discussion satisfies you.

12 MR. STOPHEL: As to the timing, there was some indi-
13 cation by Mr. Boarman yesterday that perhaps there would be an
14 extension of funding, as I understand it.

15 MR. BROUGHTON: I was coming to that.

16 MR. STOPHEL: Is there any new information on that,
17 an extension beyond March 31, 1976?

18 MR. BROUGHTON: If that takes place, that relieves
19 some of the pressure you describe.

20 MR. OBERDORFER: May I speak to that?

21 Polikoff is a busy fellow, and he has agreed to give
22 us time now, and I don't know whether we can stretch him out.
23 Maybe what we could do is put this thing on an incremental
24 arrangement, but I would hate to tell him to stand still for
25 30 days while he reads these things and comes back with a report.

1 He can get started and you can stop him next month if, having
2 read the report and given you an analysis of it, the Board
3 feels from that report you have all the facts that are necessary
4 or enough facts to make a determination about which back-up
5 centers and which functions need to go into the corporation,
6 which ones need to go into line projects, which ones being
7 consistent with the Green amendment for purposes of the
8 statute and the actions that are taken there can be left to be
9 handled by grant or contract. I don't know.

10 I think you make a very good point in going at
11 something like this the guy ought to start --

12 MR. BROUGHTON: Is it understood we are employing
13 the gentleman? Is this on a paid --

14 MR. OBERDORFER: Yes, it is going to be a contract.

15 MR. STOPHEL: Is it an open-end contract?

16 MR. OBERDORFER: We are going to negotiate a con-
17 tract which we haven't done.

18 MR. BROUGHTON: You see, Mr. Chairman, these kinds
19 of things -- understand I am just speaking as one member, but
20 I don't think we go into these matters enough, and later some-
21 thing comes back to us, and we say we are not sure what we do
22 on that. I, for one, want to know those things, and I think
23 that is part of my obligation as a member of this Board.

24 MR. MONTEJANO: I think we need to know what the
25 contract is. Certainly there is no great objection, I am sure,

1 to having any contract with that gentleman set out. If we are
2 talking about a half-million-dollar contract being negotiated,
3 at the same time I, for one, would have to know about that and
4 pass on it. It couldn't be open end.

5 MR. OBERDORFER: What we should do, I think, is have
6 him on a per diem for the rest of this month and come to you
7 with a long-term contract, if you want to approve contracts
8 like that.

9 MR. STOPHEL: I think that would be appropriate.

10 MR. CRAMTON: Does that satisfy you, Mel?

11 MR. BROUGHTON: I would like for other members of
12 the Board to speak to this.

13 MR. CRAMTON: They have.

14 MR. BROUGHTON: It seems to me clear that I did not
15 know this, nor did any of the other members of the Board know
16 this. Maybe that is not true.

17 MR. THURMAN: I guess it is quite clear we need the
18 evaluation, and the question of whether these others are suf-
19 ficiently recent to really give us a fix on what is going on
20 now.

21 MR. CRAMTON: It is not only a question of the
22 recent situation but perhaps also a question of quality, and
23 perhaps they were done for a different purpose. We have some
24 specific purposes in mind. That is fitting the activities and
25 functions of these organizations, support centers, into the

1 Green amendment. And I am not sure that these prior evalua-
2 tions were done with precisely that objective in mind. So they
3 may contain a lot of useful information about the functions
4 and activities, but it still may turn out a lot more needs to
5 be done that is much more specifically oriented to what the
6 Green amendment means and what the Green amendment requires.

7 MR. STOPHEL: However, we received several position
8 papers on the question of meeting the Green amendment. And I
9 am not sure that one more opinion is going to help us. And
10 perhaps Mr. Broughton is right that we ought to go ahead and
11 say, "Here is what we are going to do with these things: We
12 are going to bring them into the corporation or we are going
13 to defund them. We are not going to do anything with them.
14 Or we are just going to let them expire."

15 We have some excellent choices to make, and the
16 longer we delay, the more opinions we get. Perhaps we are not
17 going to be able to do that.

18 My idea of the evaluation is more in line with:
19 Are they doing what they were set up to do? And from that
20 viewpoint, rather than can we continue these by contract if we
21 want to, I think we almost have sufficient information to make
22 that decision.

23 MR. BROUGHTON: Mr. Chairman, yesterday you said,
24 "Does anyone want to talk about it?" And there was silence.
25 As I tried to make clear at the last Board meeting, and as you

1 point out, we have had these opinions. And I think it is time
2 for the Board to say, "Set a time maybe at the next meeting and
3 bite the bullet on this."

4 MR. MONTEJANO: You are right.

5 MR. CRAMTON: But it is a complicated fact-law
6 mixed question.

7 MR. BROUGHTON: Let's just meet it head-on and in
8 good faith try to resolve it and let it be known, and then
9 whatever comes out of that I think then studies and so forth
10 could follow.

11 MR. CRAMTON: But I think the question is the mixed
12 facts-law question, in which global responses and global
13 abstractions may not be particularly useful in terms of sorting
14 out the activities of a particular organization. There may be
15 some it can do and some it can't do and some in which there is
16 some doubt about it. And I do think we ought to discuss the
17 policy issues because that will guide the staff inquiry about
18 facts. They won't do that in a vacuum.

19 MR. BROUGHTON: Suppose we did this: Suppose at
20 this meeting today we say that at the November meeting we will
21 set aside an hour -- it may last two days -- and at that time
22 we vote a sufficient amount of time to expressions from the
23 Board members so, as Glenn points out, we have had various
24 opinions, and perhaps each of us has done some independent
25 study of our own. We could make it known in advance at that

1 meeting. We would set aside time for appearances by members
2 of the public. I for one would like to have Mrs. Green appear
3 before this Board and hear from her. Whatever she expresses
4 is not necessarily saying the Board will follow but I think
5 we have heard about the Green amendment. I have never met
6 the lady but I would like to meet her. I would like to hear
7 from her. There may be others that were involved in this that
8 would like to speak to it. But I think we should just throw
9 it open and everybody be heard who wants to be heard, and then
10 the Board come to grips with it.

11 MR. CRAMTON: Mr. Breger and Mr. Montejano.

12 MR. BREGER: It does seem to me, Lou, that there
13 were a number of facets of the proposed evaluation study
14 which Mr. Polikoff outlined yesterday. At one hand, there
15 was an enormative evaluation of how good each back-up center
16 was at doing the job it was doing. And at a second level,
17 there was an evaluation of what things it does and which of
18 those things could, if we so choose, be brought into the
19 corporation, which of those things could, if we so choose, be
20 left on a contract basis, which of those things we might not
21 be able to do if we wanted to do it.

22 It seems to me that that second issue -- and I
23 haven't really thought this through, and I may be incorrect
24 about this -- but the second issue of what activities we could
25 if we wanted to keep and what activities we could if we wanted

1 to let by grant or contract, and what activities we could not
2 maintain in any variety does not require the same amount of
3 extensive empirical investigation as the important question of
4 how good they are doing each of those jobs which would lead us
5 to decide whether we wanted to choose to continue them in some
6 form or another. And if that is the case, if they are separate
7 and one job is a less complex job requiring less empirical
8 study out in the field, less management analysis, then at least
9 some part of that report might come to us at an earlier stage,
10 and that part of the report that would come to us at that stage
11 would be the most vital for our policy considerations.

12 The question of whether we want to go ahead and
13 maintain a certain function of a certain back-up center can be
14 left to a somewhat later period. The central question is what
15 can we do if we choose to do it? And that may be a much
16 shorter brief for Mr. Polikoff.

17 MR. OBERDORFER: The latter part is the thing that
18 is, I think, almost required by law. I think that is essen-
19 tial. And if you did that -- I really don't know the method-
20 ology of evaluations. I am a poor person to respond to this.

21 But you are absolutely right that the critical
22 thing, from the point of view of the legal duty of the Board to
23 faithfully carry out the law as expressed in the Green amend-
24 ment, is an indication of the activities that are now being
25 conducted by contract in this category of back-up, 16 back-ups,

1 and the identification of those activities which a fair reading
2 of that law requires the corporation to assume as a corporate
3 responsibility. And what other activities you can identify,
4 either continued by contract with the organizations that now
5 have the contract, or contracts with some other entities, can
6 be as a legal matter carried on outside the corporation.

7 And if you wanted to do that, it may take less time
8 than if you are at the same time trying to decide whether what
9 you are dealing with was worth doing. It was my view -- and
10 certainly people can differ about this depending on what your
11 interest is, your financial cost against the value to the
12 public of these services -- you could decide, as I had sort
13 of thought out in my mind, as long as you are whipping up a
14 team of people to go in and identify what people are doing --
15 and it does take some, I think, detailed observation of par-
16 ticular cases, the particular daily work of people, of their
17 documents and their files, and looking in their office and
18 seeing what they are doing -- it just doesn't jump out at
19 you; they don't write it on the door. When you have done that
20 you have the personnel organized to do that. And I am a fiscal
21 conservative, too, Mel.

22 MR. BROUGHTON: I wasn't trying to intimate
23 anything to the contrary about you or anybody else.

24 MR. OBERDORFER: I am identifying. I wonder if it
25 isn't pennywise and pound foolish to go back twice or whether

1 the task and the public functions that we are responsible for
2 carrying out would be best served by simultaneously doing this
3 delineation and also equipping ourselves to make an informed
4 value judgment about whether the things that are being done are
5 worth doing no matter whether they are permitted by the Green
6 amendment or not. That's all.

7 MR. CRAMTON: There is a motion that has been made
8 but I haven't heard a second.

9 MR. BROUGHTON: I may have interrupted Rudy a
10 minute ago.

11 MR. CRAMTON: Mr. Montejano.

12 MR. MONTEJANO: I think Mel raises a point that is
13 well taken. It is probably time to bite the bullet. I think
14 maybe we have danced around this issue for fear of creating
15 enemies out in the public. But I think the time is here; I
16 really do. Whether or not you or I agree as to which direction
17 we ought to take on this I think is irrelevant. I think it is
18 time to get the position of the Board very, very clear and give
19 specific direction to its staff and its consultants as to how
20 it is to proceed.

21 I personally don't need, frankly, Mr. Polikoff to
22 spend six months and a half-million dollars on the concept.
23 I am highly supportive of the concept itself. I need to know
24 what my options are and how we are to proceed. I for one would
25 like to have the Board take a definitive stance on this, and

1 then give specific direction to the staff as to how to imple-
2 ment the decision of the Board rather than taking six months,
3 leaving everything up in limbo, creating more of a public
4 relations problem, more anxiety, and then at the end of six
5 months basically doing what I think we should be doing in the
6 next month.

7 MR. SMITH: As I understood the purport of the
8 resolution we previously adopted on this matter, it was we
9 couldn't make this decision without having this study to de-
10 velop some of the things that were in the exchange between Mr.
11 Oberdorfer and Mr. Breger just a few minutes ago about what
12 could properly be done as an in-house function and what
13 functions were necessary, what were unnecessary, what was
14 being done.

15 I thought we decided at the time we adopted the
16 resolution and started on this study and asked for the forward
17 funding, in fact, to give us time to complete the study, the
18 basis of that resolution in my understanding was we couldn't
19 really make the decision until we had this study.

20 Actually, if it were simple enough that we could
21 make the decision next month, we possibly wouldn't even have
22 needed to ask for the forward funding. I thought we asked
23 for that for one primary reason, to give ourselves time to do
24 the study so we could make the decision after the study.

25 MR. BREGER: It does seem to me -- and I haven't

1 really fully thought this through, and I am not like you, an
2 evaluator -- that at least the question of what identifiable
3 activities the support centers do, and then the legal issue of
4 where those activities would fall, in-house, by grant, or
5 contract, or prohibited, is a far simpler matter than the
6 second question, which is a significant one of whether they
7 are doing their job well enough, such that we wish to take up
8 options that we have.

9 MR. OBERDORFER: Or whether the job they are doing
10 is something we want done, whether they are doing it well or
11 not.

12 MR. BREGER: Yes, exactly. I am wondering, and
13 I am cognizant of your concern of spending money twice over,
14 really how much extra funding it would take for the evaluation
15 to be done in a two-step process, and possibly the first step
16 might come back to us in a much shorter time than the second
17 round, which I recognize to be complex and tricky.

18 MR. OBERDORFER: This is where I think we are in
19 an eccentric situation with some tension between what is in
20 hand and what is needed. And I am embarrassed that I haven't
21 really been familiar with those documents myself. I should
22 have been and I am not. But I suspect that they have to do
23 more with the question of how the people are doing the job
24 they are supposed to be doing, whether they are doing it well
25 or poorly, which is the second element of Mr. Breger's

1 suggestion. And my resistance to holding up the other work
2 when you suggested this on account of these things, although I
3 couldn't be categorical about it, was my concern that this
4 had to do with the how-well-they-are-doing part, and if
5 stopping for that we were going to delay the kind of thing
6 that Mr. Breger suggests, quite correctly, is our primary
7 concern. That is carrying out the mandate of the Green amend-
8 ment. They have gotten the definition of the facts, delinea-
9 tion of the facts necessary, to give you confident advice about
10 what your legal responsibilities are.

11 MR. STOPHEL: The reports perhaps do a delineation
12 of the activities. I would expect them to begin with the
13 contract which I would expect says you will do certain things.
14 And then goes from that to say you are doing them or you are
15 not doing them, and you are doing them well or you are not
16 doing them well.

17 And if that is true, perhaps what we need is a day
18 set aside -- and I was suggesting to the Chairman the other
19 day we are going to need a day to discuss appropriation re-
20 quests for '77. Perhaps we need a day for oral presentations
21 by persons who have analyzed this and perhaps done such other
22 matters, such other work as needs to be done, prior to our
23 next meeting, at which we would receive a description of the
24 increments of each of the contracts. And we are the ones who
25 have to make the decision as to whether we bring it in-house

1 or leave it out there. Nobody else can face that for us.

2 MR. BREGER: I speak really in ignorance here, Lou,
3 but my initial sense is that the first job, although critical,
4 would not require that much time, although some time, in the
5 field, as much as some hard thinking. And, of course, I don't
6 know how much time hard thinking takes.

7 MR. OBERDORFER: It takes times.

8 MR. BREGER: It may be less of a time span than a
9 full field investigation.

10 MR. BROUGHTON: Mr. Chairman, if a report -- and I
11 don't know whether you heard the request to formulate it, but
12 Mr. Boarman yesterday, although he wasn't in a position to
13 speak, gave some indication that that would be favorable.

14 MR. THURMAN: Can we find out about that?

15 MR. CRAMTON: Mr. Boarman is here if he desires to
16 communicate. If there is any further information that he
17 desires to communicate, he can do so.

18 Mr. Boarman.

19 MR. BOARMAN: I did contact the Assistant to the
20 Director last night, and there is a letter prepared, an
21 affirmative letter, responding affirmatively to your request
22 for an additional forward funding for three months. It is now
23 being cleared by General Counsel, and the answer will be
24 affirmative. I expect it will be some time next week, unless

25

1 Mr. Giagos is overruled by the Domestic Council or by the White
2 House, and I don't anticipate that. He doesn't. So he is
3 totally disposed in a favorable sense.

4 MR. CRAMTON: If that occurs, Mr. Broughton, it will
5 give us more time rather than less time. And some of the dis-
6 cussion today has suggested that our prior actions and prior
7 consideration, a great deal of time was needed.

8 MR. OBERDORFER: Mr. Chairman, I think this is what
9 we ought to do. In light of this conversation, without trying
10 to repeal the resolution under which we are operating, when we
11 start backing and filling we are going to lose time, we will
12 undertake to report to this Board either at the meeting or by
13 direct communication with each the proposal, when we finally
14 have it for a contract for this, and let you all react to it.

15 MR. BROUGHTON: For what?

16 MR. OBERDORFER: For the study. It may not be
17 before the next Board meeting. We will engage Mr. Polikoff in
18 the interim on a per diem which is terminable. I do think we
19 need his help, just like I needed Bob Shay's help when we
20 first started to work to do this task for you. And we will in
21 that time negotiate a specific contract, and we will clear it
22 with the Board. Maybe that is the way, if you all don't want
23 to have it.

24 MR. BROUGHTON: Suppose I withdraw the motion that
25 I made and put out this motion that we authorize the employment

1 of Mr. Polikoff on a per diem basis, say, between now and the
2 November Board meeting; that in the meanwhile consideration be
3 given by the staff and committee of the corporation as to a
4 contract or report back to the Board, and for the Board, of
5 course, to consider whether to approve it or go forward with
6 it or not; and that at the November meeting, if the Board
7 approves this motion, we will set aside, with the discretion
8 of the Chairman, an amount of time sufficient to go into the
9 Green amendment as an announced-well-in-advance agenda item.

10 And this is not a part of the motion, but as Rudy
11 said, we have been dancing around the table. Now let's get
12 on the table. And hopefully at that time -- we may not --
13 make some determination so far as the Board is concerned,
14 which is our responsibility.

15 I haven't discussed this with other members of the
16 Board as to how they interpret this. But I think we could in
17 good faith try to resolve it. But I think we ought to at the
18 same time allow ample time for members of the public who would
19 like to again be heard on this and give everybody fair notice.

20 MR. THURMAN: If that is a motion, I will second
21 that.

22 MR. OBERDORFER: Mr. Chairman, let me just say about
23 that, the motion on the particular issue is a signal to the
24 staff. It may be a signal to successor staffs, which are more
25 meditative about it. I am here temporarily, and you have all

1 been very generous in giving me authority, and I have been
2 careful to exercise it, I think, discreetly.

3 In time you are going to have to decide -- and I
4 hope to say this so this doesn't become a precedent necessarily
5 -- whether you are going to delegate contracting authority of
6 this kind for this kind of work to your staff or whether you
7 are going to require the staff to submit things like this for
8 ratification. It may be that this is sort of a start-up
9 birth-pang issue that we can work out this way.

10 MR. BROUGHTON: Let me say this as the author of
11 the motion, Lou. I don't consider this is establishing a
12 precedent as far as you are concerned. I think this is a very
13 sensitive area. I think this is a matter involving a section
14 of the statute that has been the subject of much discussion,
15 much controversy and different opinions. And I think this
16 falls outside the realm of good administration so far as con-
17 tract delegation to staff. So I would make that for the
18 record as my personal feeling and would not think that this is
19 an establishment of a precedent.

20 MR. OBERDORFER: I think that is helpful to have
21 that in the record.

22 MR. CRAMTON: Mr. Smith.

23 MR. SMITH: I think that last statement is helpful
24 in the record as far as my consideration of the motion. I
25 really, for some of the reasons expressed by Lou, considered

1 the motion unnecessary and maybe undesirable on the basis that
2 the motion goes to the same point Mr. Oberdorfer had already
3 stated on the record was going to be his procedure. And there-
4 fore, adopting a motion after we had already adopted a resolu-
5 tion directing him administratively to do those things, and he
6 had placed on the record the fact that he was going to do it this
7 way, I really thought at the least anyway the motion might be
8 superfluous because he had already stated that is the way he is
9 going to do it, then we don't run the risk of establishing any
10 kind of a precedent of the Board overreaching administrative
11 procedure.

12 MR. BROUGHTON: As I say, I don't know as any
13 resolution, Mr. Smith, we ever adopt becomes inviolate and not
14 subject to an amendment or change by later Board action. In
15 other words, once having adopted it, it remains inviolate.

16 MR. SMITH: I don't think it remains inviolate, but
17 I think actions such as this reaches over into the area of
18 administrative discretion in carrying out that resolution. And
19 in this particular case, it just happens to go to the same
20 point that he has already stated was going to be his procedure
21 anyway.

22 MR. BROUGHTON: I think this is a modification of it
23 as the motion expressed. I have nothing further to say about
24 it, Mr. Chairman. The motion was made and seconded.

25 MR. CRAMTON: It is before the Board for discussion.

1 MR. STOPHEL: I think it is appropriate at some
2 time for this Board to establish contracting authority and to
3 say no contract shall be let in excess of a certain amount with-
4 out this Board acting on it. I am not sure that that goes to
5 this particular contract, as I have understood the intention,
6 and that is to go on a per diem basis until a contract is sub-
7 mitted to us.

8 And for that reason, I think I am going to vote
9 against the motion because I am not sure that it is appropriate
10 to put a resolution of that type on the record at this point.
11 I think it would be a little premature in the face of Mr.
12 Oberdorfer stating it would be a per diem basis and that no
13 contract would be let without having reviewed it in advance.

14 MR. BROUGHTON: What about that part of the motion
15 relating to the agenda item next time?

16 MR. STOPHEL: I think the Chairman has always put
17 on the agenda such items as we wanted, and I can't imagine him
18 leaving it off for an extended time.

19 MR. CRAMTON: And the prior resolution requires that
20 the staff report at each meeting the progress of its study.
21 I am delighted to raise and will raise, and we will set aside
22 sufficient time for discussion of policy issues relating to
23 the so-called Green amendment. I did that at this meeting. It
24 did not get a response from the Board. We can do it again at
25 the next meeting. And if you want to talk about the policy

1 issues, fine, we will talk about them.

2 MR. BREGER: What I would hope is we could secure
3 at least some aid in the form of a memo which, even though it
4 might be --

5 MR. THURMAN: We have had several.

6 MR. BREGER: -- not a fully completed form might
7 help us in delineating, identifying and delineating functions.
8 I can talk about this thing in the abstract, but I can't talk
9 about it in the concrete because I don't have that information.

10 MR. OBERDORFER: I think what we ought to do --
11 the resolution of last month said we ought to report, and I
12 think we ought to report in writing each month. And I am
13 instructed by this colloquy that the report should include an
14 appraisal of these documents and the other existing prior work
15 with respect to back-up centers, both in terms of what they
16 say and also specifically in terms of whether and to what
17 extent they facilitate and enable us to foreshorten the task
18 that has been undertaken pursuant to the prior resolution.

19 I think the report can and should, in light of this
20 colloquy, renew consideration and deal specifically, for
21 example, with the legal document that we got at the last
22 meeting with respect to the other point of view about the
23 Green amendment. And we will furnish that. I will attach
24 to it, however, the oral presentation that I made yesterday
25 which was in response to the chairman's request that this

1 report include -- it was unfortunately oral -- a renewed
2 statement of the staff interpretation of the Green amendment.
3 And I think that what I am saying is we will put it in writing.

4 MR. CRAMTON: Mr. Kutak.

5 MR. KUTAK: Mr. Chairman, I am hopeful that we would
6 not have to have motions of this kind because I am confident
7 that any requests of this kind would be responded to by the
8 Chairman and the staff, subject only to some compelling reason
9 that they would confidently persuade us would necessitate not
10 scheduling questions, and any request a Board member makes
11 would be sensitively and promptly responded to without, in
12 fact, a directive to them.

13 I am more than anxious that the Board really be
14 able to take all of the time that is necessary on an issue of
15 this magnitude, and that even though a month seems like a lot
16 of time, considering the shortage of help and the kind of
17 demands on them, I would rather have it right than red,
18 as George Kaufman once put it. There probably is no tougher
19 problem than this one, and there is just a plethora of docu-
20 ments and studies and memoranda. And therefore, I would
21 really like the staff to feel that even though a question like
22 this has got to be faced -- and I share Mel's and Rudy's --
23 at least I am sympathetic of Mel's and Rudy's need to bite
24 the bullet and come up to it as soon as possible -- I would
25 rather be sure that the staff signaled it was ready to really

1 equip us to have a debate, or at least a discussion that is
2 complete and thorough at that occasion. Of course, it is
3 helpful to your Committee on Regulations because it is some-
4 thing we are also dancing around waiting for a directive on.
5 And we, therefore, would feel that you could proceed with this
6 and should, and we should proceed with it as soon as we can
7 and not postpone it.

8 In light of the encouraging news that there is a
9 possibility of more elbow room with respect to the dates, and
10 in light of the need to really step up with this thing very
11 thoroughly and sufficiently, and most of all in light of some
12 of the other heavy priorities that also are moving on line, I
13 would urge that we not even risk construing this as a precedent
14 and urge that the Board simply rest it as a request to our
15 Chairman and our staff, and see what they can do about getting
16 this matter on board as soon as they can, and therefore I
17 speak against the motion.

18 MR. CRAMTON: We have spent a considerable amount
19 of time talking about what we are going to do and not do
20 and not about something --

21 MR. BROUGHTON: I will call for the question.

22 MR. CRAMTON: I think we ought to be prepared to
23 vote on the motion. Is there further discussion?

24 MR. THURMAN: Mr. Chairman, my main concern was
25 we do take this up at the next meeting.

1 MR. CRAMTON: It is going to be taken up at the
2 next meeting. It is going to be on the agenda.

3 MR. THURMAN: If that is understood, I will withdraw
4 my second.

5 MR. CRAMTON: Won't you give him at least the satis-
6 faction of a vote on it?

7 MR. THURMAN: I think the general consensus is that
8 we don't want a motion on it.

9 MR. CRAMTON: I am not sure. He has tried twice.

10 MR. THURMAN: I am concerned about getting at this
11 as soon as possible, and I think the understanding is we will
12 do it at the next meeting.

13 MR. CRAMTON: Are you satisfied with that disposi-
14 tion?

15 MR. BROUGHTON: I made the motion in good faith.

16 MR. CRAMTON: I know you did.

17 MR. BROUGHTON: With no reflection on anyone and with
18 an effort to clarify where we stand on this and where we are
19 on this.

20 MR. CRAMTON: I think it is clear where we stand
21 is that --

22 MR. BROUGHTON: If I do not now have a second, then
23 I guess --

24 MR. CRAMTON: The staff and Mr. Polikoff will prepare
25 a report that will be made available at the next meeting, and

1 any questions or issues of policy in connection with the
2 meeting or application of the Green amendment which the Board
3 desires to discuss at the next meeting, there will be ample
4 time at that meeting to discuss those questions.

5 MR. OBERDORFER: And we will present the contract.

6 MR. CRAMTON: And the question of whatever future
7 arrangement, whatever future study that occurs, will be in-
8 cluded in that discussion. The question is what is the next
9 step.

10 Mr. Boarman has been attempting to get my attention.
11 Do I have unanimous consent to have him make a brief statement?

12 MR. THURMAN: Yes.

13 MR. BOARMAN: I just want to make a comment on the
14 discussion of the purpose of the 1973 evaluations since I
15 was in the saddle at that time. It was my understanding they
16 had two purposes. One was to delineate what the back-up
17 centers were doing, and secondly, how well they were doing it.

18 Secondly, I don't think that there has been any
19 significant change in the mission or functions of the back-up
20 center from that time to the present. There have been no new
21 guidelines promulgated by the Office of Legal Services. But
22 what I would strongly recommend is Mr. Polikoff and his task
23 force analyze the existing evaluations and maybe randomly
24 select two or three or four of the 16 back-up centers and do,
25 in effect, look to find out whether a further look is merited

1 for all 16. It may be that the information that they are after,
2 the relevant information, is yielded by these evaluations.
3 They could match, then, their evaluation of two or three or
4 four back-up centers, what they find if accepting three
5 evaluations, and that might shorten the process.

6 MR. OBERDORFER: I was going to inquire whether you
7 would be available to confer with Mr. Polikoff.

8 MR. THURMAN: Mr. Chairman, two and possibly a
9 third are going to have to leave here in a half-hour.

10 MR. CRAMTON: That's why I thought we were ready to
11 act on that particular matter. I think we have disposed of it,
12 and we defer to you, Mr. Stophel, for the remainder of your
13 report.

14 MR. STOPHEL: I am one of those three members.

15 That concludes our discussion of the reallocation
16 of the '76 appropriation amount.

17 There was discussion, as you know, in our presen-
18 tations to Congress and in our meetings concerning the
19 reasonableness of a supplemental request. Under Tab 9 in your
20 materials is a staff recommendation that it appears advan-
21 tageous to the corporation to defer the request until the
22 spring session of Congress. This will allow time for involve-
23 ment of the permanent staff and development of some experience
24 data and more careful consideration of specific additional fund
25 requirements.

1 Your committee considered this very briefly and,
2 without taking action, more or less agreed with the staff
3 recommendation by taking no action, by not recommending to you
4 that a supplemental request be made at this time.

5 There are items that we feel would be served well
6 by perhaps approaching Congress for a supplemental appropria-
7 tion which are outlined in that memorandum. The local initia-
8 tive grants, that Section 221, \$1.3 million I mentioned to you
9 in discussing the '76 appropriation, that it was the suggestion
10 of the staff that a half of that be reserved from the '76
11 funds, not sent out to the programs until we say whether we
12 would get this in a supplemental appropriation. And then the
13 migrant programs, because we are not sure of the reimbursement
14 from the Department of Labor on some of those. And those
15 matters need to be clarified. We simply feel that we would
16 be better received to wait until the spring session to make a
17 supplemental request.

18 Under Tab 10 -- and I believe you received through
19 the mail this same material which was the staff submission
20 to OMB for fiscal '77. These materials were placed in your
21 booklets before we knew of the \$88 million appropriation in
22 the conference committee, and the amount of the transition
23 funds.

24 For that reason, there are some changes which I
25 was going to give to you and let you make the changes in your

1 materials, but rather than that I will ask the staff to simply
2 send these revised pages in these materials to the Directors,
3 if you will, just in pencil form with the changes noted. It
4 is reducing this '76 column.

5 For example, on page 5 of that set of materials
6 where you have the '76 appropriation, the transitional quarter
7 and the '77 recommendation by the staff, under total direct
8 program, instead of \$96,466,000 in the '76, that will be \$88
9 million, and transition at quarter, instead of \$27 million it's
10 \$24,630,000.

11 We will make those penciled changes and get them to
12 you so you will have current material with the comparisons
13 made. Of course, it doesn't affect the staff recommendation
14 for '77 appropriation request, which is \$140,790,000.

15 Beginning at page 24 of the materials is a narrative
16 justification of that request. And your committee would hope
17 that every member of the Board would review this material
18 carefully. Of necessity, asking for funds in this manner
19 involves making policy decisions.

20 For example, the proposal for '77 fiscal budget
21 assumes that the entire deficit caused by short funding will
22 be taken up in the '76 fiscal year. If this Board decides
23 that is not an appropriate policy, then obviously the justifi-
24 cation of materials would even be changed for '77 fiscal year.

25 In the maintenance and improvement section of our

1 budget on page 27, which now shows what would have been an in-
2 crease of \$8,221,000, because of the difference between the
3 \$96 million requested and the \$88 million received, if as a
4 matter of policy all of that deficit or substantially all of
5 it is taken up with program reduction, not reduction but
6 reductions from our request of \$96 million, that that figure
7 of \$8,221,000 would be increased to \$15,110,000.

8 Again, these changes will be submitted to you
9 through the mails rather than going through them now.

10 What I am attempting to point out is that perhaps,
11 without even knowing it, if you simply cursorily review these
12 materials and rely on your committee to make recommendations,
13 there will be policy judgments that have to be made in even
14 presenting the fiscal year '77 proposal for funds. That is
15 just the way it works. Because if you ask for funds for some-
16 thing, then you are taking a position as to that. So it is
17 important that you do these carefully.

18 You will notice that there are suggestions by the
19 staff here for funding on two specific programs, perhaps to
20 specific attorneys in programs, for strengthening specific
21 capabilities. That is specific increments in salaries or
22 otherwise to provide incentive to maintain mature, experienced
23 attorneys in the programs. We feel these areas need to be
24 explored under the extension of services. The request includes
25 \$26.4 million for an extension of services. And in the

1 narrative, you will find that approximately 60 per cent of
2 these funds are suggested for new programs, and 20 per cent for
3 expanding existing programs in the unserved areas.

4 Some materials which are not in here -- and I have
5 spoken to Mr. Corbett about it -- include maps that show
6 covered and uncovered areas, as that term is loosely used in
7 our program, will be sent to you also.

8 I think that although we would invite comment from
9 you, perhaps you have not had time, although if you did re-
10 ceive it in the mail early enough, perhaps you do have specific
11 comments on this staff document. You may want to comment so
12 your committee can be advised, if you are not able to make the
13 committee meeting on the 16th.

14 The Chairman of our Board has an appointment to
15 discuss the fiscal '77 appropriation with OMB people, and we
16 wish it had been possible to present to you as a committee
17 recommendations that this material, or some revised material
18 to be submitted formally as our Board action, but we simply
19 don't feel it would be appropriate with the little amount of
20 study we have given it.

21 Thus concludeth my report.

22 MR. CRAMTON: I would like to add to that by saying
23 that I think the Committee on Appropriations and Audit is
24 going to need some input from members of the Board prior to
25 this meeting on October 16th. You ought not only to examine

1 this material but communicate by telephone or mail. And also
2 I think it needs some communication from interested individuals
3 and organizations. And the meeting on October 16th will
4 proceed much more expeditiously if some of that input occurs
5 in writing in advance of that meeting so that we have a chance
6 to reflect on them and consider them and directly discuss them,
7 rather than just a barrage of -- in a situation in which some
8 things are interrelated of ideas coming up in an oral fashion.

9 MR. STOPHEL: These materials that were submitted
10 are available and we can make those available to members of the
11 public who desire them. Miss Pitchersky will have them avail-
12 able back here.

13 MR. CRAMTON: Mr. Breger.

14 MR. BREGER: Glenn, is it your intention or the in-
15 tention of your committee to consider at the time of this
16 budget request any method or any principles which the Board
17 might follow in allocating new resources throughout the
18 country, and will we defer that decision to a later point in
19 time? I ask because that may have some relevance to the amount
20 of funds or to the justification for the funds which you are
21 asking for in regard to extension of services.

22 MR. STOPHEL: As I see the function of the committee,
23 it is probably not to make specific recommendations as to re-
24 allocation of resources. I think that is more appropriately
25 discussed at the time the allocation of an appropriation is

1 received, although obviously, in making a presentation to
2 Congress, the reallocation of resources can become very impor-
3 tant as we have informally discussed from time to time. Some
4 of these areas that need expansion of services and that need
5 new services are in areas where we need votes in Congress.

6 MR. THURMAN: Mr. Chairman, this matter is of such
7 critical importance I hate to see something less than the whole
8 board not discussing this.

9 MR. CRAMTON: They will at the next meeting. The
10 notion is that the committee is going to spend a lot of time
11 and effort on it and prepare a recommendation to be considered
12 at length at the -- no budget is going to be proposed without
13 the approval of the Board.

14 MR. BROUGHTON: As I understand, he is recommending
15 that these things be supplied before the committee meets.

16 MR. CRAMTON: That's right. If you have communica-
17 tions and views to guide the committee, please communicate them.
18 That wouldn't restrict you from making further suggestions or
19 advice or coming to even different views when the matter is
20 discussed by the Board at the November meeting.

21 MR. OBERDORFER: Mr. Chairman, I think if I can just
22 share this with the Board, this particular paper is really the
23 way that the Board is going to frame the future of this thing.
24 And it is the place where anybody has got ideas about things
25 the corporation ought to do or not to do, this is where the

1 money is. This is the place where we ought to focus on it. I
2 think everybody really ought to read this carefully and really
3 think about it and come back at us.

4 MR. THURMAN: And encouraged to attend the committee
5 meeting maybe on the 16th.

6 MR. STOPHEL: We would be delighted to have you.
7 The two items that I think will be discussed, I think first we
8 will probably take up the '77 budget request and then discuss
9 the allocation of the \$88 million appropriation for '76.

10 MR. CRAMTON: And if time permits, start thinking
11 about supplemental requests for '76 because some thought has
12 got to be given to that very soon.

13 MR. STOPHEL: You are optimistic as to time availa-
14 bility, I think, at that time.

15 MR. CRAMTON: Do you have further questions of Mr.
16 Stophel?

17 MR. STOPHEL: Let me comment also that it has been
18 suggested to us, and I think wisely, that in the same way that
19 Mr. Oberdorfer has suggested that you review this critically,
20 and that any new ideas you have, don't be limited by what is
21 in the document but rather bring to bear any other items, any
22 other areas that you think we ought to explore as far as
23 seeking funds for. And the same idea has been suggested to us
24 as an approach to the overall practice, and that is not to be
25 bound by what has occurred in the past, but attempt to reach

1 out for what we feel is an appropriate goal for this corporation
2 in rendering legal services.

3 MR. CRAMTON: That completes the report of the
4 Committee on Appropriations and Audit.

5 We now reach Item 8, the report by the Chairman of
6 the Committee on Administration. He is not here. In his
7 absence, would Mr. Oberdorfer report on these items.

8 MR. OBERDORFER: Very quickly, we have selected the
9 space for the corporation in the Woodward Building. It is on
10 the corner of 15th and H. It is directly across the street
11 easterly from the Union Trust Company. You probably remember
12 the name of it. It is space which was vacated on the 1st of
13 October by the Catholic Archdiocese of Washington. They had
14 it decorated and partitioned in a nice, neat way. It is not
15 elegant but it is not crummy. It required no real structural
16 changes, and the only thing we did to it was to paint it.

17 And the only other thing we have done that is of
18 any substance is to substitute FTS telephone systems with a
19 private telephone system, which is perhaps not as good, but it
20 is cheaper.

21 The landlord is putting in some new carpets. Where
22 there are carpets, he is replacing some of them.

23 We have an option to expand into the balance of the
24 floor within a year if our needs indicate that that will be
25 required. We have got the space for \$7 a foot, which is \$1.50
less than what GSA charges, and several dollars less than the

1 commercial rent paid by certainly the major law firms around
2 here or the little temporary space we are in now.

3 The lease is for five years, with a very generous
4 option to sublease, and with an option for us to renew if we
5 want it. It is a building which is probably 50 or 60 years
6 old, but it is in its second childhood, sort of. They have
7 redecorated the elevators and the downstairs lobby so you can
8 tell it is an old building but people care about it.

9 It has the D. C. Bar offices in there, and the
10 Lawyers Committee for Civil Rights has their offices there, and
11 a number of the smaller law firms are still there. I think it
12 really does set a proper tone for ambience for the corporation.
13 We get possession and expect to be in there on the 14th.

14 MR. SMITH: Lou, one of my concerns -- I think I
15 I have expressed it to you -- has been we find a home for our-
16 selves for our meetings and have a fixed location. Will we
17 be able to have our meeting there?

18 MR. OBERDORFER: There is a conference room there
19 that is sufficient size for the Board meeting but not for this
20 audience. We have an option on space which we should have,
21 and I think we will move to that as soon as we get in there, and
22 we can pick up their option in which there is a conference
23 room that is almost as large as this one.

24 MR. SMITH: For reasons of staff convenience and
25 convenience to files and to the public, so we are always

1 meeting in the same place, for lots of reasons I think it is
2 important we have a fixed place.

3 MR. OBERDORFER: That was in our mind with the
4 option because we didn't really want to buy that because this
5 was expensive, but if everybody feels we want to do that we
6 have the capability of doing it.

7 MR. BROUGHTON: Mr. Chairman, in the resolution are
8 we to authorize?

9 MR. OBERDORFER: I think that was done before.

10 MR. BROUGHTON: That sounds fine.

11 MR. OBERDORFER: I report in a guarded way on our
12 continuing negotiation with the American Federation of Govern-
13 ment Employees, of the Community Services Administration, and
14 for the Office of Legal Services. Suffice it to say that we
15 have invited some of the Office of Legal Services employees,
16 particularly regional staff, to accept employment with the
17 corporation. We have made no offers up to now to the people
18 who are not management because we just have to leave that as
19 it is until and unless we have satisfactory arrangement with
20 this labor union. And I say publicly that if those negotiations
21 are not satisfactorily completed, we are prepared to carry out
22 the business of the corporation with other personnel.

23 That completes the Administration Committee report,
24 Mr. Chairman.

25 MR. KUTAK: Mr. Chairman, just a matter of public

1 information, if I may, at the conclusion of that. We are trying
2 to work out a time for the Committee on Regulations to meet on
3 Monday, October 20, and probably Sunday night, October 19. I
4 started to say at 6:00 o'clock. But the evening we have to
5 get our focus and work Monday on the 20th.

6 MR. OBERDORFER: Glenn has gone. I hope you will
7 have your next committee meeting in the new space.

8 MR. BREGER: That will be delightful.

9 MR. CRAMTON: Item 9 is the discussion of future
10 meeting schedule. It now appears that unless an emergency
11 meeting is required, in which we would follow the by-law
12 provisions for prompt notice, material will not be ready to
13 consider on some of the topics that have been discussed, such
14 as the fiscal matters and regulations matters and back-up
15 center matters, on October 16 and 17. And the Board will not
16 meet on those dates but will hold its next meeting on the date
17 that was earlier stated in November, Thursday and Friday,
18 November 6 and 7.

19 And the date after that, that you should all hold
20 on your schedules for what would be the sixth meeting of the
21 Board of Directors, is Thursday and Friday, December 11 and 12.
22 Whether that meeting proves to be necessary, we will have to
23 see.

24 I think that the activity of the corporation is
25 at such a high pitch during these initial months that monthly
meetings are probably going to be necessary for awhile. I hope

1 at some point we can stick to six meetings a year, or something
2 like that.

3 MR. KUTAK: Only six meetings.

4 MR. CRAMTON: But we are not at that point yet.

5 Are those dates consistent with your schedules and
6 plans?

7 MR. THURMAN: Mr. Chairman, I should let you know I
8 will be out of the country during November and unfortunately
9 will not be able to meet the 6th and 7th. I get back the 7th
10 of December, so I hope your December meeting will still be
11 the 11th and 12th.

12 MR. CRAMTON: 11th and 12th as planned.

13 Is there any other business?

14 MR. BROUGHTON: Mr. Chairman, I have one matter
15 which I am reluctant to bring up, but I think perhaps we
16 should. That is that I believe all of us share your concern
17 as to the fact that we are now completing our fourth meeting,
18 and a member of this Board, Mr. Janklow who, of course, Lou had
19 appointed, has at this moment found it impossible to attend
20 any meetings. And I understand from Mr. Kutak that he has
21 also been unable to devote any time to the important work of
22 the committee that has been headed by Mr. Kutak, and he and
23 Mr. Breger have indicated today their committee still has a
24 lot before it. And the gentleman is, of course, attorney
25 general of his state, and I assume he has pressing obligations

1 there.

2 Nevertheless, I do feel that sufficient time has
3 elapsed that our concern as to his plans as a member of this
4 Board should be expressed to him through the Chairman or with
5 advice of counsel in some appropriate manner.

6 I do think that clearly Congress spelled out this
7 should be an 11-man Board, and the work of the Board is impor-
8 tant. We have been through a lot, and we have quite a bit to
9 go through in the immediate months ahead. And I think we do
10 need the attention and active participation by all members
11 who agreed to accept appointment and who, of course, so advised
12 the Senate committee and the White House about willingness to
13 participate.

14 I have never met the gentleman, there is nothing
15 personal about this, but I do feel in fairness to the Board
16 and fairness to the public and to the President and to the
17 Senate that you, as Chairman, with the assistance of Mr.
18 Oberdorfer, should communicate a concern of the Board as to his
19 inability to participate in Board affairs, and inquire as to
20 his plans in that respect.

21 MR. THURMAN: I would add to that that if it is
22 consistent with our by-laws, he be asked to appear at the
23 next meeting, put this on the matter of business at the next
24 meeting.

25 MR. CRAMTON: That matter will be taken under

1 consideration and appropriate steps taken.

2 MR. BROUGHTON: I have no specific method but I
3 leave it entirely up to you and Mr. Oberdorfer how you should
4 communicate with him, if there is no objection on the part of
5 any other members of the Board.

6 MR. CRAMTON: If there is no further business,
7 we stand adjourned.

8 (Whereupon, at 12:40 p.m., the meeting was
9 adjourned.)

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