

recommended decision. A request shall be made in writing within 10 days after receipt by the party of the recommended decision, and shall state in detail the reasons for seeking review.

(c) As soon as practicable after receipt of a request for review of a recommended decision, and normally within 30 days, the President shall adopt, modify, or reverse the recommended decision, or direct further consideration of the matter. In the event of modification or reversal, the President's decision shall conform to the requirements of section 1606.13(b).

(d) A decision by the President shall become final upon receipt by a recipient.

#### § 1606.15 Time and extension and waiver.

(a) Any period of time provided in these rules may, upon good cause shown and determined, be extended:

(1) By the person making the preliminary determination, prior to the time the presiding officer is designated;

(2) By the presiding officer, prior to the issuance of a recommended decision; or

(3) By the President at any time.

(b) Requests for extensions of time shall be considered in light of the overall objective that the procedures prescribed by this part ordinarily shall be concluded within 90 days of the preliminary determination.

(c) Any other provision of these rules may be waived or modified:

(1) By the presiding officer with the assent of the recipient and of counsel for the Corporation; or

(2) By the President upon good cause shown and determined.

#### § 1606.16 Right to counsel.

At a hearing under section 1606.10, the Corporation and the recipient each shall be entitled to be represented by counsel, or by another person. The attorney designated may be an employee, or may be outside counsel retained for the purpose. Unless prior written approval is received from the Corporation, the fee paid to outside counsel shall not exceed the hourly equivalent of the rate of level V of the executive schedule specified in section 5316 of title 5, United States Code.

#### § 1606.17 Reimbursement.

If the recipient's grant or contract is continued or refunding is granted after a preliminary determination has been issued under section 1606.5, a recipient shall receive reimbursement by the Corporation, to the extent it has prevailed, for reasonable and actual expenses that were required in connection with proceedings under this part.

#### § 1606.18 Interim funding.

Failure by the Corporation to meet a time requirement of this part shall not entitle a recipient to continuation of its grant or contract or to refunding. Pending a final determination under this part, the Corporation shall provide the recipient with interim funding necessary to maintain its current level of legal assistance activities under the act.

#### § 1606.19 Termination funding.

After a final determination to terminate a recipient's grant or contract or to deny refunding, and without regard to whether a hearing has occurred, the Corporation may authorize temporary funding if necessary to enable a recipient to close or transfer current matters in a manner consistent with the recipient's professional responsibility to its present clients.

#### § 1606.20 Notice.

A notice required to be sent to a recipient under this part shall be sent to the director of the recipient, and may be sent to the chairperson of its governing body.

Alice Daniel,  
General Counsel,

Legal Services Corporation.

[FR Doc. 78-21010 Filed 7-27-78; 8:45 am]

### [6820-35]

## PART 1607—GOVERNING BODIES

### Amendments to the Regulations

AGENCY: Legal Services Corporation.

ACTION: Final regulation.

SUMMARY: These regulations require that at least one-third of the members of a recipient's governing board be eligible clients. These amendments implement the new statutory requirement in the Legal Services Corporation Act Amendments of 1977. Although the statute provides only that eligible clients on a program board may be representatives of their communities, the regulation makes that requirement mandatory. The new regulations attempt to insure that programs will be accountable to the communities they serve.

DATE: Effective date: August 28, 1978.

ADDRESS: Legal Services Corporation, 733 15th Street NW., Suite 700, Washington, D.C. 20005.

FOR FURTHER INFORMATION CONTACT:

Stephen S. Walters, 202-376-5113.

SUPPLEMENTARY INFORMATION: Section 11 of the Legal Services Corporation Act Amendments of 1977, Pub. L. 95-222, amended section

1007(c) of the act to require that at least one-third of a recipient's governing body consist of "persons who are, when selected, eligible clients who may also be representatives of associations or organizations of eligible clients." The effective date of this provision was delayed until July 1, 1978, "to afford local boards time, if needed to comply . . ." Sen. Rep. No. 95-172, 95th Cong., 1st sess. (1977), at 8. These amendments to part 1607 implement the new statutory requirement. The Amendment follows the approach of the current regulation by requiring that most members of a program board be selected by appropriate associations or groups. That requirement is at the heart of the Corporation's attempt to insure that programs will be accountable to the communities that they serve. Although the statute provides only that eligible clients on a program board may be representatives of their communities, the regulation makes that requirement mandatory.

The regulation contains a new section 1607.7, concerning compliance with the board composition requirements. Immediate compliance is required, but recipients may apply for an extension of time in which to comply with the new statutory language. This approach should help to avoid disruption of programs that have recently restructured their boards to comply with the current regulation or for which immediate compliance would otherwise be unduly burdensome. Given the importance of the issue, however, extensions should not be granted lightly, and all recipients must be in compliance by July 1, 1979.

The regulation was published for comment on May 22, 1978 (43 FR 21904). All comments received were considered by the Regulations Committee of the Corporation at its meeting on July 5, 1978.

Following is the complete regulation, as amended. The comment that appeared in the June 23, 1976 (41 FR 25901), final publication of part 1607 remains in effect.

Accordingly, 45 CFR Part 1607 is revised to read as follows:

Sec.	Purpose.
1607.1	Purpose.
1607.2	Definition.
1607.3	Composition.
1607.4	Functions of a governing body.
1607.5	Waiver.
1607.6	Compensation.
1607.7	Compliance.

AUTHORITY: Sec. 1007(c), 42 U.S.C. 2996f(c).

#### § 1607.1 Purpose.

This part is designed to insure that the governing body of a recipient will be well qualified to guide a recipient in its efforts to provide high-quality legal

assistance to those who otherwise would be unable to obtain adequate legal counsel, and to insure that the recipient is accountable to its clients.

**§ 1607.2 Definition.**

"Eligible client," as used in this part, means a person eligible to receive legal assistance under the act, without regard to whether the person is receiving assistance at the time of selection for membership on a governing body.

**§ 1607.3 Composition.**

(a) A recipient shall be incorporated in a State in which it provides legal assistance, and shall have a governing body that reasonably reflects the interests and characteristics of the eligible clients in the area served.

(b) At least sixty (60) percent of a governing body shall be attorneys admitted to practice in a State in which a recipient is to provide legal assistance, who are supportive of the purposes of the act and have interest in, and knowledge of, the delivery of quality legal services to the poor.

(c) The attorney shall be selected from, or designated by, appropriate Bar Associations and other groups, including, but not limited to, law schools, civil rights or antipoverty organizations, and organizations of eligible clients.

(d) At least one-third of a governing body shall be, when selected, eligible clients.

(e) The members who are eligible clients shall be selected from, or designated by, a variety of appropriate groups including, but not limited to, client and neighborhood associations and organizations.

(f) The remaining members of a governing body, whatever the method of selection, shall be individuals interested in and supportive of legal services to the poor.

(g) No category of governing board membership shall be dominated by persons serving as the representatives of a single association, group, or organization.

(h) Members of a governing body may be selected by appointment, election, or other means. The method of selection and composition shall be subject to approval by the Corporation.

**§ 1607.4 Functions of a governing body.**

(a) A governing body shall have at least four meetings a year. Timely and effective prior public notice of all meetings shall be given, and all meetings shall be public except for those concerned with matters properly discussed in executive session.

(b) A governing body shall establish and enforce broad policies governing the operation of a recipient, but shall not interfere with any attorney's professional responsibilities to clients.

**§ 1607.5 Waiver.**

(a) Upon application, the President shall waive the requirements of this part to permit a recipient that was funded under section 222(a)(3) of the Economic Opportunity Act of 1964 and, on July 25, 1974, had a majority of persons who were not attorneys on its governing body, to continue such nonattorney majority.

(b) The President may waive the requirements of this part upon application of a recipient that demonstrates that it cannot comply with them because of:

(1) The nature of the population or area served; or

(2) Special circumstances, including, but not limited to, conflicting requirements of the recipient's major funding source.

(c) A recipient seeking a waiver shall demonstrate that it has made diligent efforts to comply with the requirements of this part.

**§ 1607.6 Compensation.**

While serving on the governing body of a recipient, no member shall receive compensation from the recipient, but a member may receive payment for normal travel and other out-of-pocket expenses required for fulfillment of the obligations of membership.

**§ 1607.7 Compliance.**

(a) A recipient whose current governing body does not satisfy the requirements of this part shall submit a plan for achieving compliance to the relevant Regional Director immediately.

(b) The President may, upon application, extend the time in which a recipient must comply with the requirements of section 1607.3 (d) and (e). The application shall state:

(1) The current composition of the recipient's governing body, and the date upon which the composition was achieved;

(2) The date upon which the term of each current member of the recipient's governing body will expire;

(3) The recipient's plan for complying with the requirements of section 1607.3 (d) and (e) with all possible speed; and,

(4) The reasons why complying immediately would be unduly burdensome to the recipient.

(c) An application for an extension of time under subsection (b) must be received by the Corporation no later than 30 days after the effective date of the regulation. A copy of the application shall also be sent to the National Clients Council, which shall transmit its comments on the application, if any, to the Corporation. An extension may be granted for no more than 6 months, and no more than two extensions may be granted to any recipient.

In no event may the time for compliance be extended beyond July 1, 1979.

**ALICE DANIEL,**  
*General Counsel,*  
*Legal Services Corporation.*

[FR Doc. 78-21017 Filed 7-27-78; 8:45 am]

[6820-35]

**PART 1608—PROHIBITED POLITICAL ACTIVITIES**

**Amendments to the Regulations**

**AGENCY:** Legal Services Corporation.

**ACTION:** Final regulation.

**SUMMARY:** Section 7(a) of the Legal Services Corporation Act Amendments of 1977, Pub. L. 95-222, applies the current provisions of the Hatch Act, relating to the political activities of State and local employees, to staff attorneys, as well as Corporation employees. Other, more restrictive, provisions of the LSC Act, affecting the political activities of staff attorneys on their own time, were repealed. The revisions of part 1608 reflect these changes.

**EFFECTIVE DATE:** August 28, 1978.

**ADDRESS:** Legal Services Corporation, 733 15th Street NW., Suite 700, Washington, D.C. 20005.

**FOR FURTHER INFORMATION CONTACT:**

Stephen S. Walters, 202-376-5113.

**SUPPLEMENTARY INFORMATION:** The amendment to this regulation was published for comment on March 17, 1978 (43 FR 11241). Following is the complete regulation, as amended. The Comment on this regulation that appeared in the June 23, 1978 (41 FR 25900) final publication of part 1608 remains in effect.

Accordingly, 45 CFR part 1608 is revised to read as follows:

**PART 1608—PROHIBITED POLITICAL ACTIVITIES**

- Sec. 1608.1 Purpose.
- 1608.2 Definition.
- 1608.3 Prohibitions applicable to the Corporation and to recipients.
- 1608.4 Prohibitions applicable to all employees.
- 1608.5 Prohibitions applicable to Corporation employees and staff attorneys.
- 1608.6 Prohibitions applicable to attorneys and to staff attorneys.
- 1608.7 Attorney-client relationship.
- 1608.8 Enforcement.

**AUTHORITY.**—Secs. 1001(5), 1005(b)(2), 1006(b)(3), 1006(b)(5)(B), 1006(d)(3), 1006(d)(4), 1006(e)(1), 1006(e)(2), 1007(a)(6), 1007(b)(2); 42 U.S.C. 2996(5), 2996d(b)(2), 2996e(b)(3), 2996e(b)(5)(B), 2996e(d)(3), 2996e(d)(4), 2996e(e)(1), 2996e(e)(2), 2996f(a)(6), 2996(b)(2).