

MEETING OF THE
BOARD OF DIRECTORS
OF THE LEGAL SERVICES CORPORATION

RETURN TO CORPORATION
SECRETARY ARCHIVES FILE



LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 23, 1977
TO: The Board of Directors
FROM: T. Ehrlich
SUBJECT: Board Meeting on July 6-8, 1977

The enclosed tentative agenda and materials are for the Board meeting next month in Washington. They provide the basis, I think, for a good meeting.

I look forward to seeing you.

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 23, 1977
TO: The Board of Directors
FROM: Ruth Felter
SUBJECT: Accomodations for July Board Meeting

Reservations have been made for all Board members at the Sheraton National Motor Hotel in Arlington, Virginia (the site of the first Board briefing session in 1975) for arrival on Wednesday, July 6 and departure on Friday, July 8. The hotel is a short ride from National Airport. Please advise me if you plan to bring your wife so I can notify the hotel to hold a double room in your name. The committee meetings and Board meeting will be held in the hotel, as well.

As Tom wrote you, there will be a dinner on Thursday evening to celebrate the second anniversary of the Board's appointment and to honor Alf Corbett on his retirement. A reception will begin at 6:30 p.m. and dinner will be served at 7:30. Board members are encouraged to bring their wives and senior Corporation staff will attend.

Please call me if I can be of any further assistance.



LEGAL SERVICES CORPORATION

733 Fifteenth Street, N.W., Washington, D. C. 20005 (202) 376-5100

NOTICE

MEETING OF THE
BOARD OF DIRECTORS
OF THE LEGAL SERVICES CORPORATION

July 7-8, 1977

A meeting of the Board of Directors of the Legal Services Corporation will be held on Thursday and Friday, July 7-8, 1977 at the Sheraton National Motor Hotel, Columbia Pike and Washington Boulevard, Arlington, Virginia.

The meeting will begin at 9:30 a.m. on both days. The agenda will include matters relating to the Corporation's budget, proposed regulations, a resolution reappointing the President, selection of an auditor for the Corporation's accounts for Fiscal Year 1977, possible new facilities for the Corporation's Washington headquarters, a report on the Delivery Systems Study, a report on the support centers, a report on the Reginald Heber Smith Community Fellowship Program, a report on program monitoring evaluations by the Corpora-

tion, and other issues concerning the Corporation and its activities.

The meeting is open to the public.

Thomas Ehrlich
President
E. Clinton Bamberger, Jr.
Executive Vice-President
BOARD OF DIRECTORS
Roger C. Cramton, Chairman
Ithaca, New York
Marshall J. Breger
Austin, Texas
J. Melville Broughton, Jr.
Raleigh, North Carolina
Marlow W. Cook
Washington, D. C.
Robert J. Kutak
Omaha, Nebraska
Jolfo Montejano
Santa Ana, California
Revis O. Ortigue, Jr.
New Orleans, Louisiana
Glee S. Smith, Jr.
Lawrence, Kansas
Glenn C. Stophel
Chattanooga, Tennessee
Samuel D. Thurman
Salt Lake City, Utah

Thomas Ehrlich
President



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NOTICE

MEETING OF THE
LEGAL SERVICES CORPORATION
BOARD OF DIRECTORS
COMMITTEE ON REGULATIONS

July 6, 1977

A meeting of the Board of Directors Committee on Regulations will be held on Wednesday, July 6, 1977 at the Sheraton National Motor Hotel, Columbia Pike and Washington Boulevard, Arlington, Virginia.

The meeting will begin at 7:00 p.m. The agenda will include the proposed client grievance procedure regulation and such other business as may arise.

The meeting is open to the public.

Thomas Ehrlich
President

Thomas Ehrlich
President

E. Clinton Bamberger, Jr.
Executive Vice-President

BOARD OF DIRECTORS

Roger C. Cramton, *Chairman*
Ithaca, New York

Marshall J. Breger
Austin, Texas

J. Melville Broughton, Jr.
Raleigh, North Carolina

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Larned, Kansas

Glenn C. Stopfel
Chattanooga, Tennessee

Samuel D. Thurman
Salt Lake City, Utah

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 21, 1977
TO: All Corporation Staff
FROM: Alice Daniel *ad*
SUBJECT: Deputy General Counsel

I am very happy to announce that Stephen Walters has accepted the position of Deputy General Counsel.

Many highly qualified individuals expressed interest in the position, but Steve's extraordinary ability made him the clearly outstanding and ideal choice. I know that all who have had the pleasure of working with him during the last year share my view of his talents.

Steve is a 1972 graduate of Stanford University School of Law, where he was first Note Editor, and then Articles Editor of the Law Review. During a two year leave from law school he served as a VISTA volunteer in northeast Georgia, where he was the primary organizer of Georgia Mountain Legal Aid Society, Inc., a legal services program serving a 6-county area in appalachian Georgia. While on its staff his duties included representing clients in administrative hearings, working with and advising poor people's groups, interviewing clients, and legal research and writing. Following his graduation from law school he served as law clerk to Judge Duniway of the United States Court of Appeals for the Ninth Circuit, and then to Chief Justice Warren E. Burger. As an associate in a San Francisco law firm, he engaged in a general business litigation practice.

Steve's admirable skills will give the General Counsel's office the additional strength it needs to meet the challenges ahead. Steve will assume the position September 1, 1977. Until then, as time permits, he will work with Jim Coleman and me in developing plans to improve the effectiveness of the General Counsel's office.

The Corporation is fortunate that Steve has agreed to accept the position, and I am personally grateful to Tom for his generosity in relinquishing Steve's assistance.

cc: The Board of Directors .

TENTATIVE AGENDA

MEETING OF THE BOARD OF DIRECTORS
OF THE LEGAL SERVICES CORPORATION

Sheraton National Motor Hotel
Columbia Pike and Washington Boulevard
Arlington, Virginia

July 6-8, 1977

Wednesday, July 6

- 7:00 p.m. Meeting of Committee on Regulations
- Review of proposed regulation governing client grievance procedures
 - Discussion of changes in regulations that may be required if pending legislation becomes law
- 7:30 p.m. Meeting of Committee on Appropriations and Audit
- Consideration of Corporation's fiscal year 1978 budget
 - Discussion of allocation of investment income

Thursday, July 7

- 9:30 a.m. Meeting of the Board
1. Adoption of Agenda
 2. Approval of Minutes of May 13-14, 1977 meeting
 3. Reports by Committees:
 - a. Appropriations and Audit
 - Report on status of investments
 - Selection of auditor for the Corporation's accounts for fiscal year 1977
 - Review of fiscal year 1977 budget
 - Review of proposed allocations for fiscal year 1978 budget

Lunch*

*There may be a brief executive session of the Board at this time to discuss reappointment of the President.

4. Resolution to Reappoint the President

Reports by Committees, cont.:

b. Regulations

- Review of proposed regulation governing client grievance procedures
- Discussion of changes in regulations that may be required if pending legislation becomes law

c. Provision of Legal Services

- Report on the Delivery Systems Study

d. Ad Hoc Committee on the Corporation's Facilities

- Report and recommendations

Friday, July 8

9:30 a.m.

5. Reports by the President

- a. Support Centers
- b. Reginald Heber Smith Community Fellowship Program
- c. Program Monitoring and Evaluations by the Corporation
- d. Retention of Legal Services Attorneys and Staff
- e. Analyses of Legal Services Program Personnel, Governing Bodies, and Clienteles.

MINUTES

MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF THE LEGAL SERVICES CORPORATION

May 14-15, 1977

The meeting of the Board of Directors of the Legal Services Corporation convened at 12:05 p.m., Friday, May 13, 1977, in the Library, DNA - Peoples' Legal Services, Inc., Window Rock, Arizona, Roger C. Cramton, Chairman, presiding.

The following Directors were present:

Roger C. Cramton, Chairman

Marshall J. Breger

Robert J. Kutak

Rodolfo Montejano

Glee S. Smith, Jr.

Glenn C. Stophel

Samuel D. Thurman

Also present were Thomas Ehrlich, President; E. Clinton Bamberger, Jr., Executive Vice-President; and other members of the Corporation staff, DNA staff, and representatives of the public.

On motion by Mr. Smith, seconded by Mr. Breger, the following agenda was unanimously adopted.

1. Adoption of Agenda
2. Approval of Minutes of January 14-15, 1977 meeting
3. Reports by Committees:
 - a. Appropriations and Audit
 - b. Regulations
 - c. Provision of Legal Services

4. Presentation and discussion of Native American programs
5. Reports by the President:

- a. Retention of legal services attorneys and staff
- b. Representation of indigent clients in instances of conflicts of interest
- c. Resolution to continue funding of Maryland program
- d. Prospects for finding permanent quarters in Washington for the Corporation
- e. Proposed tentative schedule of future meetings:

July 7-8, 1977, in Washington, D.C.
October 7-8, 1977, in Ithaca, N.Y.
December 9-10, 1977, in Washington, D.C.
March 3-4, 1978
June 9-10, 1978

6. Other business

The minutes of the January 14-15, 1977 meeting were unanimously adopted on motion by Mr. Kutak, seconded by Mr. Montejano, with one typographical correction and the request that the Regulations Committee report on Authorization Extension be appended thereto.

On motion by Mr. Smith, seconded by Mr. Montejano, the Board unanimously agreed to hold an executive session during a portion of its lunch recess. Whereupon the meeting recessed for lunch. Director Revius O. Ortique, Jr. joined the meeting for the executive session.

The meeting was reconvened at 2:00 p.m. at the Navajo Tribal Council Chambers, Window Rock, Arizona. Dean Cramton introduced Mr. Albert Charlie, a medicine man of the Navajo Nation who welcomed the group with a traditional Navajo prayer.

Mr. John Chapella, a lawyer with the Navajo Tribe Legal Department, spoke to the Board about the history of the Navajo Nation and the Tribal Government.

Dean Cramton expressed the gratitude of the Board for the hospitality shown it by DNA and the Navajo Nation and presented a framed print as a token of its appreciation.

Dean Cramton reported that the Board had considered executive staff salaries during its executive session and that no action had been taken.

Mr. Smith moved that President Ehrlich be allowed to accept two honoraria, one from the University of Minnesota Law School and the other from the Law Enforcement Assistance Administration. Mr. Breger seconded the motion, which was unanimously adopted on voice vote.

Committee Reports

Appropriations and Audit. Mr. Stophel presented the report of the Committee on Appropriations and Audit. The Committee will make recommendations to the Board on the use of unused funds from Fiscal Year 1977. The Committee requested that the staff prepare an evaluation report of the Reginald Heber Smith Fellowship program for the Board at its next meeting.

Mr. Stophel reported the status of the Corporation's investments, and estimated that the earnings on invested funds will be in excess of five million dollars during Fiscal Year 1977. The Comptroller's office was commended for its excellent use of funds, which contributed to the size of the return.

Mr. Stophel stated that the amount of the appropriation for Fiscal Year 1978 was not yet known; hopefully that information will be available by the July meeting of the Board.

Committee on Regulations. Mr. Kutak presented the report of the Committee on Regulations. Many of the current regulations and bylaws may have to be revised in light of pending legislation.

The Regulations Committee requested the views of the Board on the Committee's future role. The Chairman suggested that this be a formal agenda item for the October Board meeting. There followed a discussion on the Corporation's role with respect to legislation of interest to legal services programs and clients.

Mr. Kutak reviewed the provisions of H.R. 6666 and S. 1303 relating to extension of the Corporation's authorization, and reported that almost all of the amendments requested by the Board had been incorporated in the House or Senate bills.

Committee on Provision of Legal Services. Mr. Thurman presented the report of the Committee on the Provision of Legal Services. Mr. Thurman reported on the progress of the Delivery Systems Study. All of the demonstration projects are now in operation, and data collection has begun from those projects and a sample of staff attorney programs. The Corporation has requested proposals for a second round of demonstration projects, which will be selected in August. Mr. Thurman then reviewed an outline of a report to Congress

on the Delivery Systems Study, and there followed a discussion of the nature and content of that report.

The meeting recessed at 5:00 p.m.

The meeting reconvened at 9:00 a.m. on Saturday, May 14, 1977 in the Library of DNA - Peoples' Legal Services, Inc., Window Rock, Arizona, Roger C. Cramton, Chairman, presiding. Present were Dean Cramton, Directors Breger, Kutak, Montejano, Smith, Stophel and Thurman, President Ehrlich, Executive Vice-President Bamberger, other members of the Corporation staff and representatives of the public.

Reports by the President

President Ehrlich introduced the Executive Vice-President, E. Clinton Bamberger, Jr. and Ms. Barbara Sard of the Corporation staff who presented a report on retention of legal services attorneys and staff. A meeting of persons from legal services programs, the Regional Offices, and Corporation headquarters was held in Chicago on May 8-9, to discuss issues relating to retention. A summary of that meeting will be prepared and distributed to interested persons. Charles Jones reported that the Office of Field Services has required all programs to conduct a study to determine how their salaries compare to those of public agencies in the programs' local communities. These studies will provide the basis for ensuring that all programs pay competitive salaries. There will be a further report on retention issues at the July Board meeting.

President Ehrlich introduced the Corporation's General Counsel -- Alice Daniel -- Barbara Sard, and Charles Jones

who led a discussion regarding conflicts of interest in legal services. Ms. Daniel explained that the Act imposes an obligation on the Corporation to ensure that programs do not undertake representation where there is a conflict of interest.

Peterson Zah, Director of DNA - Peoples' Legal Services, Inc., made a presentation on behalf of the Native American programs. Mr. Zah described the history of the DNA program and legal services for Native Americans generally. He explained the unique problems of supplying legal services on a reservation, and suggested actions the Corporation could take to deal with those problems.

Jay Fletcher of the Denver Regional Office elaborated on Mr. Zah's remarks. There followed a discussion of the problems of Native American clients among members of the Board and representatives of various tribes and programs.

On motion by Mr. Thurman, seconded by Mr. Breger, the following resolution was unanimously adopted on voice vote:

WHEREAS, Section 1006(a)(A)(ii) of the Legal Services Corporation Act of 1974 provides that the Corporation is authorized to make grants to state and local governments only upon a special determination by the Board of Directors that the services to be provided by the grantee will not be provided adequately through a non-governmental arrangement; and

WHEREAS, the Legal Aid Bureau, Inc. (Baltimore, Maryland) is a third party contractor receiving funds from a grant to the Urban Services Agency, an agency of the City of Baltimore; and

WHEREAS, the Board has determined that the legal services provided by the Legal Aid Bureau, Inc. will not be provided adequately through non-governmental arrangements; now therefore be it

RESOLVED that:

The authorization approving a grant to the Urban Services Agency, an agency of the City of Baltimore, be continued until such time as the President reports to the Board that the legal services provided by the Legal Aid Bureau, Inc. will be provided adequately through a non-governmental arrangement.

President Ehrlich reported on the prospects for finding permanent quarters in Washington, D.C. for the Corporation. Braedon Companies has been retained to examine various sites that might be purchased or leased. A study was commissioned with the law firm of Arnold & Porter to determine if it would be advantageous to the Corporation to share its offices with a consortium of non-profit law firms.

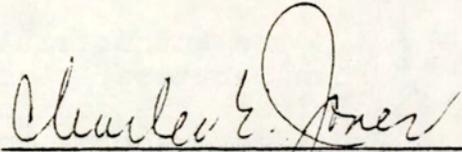
It was moved by Mr. Kutak, seconded by Mr. Montejano, that a committee of the Board be formed to consider the options available for housing the Corporation's headquarters offices. The motion was unanimously adopted on voice vote.

The Board agreed to the following schedule for future meetings:

July 7-8, 1977, in Washington, D.C.
October 7-8, 1977, in Washington, D.C.
December 9-10, 1977
March 3-4, 1978
June 9-10, 1978

Mr. Kutak requested that the Chairman send a letter to Mr. David Tatel expressing congratulations on his appointment as Director of the Department of Health, Education and Welfare's Office for Civil Rights Enforcement.

The meeting adjourned at 11:55 a.m.



Charles E. Jones
Secretary

AUDITOR
SELECTION



LEGAL SERVICES CORPORATION

733 Fifteenth Street, N.W., Washington, D. C. 20005 (202) 376-5100

MEMORANDUM

DATE: June 21, 1977

TO: The Committee on Audit and Appropriation, Board of Directors

FROM: Fabio de la Torre

SUBJECT: Appointment of Auditors

I recommend that the Board of Directors reappoint Price Waterhouse & Co. as independent auditors for Legal Services Corporation.

Price Waterhouse & Co. was initially selected as independent auditor for Legal Services Corporation for the following reasons:

1. The partner assigned to be in charge of the LSC account was Malvern J. Gross, Jr. Mr. Gross gives LSC access to PW&Co.'s firmwide industry specialist in the nonprofit field. He is also recognized by the accounting profession as a leading expert in nonprofit accounting.
2. Mr. Gross is now chairman of an AICPA task force established to formulate rules for categories of nonprofit organizations similar to LSC and LSC's recipients.
3. Mr. Gross has been designated by the American Institute of Certified Public Accountants as the accounting profession's spokesman on all congressional bills involving nonprofit accounting during the current session.

As you know, a continuing relationship with independent auditors is important to assure that efficiencies and thoroughness which arise through familiarity with the client accrue to LSC. Currently, publicly owned companies which are required to file with the SEC must submit a statement of explanation to the SEC when they change auditors. Of course, nonprofit organizations are not subject to this regulation but most major nonprofit organizations such as the Corporation for Public Broadcasting, Ford Foundation, the Rockefeller Foundation, and others strive to maintain this continuing relationship.

Thomas Ehrlich
President

E. Clinton Bamberger, Jr.
Executive Vice-President

BOARD OF DIRECTORS

Roger C. Cramton, Chairman
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LEGAL SERVICES CORPORATION

June 21, 1977
Page 2

PW&Co.'s service during the transition period audit and the first annual audit have been excellent. Therefore, I recommend that LSC continue to take advantage of this firm's services, and retain direct access to the nonprofit expertise available at PW&Co.

cc: Thomas Ehrlich
Clinton Bamberger

PJY/eb

BUDGET

LEGAL SERVICES CORPORATION

CONSOLIDATED OPERATING BUDGET FOR FY 1977

AND FUNDS AVAILABLE ^{1/}

JUNE 1, 1977

	(1) BUDGET (4/1/77)	(2) BUDGET (5/31/77)	(3) EXPENSES ^{2/} (5/31/77)	(4) BALANCES (5/31/77) (2 - 3)
<u>I. FIELD SERVICES</u>	<u>(82,539,905)</u>	<u>\$82,537,620</u>	<u>\$75,322,442</u>	<u>7,215,178</u>
A. Field Programs	(71,849,847)	71,849,847	70,299,348	1,550,499
B. Support Centers	(2,045,181)	2,045,181	1,183,429	861,752
C. Indian Programs	(2,128,358)	2,128,358	2,128,358	-
D. Migrant Programs	(695,916)	695,916	603,416	92,500
E. Special Programs	(4,649,749)	<u>4,649,749</u>	<u>249,749</u>	<u>4,400,000</u>
1. National Clients Council	(249,749)	249,749	249,749	-
2. R. H. Smith Fellowships	(4,400,000)	4,400,000	-	4,400,000
F. Field Operations	(1,170,854)	1,168,569 ^{3/}	858,142	310,427
<u>II. PROGRAM IMPROVEMENT</u>	<u>(18,647,814)</u>	<u>18,342,354</u>	<u>14,836,986</u>	<u>3,505,368</u>
A. Past Inflation Adjustments	(5,727,676)	5,727,676	5,519,888	207,788
B. Equalization	(7,790,803)	7,790,803	7,526,510	264,293
C. Special Needs	(1,796,163)	1,796,163	1,725,088	71,075
D. One-Time Funds	(3,333,172)	3,027,712 ^{4/}	65,500	2,962,212
<u>III. PROGRAM EXPANSION</u>	<u>(15,131,985)</u>	<u>15,131,985</u>	<u>13,983,445</u>	<u>1,148,540</u>

	(1) BUDGET (4/1/77)	(2) BUDGET (5/31/77)	(3) EXPENSES ^{2/} (5/31/77)	(4) BALANCES (5/31/77) (2 - 3)
<u>IV. PROGRAM SUPPORT</u>				
A. Training	(3,189,968)	3,134,968	1,294,208	1,840,760
1. Operations	(1,503,169)	1,503,169	667,243	835,926
2. Local Training Grants	(1,303,169)	1,303,169	595,887	707,282
B. Management Assistance	(200,000)	200,000	71,356	128,644
C. Clearinghouse	(663,875)	608,875 ^{5/}	21,129	587,746
1. Operations	(602,600)	602,600	426,333	176,267
2. CCH contracts	(282,600)	282,600	266,333	16,267
D. Recruitment	(320,000)	320,000	160,000	160,000
E. Administration and Production	(125,880)	125,880	319	125,561
Administration and Production	(294,444)	294,444	179,184	115,260
<u>V. DEMONSTRATION PROJECTS AND EVALUATION</u>	(5,452,874)	5,452,874	1,623,512	3,829,362
A. Delivery System Study Grants	(3,000,000)	3,000,000	1,498,410	1,501,590
B. Information System	(1,702,874)	1,702,874	-	1,702,874
C. Evaluation	(750,000)	750,000	125,102 ^{6/}	624,898
<u>VI. PROGRAM DEVELOPMENT AND EXPERIMENTATION</u>	(250,000)	250,000	-	250,000
<u>VII. RESEARCH INSTITUTE ON LEGAL ASSISTANCE</u>	(302,137)	302,137	108,608	193,529
<u>VIII. MANAGEMENT AND ADMINISTRATION</u>	(3,793,654)	4,156,399 ^{7/}	1,897,438	2,258,961
TOTALS	(129,308,337)	129,308,337	109,066,639	20,241,698

PREPARED BY:

F. A. Hennigan, Jr.
F. A. Hennigan, Jr.
Budget Officer

APPROVED:

T. Ehrlich
T. Ehrlich
President

NOTES:

1/ The consolidated operating budget includes:

1. FY 1977 Federal payment	125,000,000
2. FY 1976 and Transition Quarter Federal Payment Funds carried forward to FY 1977	<u>4,308,337</u>
	129,308,337

2/ Expenses from the Comptroller's Summary of Expenditures - Program and Activities, as of May 31, 1977.

3/ Adjustment of \$2,285 to align with operating experience. Transferred to Management and Administration.

4/ Allocations to Management and Administration of \$300,000 for Cost Variation and Program Staff Retention studies, and \$5,460 for administration of the Delivery System Study.

5/ Allocation of \$55,000 to Management and Administration for the provision of financial management assistance by the Office of the Comptroller to field programs.

6/ An 85% proration of total regional office travel expenses as reported in the Office of the Comptroller's report of Field Operations expenses through 5/31/77.

7/ See notes 3,4 and 5, above. Total increase of \$362,745.

ADJUSTMENTS WITHIN THE \$217.1 MILLION BUDGET REQUEST FOR FISCAL YEAR 1978

At its June 23 meeting in Washington, the Appropriations and Audit Committee considered staff recommendations on adjustments within the \$217.1 million budget request submitted to the Congress in January.

The Committee approved the adjustments and intends to recommend them to the Board at the July 7 and 8 meeting. Supplementary materials on the larger adjustments will be forwarded to Board members during the week of June 26.

On July 6, the Committee will consider specific reductions in the \$217.1 million budget in the event that Congress reduces the original total. These reductions will be made in the \$217.1 million budget as adjusted at the June 23 meeting.

FIELD SERVICES

Reallocate \$9,350,000 of basic field program new expansion funds as follows:

A. Allocate \$5,450,000 to existing basic field programs.

1. \$410,000 additional for Cost of Business increases for programs currently funded at or above \$10.50 per poor person.

Explanation: The Corporation's budget request to the Congress provides that programs funded above \$10.50 per person would not receive a Cost of Business increase unless they demonstrate a special need. (See p. 44 of the budget request.) Representations have been made by programs, and there have been expressions of Congressional concern, that without the increase the programs would not be able to maintain present service levels. While the Corporation will continue to assess the need, it will proceed on the assumption that an increase will be approved in most cases. The \$410,000 adjustment will assure sufficient funds for increases at the rate of 5 percent.

2. \$1,540,000 additional for 11 large programs, each of which has more than 100,000 poor persons without minimum access.

Explanation: The 11 programs originally were scheduled to receive funds sufficient to close 50% of their gaps in minimum access in Fiscal Year 1978 and the remainder in FY 1979. (See p. 42 of the budget request.) All other existing programs -- those with less

than 100,000 poor persons without minimum access -- would receive sufficient funds in Fiscal Year 1978 to close their entire gaps. Under the original plan, several of the 11 large programs would have fewer persons achieving minimum access in FY 1978 than some programs with less than 100,000 poor persons currently without minimum access. The adjustment would eliminate that inequity by providing that each of the 11 programs would receive sufficient funds to close 50 percent of its minimum access gap or to serve 100,000 additional persons, whichever is greater.

3. \$3,500,000 for discretionary adjustments to assure competitive salaries.

Explanation: The House Appropriations Committee stated in its report on the Corporation's appropriation that the higher level of funding should take into account the effects of past periods of low program funding and the need to establish program salaries at reasonably competitive levels. The \$3,500,000 adjustment is an initial estimate of the amount required in FY 1978. Criteria are being prepared to establish the conditions for receiving discretionary adjustments.

- B. Allocate \$3,900,000 to Native American and Migrant programs.

1. \$900,000 increase for Native American expansion.
2. \$3,000,000 increase for Migrant expansion.

Explanation: The Corporation has been conducting studies during Fiscal Year 1977 on the sizes and characteristics of the Native American and Migrant populations. The studies suggest that the above increases would close 50 percent of the gaps in minimum access for each group in Fiscal Year 1978. The remainder would be closed in FY 1979. The \$900,000 estimate for Native Americans appears reasonably accurate. It is difficult to estimate Migrant population size and service needs, and the \$3,000,000 estimate is a maximum for planning purposes. Further analysis of the study results probably will produce a lower Migrant increase.

- C. Transfer \$75,000 from Program Development and Experimentation to the Research Institute on Legal Assistance.

Explanation: The Institute's work plan indicates that the additional amount could be used effectively in Fiscal Year 1978. The funds transferred from Program Development had not yet been designated for any specific projects under that budget activity.

The following table shows the adjustments in the context of the total \$217.1 million request. Please note that the Fiscal Year 1977 annualized level for Field Services appears at page 3 with the totals. The budget levels and changes for Field Services shown on pages 1 and 2 represent increases above that annualized level, except for Field Operations funds used to administer the Corporation's regional offices. The Field Operations funds represent the total Fiscal Year 1978 request for that budget activity.

FY 1978 BUDGET ADJUSTMENT WORKSHEET

Adjustments to Original \$217.1 Million Request

	<u>Budget 1/15/77</u>	<u>Change 6/21/77</u>	<u>Proposed Budget 6/21/77</u>	<u>Notes</u>
<u>I. Field Services</u>	<u>\$81,065,000</u>	-	<u>\$81,065,000</u>	
(All amounts are adjustments above FY 1977 annualized level except for Field Operations)				
<u>A. Access Existing</u>				
<u>1. Basic Field Programs</u>	<u>37,887,000</u>	<u>+5,450,000</u>	<u>43,337,000</u>	
	<u>37,387,000</u>	<u>+5,450,000</u>	<u>42,837,000</u>	
a. Increase in access up to \$7.00 per person	34,902,000	-	34,902,000	
b. Cost of Business at 5%	705,000	+ 410,000	1,115,000	
c. Increases for Special Programs	147,000	-	147,000	
d. Special Needs	1,000,000	-	1,000,000	
e. Reserve for Special Adjustments	633,000	-	633,000	
f. Increase for 11 programs with more than 100,000 persons	-	+1,540,000	1,540,000	Increases access by 220,000 persons at the \$7.00 rate.
g. Discretionary adjustment related to House language on competitive salaries	-	+3,500,000	3,500,000	
<u>2. Support Centers</u>	<u>500,000</u>	-	<u>500,000</u>	

	Budget 1/15/77	Change 6/21/77	Proposed Budget 6/21/77	Notes
B. Expansion New				
1. <u>Basic Field Programs</u>	41,000,000	-5,450,000	35,550,000	
a. To increase FY 1977 expansion to a maximum level of \$7.00 per person	4,385,000	-	4,385,000	
b. To support FY 1978 expansion	35,615,000	-9,350,000	26,265,000	Decreases access by 1,335,714 at the \$7.00 rate
2. Native Americans	665,000	+ 900,000	1,565,000	Increases access by 128,571 at the \$7.00 rate
3. Migrants	335,000	+3,000,000	3,335,000	Increases access by 428,571 at the \$7.00 rate
C. <u>Field Operations</u> (Regional Offices)	2,178,000	-	2,178,000	
II. <u>Program Support</u>	13,988,000	-	13,988,000	
1. Training	2,709,000	-	2,709,000	
a. Operations				
b. Local Grants				
2. Management Assistance	1,088,000	-	1,088,000	
3. Clearinghouse	1,070,000	-	1,070,000	
a. Operations				
b. CCH Contract				
4. Recruitment	8,531,000	-	8,531,000	
a. Operations	2,498,000	-	2,498,000	
b. R. H. Smith	6,033,000	-	6,033,000	
5. Administration and Production	590,000		590,000	

	<u>Budget</u> <u>1/15/77</u>	<u>Change</u> <u>6/21/77</u>	<u>Proposed</u> <u>Budget</u> <u>6/21/77</u>	<u>Notes</u>
III. <u>Research Institute on Legal Assistance</u>	<u>425,000</u>	+ <u>75,000</u>	<u>500,000</u>	
IV. <u>Demonstration Projects and Evaluation</u>	<u>6,085,000</u>	-	<u>6,085,000</u>	
1. <u>Delivery System Study Demonstrations</u>	<u>3,300,000</u>	-	<u>3,300,000</u>	
2. <u>Information Systems</u>	<u>1,265,000</u>	-	<u>1,265,000</u>	
3. <u>Evaluation</u>	<u>1,520,000</u>	-	<u>1,520,000</u>	
V. <u>Program Development and Experimentation</u>	<u>400,000</u>	- <u>75,000</u>	<u>325,000</u>	
VI. <u>Management and Administration</u>	<u>4,159,000</u>	-	<u>4,159,000</u>	
<u>Totals</u>	<u>106,122,000</u>	-	<u>106,122,000</u>	
<u>Plus Field Services Annualized Level From</u> <u>FY 1977</u>	<u>110,978,000</u>	-	<u>110,978,000</u>	
<u>Adjusted Totals</u>	<u>217,100,000</u>		<u>217,100,000</u>	



LEGAL SERVICES CORPORATION

733 Fifteenth Street, N.W., Washington, D. C. 20005 (202) 376-5100

MEMORANDUM

DATE: June 21, 1977

TO: Board of Directors--Committee on Audit and Appropriation

FROM: Fabio de la Torre, Comptroller

SUBJECT: Audit and Accounting Status Report--Board of Directors Meeting, July 1977.

The purpose of this memorandum is to advise the members of the Committee on Audit and Appropriation and the members of the entire Board of Directors, if so desired, of the status of the Corporation's activities in the auditing and accounting area. This meeting will provide the opportunity to address comments or questions the committee members or board members may have.

The Corporation's main vehicle for insuring sound financial management at programs are (1) the requirement for an annual financial statement audit based upon the principles of full disclosure; and (2) LSC's efforts to assist recipients in upgrading their accounting systems when significant deficiencies are noted.

The following highlights summarize the Corporation's approach to discharging its responsibilities for assuring sound financial management at programs.

1. In August 1976, the Comptroller's Office issued the *Audit and Accounting Guide for Recipients and Auditors*. This document accomplished several objectives. First, it required full disclosure financial reporting. Secondly, it required audit reports to be prepared substantially in accordance with generally accepted accounting principles for nonprofit organizations. We have noted a significant increase in the quality of audit reports since the Guide was issued.
2. As a follow-up to the Audit Guide, the Comptroller's Office conducted a series of eight audit and accounting seminars across the country. These seminars were designed to be an

Thomas Ehrlich
President

E. Clinton Bamberger, Jr.
Executive Vice-President

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LEGAL SERVICES CORPORATION

MEMORANDUM

June 21, 1977

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orientation to the requirements of the Audit Guide and an opportunity to obtain input directly from the programs affected by the Guide.

3. As a result of these seminars, LSC will issue a revised Guide in June 1977 which clarifies the ambiguities which were brought to our attention during the seminars, and incorporates changes and improvements which were suggested by the attendees at the seminars. Both program personnel and their independent CPAs provided input for the revisions.
4. The Corporation has been authorized an audit staff of five individuals. Currently, four of those positions are filled. The audit department has developed standard operating procedures designed to discharge LSC's audit related responsibilities (available upon request). We expect these procedures to continually evolve as we are able to more closely identify the scope of the activities which will allow us to fully discharge our audit related responsibilities.

The second arm of our approach to ensure financial integrity at the programs involves assisting LSC recipients to upgrade their accounting procedures and financial reporting to meet minimum requirements. The following briefly summarizes some specific activities in this area.

1. In March 1977, we issued a publication, "Accounting Model for Recipients." The model was intended to provide the programs with an approach to conducting, accounting for, and reporting on the fundamental business activities that must be performed by each program. The "model" does not attempt to describe the specific clerical step or accounting instructions necessary to successfully implement an adequate accounting system. The objective of the model was to provide guidance and illustrate "approaches" to meet accounting and reporting needs. It can be used as a standard against which a recipient's accounting procedures can be evaluated.



LEGAL SERVICES CORPORATION

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2. We are in the process of preparing a "Budgeting Model for Recipients." We have received many requests for assistance in this area, especially from the attendees at the original round of seminars. This document is in the draft stages now. We will have the opportunity to test its application simultaneously with its development because we are currently developing budgeting procedures for Greater Boston Legal Services, Inc.
3. Four programs are currently utilizing or planning to utilize an IBM Systems 32 mini-computer for both statistical and accounting purposes. At the time LSC became involved with this project, only one program (Community Legal Services in Philadelphia), had incurred a substantial effort in developing automated financial reporting and accounting capabilities. We are currently engaged in an effort to coordinate the programming of the computers for the three programs which have not incurred significant effort in this area to date--Legal Assistance Foundation of Chicago, Puerto Rico Legal Services, Inc., and Legal Aid Bureau of Baltimore. We also intend to test a service bureau concept by utilizing Puerto Rico Legal Services, Inc., to process the accounting requirements (Payroll, General Ledger, and Financial Reporting) for San Juan Legal Services, Inc.
4. In conjunction with preparing the "Accounting Model for Recipient," we implemented an accounting system for Legal Aid Society of Albuquerque. Subsequently, we utilized the concepts and techniques which were developed from that project to implement accounting systems in Legal Services of Greater Miami, Inc., Greater Boston Legal Services, Inc., and Southern New Mexico Legal Services. The project for the Miami program has been completed. The other programs are in various stages of completion.
5. Ohio State Legal Services also implemented an accounting system independently based on the concepts and techniques developed in the "Albuquerque" and "Accounting Model for Recipients" project.



LEGAL SERVICES CORPORATION

MEMORANDUM

June 21, 1977

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6. We have identified several accountants in each region (Comptroller's Liaison Group) who can be used as resource people at the request of the regional director to assist less qualified accountants to upgrade the accounting systems for their respective programs. This group was initially organized as an experiment to provide the Comptroller with feedback with respect to any audit or accounting requirements originating at the Comptroller's Office.
7. We have conducted a three and one-half day accounting training conference based upon the case study method in Denver, Colorado (April 26, 27, 28, and 29). The members of the Comptroller's Liaison Group and the Regional Management Specialists attended. The objectives of this training were to alert the Regional Management Specialists and the Liaison Group to accounting/financial problems commonly found at Legal Services programs; and to ensure that they can identify and resolve such problems at programs in their respective regions.
8. We have been accumulating an inventory of accounting aids such as copies of procedures manuals developed for specific programs and mock-ups of one-write systems and other accounting reference materials that can be made available for the benefit of the programs. We are currently working with a business forms company to develop one-write forms specifically designed for legal services programs--at no cost to LSC. The firm recognized the potential benefit to all non-profit organizations with fund accounting requirements and offered to assist us at no cost.
9. During our visits to the field and through comments from attendees at the seminars, we concluded that there was a need to establish formal lines of communications between the Comptroller's Office and the programs. We had instituted a memorandum called the "Comptroller's Notes" that was intended to serve this purpose. This concept has been further expanded into "Legal Services Corporation's Notes" to include communication from all offices of the Corporation and will be handled through the Office of Public Affairs.



LEGAL SERVICES CORPORATION

MEMORANDUM

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10. We have completed audits of several legal services programs at universities which had gone many years without audits. To date we have received \$79,918 from the National Health Law Program at UCLA and have not yet resolved questions on an additional \$231,000 (approximately) of costs at that program.

We have received \$20,267 from the termination audit of Catholic University's "Legal Services Training Program."

We intend to continue similar efforts in the future. We expect our effectiveness in those efforts to be increased as we more precisely define our desired objectives, and our approach to accomplishing such objectives.

PJY/eb

cc: Thomas Ehrlich
E. Clinton Bamberger, Jr.

LEGAL SERVICES CORPORATION

STATUS OF ONE-TIME FUNDS ON JUNE 20, 1977

	<u>Proposed Allocation</u> (6/20/77)	<u>Expenses</u> (6/20/77)	<u>Balance</u> (6/20/77)	<u>Notes</u>
1. <u>Available for distributions (estimate)</u>	\$2,046,672	-	\$2,046,672	
2. <u>Corporation charges</u>	1,468,637	\$ 476,730	991,907	
a. Termination payment for DCRS (actual)	15,500	15,500	-	
b. Atlanta Legal Aid for fire damage (actual)	50,000	50,000	-	
c. Cost variation study (estimate)	200,000	-	200,000	(Transferred from Field Services to Management and Admin. as of 5/31/77)
d. Attorney turnover projects (estimate)	100,000	10,000	90,000	(Transferred from Field Services to Management and Admin. as of 5/31/77)
e. To bring expansion grants made before January 1, 1977 to the January 1, 1978 refunding date (estimate)	150,000	9,613	140,387	
f. Increase for Research Institute (actual)	52,137	52,137	-	
g. Corporation activities related to the Delivery System Study (actual)	135,460	135,460	-	
h. Local program activities related to the Delivery System Study (estimate)	60,000	5,000	55,000	
i. Alaska program to offset loss of outside sources - for six months (estimate)	110,000	-	110,000	
j. Support Centers - Washington (estimate)	130,000	38,250	91,750	

	<u>Proposed Allocation</u> (6/20/77)	<u>Expenses</u> (6/20/77)	<u>Balance</u> (6/20/77)
k. C.L.O. New York. To carry until decision made on Delivery System Study. (estimate)	42,000	-	42,000
l. Baltimore programs. To carry until FY 1978. (actual)	138,020	138,020	-
m. Adjustment for Migrant Programs (actual).	7,961	-	
n. Reserved for contingencies. (estimate)	254,809	-	254,809
			(\$5,460 transferred to activities related to the Delivery System Study as of 5/31/77; \$7,961 for adjustment for Migrant Programs)
o. Apprad for Mingo Co. flood	22,750	22,750	-
	<u>22,750</u>	<u>22,750</u>	<u>-</u>
TOTAL	\$3,515,309	\$476,730	\$3,038,579

LEGAL SERVICES CORPORATION

FY 1978 BUDGET

Proposed Budget at \$205 Million in Relation to the \$217.1 Million Request

	Original \$217.1 Million Budget Request 1/15/77	Proposed 1/ Adjustments 6/23/77	Revised \$217.1 Million Budget Request 6/23/77	Proposed 2/ Reductions 7/1/77	Proposed \$205 Million Budget 2/ 7/1/77	Reduction Rates
<u>I. Field Services</u>	<u>\$81,065,000</u>	-	<u>\$81,065,000</u>	<u>-\$10,951,770 3/</u>	<u>\$70,113,230</u>	- 13.5% 2/
(All Field Services amounts are adjustments above the FY 1977 annualized level except for I.C., Field Operations)						
A. <u>Access Existing</u>	<u>37,887,000</u>	+ <u>5,450,000</u>	<u>43,337,000</u>	- <u>1,383,000</u>	<u>41,954,000</u>	- 3.2%
1. <u>Basic Field Programs</u>	<u>37,387,000</u>	+ <u>5,450,000</u>	<u>42,837,000</u>	- <u>1,383,000</u>	<u>41,454,000</u>	- 3.2%
a. Increases in access up to \$7.00 per person	34,902,000	-	34,902,000	-	34,902,000	-
b. Cost of Business adjustments at 5%	705,000	+ 410,000	1,115,000	-	1,115,000	-
c. Increases for Special Programs	147,000	-	147,000	-	147,000	-
d. Special Needs	1,000,000	-	1,000,000	-	1,000,000	-
e. Reserve for Special Adjustments	633,000	-	633,000	- 133,000	500,000	- 21.0%
f. Increase for 11 large field programs with more than 100,000 persons	-	+ 1,540,000	1,540,000	-	1,540,000	-
g. Discretionary adjustments related to Congressional Appropriation Committee reports	-	+ 3,500,000	3,500,000	- 1,250,000	2,250,000	- 35.7%
2. <u>Support Centers</u>	<u>500,000</u>	-	<u>500,000</u>	-	<u>500,000</u>	-

	Original \$217.1 Million Budget Request 1/15/77	Proposed Adjustment 1/ 6/23/77	Revised \$217.1 Million Budget Request 6/23/77	Proposed 2/ Reductions 7/1/77	Proposed \$205 Million Budget 2/ 7/1/77	Reduction Rates
B. Expansion New						
1. <u>Basic Field Programs</u>	41,000,000	- 5,450,000	35,550,000	- 9,568,770	\$25,981,230	- 26.9%
a. To increase FY 1977 expansion programs from \$4.90 to \$7.00 per person	40,000,000	- 9,350,000	30,650,000	- 8,152,593	22,497,407	- 26.6%
b. To support FY 1978 expansion	4,385,000	-	4,385,000	-	4,385,000	-
2. <u>Native Americans</u>	35,615,000	- 9,350,000	26,265,000	- 8,152,593	18,112,407	- 31.0%
3. <u>Migrants</u>	665,000	+ 900,000	1,565,000	- 488,007	1,076,993	- 31.2%
a. To increase FY 1977 expansion programs from \$4.90 to \$7.00 per person	335,000	+ 3,000,000	3,335,000	- 928,170	2,406,830	- 27.8%
b. To support FY 1978 expansion	335,000	-	335,000	-	335,000	-
4. <u>Field Operations</u> (For Regional Office Operations)	2,178,000	+ 3,000,000	3,000,000	- 928,170	2,071,830	- 31.0%
II. Program Support						
1. <u>Training</u>	13,988,000	-	13,988,000	- 839,280	13,148,720	- 6.0%
2. <u>Management Assistance</u>	2,709,000	-	2,709,000	-	2,709,000	-
3. <u>Clearinghouse</u>	1,088,000	-	1,088,000	-	1,088,000	-
4. <u>Recruitment</u>	1,070,000	-	1,070,000	-	1,070,000	-
a. Operations	8,531,000	-	8,531,000	- 839,280	7,691,720	- 9.8%
b. R. H. Smith	2,498,000	-	2,498,000	- 839,280	1,658,720	- 33.6%
5. <u>Administration and Production</u>	6,033,000	-	6,033,000	-	6,033,000	-
	590,000	-	590,000	-	590,000	-

	Original \$217.1 Million Budget Request 1/15/77	Proposed Adjustments 6/23/77	Revised \$217.1 Million Budget Request 6/23/77	Proposed Reductions 7/1/77	Proposed \$205 Million Budget 7/1/77	Reduction Rates
III. <u>Research Institute on Legal Assistance</u>	425,000	+ 75,000	500,000	- 25,000	475,000	- 5.0%
IV. <u>Demonstration Projects and Evaluation</u>	6,085,000	-	6,085,000	- 76,000	6,009,000	- 1.2%
1. Delivery System Study Demonstrations	3,300,000	-	3,300,000	-	3,300,000	-
2. Information Systems	1,265,000	-	1,265,000	-	1,265,000	-
3. Evaluation	1,520,000	-	1,520,000	- 76,000	1,444,000	- 5.0%
V. <u>Program Development and Experimentation</u>	400,000	- 75,000	325,000	-	325,000	-
VI. <u>Management and Administration</u>	4,159,000	-	4,159,000	- 207,950	3,951,050	- 5.0%
Totals	\$106,122,000	-	\$106,122,000	-\$12,100,000	\$94,022,000	- 11.4%
Plus Field Services Annualized Level From FY 1977	110,978,000	-	110,978,000	-	110,978,000	-
Adjusted Totals	\$217,100,000	-	\$217,100,000	-\$12,100,000	\$205,000,000	- 5.6%

1/ As considered by the Appropriations and Audit Committee on 6/23/77.

2/ Staff proposals.

3/ Reduction is 5.7% of Field Services adjustments plus the FY 1977 Field Services annualized level (\$81,065,000 + \$110,978,000 = \$192,043,000, and \$10,951,770 is 5.7% of that total.)

FY 1978 BUDGET ADJUSTMENT WORKSHEET
 Adjustments to Original \$217.1 Million Request

	Budget 1/15/77	Change 6/21/77	Proposed Budget 6/21/77	Notes
<u>I. Field Services</u>	<u>\$81,065,000</u>	-	<u>\$81,065,000</u>	
(All amounts are adjustments above FY 1977 annualized level except for Field Operations)				
<u>A. Access Existing</u>				
<u>1. Basic Field Programs</u>	<u>37,887,000</u>	<u>+5,450,000</u>	<u>43,337,000</u>	
a. Increase in access up to \$7.00 per person	34,902,000	-	34,902,000	
b. Cost of Business at 5%	705,000	+ 410,000	1,115,000	
c. Increases for Special Programs	147,000	-	147,000	
d. Special Needs	1,000,000	-	1,000,000	
e. Reserve for Special Adjustments	633,000	-	633,000	
f. Increase for 11 programs with more than 100,000 persons	-	+1,540,000	1,540,000	Increases access by 220,000 persons at the \$7.00 rate.
g. Discretionary adjustment related to House language on competitive salaries	-	+3,500,000	3,500,000	
<u>2. Support Centers</u>	<u>500,000</u>	-	<u>500,000</u>	

	Budget 1/15/77	Change 6/21/77	Proposed Budget 6/21/77	Notes
<u>B. Expansion New</u>				
1. <u>Basic Field Programs</u>	41,000,000	-5,450,000	35,550,000	
a. To increase FY 1977 expansion to a maximum level of \$7.00 per person	40,000,000	-9,350,000	30,650,000	
b. To support FY 1978 expansion	4,385,000	-	4,385,000	
2. Native Americans	35,615,000	-9,350,000	26,265,000	Decreases access by 1,335,714 at the \$7.00 rate
3. Migrants	665,000	+ 900,000	1,565,000	Increases access by 128,571 at the \$7.00 rate
4. Migrants	335,000	+3,000,000	3,335,000	Increases access by 428,571 at the \$7.00 rate
<u>C. Field Operations</u> (Regional Offices)	2,178,000	-	2,178,000	
<u>II. Program Support</u>	13,988,000	-	13,988,000	
1. Training	2,709,000	-	2,709,000	
a. Operations				
b. Local Grants				
2. Management Assistance	1,088,000	-	1,088,000	
3. Clearinghouse	1,070,000	-	1,070,000	
a. Operations				
b. CCH Cont. Act				
4. Recruitment	8,531,000	-	8,531,000	
a. Operations	2,498,000	-	2,498,000	
b. R. H. Smith	6,033,000	-	6,033,000	
5. Administration and Production	590,000		590,000	

	Budget 1/15/77	Change 6/21/77	Proposed Budget 6/21/77	Notes
III. <u>Research Institute on Legal Assistance</u>	<u>425,000</u>	+ <u>75,000</u>	<u>500,000</u>	
IV. <u>Demonstration Projects and Evaluation</u>	<u>6,085,000</u>	-	<u>6,085,000</u>	
1. Delivery System Study Demonstrations	3,300,000	-	3,300,000	
2. Information Systems	1,265,000	-	1,265,000	
3. Evaluation	1,520,000	-	1,520,000	
V. <u>Program Development and Experimentation</u>	<u>400,000</u>	- <u>75,000</u>	<u>325,000</u>	
VI. <u>Management and Administration</u>	<u>4,159,000</u>	-	<u>4,159,000</u>	
Totals	106,122,000	-	106,122,000	
Plus Field Services Annualized Level From FY 1977	<u>110,978,000</u>	-	<u>110,978,000</u>	
Adjusted Totals	217,100,000		217,100,000	

July 1, 1977

TO: Thomas Ehrlich

FROM: F. A. Hennigan *F. A. Hennigan*

SUBJECT: Budget Adjustment: Discretionary Adjustments Related to Congressional Appropriations Committee Reports

The report of the House Appropriations Committee on the Corporation's Fiscal Year 1978 appropriation states that:

The higher level of funding provided in the accompanying bill should be allocated with a formula that will enable existing programs to recapture past cutbacks in staff and services and to establish employee salaries at reasonably competitive levels.

The report of the Senate Appropriation Committee states that:

The Committee notes that Legal Services Corporation has decided to use "dollars per eligible poor person" as the sole measure of service capacity and relative wealth when determining the allocation of additional fiscal year 1978 funds. This measure has a negative impact on rural areas because of the extra costs incurred in serving those areas. The extra costs result from the need for extensive traveling, long-distance phone calls, staff time lost in traveling, and the like. The Committee therefore strongly recommends that the Corporation take these extra costs into account when the increases allowed by this year's higher appropriation are allocated.

In sum, the Committees specifically addressed allocations that would take into account:

- Recapture of past cutbacks in staff and services, and the establishment of employee salaries at reasonably competitive levels.
- Extra costs incurred by programs serving rural areas as a result of:
 - Extensive traveling.
 - Long-distance phone calls.
 - Staff time lost in traveling.

Collection of data and development of criteria to establish eligibility for recapture of past cutbacks in service will be extremely difficult. All programs have received cost of business adjustments since the Corporation was established. Many have received equalization, special needs and one-time funds. In any specific case, three basic questions would have to be addressed:

1. What were the cutbacks?
2. Were the decisions to cutback reasonable under the circumstances?
3. Have additional funds provided by the Corporation been adequate to offset the impact of the cutbacks, even though not specifically used to restore the cutbacks?

Furthermore, there are difficult questions regarding programs which have been subjects of mergers or consolidations, or which have expanded into new geographic areas.

In any case, most of the recapture problem probably can be resolved through competitive salary adjustments.

The establishment of competitive salaries is a current Corporation objective. Grantees are required as part of the grant application process to make a local salary comparability survey and to develop reasonably comparable salary schedules for their personnel.

In addition, this summer the Corporation plans to conduct a national survey of attorney and non-attorney public service and non-profit organization salaries in connection with the planned study of regional variations in the costs of delivering legal services.

Current operating experience suggests that the gaps between legal services and comparable salary schedules are narrowing. Programs most likely to experience gap closing problems are the relatively high per capita programs that have not shared in equalization funds. These programs range upward from about \$6.00 per poor person and represent about 34 percent or \$37.5 million of the Corporation's Fiscal Year 1977 funding base of \$110.6 million.

Because 80 percent of grantee funds go on the average to staff salaries, we assume that 80 percent of the \$37.5 million, or \$30 million, represents the base amount for possible competitive salary adjustments.

The attached draft criteria on establishing eligibility for competitive salary adjustments will go into effect before October 1, 1977. Also attached is the current Corporation instruction on grantee salary comparability.

Extra costs incurred by programs serving rural areas have been the subjects of special analyses conducted in preparation for the pending cost variation study.

Data taken from grant applications and audit reports reveal a strong correlation of high travel costs with rural programs, as well as with statewide, Native American and Migrant programs that serve large geographic areas.

Although many rural programs do experience high telephone costs, the correlation is not as strong as with travel costs. The fact that telephone base rates, as distinct from use charges, vary widely in the United States appears to contribute to this weaker correlation. Some urban programs, for example, experience high base rate telephone charges.

Current considerations of rural telephone and travel costs have not taken account of possible offsets in the form of lower office and secretarial costs. Nor have they explored possible efficiencies in program performance that could lower travel and telephone costs.

The Corporation will continue in conjunction with the cost variation study to study the special funding, allocation and management problems of rural and similar programs with a view to special adjustments. Data expected to be available in mid-Fiscal Year 1978 from the Project Reporting System will help greatly to relate costs to caseloads and staffing patterns. Special allocations are not likely, except in extreme and self-evident cases, before the last half of Fiscal Year 1978.

I recommend allocation of \$2,250,000 as a Fiscal Year 1978 reserve for discretionary adjustments.

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: November 16, 1976

TO: Regional Directors

FROM: Charles E. Jones *CEJ*

SUBJECT: Published Instruction Re: Recipient Wage Comparability Study

Attached is a copy of the Instruction published in the Federal Register regarding recipient wage comparability study. Also attached is an addendum to that Instruction making it effective January 1, 1977 -- the addendum will be published in the Federal Register in the next few days. An Instruction is only enforceable to the extent that we elect not to refund for a recipient's failure to comply.

Would you please circulate these instructions to all the programs in your region to ensure that they are aware of this requirement. Some programs have already begun salary comparability studies; those that have not should begin to do so in accordance with the guidelines contained in the Instruction.

Title 45--Public Welfare
CHAPTER XVI--LEGAL SERVICES
CORPORATION

Recipient Employee Salary Instructions

Pursuant to Section 1008(e) of the Legal Services Corporation Act of 1974 (42 U.S.C. 2996g-(e)), the following instructions are published.

Salary Administration

Recipients shall have a: (1) current salary comparability statement, (2) salary schedule establishing minimum and maximum salaries for each position, (3) job description for each paid position or group of similarly paid positions, and (4) salary administration plan, including a staff performance evaluation system.

Salary Comparability

In designing a salary comparability study, attorneys' salaries should be compared with local public or private nonprofit agencies or organizations which employ attorneys, e.g., public defender agencies, county counsel, city attorney, public interest law firms, etc. If the positions used for comparison are not full-time, the study should so reflect. Salary comparability for non-attorney positions may be established by using these same local agencies or organizations. The salary comparability study shall note which agencies or organizations were used for comparison and shall include a brief statement explaining how the job duties and responsibilities were compared.

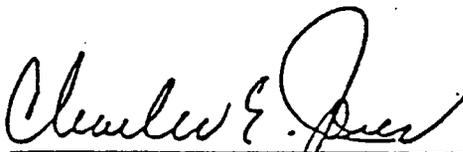
Procedure

Grantees and contractors shall immediately begin to conduct a local salary survey. Within 90 days of the grant award, the salary survey and salary administration plan shall be submitted and approved by the relevant governing body and then submitted to the Regional Director for approval.

Upon receipt of written approval from the Regional Director, programs may compensate personnel in accordance with the salary schedule and salary administration plan without further approval from the Corporation so long as increases in salary do not raise the annualized cost of program operation beyond that which has been awarded by the Corporation during an approved funding period.

Annual Review

Recipients should review wages annually to insure that they remain as competitive as possible with other agencies and organizations.

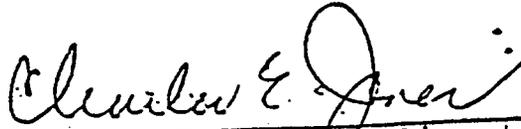


Charles E. Jones, Director
Office of Field Services
Legal Services Corporation

LEGAL SERVICES CORPORATION

Recipient Employee Salary Instructions

On November 12, 1976, the Legal Services Corporation published in the Federal Register (41 F.R. 50042) a document which established recipient employees salary instructions. The document becomes effective on January 1, 1977.



Charles E. Jones, Director
Office of Field Services
Legal Services Corporation

PROPOSED CRITERIA FOR DISCRETIONARY
ADJUSTMENTS TO ASSURE COMPETITIVE
SALARIES

DRAFT
CEJ/ab
6/7/77

All programs will be reviewed to insure that they are complying with the LSC Act and Regulations, that they are well managed and that they are administratively sound. Factors essential to well managed and administratively sound programs are the following:

1. Caseload management system developed in light of the needs of the program's clients and the provisions of the Legal Services Corporation Act. The system must involve the client community in the priority setting process and must include some form of caseload control.
2. A current salary comparability statement; a salary schedule establishing minimum and maximum salaries for each position; job descriptions for each paid position or group of similarly paid positions and a salary administration plan that includes a staff performance evaluation system.
3. Systems for controlling and coordinating personnel, equipment, space and other program resources that are responsive to the procedures and goals established by the Corporation and the program.
4. Training and support for all staff to promote professional and personal growth.
5. Use of program resources to promote an environment that is conducive to quality lawyering that preserves the clients' dignity and the confidentiality of the clients' communications with program staff.

Assuming that programs do meet the standards stated above an analysis will be made to determine how they have used resources they received during the grant years 1975 to 1977.

If a program had an attrition rate of 25% or greater, per annum, and did not use a substantial portion of the past increased funding to increase staff salaries, the presumption is that the program made an incorrect management decision and thus would not receive an increase.

Generally, assuming an attrition rate of 25% or greater, 80% of the increase should have gone to salary increases to make salaries competitive.

If all criteria are met and salaries are still not competitive, i.e., within 10% of the comparable salaries paid in the service area, adjustment can be recommended to move salaries toward 10% of the comparable salaries in the service area of the project.

DRAFT
CEJ/ab
6/7/77

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: July 1, 1977

TO: Thomas Ehrlich

FROM: Alfred H. Corbett

SUBJECT: Budget Adjustment:
\$1,540,000 Additional
for 11 Field Programs

In the Fiscal Year 1978 budget request, the Corporation asked for funds to bring all but 11 large field programs up to the minimum level of two attorneys for each 10,000 poor persons eligible for service. The budget request states:

"We plan that the 11 programs, each of which has more than 100,000 persons without even minimum access to its services, will receive funds sufficient to close 50% of that gap in 1978, and the remainder in 1979."

At the \$217.1 million level it was not possible to reach all previously uncovered areas and to bring all existing programs up to the \$7 per capita minimum access level.

It was judged preferable for FY 1978 to put the 11 large programs on a 2-year path to minimum access and bring all other programs up to \$7 rather than to spread small access gaps throughout the entire family of field projects. Furthermore the 11 programs would have been required to recruit for more than 20 attorney units, plus normal replacements, and their ability to do so was cause for concern at the New Orleans Board meeting in January.

On further study, it appears that under the original budget plan, many of the 11 large programs would have fewer persons achieving minimum access in Fiscal Year 1978 than some programs with less than 100,000 poor persons without access. As shown on the attached sheet, the \$1,540,000 adjustment would eliminate that inequity by providing that each of the 11 programs would receive sufficient funds to close 50% of its minimum access gap or to serve 100,000 additional persons whichever is greater.

Memorandum
Page Two
July 1, 1977

The \$1,540,000 adjustment would increase by 220,000 the number of persons achieving minimum access in Fiscal Year 1978 through existing programs. There would be a corresponding decrease in Fiscal Year 1978 in planned minimum access through new expansion grants. This decrease would be made up in Fiscal Year 1979.

Attachment

LSC PROGRAMS RANKED BY NUMBER
OF POOR PERSON WITHOUT ACCESS

<u>Programs</u>	<u>1977 Annual Level</u>	<u>Number of Persons With- Out Access 1977</u>	<u>Add'l Access Per the Budget Formula For 11 Programs</u>	<u>Adjusted Formula for the 11 Programs</u>
1 Puerto Rico \$	3,403,240	1,044,055	522,028	522,028
2 Georgia (Statewide)	1,581,251	533,894	266,947	266,947
3 Northern Miss.	967,448	199,425	99,712	100,000
4 Apalred, Ky.	714,574	186,556	93,278	100,000
5 Brooklyn	1,985,952	170,180	85,090	100,000
6 Chicago	2,225,119	163,968	81,984	100,000
7 Los Angeles	1,563,692	148,260	74,130	100,000
8 Texas Rural	510,888	130,860	65,430	100,000
San Juan	657,264	125,751	62,875	100,000
10 Philadelphia	1,136,024	120,798	60,399	100,000
11 Houston	724,981	106,554	53,277	100,000
12* Bronx	1,290,315	98,281	98,281	98,281
23* Orange Co. Ca.	211,207	60,436	60,436	60,436

*Illustrative of programs ranking from 12 through 23 in number of persons without access in FY 1977.

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 29, 1977

TO: Thomas Ehrlich

FROM: Charles E. Jones *CEJ*

SUBJECT: Background Information on Migrant Statistics

At the June 23, 1977 meeting of the Appropriations and Audit Committee of the Board, several questions were raised concerning the dollar figure proposed for migrant expansion in FY 78, and what population figures were used to arrive at that dollar amount. This memorandum will discuss the tentative population figures used to project FY 78 funding, and how those figures were derived.

The 1970 Census—our usual data source for funding—proved to be an inappropriate reference tool because it did not count most migrant farmworkers. In an effort to identify useable population figures on which to base migrant funding, we commissioned a study to a) review all existing data and the methodologies used to collect that data, b) to identify any problems and/or limitations with the data (e.g., definitional inconsistencies), and c) to determine whether factors for correcting the limits and deficiencies could be developed.

The study report contains a thorough and objective analysis of the six major and three minor federal statistical systems that purport to provide migrant population figures, and provides ample evidence of the shortcomings of the methodologies used, as well as the magnitude and direction of error in each instance. Because no single source provided realistic results nationwide, the study used four sources of data in order to determine state by state figures. The four sources, in order of preferred use, were: 1) Department of Labor (DOL) In-Season Farm Labor Reports and 1970 Census factors for households of unrelated individuals and rural poverty family size in each state, 2) HEW's report on the 1973 Migrant Health Estimated Target Population, 3) HEW Office of Education data, primarily from the Migrant Student Transfer System, and 4) a mail and telephone survey of public and private organizations serving migrants in each state.

The study results show a total migrant farmworker population of 1,558,176, with the 12 existing migrant programs serving a total of 344,529 migrants. We consider these figures tentative, as the state-by-state figures represent peak month populations and we feel some leveling off is in order to adjust for the off-season decline in population in most states. We will be meeting

with representatives of the migrant programs in the coming week to discuss this question and to agree upon firm population figures for funding purposes.

To arrive at the \$3,335,000 figure contained in the FY 78 Budget Worksheets prepared for the 6/23/77 meeting of the Appropriations and Audit Committee, we 1) divided migrant funding for FY 77 by \$7.00 to determine the number of migrants currently with access; 2) subtracted that number from an estimated total migrant population of 1,035,000 (a preliminary figure reached mid-way through the migrant study) to calculate the number of migrants still without access, and 3) multiplied this figure by \$7.00 to determine how much additional funding would be necessary to achieve minimum access. Our calculations revealed that approximately \$6,000,000 would be required to achieve minimum access for migrants by 1979; accordingly, \$3,000,000 was added to the \$335,000 that we had initially budgeted for FY 78 migrant expansion prior to receiving the results of the migrant study.

RESOLVED, that the Fiscal Year 1978 Federal Payment to the Legal Services Corporation be allocated according to the following schedule:

I.	FIELD SERVICES*	\$187,124,230
II.	PROGRAM SUPPORT	7,115,720
III.	RESEARCH INSTITUTE ON LEGAL ASSISTANCE	475,000
IV.	DEMONSTRATION PROJECTS AND EVALUATION	6,009,000
V.	PROGRAM DEVELOPMENT AND EXPERIMENTATION	325,000
VI.	MANAGEMENT AND ADMINISTRATION	<u>3,951,050</u>
	Total	\$205,000,000

*Includes the Reginald Heber Smith Fellowship Program.

FY 1978 BUDGET

STATUS OF BUDGET ADJUSTMENTS AND PROPOSED REDUCTIONS OF \$12.1 MILLION

Budget Adjustments at the \$217.1 Million Level and Reductions to the \$205 Million Level as Noted

<u>Budget Activity</u>	<u>Amount in Revised \$217.1 Million Budget</u> 6/23/77	<u>Amount in Proposed \$205 Million Budget</u> 7/1/77	<u>Reductions</u> 7/1/77
I.A.1.a. Cost of Business adjustment at 5% for programs receiving \$10.50 or more per person.	\$ 410,000	\$ 410,000	-
I.A.1.f. Increase for 11 large field programs with more than 100,000 persons.	1,540,000	1,540,000	-
I.A.1.g. Discretionary adjustments related to Congressional Appropriation Committee reports.	3,500,000	2,250,000	-\$1,250,000 (-35.7%)
I.B. <u>Expansion New</u>	<u>35,550,000</u>	<u>25,981,230</u>	<u>-\$9,568,770 (-26.9%)</u>
1. <u>Basic Field Programs</u>	<u>30,650,000</u>	<u>22,497,407</u>	<u>- 8,152,593 (-26.6%)</u>
a. To increase FY 1977 expansion programs from \$4.90 to \$7.00 per person.	4,385,000	4,385,000	-
b. To support FY 1978 expansion.	26,265,000	18,112,407	- 8,152,593 (-31.0%)
2. Native Americans	1,565,000	1,076,993	- 488,007 (-31.2%)
3. Migrants	<u>3,335,000</u> <u>335,000</u>	<u>2,406,830</u> <u>335,000</u>	<u>- 928,170 (-27.8%)</u> <u>-</u>
a. To increase FY 1977 expansion programs from \$4.90 to \$7.00 per person.	3,000,000	2,071,830	- 928,170 (-31.0%)
b. To support FY 1978 expansion.	<u>41,000,000</u>	<u>\$30,181,230</u>	<u>-\$10,818,770 (-26.4%)</u>
Subtotal (Adjustments and reductions)			

Other Reductions to \$205 Million

<u>Budget Activity</u>	<u>Amount in Revised \$217.1 Million Budget 6/23/77</u>	<u>Amount in Proposed \$205 Million Budget 7/1/77</u>	<u>Reductions 7/1/77</u>
I.A.1.e. Reserve for Special Adjustments	\$ 633,000	\$ 500,000	-\$ 133,000 (-21.0%)
II.4.a. Recruitment Operations	2,498,000	1,658,720	- 839,280 (-33.6%)
III. Research Institute on Legal Assistance	500,000	475,000	- 25,000 (-5.0%)
IV. 3. Evaluation	1,520,000	1,444,000	- 76,000 (-5.0%)
VI. Management and Administration	4,159,000	3,951,050	- 207,950 (-5.0%)
Subtotal (Reductions)	<u>\$9,310,000</u>	<u>\$8,028,770</u>	<u>-\$1,281,230 (-13.8%)</u>
Total Reductions	--	--	<u><u>-\$12,100,000</u></u>

Summary of Changes in Minimum Access Due to Adjustments in the
\$217.1 Million FY Request and to Reductions to \$205 Million

A. Net Loss in Minimum Access - Basic Field Programs

- | | |
|---|------------------|
| 1. Increase for 11 large field programs with more
than 100,000 persons | +220,000 persons |
|---|------------------|

$$\frac{\$1,540,000}{\$7.00} = 220$$

- | | |
|---|--------------------|
| 2. Reduction in New Expansion for Basic Field
Programs | -2,500,370 persons |
|---|--------------------|

Original Request	\$40,000,000
------------------	--------------

Allocation at \$205 Million	<u>22,497,407</u>
--------------------------------	-------------------

	\$17,502,593
--	--------------

$$\frac{\$17,502,593}{\$7.00} = 2,500,370$$

Net Loss

2,280,370 persons

B. Revised Access Targets for FY 1978 - Basic
Field Programs

1. Existing Programs

- | | |
|---|--------------------------|
| a. Original target at \$217.1 million | 4,986,000 persons |
| b. Increase for 11 large field programs
with more than 100,000 persons | +220,000 |
| c. Revised target | <u>5,206,000 persons</u> |

2. New Expansion

a. Original target at \$217. 1 Million	5,610,000 persons
b. Decrease due to budget adjustments and reductions	-2,500,370 persons

c. Revised target	<u>3,109,630 persons</u>
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C. Persons without Access at the end of FY 1978

1. Existing Program Areas

a. Balance without access at the end of FY 1977	6,409,000 persons
b. Access in FY 1978	<u>5,206,000 persons</u>
c. Without Access at the end of FY 1978	1,203,000 persons

2. New Program Areas

a. Balance without access at the end of FY 1977	9,590,000 persons
b. Access in FY 1978	<u>3,109,630 persons</u>
c. Without Access at the end of FY 1978	<u>6,480,370 persons</u>

Total without access in Existing and New Program Areas at the end of FY 1978	<u><u>7,683,370 persons</u></u>
--	---------------------------------

NOTE: Reallocations from Basic Field Program Expansion funds to Native American and Migrant programs produce losses in access within the 29,000,000 poverty population. Native American eligibles have not been consistently included in the 29,000,000 total, and we cannot readily separate those who have been included from those who have not. Migrant eligibles have never been included in the 29,000,000 total.

LEGAL SERVICES CORPORATION
 REPORT TO THE COMMITTEE ON AUDIT & APPROPRIATIONS
INVESTMENT STATUS AT 5/31/77

The investment transactions to date are reflected by the following activity:

Cash available for investment from FY 76 and TQ appropriations	\$ 25,000,000
Cash available for investment from FY 77 appropriation	<u>125,000,000</u>
Cash temporarily available from appropriations	150,000,000
Cash temporarily available from receipt of Interest Earned	<u>2,897,323</u>
Total cash temporarily available	152,897,323
Used in operations	(83,639,436)
Cash available not invested	<u>(2,005)</u>
Cash temporarily invested	<u>\$ 69,255,882</u>

The Corporation's portfolio is composed of the following investments:

U.S. Treasury Bills, due at various dates from 6/2/76 thru 8/25/77, 4.53% to 5.11%	\$59,953,309
Federal Interim Credit Bk due 6/1/77, 5.85%	2,950,394
Farm Credit Discount note due 7/18/77, 4.60%	3,262,893
Bank of Coop/Debenture, due at 4/4/77 & 8/11/77 + 5.2% respectively	<u>3,089,286</u>
Total Cost of Investments at 5/31/77	<u>\$69,255,882</u>

The Corporation earned and projected income is summarized as follows:

Total Interest Earned and not received as of 5/31/77	\$ 514,760
Total Interest projected for the year based upon an assumed 4.5% interest rate applied to expected monthly investment balances	\$4,910,997

REAPPOINTMENT

RESOLUTION

RESOLVED, that pursuant to Section 1005 of the Legal Services Corporation Act, the Board of Directors hereby reappoints Thomas Ehrlich, a member of the bar of the State of Wisconsin, as President of the Legal Services Corporation for the period from January 1, 1978 through December 31, 1980, to receive a salary at the highest annual rate of basic pay authorized by Section 1005(d) of the Act, as the same shall from time to time be amended.

RESOLVED FURTHER that the Board of Directors hereby approves the letter agreement dated June 22, 1977, between its Chairman, Roger C. Cramton, and Thomas Ehrlich, concerning the terms and conditions of the employment of Mr. Ehrlich by the Corporation.

CLIENT GRUIEVANCE

PROCEDURE

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 21, 1977
TO: Members of the Board of Directors
FROM: Alice Daniel
SUBJECT: Regulations

The Regulations Committee has not yet reviewed the proposed final draft of Part 1621, or the draft technical amendments that will be required if pending bills become law. If changes in these materials are required after the Committee meeting on July 6, 1977, revised material will be distributed at the Board of Directors meeting.

Enclosures

PART 1621

COMMENT

A person who is denied legal assistance by a recipient, or who is dissatisfied with the assistance rendered, is unable to obtain legal assistance from another source. And, although a client does not pay a fee, adequate recourse should be available when the client believes that the services provided by a recipient do not meet the high professional standards required by the Act. A dissatisfied client may prefer to complain to the appropriate Bar disciplinary committee, and need not use the recipient's complaint procedures, but that possibility does not relieve the recipient of the obligation of providing its own remedial arrangements.^{1/} Further, the fact that a recipient carries on its activities with funds from a public source imposes an additional responsibility beyond those imposed on every lawyer by the Code of Professional Responsibility. An effective client grievance procedure is an appropriate means of insuring the accountability of a recipient to its clients.

The regulation requires the governing body of a recipient to establish a grievance committee with authority to consider

^{1/} The State Advisory Council is not the proper forum for complaints about the quality of assistance rendered, because its jurisdiction is limited to notifying the Corporation of any apparent violation of the prohibitions of the Act and Regulations. See Section 1004(f) of the Act and Section 1603.5(a) of Corporation Regulations.

complaints that have not been resolved by staff action.^{2/}
The Code of Professional Responsibility does not prevent a committee containing nonlawyers from inquiring into a lawyer's conduct of a case when the committee is acting at the request of the client. Ethical prohibitions against interference with the professional judgment of a lawyer are designed to insure that the lawyer will be directly responsible to the client, and not subject to interference or control by an intermediary. See ABA Formal Opinions 237 and 294. Inquiry by a grievance committee acting at the request of the client is consistent with these opinions.

The notice given to a client about the complaint procedure should also inform the client of the existence of a local group, such as the National Clients Council or the National Welfare Rights Organization, that may be able to counsel the client about the subject of the complaint.

The requirement in the proposed draft that a recipient provide assistance to a client in presenting a complaint has been omitted to avoid jeopardizing a recipient's malpractice insurance. Instead, Section 1621.3(c) requires a recipient to prepare a verbatim transcript of a brief statement made by a client who is unable to prepare a writing without assistance.

^{2/} A recipient that serves a very large geographic area, such as a statewide program, may, of course, establish separate local committees.

Section 1621.4 was added in response to comments received on the proposed regulations. It authorizes a simplified procedure for handling complaints about eligibility determinations and similar decisions denying legal assistance.

PART 1621 - CLIENT GRIEVANCE PROCEDURE

Sections

- 1621.1 Purpose.
- 1621.2 Governing Body Grievance Committee.
- 1621.3 Procedures.
- 1621.4 Complaints About Denial of Assistance.

AUTHORITY: Sec. 1006(b)(1), 42 U.S.C. 2996e(b)(1);
Sec. 1006(b)(3), 42 U.S.C. 2996e(b)(3); Sec. 1007(a)(1),
42 U.S.C. 2996f(a)(1).

1621.1 Purpose

By providing an effective remedy for a client who believes that legal assistance has been denied improperly, or who is dissatisfied with the assistance provided, this Part seeks to insure that every recipient will be accountable to its clients and will provide the high quality legal assistance required by the Act.

1621.2 Governing Body Grievance Committee

The governing body of a recipient shall establish a grievance committee, composed of lawyer and client representatives in the same proportion in which they are on the governing body.

1621.3 Procedures

(a) A recipient shall establish effective procedures for determining the validity of a complaint that assistance has been improperly denied or ineffectively rendered. The procedures adopted shall be subject to approval by the Corporation.

(b) The procedures shall provide

- (1) adequate notice to a client at the time of the initial interview of how to make a complaint, and
- (2) prompt consideration of each complaint by the director of the recipient, or the recipient's designee, and
- (3) an opportunity for a complainant to appear before the grievance committee established by the governing body, if the director of the recipient is unable to resolve the matter. The client may be accompanied at the meeting by another person.

(c) A record of every complaint and its disposition shall be preserved for review by the Corporation. The record shall include any document submitted by the client, and upon request, the recipient shall transcribe a brief statement dictated by the client for inclusion in the record.

1621.4 Complaints About Denial of Assistance

With the prior written approval of the Corporation, based upon a showing that the procedures required by Section 1621.3 are unduly burdensome, a recipient may establish a special procedure for review of a decision that a client is financially ineligible, or that assistance is prohibited by the Act or Corporation Regulations, or by priorities established by the recipient pursuant to Section 1620. The special procedure shall include adequate notice and an opportunity to confer with the director of the recipient or the director's designee.

PART 1621 - CLIENT GRIEVANCE PROCEDURE

Sections

- 1621.1 Purpose.
- 1621.2 Grievance Committee.
- 1621.3 Complaints About Legal Assistance.
- 1621.4 Complaints About Denial of Assistance.

AUTHORITY: Sec. 1006(b)(1), 42 U.S.C. 2996e(b)(1);
Sec. 1006(b)(3), 42 U.S.C. 2996e(b)(3); Sec. 1007(a)(1),
42 U.S.C. 2996f(a)(1).

1621.1 Purpose

By providing an effective remedy for a person who believes that legal assistance has been denied improperly, or who is dissatisfied with the assistance provided, this Part seeks to insure that every recipient will be accountable to those it is expected to serve, and will provide the legal assistance required by the Act.

1621.2 Grievance Committee

The governing body of a recipient shall establish a grievance committee or committees, composed of lawyer and client members of the governing body in approximately the same proportion in which they are on the governing body.

1621.3 Complaints About Legal Assistance

(a) A recipient shall establish procedures for determining the validity of a complaint that legal assistance has been ineffectively rendered.

(b) The procedures shall provide at least:

- (1) information to a client at the time of the initial visit of how to make a complaint, and
- (2) prompt consideration of each complaint by the director of the recipient, or the director's designee, and
- (3) an opportunity for a complainant to submit an oral and written statement to a grievance committee established by the governing body, if the director of the recipient is unable to resolve the matter. Upon request, the recipient shall transcribe a brief written statement, dictated by the complainant, for inclusion in the recipient's complaint file. The complainant may be accompanied by another person.

(c) A file containing every complaint and ~~its~~ ^{a statement of its} disposition shall be preserved for examination by the Corporation. The ~~record~~ ^{file} shall include any written statement submitted by the complainant.

1621.4 Complaints About Denial of Assistance

A recipient shall establish a simple procedure for review of a decision that a person is financially ineligible, or that assistance is prohibited by the Act or Corporation Regulations, or by priorities established by the recipient pursuant to Section 1620. The procedure shall include adequate notice, an opportunity to confer with the director of the recipient or the director's designee, and to the extent practicable, with a representative of the governing body.

PROPOSED AMENDMENTS
TO REGULATIONS

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 22, 1977
TO: Members of the Board of Directors
FROM: Alice Daniel
SUBJECT: Proposed Amendments to Regulations

The following changes in Corporation Regulations will be required by passage of either Senate bill 1303 or House bill 6666. Relevant portions of both bills are attached, in the order in which regulatory changes are presented.

Other non-substantive changes to clarify current regulations are also proposed.

A. Proposed Amendments that will be Required if S.1303 Becomes Law.

1601 By-Laws

The provisions of the By-Laws dealing with notice of meetings and executive sessions would have to be amended to conform to the requirements of the Government in Sunshine Act, which both bills apply to the Corporation. In addition, a new regulation implementing the Government in Sunshine Act will be required. (S.1303, Section 4) The proposed changes in the By-Laws are contained in an attached chart.

1607 Governing Bodies

Section 1607.3(d) of Corporation Regulations now requires that at least one-third of the members of a governing body be "either eligible clients, or representatives of associations, groups, or organizations of eligible clients". This section would have to be amended to track the statutory language, requiring one-third of the governing body to be eligible clients. (An "eligible client" is a person who is eligible to receive legal services, but he or she need not actually be receiving them.) (S.1303, Section 3(b))

Current Provision

"At least one member of a governing body shall be, when selected, an eligible client, and at least one-third of the members shall be either eligible clients, or representatives of associations, groups, or organizations of eligible clients."

Amendment

The current provision is hereby repealed and in lieu thereof insert the following:

"At least one-third of the members of the governing body shall be persons who are, when selected, eligible clients who may be representatives of associations or organizations of eligible clients."

1608 Prohibited Political Activities

Section 1608.5(c) would have to be amended by deleting the language prohibiting staff attorneys from being candidates for nonpartisan elective office. Section 1608.6(b), dealing with off-duty activities of staff attorneys would have to be repealed entirely. (S.1303, Section 7; H.R.6666, Section 5)

Current Provisions

1608.5(c) - "No staff attorney shall be a candidate for elective public office, whether partisan or nonpartisan; nor shall a Corporation employee be a candidate for partisan elective public office."

1608.6(b) - "While employed under the Act, no staff attorney shall engage in the activities prohibited by paragraphs (a)(2) or (a)(3) of this section at any time."

Amendments

1608.5(c) - "No staff attorney or Corporation employee shall be a candidate for partisan elective public office."

1608.6(b) is hereby repealed.

1608.6(a) is amended by striking "a"; by striking "(1)" and inserting in lieu thereof "(a)"; by striking "(2)" and inserting in lieu thereof "(b)"; and by striking "(3)" and inserting in lieu thereof "(c)".

1609 Fee-Generating Cases

Section 1609.4 would have to be amended to eliminate the need for referral to a private attorney when a client is seeking the benefit of a statutory entitlement program and appropriate private representation is unavailable.

(S.1303, Section 9(a)) The legislative history suggests that the change is directed to the situation where a client is seeking the benefits of a "governmental income maintenance program." As defined in Section 1611.2, that term means "Aid for Dependent Children, Supplemental Security Income, Unemployment Compensation, and a state or county general assistance or home relief program." The statutory language could include Social Security cases, but the proposed draft does not. A policy question is presented as to whether it should.

Current Provision

1609.4 Authorized representation in a fee-generating case.

"Other adequate representation is deemed to be unavailable when (a) The recipient has determined that free referral is not possible because:

(1) The case has been rejected by the local lawyer referral service, or by two private attorneys; or

(2) Neither the referral service nor any lawyer will consider the case without payment of a consultation fee; or

(3) The case is of the type that private attorneys in the area ordinarily do not accept, or do not accept without prepayment of a fee; or

(4) Emergency circumstances compel immediate action before referral can be made, but the client is advised that, if appropriate, and consistent with professional responsibility, referral will be attempted at a later time; or

(b) Recovery of damages is not the principal object of the case and a request for damages is merely ancillary to an action for equitable or other non-pecuniary relief; or inclusion of a counterclaim requesting damages is necessary for effective defense or because of applicable rules governing joinder of counterclaims; or

(c) A court appoints a recipient or an employee of a recipient pursuant to a statute or a court rule or practice of equal applicability to all attorneys in the jurisdiction."

Amendment

1609.4 is amended by striking the period at the end of subsection (c) and inserting in lieu thereof a semi-colon and "or", and adding the following:

"(d) The client is seeking the benefits of a governmental income maintenance program, and free private representation is unavailable."

1610 Use of Funds from Sources Other than the Corporation

Part 1610 would have to be repealed to remove the prohibitions on use of funds from private sources. (S.1303, Section 2(b)) Its only provision that will survive amendment of the law is Section 1610.4, which states that "funds received by a recipient from a source other than the Corporation shall be accounted for as separate and distinct receipts and disbursements, in the manner directed by the Corporation." No regulation is needed to implement this requirement because each grantee is required in its grant application to certify that it will keep its accounts in the manner prescribed by the Corporation's Audit and Accounting Guide for Recipients and Auditors. The guide includes the requirement of Section 1610.4.

1611 Eligibility

Section 1611.5(c) would have to be amended to follow the new provision concerning assistance to the voluntarily-unemployed. (S.1303, Section 8(a))

Current Provision

1611.5 Determination of Eligibility.

* * *

"(c) Evidence of a prior administrative or judicial determination that a person's present lack of income results from refusal or unwillingness, without good cause, to seek or accept suitable employment, shall disqualify the person from receiving legal assistance under the Act. This paragraph does not bar provision of legal assistance to an otherwise eligible person who seeks representation in order to challenge the prior determination."

Amendment

1611.5(c) is amended by striking the comma following the word "employment", substituting therefor a period, and striking the words "shall disqualify the person from receiving legal assistance under the Act." As amended, the section reads as follows:

"Evidence of a prior administrative or judicial determination that a person's present lack of income results from refusal or unwillingness, without good cause, to seek or accept suitable employment. This paragraph does not bar provision of legal assistance to an otherwise eligible person who seeks representation in order to challenge the prior determination."

1613 Restrictions on Legal Assistance in Criminal Proceedings

Section 1613.4 would have to be amended by adding a section tracking the statutory language permitting legal assistance to Native Americans charged with certain minor criminal offenses involving treaty rights. (S.1303, Section 9(a); H.R.6666, Section 7)

Current Provision

1613.4 Authorized representation.

"Legal assistance may be provided with respect to a criminal proceeding

(a) Pursuant to a court appointment made under a statute or a court rule or practice of equal applicability to all attorneys in the jurisdiction, if authorized by the recipient after a determination that it is consistent with the recipient's primary responsibility to provide legal assistance to eligible clients in civil matters; or

(b) When professional responsibility requires continued representation of a juvenile pursuant to §1614.6; or

(c) When professional responsibility requires representation in a criminal proceeding arising out of a transaction with respect to which the client is being, or has been, represented by a recipient."

Amendment

1613.4 is amended by deleting subsection (b)^{1/} and inserting in lieu thereof the following:

"(b) to provide assistance to a person charged with an offense involving hunting, fishing, trapping, or gathering fruits of the land, when the principal defense asserted involves rights arising from a treaty with Native Americans, or from a statute or Executive Order establishing such rights; or".

^{1/} Current section 1613.4(b) deals with representation of juveniles. It may be omitted as being implicit in section 1613.4(c).

1614 Restrictions on Representation of Juveniles

Part 1614 would be repealed. (S.1303, Section 9(b)) The comment to 1613 should be revised by adding an explanatory note that the provisions of Section 1613.4(c) allowing legal assistance with respect to a criminal proceeding "when professional responsibility requires representation in a criminal proceeding arising out of a transaction with respect to which the client is being, or has been, represented by a recipient" permits representation in the circumstances described in Section 1614.6, which is to be repealed.

At present 1614.6 states:

"If a criminal proceeding, as defined in Section 1613.2, arises out of a case, proceeding, or matter with respect to which a juvenile has received assistance authorized by this Part, an attorney should make a good faith effort, consistent with professional responsibility, to obtain approval of the court to withdraw from representation in the criminal proceeding, but may continue to provide representation unless relieved by the court."

1616 Attorney Hiring

Section 1616.5, requiring that preference in hiring be given to qualified local applicants, would be repealed. (S.1303, Section 8(d))

Current Provision

1616.5 Preference to local applicants.

"When equally qualified applicants are under consideration for an attorney position, a recipient shall give preference to an applicant residing in the community to be served."

Amendments

Section 1616.5 is hereby repealed.

Section 1616.6 is hereby renumbered "1616.5", and Section 1616.7 is hereby renumbered "1616.6".

1620 Priorities in Allocation of Resources

Amendment of Section 1620.2(b), dealing with the establishment of priorities by recipients, would be required by

Section 8(b) of S.1303. The Regulations Committee will present a proposed amendment at the October Board meeting.

B. Changes Required by H.R.6666.

The only change required by H.R.6666 that is not required by S.1303 is directed at Section 1612.4 of the Regulations, concerning legislative and administrative representation.

1612 Restrictions on Certain Activities

Section 1612.4 would have to be amended to conform with the clarification of Section 1007(a) of the Act and to eliminate the prohibition on solicitation of clients. (H.R. 6666, Section 6(c)) The elimination of the prohibition on solicitation of clients is recognition that legal services lawyers are authorized by the ABA Code of Professional Responsibility to engage in educational and outreach activities to inform the poor of the availability of legal assistance. Under Section 1006(b)(3), the activities of legal services attorneys are made subject to the Code of Professional Responsibility, and therefore activities exceeding this community educational function are already prohibited. A specific prohibition addressed to legal services lawyers is both unnecessary and misleading.

Current Provision

1612.4 Legislative and administrative representation.

"(a) No funds made available to a recipient by the Corporation shall be used, directly or indirectly, to support activities intended to influence the issuance, amendment, or revocation of any executive or administrative order or regulation of a Federal, State or local agency, or to influence the passage or defeat of any legislation by the Congress of the United States or by any State or local legislative body; except that

(1) An employee may engage in such activities in response to a request from a governmental agency or a legislative body, committee, or member made to the employee or to a recipient; and

(2) An employee may engage in such activities on behalf of an eligible client of a recipient, if the client may be affected by a particular legislative or administrative measure; but no employee shall

(i) solicit a client for the purpose of making such representation possible, or

(ii) solicit a group of clients for the purpose of representing it with respect to matters of general concern to a broad class of persons as distinguished from the interests of a particular client.

(b) Nothing in this section is intended to prohibit an employee from

(1) Communicating with a governmental agency for the purpose of obtaining information, clarification, or interpretation of the agency's rules, regulations, practices, or policies; or

(2) Informing a client about a new or proposed statute, executive order, or administrative regulation; or

(3) Communicating with the Corporation for any purpose."

Amendment

Section 1612.4(a) is amended by striking everything after "legislative" and inserting:

"bodies, or State proposals by initiative petition, except when

(1) representation by an employee of a recipient is necessary to the provision of legal advice and representation with respect to the legal rights and responsibilities of an eligible client; or
when

(2) a governmental agency, legislative body, a committee, or a member thereof

(i) requests personnel of the recipient to testify, draft, or review measures or to make representations to such agency, body, committee, or member, or

(ii) is considering a measure directly affecting eligible clients or the activities of the recipient or the Corporation."

C. Proposed Amendments to Clarify Current Regulations.

1601 By-Laws

Several technical amendments to the By-Laws are required to remove unnecessary, misleading, or ambiguous provisions.

Section 1601.14, regarding compensation of Directors, should be amended to delete references to rates established for consultants to the Federal Government, since such rates are not uniform. The amended provision would read:

"Directors shall be entitled to receive compensation at appropriate rates prescribed by the Board, not in excess of the per diem equivalent of the rate of level V of the Executive Schedule specified from time to time in section 5316 of title 5, United States Code, for their services as members of the Board or of any committee thereof and reimbursement for travel, subsistence, and other expenses necessarily incurred in connection therewith."

Section 1601.28 should be amended by inserting in the third sentence thereof, between "appointed" and "by", "by the President or".

The amended provision would read:

"The officers of the Corporation shall be a President, a Secretary, a Treasurer, a Comptroller, and such other officers as the Board determines to be necessary. The President of the Corporation shall be appointed by a majority of the Directors in office. Other officers shall be appointed by the President or by the Board after consultation with the President of the Corporation."

Section 1601.29, concerning the election, term of office and qualifications for officers, should be amended to eliminate the requirement that officers be appointed annually.

The amended provision would read:

"The officers of the Corporation shall be appointed whenever a vacancy arises."

Section 1601.30 should be amended by inserting, between "removed" and "by", "by the President or".

The amended provision would read:

"The President of the Corporation may be removed by a majority of the directors in office, and any other officer may be removed by the President or by the Board pursuant to the quorum and voting provisions of Section 1601.21 but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 1601.33(c), regarding the authority of the President, should be amended by inserting at the end thereof "The President may delegate whatever duties he deems appropriate for delegation."

Section 1601.35, regarding the authority of the Treasurer, should be amended by inserting at the end thereof "The Treasurer may delegate whatever duties he deems appropriate for delegation."

Section 1601.37, dealing with the compensation of officers, should be amended by deleting from the first sentence thereof "or a Vice President", and inserting, after "by a committee", "or by the President".

The amended provision would read:

"The compensation of the officers shall be fixed from time to time by the Board or, in the case of an officer other than the President, by a committee, or by the President or another officer to whom such authority is delegated, at rates not in excess of amounts permitted by law."

1607 Governing Bodies

Section 1607.3 should be amended by striking the period at the end of paragraph (i) and inserting in lieu thereof a semi-colon and by adding a new paragraph to read

"(j) any committee established by the governing body shall be composed of lawyer and client representatives in the same proportion in which they are on the governing body as a whole."

Section 1607.4(a), which now reads

"(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.",

should be amended by adding to the end thereof

"These requirements shall also apply to the meetings of any committee established by the governing body."

1608 Prohibited Political Activities

Section 1608.6 should be amended to make it clear that the provision of legal advice and representation to an eligible client is not prohibited by that section.^{2/} Section 1608.6 now reads:

"1608.6 Prohibitions Applicable to Attorneys and to Staff Attorneys

(a) While engaged in legal assistance activities supported under the Act, no attorney shall engage in

- (1) Any political activity,
- (2) Any activity to provide voters with transportation to the polls, or to provide similar assistance in connection with an election, or

(3) Any voter registration activity.

(b) While employed under the Act, no staff attorney shall engage in the activities prohibited by paragraphs (a)(2) or (a)(3) of this section at any time."

Section 1608.6(a) would be amended by striking "(a)"; striking "(1)" and inserting in lieu thereof "(a)"; striking "(2)" and inserting in lieu thereof "(b)"; striking "(3)" and inserting in lieu thereof "(c)"; striking "or" at the end of renumbered paragraph (b) and inserting in lieu thereof "other than legal advice and representation, or"; and striking the period at the end of renumbered paragraph (c) and inserting in lieu thereof ", other than legal advice and representation."^{3/} The amended section would read:

"1608.6 Prohibitions Applicable to Attorneys and to Staff Attorneys

While engaged in legal assistance activities supported under the Act, no attorney shall engage in

- (a) Any political activity,
- (b) Any activities to provide voters with transportation to the polls, or to

^{2/} The technical amendment to this section that would be required if Section 7 of S.1303 is enacted was discussed in Section A of this memorandum.

^{3/} The renumbering of this section assumes that S.1303, which would require that current paragraph (b) be repealed, will be enacted.

provide similar assistance in connection
with an election, other than legal advice
and representation, or

(c) Any voter registration activity,
other than legal advice and representation."

RELEVANT PROVISIONS OF
S.1303 and H.R. 6666

G. Office Routines & Procedures

1. Has the program established a regular work week?
2. Is there any flexibility in the work hours?
3. Has the program established regular lunch periods and breaks?
4. Does the program have procedures to control lateness and absenteeism?
5. Is there a control system for distribution, responsibility and return of keys?
6. Does the program have a suggestion box or similar system?
7. Are the personnel files secure? Is access restricted?

H. Employment Standards

1. Does the program have a clear policy directing all employees to adhere strictly to policies and procedures for preserving the confidentiality of the attorney-client relationship?
2. Do the program's personnel policies state clearly what conduct may lead to disciplinary action?
3. Are the program's disciplinary procedures stated clearly in the personnel manual (e.g., warning, penalties, suspension and termination, appeal)?
4. Does the program provide for regular performance evaluations of all employees in written form?
5. If the program has a performance evaluation procedure, does it indicate how the evaluations are to be conducted--when and by whom?
6. Does the personnel manual clearly indicate which supervisors evaluate or review the performance of which employees?
7. Does the program provide for non-routine evaluations in the event there is a question of job-performance or conduct?
8. Does the program have any conflict of interest policies restricting the receipt of gratuities, honoraria, and other potential conflicts?

NOTES

Employment Standards (Continued)

9. Does the program have established guidelines prescribing how program staff should deal with representatives of the media?
10. Does the program have a policy restricting outside employment in compliance with LSC Regulations [See: 45 CFR 1604]
11. Does the program have a policy restricting employee's political activity in compliance with LSC Regulations? [See: 45 CFR 1608]

I. Grievance Procedures & Termination

1. Is there a grievance procedure?
2. Does the program have a resignation procedure?
3. If the program has a resignation procedure, are employees who resign required to have an exit interview with a responsible program person?

J. Overall Program Communications

1. Are regular staff meetings held?

If yes, does the staff feel they are productive?
effective?

If no, why not? How are staff kept informed of
program activity?
2. What procedures exist for circulation of internal mail and memoranda of relevance to all staff? To branch offices? Do the procedures work?

SAMPLE STATEMENT
OF
EQUAL OPPORTUNITY POLICIES

I. Purpose

The purpose of the (Program) Equal Opportunity Policies is to assure the right of all persons to work in, participate in, and receive the assistance provided by the (Program) without regard to race, color, religion, sex, national origin, or any other consideration prohibited by law. These policies protect (1) any person employed by or seeking employment with the program, (2) any person being served by or seeking the assistance of the program, and (3) any person participating in, or seeking to participate in a policy-making, planning or advisory body of the program.

II. Statement of Policies

- A. Equal Opportunity in the Provision of Legal Services - It is the policy of the (Program) to make no distinction in the provision of legal assistance to eligible persons because of race, color, religion, sex, national origin or any other consideration prohibited by law.
- B. Equal Opportunity in Employment - It is the policy of the (Program) to seek and employ qualified persons, to provide equal opportunities in all aspects of employment, and to administer all personnel activities in a manner that will not discriminate against any person because of race, color, religion, sex, national origin, or any other consideration prohibited by law.

III. Implementation of Equal Opportunity Policies

A. General

The (Program) Board of Directors has the overall responsibility for the Equal Opportunity Policies.

1. The implementation of these policies is the responsibility of the Director of the (Program).
2. The Director of the (Program) will review on a continuing basis all aspects of the program's operations to insure that these policies are being observed and to determine if additional affirmative efforts are necessary.

B. Provision of Legal Assistance

1. The (Program) will not, on the ground of race, color, religion, sex, national origin, or any other basis prohibited by law:
 - a. deny legal assistance to any eligible person;
 - b. provide legal assistance to a person different in form or manner from that provided to others;
 - c. treat differently any person in determining whether she or he is eligible for legal assistance;
 - d. deny a person the opportunity to participate as a member of a policy-making, planning, or advisory body; or
 - e. establish legal services offices at locations with the purpose or effect of excluding persons from the benefits of legal assistance.

C. Employment Practices

1. Recruitment - Except as required by Sections 1006(b)(6) and 1007(a)(8) of the Legal Services Corporation Act, and Part 1616 of the Corporation Regulations, when any position for employment is available, the program will seek qualified applicants without regard to race, color, sex, religion, national origin or any other consideration prohibited by law.
 - a. Advertisements will be placed in media chosen to reach qualified persons, including minorities and women. All employment advertisements will contain the phrase "an Equal Opportunity Employer."
 - b. The (Program) will seek, to the fullest extent practicable, recommendations from the client community when positions for employment are to be filled.
 - c. The Program's employment applications will notify applicants that discrimination on the basis of race, color, religion, sex or national origin is prohibited by law.
2. Hiring, Placement, and Promotion - All hiring, placement, and promotion of applicants and employees will be made on the basis of individual ability and performance, and the staffing needs of the (Program), consistent with the commitment to equal opportunity that is set forth in this Statement of Equal Opportunity Policies. All hiring, placement, and promotional activities will be monitored by the (Program) to assure that full consideration, as required by program policy, has been given to all qualified minority and women applicants and employees.
3. Benefits and Compensation - All compensation and fringe benefits, including access to training and educational programs for employees of the (Program) will be determined without regard to race, color, religion, sex, national origin or any other consideration prohibited by law.

4. Audits and Reports - The (Program) will develop and implement a reporting procedure that will provide for the continual auditing, monitoring, and evaluation of program personnel and clientele records to insure compliance with all equal opportunity policies. A formal audit of the (Program) will be made at least annually with periodic checks as deemed appropriate. The audit will include the following:
- a. a statistical report showing the race and sex composition of the program's board of directors, staff personnel, and clientele;
 - b. an evaluation of the (Program) Equal Opportunity Policies including comment on their operation and any recommended changes.
5. Complaint Procedure - The (Program) will develop and implement a procedure to provide orderly methods for the prompt and peaceful settlement of complaints about the implementation of these policies and establish over a period of time the basic (Program) rules, practices, and customs for the successful operation of a complaint procedure and conciliation process.

These policies adopted by the Board of Directors on _____ will be revised to reflect experience, changes in laws and regulations, and better understanding of effective approaches that will assure equal opportunities for all.

Chairperson of the Board

Director

Title 45--Public Welfare

CHAPTER XVI--LEGAL SERVICES
CORPORATION

Recipient Employee Salary Instructions

Pursuant to Section 1008(e) of the Legal Services Corporation Act of 1974 (42 U.S.C. 2996g-(e)), the following instructions are published.

Salary Administration

Recipients shall have a: (1) current salary comparability statement, (2) salary schedule establishing minimum and maximum salaries for each position, (3) job description for each paid position or group of similarly paid positions, and (4) salary administration plan, including a staff performance evaluation system.

Salary Comparability

In designing a salary comparability study, attorneys' salaries should be compared with local public or private nonprofit agencies or organizations which employ attorneys, e.g., public defender agencies, county counsel, city attorney, public interest law firms, etc. If the positions used for comparison are not full-time, the study should so reflect. Salary comparability for non-attorney positions may be established by using these same local agencies or organizations. The salary comparability study shall note which agencies or organizations were used for comparison and shall include a brief statement explaining how the job duties and responsibilities were compared.

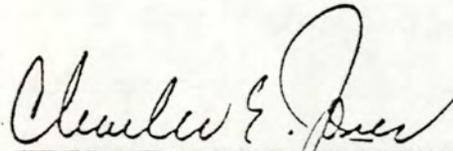
Procedure

Grantees and contractors shall immediately begin to conduct a local salary survey. Within 90 days of the grant award, the salary survey and salary administration plan shall be submitted and approved by the relevant governing body and then submitted to the Regional Director for approval.

Upon receipt of written approval from the Regional Director, programs may compensate personnel in accordance with the salary schedule and salary administration plan without further approval from the Corporation so long as increases in salary do not raise the annualized cost of program operation beyond that which has been awarded by the Corporation during an approved funding period.

Annual Review

Recipients should review wages annually to insure that they remain as competitive as possible with other agencies and organizations.



Charles E. Jones, Director
Office of Field Services
Legal Services Corporation

S.1303, 95th Congress, 1st Session

SUNSHINE PROVISION

Sec. 4. Section 1004(g) of the Legal Services Corporation Act (42 U.S.C. 2996c(g)) is amended by striking out all that follows "open" and inserting in lieu thereof "and shall be subject to the requirements and provisions of section 552B of title 5, United States Code (relating to open meetings).".

MEMBERSHIP OF GOVERNING BODIES

Sec. 3. (b) Section 1007(c) of the Legal Services Corporation Act (42 U.S.C. 2996f(c)) is amended by striking out "and which includes at least one individual eligible to receive legal assistance under this title." and inserting in lieu thereof "and at least one-third of which consists of persons who are, when selected, eligible clients who may be representatives of associations or organizations of eligible clients.".

ACTIVITIES OF STAFF ATTORNEYS

Sec. 7. (a) Paragraph (2) of section 1006(e) of the Legal Services Corporation Act (42 U.S.C. 2996e(e)(2)) is amended by inserting "and staff attorneys" immediately after "Corporation".

(b) Section 1007(a)(6) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(6)) is amended by striking out the matter following clause (C).

LIMITATION ON USE OF FUNDS

Sec. 9. (a) Section 1007(b)(1) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)(1)) is amended to read as follows:

"(1) to provide (A) legal assistance (except in accordance with guidelines promulgated by the Corporation) with respect to any fee-generating case (which guidelines shall not preclude the provision of legal assistance in cases in which a client seeks only statutory benefits and appropriate private representation is not available) or in civil actions to persons who have been convicted of a criminal charge where the civil action arises out of alleged acts or failures to act and the action is brought against an officer of the court or against a law enforcement official for the purpose of challenging the validity of the criminal conviction, or (B) legal assistance in any criminal proceeding, except to provide assistance to a person charged with an offense involving hunting, fishing, trapping, or gathering fruits of the land, when the principal defense asserted involves rights arising from

a treaty with native Americans, or from a statute or Executive order establishing such rights, or to a person charged with a misdemeanor (or its equivalent) or lesser offense in an Indian tribal court;".

FINANCING

Sec. 2. (b) Section 1010(c) of the Legal Services Corporation Act (42 U.S.C. 2996i(c)) is amended by striking out the semicolon and all that follows and inserting in lieu thereof a period.

ASSISTANCE CRITERIA

Sec. 8. (a) Paragraph (2)(B)(iv) of section 1007(a) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(2)(B)(iv)) is amended to read as follows:

"(iv) such other factors as relate to financial inability to afford legal assistance, which shall include evidence of a prior determination that such individual's lack of income results from refusal or unwillingness, without good cause, to seek or accept an appropriate employment situation; and".

LIMITATION ON USE OF FUNDS

Sec. 9. (a). See supra.

Sec. 9. (b) Section 1007(b) of the Legal Services Corporation Act (42 U.S.C. 2996f(b)) is amended by repealing paragraph (a) and paragraph (7).

ASSISTANCE CRITERIA

Sec. 8. (d) Paragraph (8) of section 1007(a) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(8)) is amended by striking out all after "title" and inserting in lieu thereof a semicolon.

Sec. 8. (b)(1) Paragraph (2)(C) of section 1007(a) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(2)(C)) is amended to read as follows:

"(C) insure that (i) recipients, consistent with goals established by the Corporation, adopt procedures for determining and implementing priorities for the provision of such assistance, taking into account the relative needs of eligible clients for such assistance (including such outreach, training, and support services as may be necessary), including particularly the needs for service on the part of significant segments of the population of eligible clients with special difficulties of access to legal services or special legal problems (including elderly persons, handicapped individuals, veterans, native Americans, migrants or seasonal farm-workers, and persons with limited English-speaking

abilities); and (ii) appropriate training and support services are provided in order to provide such assistance to such significant segments of the population of eligible clients;".

(2) Section 1008(c) of the Legal Services Corporation Act (42 U.S.C. 2996g(c)) is amended by adding at the end thereof the following new sentence: "Such report shall include a description of services provided pursuant to section 1007(a)(2)(C)(i) and (ii).".

H.R. 6666, 95th Congress, 1st Session

ASSISTANCE CRITERIA

Sec. 6. (c) Paragraph (5) of section 1007(a) of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(5)) is amended to read as follows:

"(5) insure that no funds made available to recipients by the Corporation shall be used at any time, directly or indirectly, to influence the issuance, amendment, or revocation of any executive order or similar promulgation by any Federal, State, or local agency, or to undertake to influence the passage or defeat of any legislation by the Congress of the United States, or by any State or local legislative bodies, or State proposals by initiative petition, except where--

"(A) representation by an employee of a recipient for any eligible client is necessary to the provision of legal advice and representation with respect to such client's legal rights and responsibilities; or

"(B) a governmental agency, legislative body, a committee, or a member thereof--

"(i) requests personnel of the recipient to testify, draft, or review measures or to make representations to such agency, body, committee, or member, or

"(ii) is considering a measure directly affecting eligible clients or the activities of the recipient or the Corporation;"

PROPOSED CHANGES IN BY-LAWS
REQUIRED BY SUNSHINE ACT

CURRENT PROVISION	PROPOSED CHANGE IN BY-LAWS	EXPLANATION
<p>Subpart D—Meetings of Directors</p> <p>§ 1601.15 Regular meetings.</p> <p>(a) Regular meetings of the Board shall be held at least four times a year, on the first Friday of March, June, October, and December, if not a legal holiday or, if a legal holiday, then on the next business day following, at 10 a.m., or at such other date and time as shall be determined by a majority of the members of the Board. Such regular meetings shall be held in the District of Columbia unless a majority of the members of the Board otherwise determine. Notice of the place of a regular meeting shall be mailed to each Director at least ten days before the date of the meeting [or shall be telegraphed or delivered at least five days before such date.]</p> <p>(b) In the event a majority of the members of the Board agree to postpone a regular meeting, notice of such postponement shall be mailed to each Director at least five days before the scheduled date for such meeting or shall be telegraphed or delivered at least three days before such scheduled date. In the event a majority of the members of the Board agree to reschedule a regular meeting to a date in advance of the scheduled date for such meeting, notice of such rescheduling shall be mailed to each Director [at least twenty-one days before the rescheduled date for such meeting or shall be telegraphed or delivered at least fifteen days before such rescheduled date.] Every such notice shall specify the place, day, and hour of the rescheduled meeting.</p>	<p>Delete "five" and add: "seven" Alternative: delete entire phrase enclosed by brackets.</p> <p>Delete matter in brackets and insert in lieu thereof, "at the earliest practical time."</p>	<p>The Sunshine Act requires the Corporation to make "public announcement" at least seven days before the meeting. The change is not required by the Sunshine Act, but it seems reasonable to require that Directors receive notice at approximately the same time as the public announcement.</p> <p>Under the Sunshine Act, the agency may change the time or place of a meeting "only if the agency publicly announces [the] change at the earliest practicable time."</p>
<p>§ 1601.16 Special meetings.</p> <p>Special meetings of the Board may be called by the Chairman of the Board or shall be called upon receipt by him of a written request from five or more members of the Board or from the President of the Corporation and four or more members of the Board. [Notice of any such meeting shall be mailed to each Director at least seven days before the date on which the meeting is to be held or shall be telegraphed or delivered at least three days before such date.] Every such notice shall specify the place, day, and hour of the meeting.</p>	<p>Delete material in brackets. Add: "Unless a majority of the Board determines by a recorded vote that Corporation business requires a meeting to be called at an earlier date, notice of any special meeting shall be mailed to each director at least seven days before the date on which the meeting is to be held."</p>	<p>Under 552b(e)(1), the Corporation would be required to make a public announcement seven days in advance of a special meeting unless a majority of the Board determined by a recorded vote that Corp. business required a meeting to be called at an earlier date.</p>

EXPLANATION

PROPOSED CHANG. IN BY-LAWS

CURREN. PROVISION

§ 1601.17 Notice and waiver of notice.

§ 1601.18 Agenda.

For each regular and special meeting, the Chairman of the Board or the President of the Corporation shall cause to be prepared an agenda of matters to be discussed at the meeting and shall make reasonable effort to mail the agenda to all Directors as far in advance of the meeting as practicable. When feasible, the agenda shall be posted at the offices of the Corporation, in an area to which the public has access, at least three days before the date on which the meeting is to be held. Any matters appearing on the agenda which the Chairman of the Board or the President of the Corporation believes should be discussed in an executive session in accordance with § 1601.22 shall be so noted. Matters not appearing on the agenda may also be discussed and acted upon at the meeting if the Chairman of the Board or the President of the Corporation shall endeavor to include as many matters on the agenda as can be reasonably anticipated.

§ 1601.19 General notice.

Concurrently with the giving of notice to the Directors of any meeting of the Board or any rescheduling thereof, such notice shall be filed for publication in the Federal Register and posted at the offices of the Corporation in an area to which the public has access. Reasonable effort shall be made to communicate such notice, at least three days before the meeting, to the chairman of each state advisory council appointed pursuant to section 1041(f) of the Act and to every recipient. Failure to provide general notice in accordance with this Section shall not affect the validity of Board action at such meeting.

§ 1601.20 Organization of directors meeting.

No change.

Delete matter in first set of brackets and insert in lieu thereof, "Public notice of the agenda shall be given in the manner prescribed by the Corporation Regulation implementing Section 552b of Title 5 United States Code."

Delete matter in second set of brackets and insert in lieu thereof, "Matters not appearing on the agenda may also be discussed and acted upon in the manner prescribed by the Corporation Regulation implementing Section 552b of Title 5, United States Code,"

Delete matter in brackets and insert in lieu thereof, "Public notice of any meeting of the Board or any rescheduling thereof shall be provided in the manner prescribed by the Corporation Regulation implementing Section 552b of Title 5, United States Code."

No change

Before new matters can be added to the agenda, the Sunshine Act requires (1) a recorded vote by a majority of the Board that Corporation business so requires and that no earlier announcement of the change was possible, and (2) that the Corporation publicly announce any such change and the vote of each member upon the change at the earliest practicable time. Notice of changes in the agenda must be published in the Federal Register.

Under some circumstances, notice required for directors may not be as great as that required for the public -- some flexibility should be retained here. This makes clear that public notice is governed by the Sunshine Act.

CURRENT PROVISION

PROPOSED CHANGES IN BY-LAWS

EXPLANATION

§ 1601.21 Quorum, manner of acting, and adjournment.

(b) A majority of the Directors present at a duly convened meeting, whether or not they shall comprise a quorum, may temporarily adjourn the meeting. [Whenever a meeting is temporarily adjourned to a date not more than five business days following such adjournment, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted thereat otherwise than by an announcement at the meeting at which such adjournment is taken.]

delete matter in brackets.
Substitute:

"When a meeting is temporarily adjourned to a subsequent date, the Corporation shall publicly announce such change at the earliest practicable time."

CURRENT PROVISION	PROPOSED CHANGES IN BY-LAWS	EXPLANATION
<p>1601.22 Public meetings; executive sessions.</p> <p>(a) All meetings of the Board shall be open to the public unless two-thirds of the Directors eligible to vote determine that consideration of specific matter on a specific occasion shall be closed to the public. That part of a meeting closed to the public shall be known as an executive session. Agenda and non-agenda items may be considered in an executive session. An executive session shall consider only matter for which the required determination has been made. The chairman of the meeting shall announce the subject of the executive session prior thereto.</p> <p>(b) In determining whether an executive session is required the Board shall be governed by the principle that the public is entitled to the fullest information regarding the decision-making process of the Corporation consistent with the protection of personal privacy or with compelling interests of the Corporation or the public.</p>	<p>Delete <u>in toto</u>.</p> <p>Change heading to "Open Meetings; Closed Meetings"</p> <p>Substitute: "All meetings of the Board shall be open to the public except when closed in accordance with the Corporation Regulation implementing Section 552b of Title 5 of the United States Code.</p>	<p>The current section is superseded by the Sunshine Act.</p> <p>--the change in heading tracks the terminology of the Sunshine Act</p> <p>--under the Sunshine Act a majority of the Board may close a meeting only under specific exemptions.</p>
<p>§ 1601.23 Public participation.</p>	<p>No change.</p>	

CURRE. PROVISION	PROPOSED CHANG IN BY-LAWS	EXPLANATION
<p>1601.24 Minutes.</p> <p>The minutes of each meeting of the Board, [including an executive session] shall record the names of the Directors present, the actions taken, and the result of each vote. If there is a division on a vote, the minutes shall record the vote of each Director. [Minutes shall reflect discussions held in executive session, including as much information as possible about such discussions without compromising the purpose for which such meeting was closed to the public.] A copy of the minutes of each meeting shall be supplied to each member of the Board in advance of the next meeting and shall be presented for approval by the Board at such meeting. The minutes of each meeting shall be available for inspection by the public in the form supplied to, and in the form approved by, the Directors.</p>	<p>delete</p> <p>delete</p> <p>Add: "Records of all closed meetings shall be kept and made available to the public in accordance with the Corporation Regulation implementing Section 552b of Title 5, United States Code."</p>	<p>Under 552b(f)(1) of the Sunshine Act, the Corporation will be required to maintain a complete transcript or electronic recording for meetings closed under some of the exemptions. Under others (i.e., meetings relating to adjudicatory proceedings or civil actions) minutes may suffice. The Sunshine Act does not require either a transcript, recording, or minutes for an open meeting.</p>
<p>§ 1601.25 Action by directors without a meeting.</p> <p>Any action which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors and general notice of the proposed action is published in the manner prescribed by § 1601.19 on or before the date when such consents are first solicited. Any such action so taken shall be included on the agenda of the next meeting of the Board for discussion, ratification, or such other action as may be indicated by the circumstances.</p>	<p>Delete matter enclosed in brackets and insert in lieu thereof, "Whenever practicable, public notice of the proposed action shall be given on or before the date when such consents are first solicited."</p>	<p>Notation procedure is permitted by the Sunshine Act. There is no notice requirement. §1601.19 procedures for notice are substantially altered by the Sunshine Act.</p>

CURRENT PROVISION

PROPOSED CHANGES IN BY-LAWS

EXPLANATION

Subpart E—Committees

§ 1601.26 Establishment and appointment of committees.

§ 1601.27 Committee procedures.

(a) Except as otherwise provided in these By-laws or in the resolution establishing the committee, a majority of the voting members thereof, or one-half of such members if their number is even, shall constitute a quorum: *Provided*, That if the Chairman of the Board is present, he may be counted in lieu of any absent voting member for quorum purposes. The vote of a majority of the voting members present at the time of a vote, if a quorum is present at such time, shall be the act of the committee. Meetings of each committee shall be called by the chairman of the committee or any two members of the committee, with notice thereof provided to each committee member including the Chairman of the Board. An agenda shall not be required for a committee meeting, but shall be furnished with the notice when feasible.

(b) Notice of a committee meeting shall be provided to members of the committee in the manner required for notice of special meetings of the Board by §§ 1601.16 and 1601.17(a). Notice may be waived in the manner described in § 1601.17(b). When feasible, general notice of a committee meeting shall be given in the manner described in § 1601.19 but failure to provide general notice shall not affect the validity of action at such committee meeting.

(c) All meetings of a committee shall be open to the public unless a majority of the voting members of the committee, or one-half of such members if their number is even, determine that part or all of the meeting shall be in executive session closed to the public; provided that, in the case of a committee to which has been delegated the power of the Board to act on any matter, an executive session shall not be held with respect to such matter unless two-thirds of the committee members eligible to vote make such determination pursuant to the provisions of § 1601.22.

No change.

The requirements of the Sunshine Act will apply also to "subdivisions" of the Board. If we require posting of agenda as part of "public announcements" for regular Board meetings, it would be consistent to apply the same requirement to committees of the Board, in which event the matter enclosed in brackets should be deleted. An alternative would be to delete matter enclosed in brackets and add as the last paragraph of paragraph (b): "When practicable, the agenda for a committee meeting shall be furnished as part of the public notice."

Delete "When feasible, general" and add in lieu thereof, "Public"; and delete "§1601.19" and add in lieu thereof, "the Corporation Regulation Implementing Section 552b of Title 5, United States Code."

Delete all of paragraph (c) and insert in lieu thereof: "All meetings of a committee shall be open to the public unless a majority of voting members of the committee, or one-half of such members if their number is even, determines that part or all of the meeting may be closed in accordance with the Corporation Regulation Implementing Section 552b of Title 5, United States Code."

NEW CORPORATION

FACILITIES



LEGAL SERVICES CORPORATION

733 Fifteenth Street, N.W., Washington, D. C. 20005 (202) 376-5100

MEMORANDUM

TO: The Board of Directors

FROM: Tom Ehrlich & Nelson R. Rios ^(NRR)

SUBJECT: New Facilities for the Corporation

DATE: June 22, 1977

You will recall that at our last meeting in Window Rock, the Board adopted a resolution authorizing appointment of an Ad Hoc Committee on the Corporation's Facilities. Roger Cramton appointed as members of the Committee, Marlow Cook, Bob Kutak, and Glee Smith (Chairman). The Committee held two meetings in Washington. It also authorized the staff to prepare this memorandum as a statement of its views and recommendations for Board action.

I. The Need for New Facilities

The Corporation now leases at 733 Fifteenth Street the following space:

- The entire seventh floor consisting of 16,156 square feet. This space is on a five year lease commencing October 6, 1975 and terminating on October 31, 1980. The lease rate for the first 10,228 sq. ft. was \$6.50 per sq. ft. initially and \$6.89 presently and for the next 5,928 sq. ft. was \$7.00 per sq. ft. initially and \$7.42 presently. The average cost per sq. ft. is presently \$7.08.
- Approximately two-thirds of the sixth floor consisting of 10,228 square feet. 7,438 sq. ft. of this space is on a two year lease commencing July 1, 1976 and terminating on June 30, 1978 at a present lease rate of \$7.00 per sq. ft., and 2,790 sq. ft. has been added to the seventh floor lease commencing on February 1, 1977 and terminating on October 31, 1980 at a present rate of \$7.42 per sq. ft.
- Approximately one-third of the second floor consisting of 4,266 square feet. This space is on a three year lease commencing February 15, 1977 and terminating on the last day of February, 1980. The lease rate is presently at \$7.42 per sq. ft.

Thomas Ehrlich
President

E. Clinton Bamberger, Jr.
Executive Vice-President

BOARD OF DIRECTORS

Roger C. Cramton, Chairman

Ithaca, New York

Marshall J. Breger

Austin, Texas

J. Melville Broughton, Jr.

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Larned, Kansas

Glenn C. Stophel

Chattanooga, Tennessee

Samuel D. Thurman

Salt Lake City, Utah

MEMO

The Board of Directors

Page Two

These leases total 30,650 square feet at a present cost of \$218,806 (average of \$7.14) annually, and are subject to increases in the Consumer Price Index, limited to no more than 6% of the then annual rate. Such adjustments are made on the anniversary of each lease year.

Over the next year, we will need approximately 10,000 square feet of additional space to meet the requirements of our headquarters operations. Over the course of the next five to ten years, it is reasonably foreseeable that we will need at least 20,000 additional square feet, and probably more, to meet staff and operational expansions.

We are beginning negotiations with the landlord concerning our immediate space needs created by our anticipated FY 78 funding and staff expansion. Immediately after the July meeting, we must begin serious negotiations with the owner of 733 Fifteenth Street should we intend to occupy these quarters beyond FY 78, or to relocate to other quarters. The option of seeking additional space sufficient to meet our expansion needs beyond FY 78 is, of course, one solution. As Board members well know, however, this building is not a particularly satisfactory one in terms either of space configurations or services.

The Ad Hoc Committee is of the unanimous view that the Corporation should seek, with all reasonable speed, a new facility. Board members have already seen the memorandum prepared by the consultants of the Corporation, Braedon Companies, that outline the advantages and disadvantages of leasing versus purchasing property. That memorandum concludes: "Our overwhelming recommendation would be the purchase of a building for long-term use and occupancy." The Ad Hoc Committee concurs in this judgement if the problems involved can be resolved.

Board members have also seen the analysis of various buildings for sale and lease in the Washington areas prepared by Braedon Companies. The Ad Hoc Committee reviewed this analysis with some care.

The Ad Hoc Committee also met with representatives of the Council for Public Interest Law and the District of Columbia Bar in an effort to determine whether or not an arrangement might be possible by which the Bar headquarters and a number of non-profit law firms might join with the Corporation in a collective effort. The Ad Hoc Committee unanimously concluded that if the Corporation purchases a building, it should do so outright and not as a joint venture. This conclusion was reached after substantial exploration of various joint venture possibilities.

The Ad Hoc Committee agreed, however, that there would be distinct advantages to the Corporation purchasing a building in which the District of Columbia Bar, and possibly a number of non-profit law firms, would become tenants. The Corporation would, however, have to be careful to avoid the charge that it was subsidizing the Bar or non-profit firms.

MEMO

The Board of Directors

Page Three

In regard to the Bar, the advantages are two-fold. On the one hand, the Bar expects to take over a substantial law library, which would be of great utility to those working at the Corporation. On the other hand, the Bar needs conference, seminar and classroom space for evening continuing education courses, and this space could be easily shared with the Corporation's Office of Program Support, which needs such space primarily for day time use. There would also be the advantages inherent in joining with an organized bar in such an effort.

The advantages of leasing space to non-profit law firms engaged in public interest practice relate primarily to the opportunity for easy exchanges of views among lawyers working on related problems, and to further cost sharing of common facilities such as conference and meeting rooms, the library, and security services.

II. Basic Options Available

After extended consideration, the Ad Hoc Committee concluded that three basic courses of action were the best options among the wide range that might be followed.

Option One - The first course would be to purchase a building in the range of 100 to 110 thousand square feet -- or possibly even somewhat larger. This building would house the Corporation now and under all conceivable growth possibilities. Further, under this option we could enter into a long term lease arrangement with the Bar of the District of Columbia, would be able to give first space options to non-profit firms that wish to come in the building as tenants and lease the balance of space available to other tenants on shorter term leases. In this manner, the immediate and future space needs of the Corporation, the D.C. Bar and other non-profit organizations could be met.

The advantages of this course would be that we would have:

1. A building that would meet all possible Corporation space needs.
2. A building that could be designed to have a number of meeting rooms and, almost certainly, a room large enough to hold Board sessions as well.
3. An arrangement with all the advantages referred to above in regard to joining with the Bar and non-profit firms in a single building.

Our current estimates are that a building of this type would cost in the range of \$5 million, with such ancillary services such as broker fees, architectural and structural engineering costs, economic analysis services,

leasing fees, termination of liability costs and renovation costs adding approximately 1 to 1.5 million.

Attached is a rough financial analysis of how the Corporation might arrange for the purchase. The analysis does not contain factors of tax liability, depreciation, or on-going building improvement costs. Details of these consequences will be forwarded as they are developed.

The analysis contains two methods by which LSC's cash requirement may be determined. Method I requires LSC to produce 25% of the selling price of the property, and 100% of the renovation and other costs. Method II requires LSC to produce 25% of the selling price of the property, and 25% of the renovation and other costs. Obviously, there are a number of other variations that may be used to determine the amount of required cash.

Option Two - The second possibility is similar, but more modest than the first. It would be for the Corporation to purchase the building in the range of 80,000 square feet. Under this arrangement, a long term lease could still be arranged for the D.C. Bar and tenancy preference given to non-profit firms. It seems likely, however, that not all the non-profit firms under the aegis of the Council for Public Interest Law would be included, and that, as the needs of the Corporation increased, those tenants would be displaced.

Although the advantages under this arrangement are identical to those in Option One, they would diminish as LSC displaced the non-profit tenants.

Estimates for a building of this type are in the area of 3.5 to 4 million dollars, with related costs approaching an additional one million dollars. The attached financing memorandum also discusses the costs of this course.

Option Three - The third possibility would be to lease approximately 40,000 square feet in another building with an option to acquire an additional 20,000 over the course of the coming years. A separate memorandum is attached that analyzes several building possibilities under this option.

III. Issues for Board Consideration

The basic issue for Board consideration, of course, is whether the three options outlined above are sound, and particularly whether purchase of a building is preferable to leasing if purchase can be arranged on terms that appear financially desirable.

MEMO

The Board of Directors

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If the Corporation is to purchase a building in the next five to ten years, there are two strong reasons why now is the right time. First, any new leasing arrangement would probably be of a long-term nature and would further complicate the extrication process, adding to the costs and making subsequent purchase financially unwise. Second, a substantial down payment will be needed to purchase a building and the most likely source for most if not all of that down payment is a portion of the Corporation's 1977 investment income. For reasons that we will discuss at the Board meeting, it now appears uncertain at best whether the Congress will permit the Corporation to invest its appropriated funds after the current fiscal year.

The advantage of purchase are mainly the potential long-term financial savings and the assuredness of adequate space for future needs. If an arrangement can be worked out with the District of Columbia Bar and a group of non-profit law firms, the other advantages mentioned above would be added. In this connection, we are now exploring two possibilities suggested by the Council for Public Interest Law. The first is that a foundation, such as the Kresge Foundation, might make an outright grant in the vicinity of one million dollars toward the purchase of a building. The second is that a foundation such as Ford Foundation might provide financing for the purchase at a below market rate or at least guarantee the rents of the tenants that are non-profit firms.

Before any decision to purchase a building, extensive financial and legal analyses will be needed to resolve a number of issues. What would be the status of title to the building if Congress did not extend the 1974 Act at some future time? Are lending institutions willing to provide mortgage money to the Corporation, and if so, on what terms? What are the tax consequences -- real estate and income -- of a purchase and subsequent leases of space to tenants? (A separate memorandum is being prepared on these issues.) How would we handle depreciation of the building? The list of such questions is extensive.

Apart from issues of this sort, three major concerns have been expressed about purchasing a building, and the Board will want to consider these as well. They are listed in no particular order:

1. What will be the reaction of Congress? In all events, the proposal should be discussed with the staff of our Appropriations Sub-committees because it was not mentioned in our 1977 budget submission. Even if they concur, there still may be Members who may criticize this use of funds. Some might argue, for example, that the government has excess space in Washington (Buzzards Point, for example) that the Corporation should lease. Most space in this category is highly undesirable.

2. Some legal services programs and client groups may claim that this would be an unwise use of scarce resources and that the funds should be used now for direct service. In response to the argument that purchase would save money, they might say that this may be true in the long run but the needs now for legal service outweigh that benefit. Further, although the current quarters of the Corporation are not satisfactory, some might add that they are less unsatisfactory than those of many legal services programs or even government agencies.
3. Purchase of a building will take substantial time and energy of Corporation staff. Initially, this will be true to work out the myriad of arrangements -- financial, legal, and others -- to acquire the building. Later, it may also be true in terms of operations once a building is purchased. Presumably, the Corporation would use a management company to handle this phase, but at least some time of staff and certainly money would be involved.

On balance, the Ad Hoc Committee believes that purchase is preferable, assuming that satisfactory financial arrangements can be negotiated, but these concerns and perhaps other concerns, should certainly be aired.

IV. Proposed Board Action

The Ad Hoc Committee proposes that the Board authorize the staff to pursue all necessary feasibility studies under each of the three options, with the understanding that purchase of a building is preferable if it can be arranged on terms that appear financially desirable. We estimate that these studies will cost no more than \$50,000 and perhaps substantially less.

The Ad Hoc Committee also recommends that the Board delegate to the Chairman of the Board and the President the authority to approve a Corporation commitment to purchase or lease a building without further Board action. The reason for this delegation is timing. Any building that becomes available for purchase or lease by the Corporation will not remain open for long enough to assure that even a special Board meeting could be held. To the extent feasible, the Chairman of the Board or the President will consult with members of the Ad Hoc Committee. Naturally, every effort will also be made to keep all Board members informed of progress on this front.

TE:NRR:cbw

Attachments

FINANCIAL ANALYSIS

BUILDING PURCHASE

	OPTION ONE	OPTION TWO
<u>Purchase Costs:</u>		
Rentable Square Footage	\$ 110,000	\$ 80,000
Purchase Price Per Square Foot (1)	40	40
Total Purchase Price	4,400,000	3,200,000
<u>Renovation Costs:</u>		
Demolition of Space (2)	440,000	320,000
Repartitioning (3)	176,000	128,000
Tenant Finish Work (4)	<u>440,000</u>	<u>320,000</u>
TOTAL Renovation Costs (5)	\$1,056,000	\$ 768,000
<u>Other Costs:</u>		
Termination of Liability (6)	\$ 109,000	\$ 109,000
Consultants (7)	110,000	80,000
Leasing Commissions (8)	<u>50,000</u>	<u>20,000</u>
	\$ 269,000	\$ 209,000
<u>TOTAL COSTS:</u>	\$5,725,000	\$4,177,000

METHOD 1

	OPTION ONE	OPTION TWO
<u>Cash Required:</u>		
Equity Investment (9)	\$1,100,000	\$ 800,000
Renovation Costs	1,056,000	768,000
Other Costs	<u>269,000</u>	<u>209,000</u>
TOTAL Cash Required (10)	\$2,425,000	\$1,777,000
 <u>Annual Costs:</u>		
Mortgage Amount	\$3,300,000	\$2,400,000
Debt Service (11)	\$319,440	\$232,320
Operating Costs (12)	<u>385,000</u>	<u>280,000</u>
TOTAL Annual Costs	\$704, 440	\$512,320
 <u>Annual Income:</u>		
Rent from Tenants (13)	\$ 595,000	\$ 340,000
 <u>Net Cost to LSC:</u>		
Total Annual Cost	\$ 704,440	\$ 512,320
Total Annual Income	<u>(595,000)</u>	<u>(340,000)</u>
Annual Cost to LSC	\$ 109,440	\$ 172,320
LSC Cost per Square Foot (14)	\$2.74	\$4.31

METHODS I & II

FOOTNOTES TO FINANCIAL ANALYSIS

- (1) The purchase price of \$40 per square foot is an appropriate estimate for a building 6 years or older, and which has a reasonable marketability factor. Buildings in the prime leasing areas of D.C., and/or newer buildings can command prices between \$50 to \$65 per square foot.
- (2) Assumes 40% of rentable space requires demolition at a cost of \$10 per square foot.
- (3) Assumes 40% of rentable space requires repartitioning at a cost of \$4 per square foot.
- (4) Assumes 100% of rentable space requires finish work at a cost of \$4 per square foot.
- (5) A figure of \$10 per square foot of total rentable space is considered a generous estimate for a complete renovation of an existing building 6 years or older. This figure assumes no major mechanical or structural changes.
- (6) This figure provides for terminating LSC's liability from its present leases. It assumes that LSC will renegotiate its leases to provide for (a) a six month notice to terminate tenancy and, (b) forfeiture of no more than six months rent at the then present lease rates.
- (7) Includes payments to the following consultants: realtor; architect; structural engineer; law firm; and, financial analyst.
- (8) Assumes leasing commissions, at the rate of \$1 per square foot, as follows: OPTION I, 40,000 square feet of occupancy by LSC and 20,000 square feet of occupancy by the D.C. Bar excluded from leasing commissions, leaving 50,000 square feet subject to leasing commissions; and, OPTION II, same exclusions as above, leaving 20,000 square feet subject to leasing commissions.

METHOD I

FOOTNOTES TO FINANCIAL ANALYSIS

- (9) Figure represents 25% of purchase price of the building.
- (10) Total cash required includes 25% of purchase price of the building, 100% of renovation costs, and 100% of other costs.
- (11) Assumes an interest rate of 8-1/2% and a mortgage term of 25 years. Figure shown is the annual cost.
- (12) Assumes a cost of \$3.50 per square foot for all services including building management.
- (13) Assumes that LSC will occupy 40,000 square feet, and that the balance of rentable space will be leased at the rate of \$8.50 per square foot.
- (14) Figure determined by dividing the number of square feet LSC will occupy into the unrecovered annual cost.

METHOD II

	OPTION ONE	OPTION TWO
<u>Cash Required:</u>		
Equity Investment of Total Cost (9)	\$1,431,250	\$1,044,250
<u>Annual Costs:</u>		
Mortgage Amount	\$4,293,750	\$3,132,750
Debt Service (10)	\$415,635	\$303,250
Operating Costs (11)	<u>385,000</u>	<u>280,000</u>
TOTAL Annual Cost	\$800,635	\$583,250
<u>Annual Income:</u>		
Rent from Tenants (12)	\$ 595,000	\$ 340,000
<u>Net Cost to LSC:</u>		
Total Annual Cost	\$ 800,635	\$ 583,250
Total Annual Income	<u>(595,000)</u>	<u>(340,000)</u>
Annual Cost to LSC	\$ 205,635	\$ 243,250
LSC Cost per Square Foot (13)	\$5.14	\$6.08

METHOD II

FOOTNOTES TO FINANCIAL ANALYSIS

- (9) Figure represents 25% of total costs (building cost, renovation cost and other cost).
- (10) Assumes an interest rate of 8-1/2% and a mortgage term of 25 years. Figure shown is the annual cost.
- (11) Assumes a cost of \$3.50 per square foot for all services including building management.
- (12) Assumes that LSC will occupy 40,000 square feet, and that the balance of rentable space will be leased at the rate of \$8.50 per square foot.
- (13) Figure determined by dividing the number of square feet LSC will occupy into the unrecovered annual cost.

FINANCIAL ANALYSIS

LEASING OPTION

Present Lease Rate (1):	\$8.50 per square foot
Present lease Cost (2):	\$340,000 per year
Lease Rate after Five Years (3):	\$11.37 per square foot
Lease Cost after Five Years (4):	\$454,800 per year
Total Lease Cost after Five Years (5):	\$568,500 per year
Lease Rate after Ten Years (3):	\$15.22 per square foot
Lease Cost after Ten Years (4):	\$608,888 per year
Total Lease Cost after Ten Years (6):	\$913,330 per year
Total Lease Payments during Ten Year Period (7):	\$5,839,550

LEASING OPTION

FOOTNOTES TO FINANCIAL ANALYSIS

- (1) Lease rate listed is the rate for the following two sites recommended by Braedon Companies in their building analysis report:

600 Pennsylvania Avenue - \$8.50 per square foot
4200 Wisconsin Avenue - \$8.50 to \$8.75 per square foot

A lease rate of \$8.50 per square foot is minimal for the type of office facilities required by LSC for its Headquarters office. Lower lease rates may be available, at the expense of facilities and service.

- (2) Assumes leasing 40,000 square feet.
- (3) Assumes an escalation clause tied to the Consumer Price Index, but limited to no more than 6% of the then annual lease rate.
- (4) Cost based on 40,000 square feet.
- (5) Assumes an additional 10,000 square feet, for a total of 50,000 square feet.
- (6) Assumes an additional 20,000 square feet, for a total of 60,000 square feet.
- (7) Figure computed as follows:

<u>Year</u>	<u>Lease Rate</u>	<u>Square Feet</u>	<u>Cost</u>
1	\$8.50	40,000	\$340,000
2	\$9.01	42,500	\$382,925
3	\$9.55	45,000	\$429,750
4	\$10.12	47,500	\$480,700
5	\$10.73	50,000	\$536,500
6	\$11.37	52,500	\$596,925
7	\$12.06	55,000	\$663,300
8	\$12.78	57,500	\$734,850
9	\$13.55	60,000	\$813,000
10	\$14.36	60,000	\$861,600

ARNOLD & PORTER

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STUART J. LAND

June 30, 1977

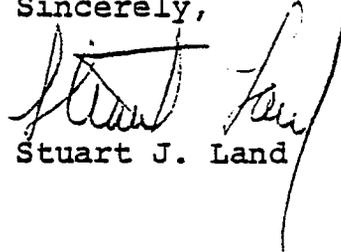
JUL 1 1977

Thomas Ehrlich, President
Legal Services Corporation
733 Fifteenth Street, N.W.
Washington, D. C. 20005

Dear Tom:

Lou Oberdorfer asked me to pass on to you the enclosed recommendation of the Ad Hoc Building Committee with which he agrees, concerning the Legal Services Corporation building proposal. As the enclosed letter reflects, we have given this considerable thought. Although we well understand why you are unable at this time to provide a more detailed proposal, we basically feel that the plan is too indefinite for us to make any commitments, tentative or otherwise. Of course, if in the future the Corporation does focus on a specific site and can provide the Bar a more definitive proposal as to available facilities and rental, the Bar would be willing to give it a careful evaluation.

Sincerely,



Stuart J. Land

Enclosure

cc: Pat Maxwell
Lou Oberdorfer

ARNOLD & PORTER

1229 NINETEENTH STREET, N. W.

WASHINGTON, D. C. 20036

TELEPHONE: (202) 872-6700

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STUART J. LAND

DIRECT LINE (202) 872-6886

June 29, 1977

Louis F. Oberdorfer, Esquire
President, The District of Columbia Bar
Wilmer, Cutler & Pickering
1666 K Street, N.W.
Washington, D. C. 20006

Dear Lou:

We are transmitting herein the recommendations of the ad hoc building committee of the Bar which you designated to consider a proposal by the Legal Services Corporation, concerning a possible lease of space by the Bar in an unspecified building to be purchased by the Corporation. The Corporation wanted to have an indication from the Bar as to whether it would be interested in this possibility. As we discuss below, we recommend against the Bar's giving such an expression of interest at this time, inasmuch as there are too many contingencies and possible variables in the Corporation's proposal for meaningful evaluation.

The basic facts involved in the matter are as follows: The Corporation's staff has reached the conclusion that its present quarters, located in the Woodward Building, are inadequate for its purposes and future activities; accordingly, serious consideration is being given to other office alternatives. The Corporation is considering purchasing several alternative sizes of buildings ranging from 80,000 to 110,000 feet or more, or alternatively renting offices in a more modern building. The Corporation roughly projects its needs as around 40,000 square feet with a potential to expand an additional 20,000. The Corporation's staff believes that purchase of a larger building would be the preferable alternative if the Bar was interested in becoming a prime tenant of such a building. It points

Louis F. Oberdorfer, Esquire
June 29, 1977
Page Two

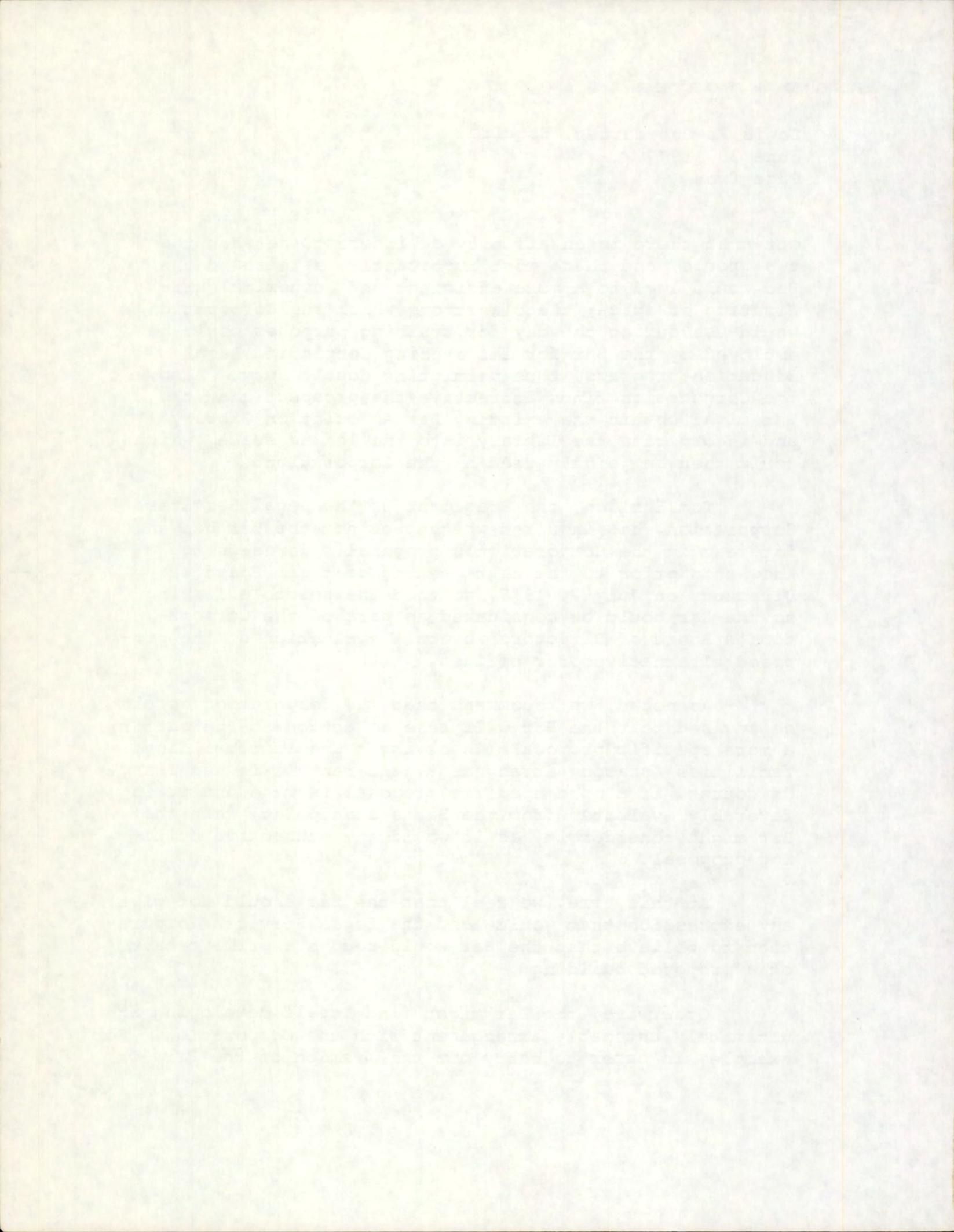
out that there is an affinity of interests between the two groups, and that, most importantly, a lease to the Bar could lead to a more efficient and economical utilization of space; the classrooms which the Corporation would use during the day for training purposes could be employed by the Bar for its evening Continuing Legal Education programs, thus permitting double duty. Also, the Corporation finds attractive the prospect that the Bar might obtain the existing Bar Association library and incorporate the library into the leased space, which could then be jointly used by the Corporation.

Tom Ehrlich, the President of the Legal Services Corporation, has inquired whether or not the Bar has an interest in the Corporation's proposal. He needs to know this prior to the next meeting of their Board of Directors on July 7, 1977, so that the possible leasing to the Bar could be considered as part of the Corporation's Board of Directors' overall evaluation of the proposed alternatives for offices.

As noted, we recommend that the Corporation should be advised that the Bar will take no action on the matter; a more specific proposal (involving a specific building, facilities' sharing arrangement, and rental) is necessary. Of course, if a more specific proposal is made and it is favorably evaluated from the Bar's standpoint, then the Bar might consider it, as it would any attractive building proposal.

At this time, we feel that the Bar should not give any expression that would lead the Legal Services Corporation to believe that the Bar would become a prime tenant of a proposed building.

Otherwise, the Bar might find itself developing an ultimately untenable arrangement with the Corporation. For example, in order to carry out the mission of the Bar, it

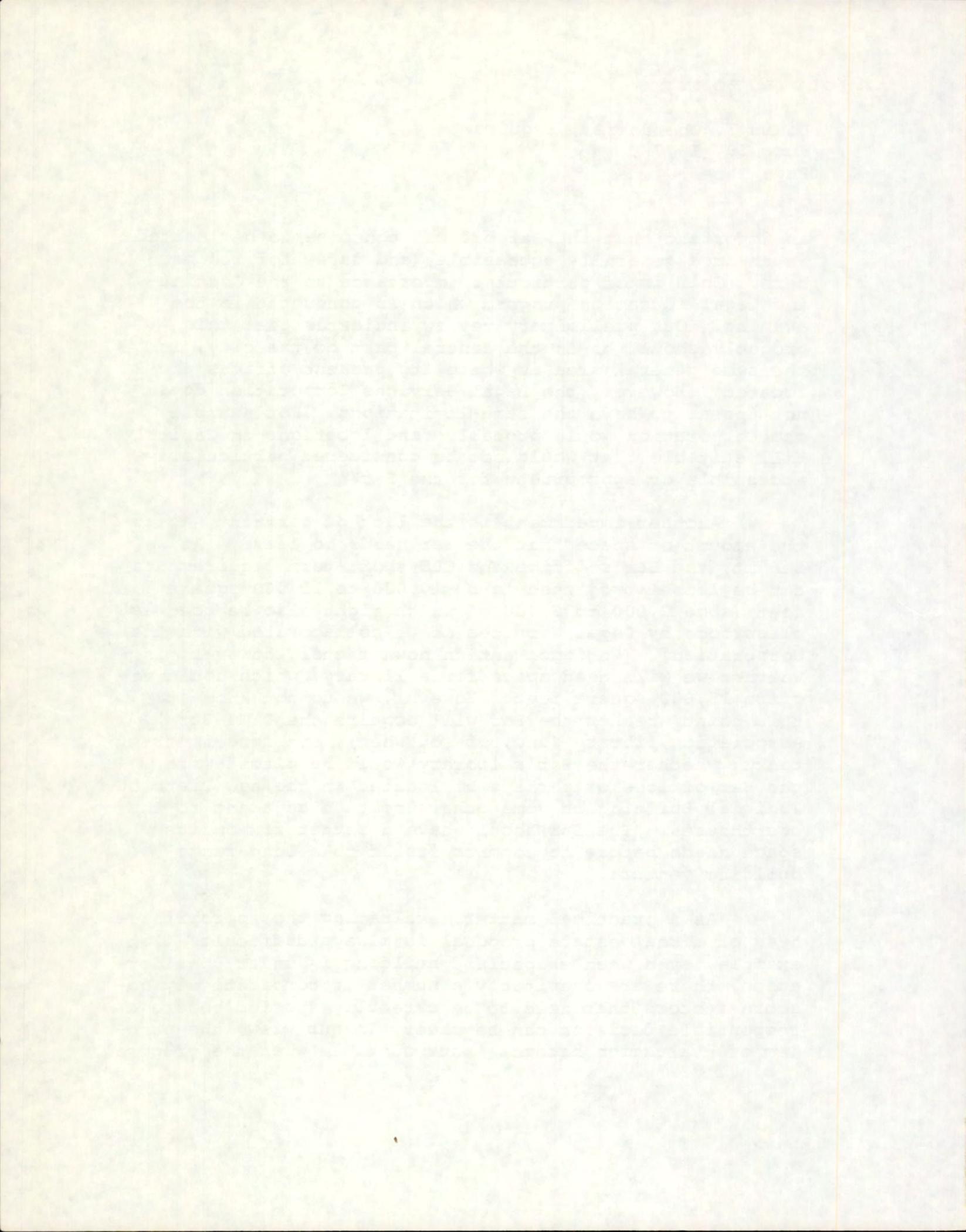


Louis F. Oberdorfer, Esquire
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is important that the Bar offices continue to be located in an area generally accessible (and safe) for its members. This is of particular importance to the Continuing Legal Education program which is conducted in the evening. Our preliminary review indicates that this probably should be in the central part of the city, in the same general area as where its present offices are located. However, the Legal Services Corporation does not appear to have the same limitations. For example, the Corporation would probably find locations on Capitol Hill suitable that would not be considered particularly accessible or appropriate for the Bar.

Another impediment is the lack of certainty as to the amount of space that the Bar needs to lease. As we see it, the Bar's office and CLE short-term requirements can be loosely projected to be 10,000 to 15,000 square feet (some 2,000 to 5,000 of which might also be used as classrooms by Legal Services if we collaborated with the Corporation). An important unknown factor, however, is whether we will need space for a library, which could require 15,000 square feet. However, we do not know at this point whether the Bar will acquire the D.C. Bar Association library (and, if so, when), and more importantly whether the Bar's library would be placed with the Bar offices or perhaps be located in the new District Judicial Building or some other location adjacent to the courthouses. The Bar should have a better fix on its space needs before it commits itself to a long-range building venture.

As a practical matter, evaluating the appropriateness of a real estate proposal is always difficult. For example, even when a specific building is under consideration, there are inevitably a number of comparatively obscure factors that need to be carefully studied before a responsible decision can be made. In our view, the problem of evaluation becomes insurmountable when the proposal

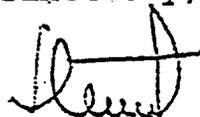


ARNOLD & PORTER

Louis F. Oberdorfer, Esquire
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is in the broad outline form advanced by the Corporation. It is understandable why the Corporation cannot be more specific on the matter, but this merely underscores that its suggestion for involvement of the Bar is untimely.

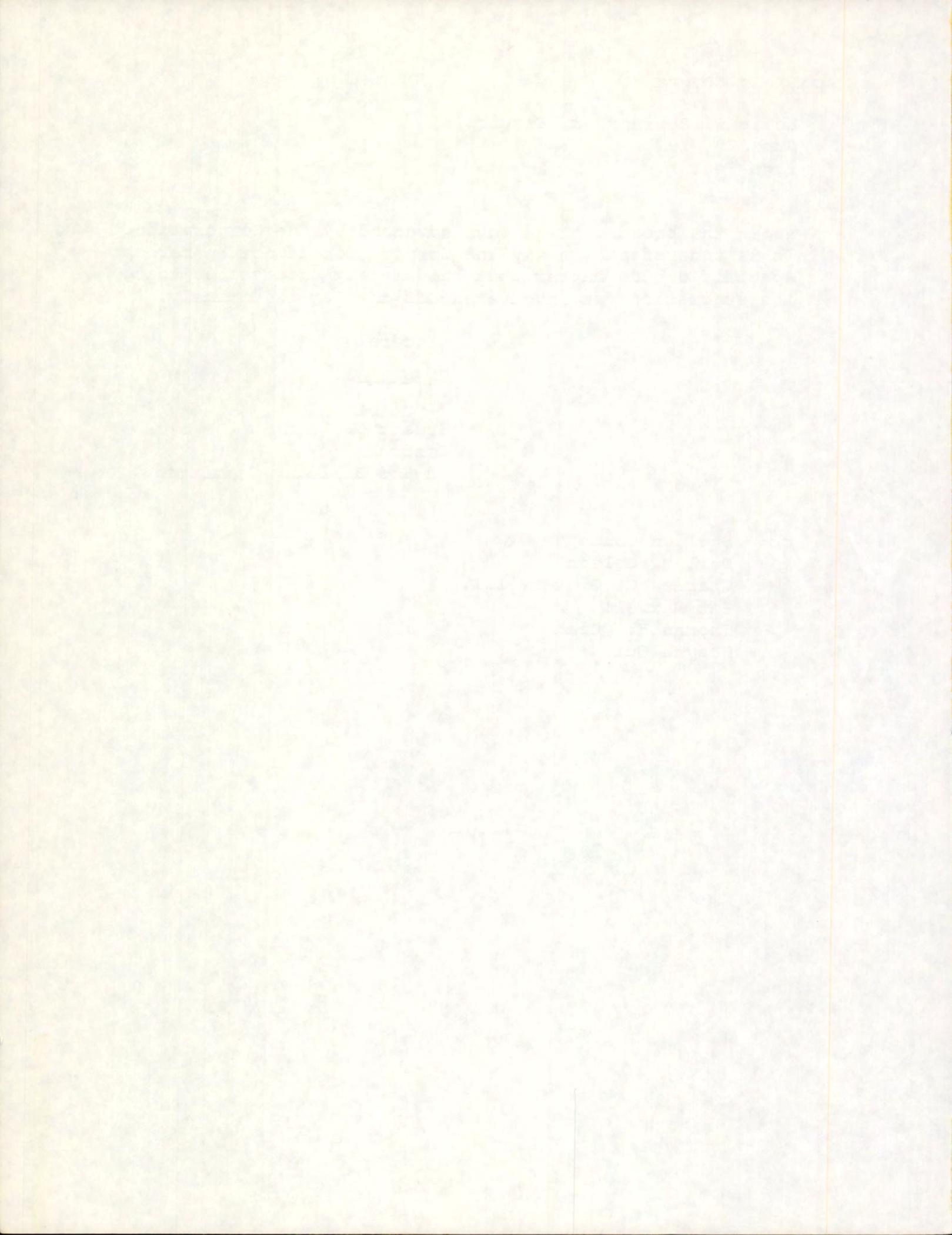
Sincerely,



Stuart J. Land
Chairman

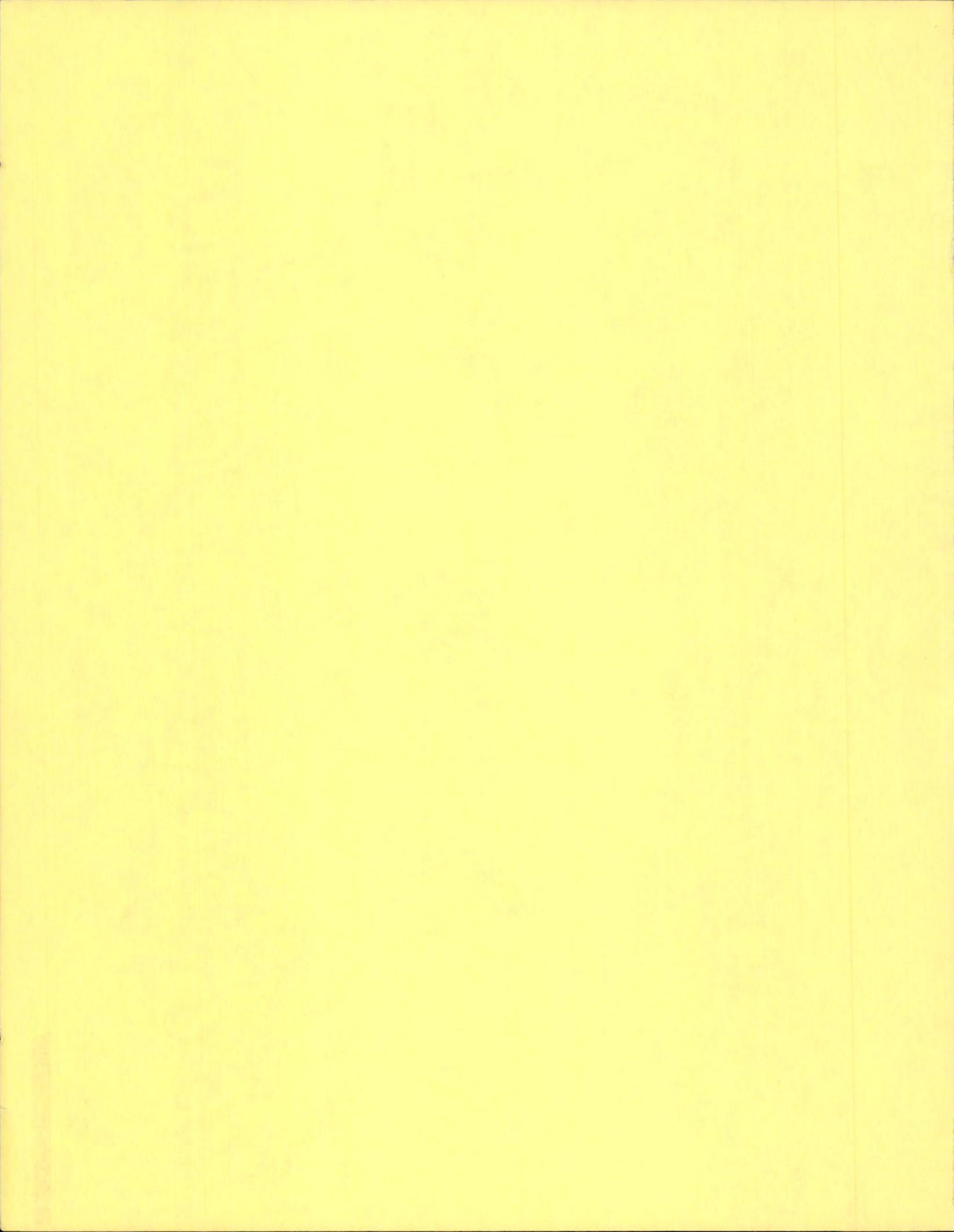
Ad Hoc Building Committee

cc: Sheldon Cohen
Earl M. Colson
Charles C. Glover, III
Pat Maxwell
Thomas H. Queen
Wayne Quin



SUPPORT CENTER

STATUS REPORT





LEGAL SERVICES CORPORATION

Memorandum

TO: Board of Directors

June 21, 1977

FROM: T. Ehrlich / *TE*

SUBJ: Support Centers Status Report

At our meeting last November, I reported briefly on the support centers. At that time, all of the centers were operating under contract, and we were in the process of extending most of the contracts through December 31, 1977, to bring center funding into line with our common refunding date. We were also engaged in negotiations with host universities on the West Coast -- UCLA, USC, and U.C./Berkeley -- in an effort to substantially reduce the overhead rates charged the four centers affiliated with those universities. Disaffiliation from the universities was our goal in the event overhead negotiations were unsuccessful.

In the months that have elapsed since I reported to you on these topics, there has been considerable progress regarding the support centers. A brief summary of our activities is, therefore, in order.

Support Center Monitoring/Caseload Increases

We have kept in close touch with the activities of each center through regular monitoring by our Regional Offices and the Quarterly Reports submitted by the centers. The latter reports, which are required by our contracts and are available for review by members of the Board, provide a detailed description of center activities. Each report includes a docket of cases in which the center is providing substantial assistance, and describes each case, including the names of counsel of record and referring attorney, a short summary of the litigation, the relief sought, and the current status of the case. Each report also describes any administrative or legislative proceedings in which substantial legal assistance has been

provided during the quarter, a description of any significant changes and developments in the administration or financing of the center, and a discussion of any significant changes in the work or budget of the center.

We have found no violations of the Act or the contract provisions by any of the centers. Communication between the centers and the Regional Offices is open and frequent. The centers request Regional Office or General Counsel review prior to undertaking any activity that may be questionable and have followed the Corporation's interpretation in every instance.

The centers have begun to report, and our Regional Offices are confirming, noticeable increases in requests for assistance from legal services programs as a result of expansion and equalization activity nationwide. With many new and relatively inexperienced lawyers entering legal services, the demand for center advice and assistance has grown. This trend is likely to continue as we move ahead with our plans to achieve minimum access by 1979 -- plans which depend upon an influx of lawyers and paralegals to provide services where none have been available before.

Expansion of Support Services/Survey of Resource Needs

It is clear that field program expansion cannot proceed without concurrent strengthening of support capabilities including the litigation services provided by support centers. In the coming months, we will meet with support center representatives to gauge the extent of caseload problems they are currently experiencing, and determine how best to keep pace with minimum access plans. A survey of program attorneys and paralegals will also be conducted in the coming months to determine the perceived support needs of the field. The survey will provide information on what resources are currently being used by program staff, and what resources are unavailable -- both in general, and in connection with specific legal matters recently handled by the attorneys and paralegals.

Our discussions with support center representatives and the survey will provide a basis for assessing our current support center commitment and determine whether it should be supplemented or strengthened.

Disaffiliation

It became evident to us during our negotiations with the West Coast host universities that they were unwilling to reduce overhead rates for our centers, and that it was highly unlikely that we could achieve a uniform overhead rate for the centers involved. Accordingly, the decision was made to disaffiliate from the universities. The four centers involved -- the National Health Law Program in Los Angeles, the National Senior Citizens Law Center in Los Angeles, the National Housing and Community Development Law Project (formerly "the National Housing Law Project") and the National Economic Development Law Project in Berkeley -- will have completed disaffiliation by July 1, and will begin operations as independent corporate bodies.

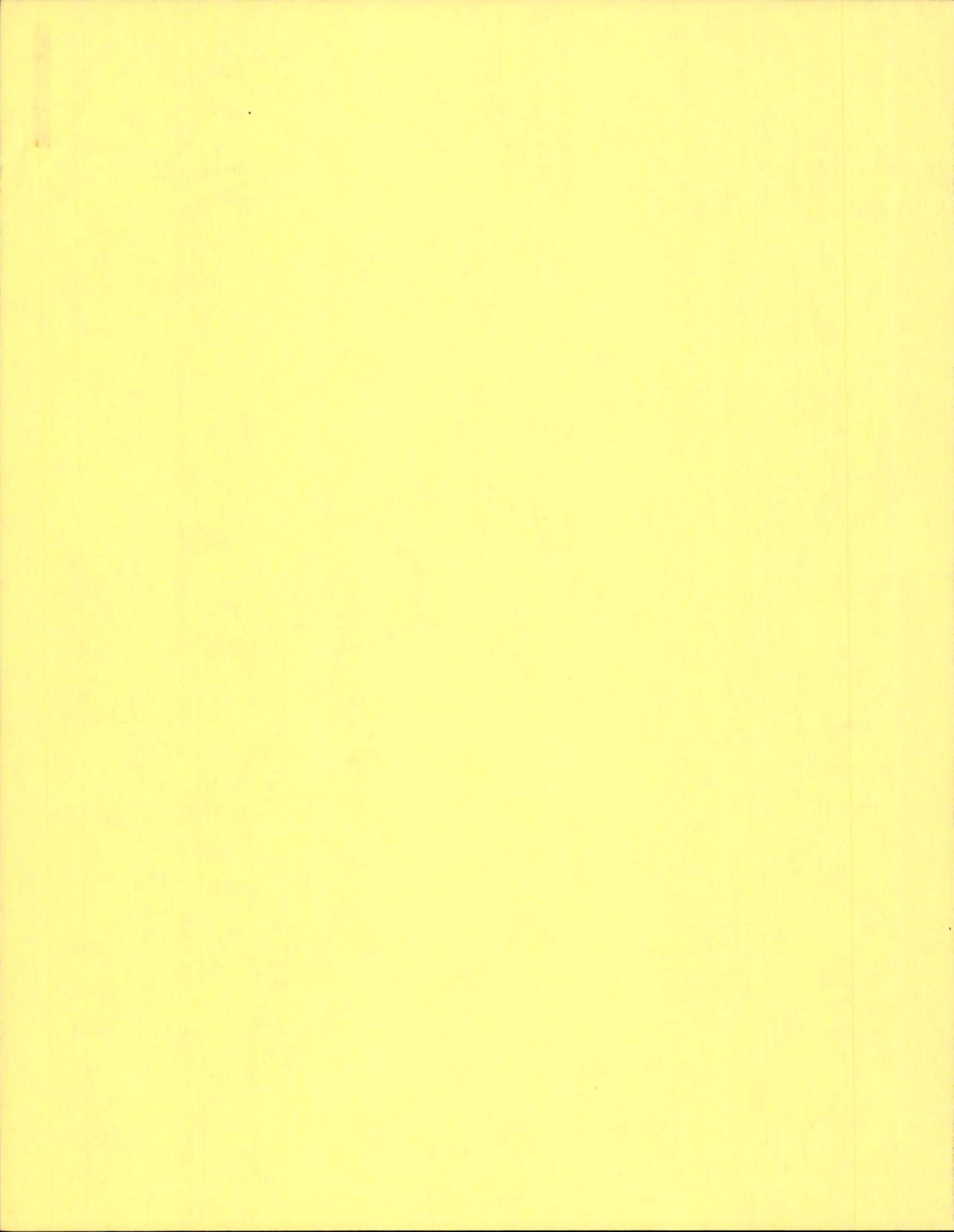
It will be approximately six months before center operations will have settled sufficiently to allow measurement of cost savings achieved through disaffiliation. Three of the four centers will move to new quarters and will have substantial start-up costs as they replace goods and services formerly provided by their university hosts. There also will be some annual recurring costs -- such as rent, insurance and benefits -- that the universities provided previously.

In working with the centers on transition budgets, we are insisting that revenues transferred from expenditures for overhead be used, where possible, to upgrade salaries to competitive levels, and to replace staff lost to attrition during years of frozen funding. The centers will also receive technical assistance from the Comptroller's Office to establish accounting systems that comply with our Audit and Accounting Guide and will provide the centers -- for the first time -- with accurate and timely information on their expenditures and projected costs. Accounting through the universities was problematic at best, and characterized by undue delays in the payment of bills, processing of documents, and issuance of financial reports. Once the customized accounting systems are in place and have functioned for several months, we will be able to obtain a fairly good picture of the extent of cost savings achieved through disaffiliation.

Memorandum
June 21, 1977
Page Four

The Legal Action Support Project, formerly funded through the Bureau of Social Science Research (BSSR), will shortly be funded directly. The overhead rate charged the Project by BSSR was the highest for any of our affiliated centers, and negotiations to lower it to an acceptable level proved futile. Accordingly, on July 1 the Project will begin independent operations as the National Social Science and Law Project. The Project will maintain a degree of professional contact with BSSR, and will be purchasing some services from it at competitive prices. As with the West Coast centers, it will take a number of months for the Project to settle into independent operations; we anticipate that by December we will be able to measure the extent of cost savings achieved through disaffiliation. Again, the Project will use a portion of saved revenue to fill vacant staff positions and return the Project to its prior level of operations.

"REGGIES"





LEGAL SERVICES CORPORATION

733 Fifteenth Street, N.W., Washington, D. C. 20005 (202) 376-5100

Thomas Ehrlich
President
E. Clinton Bamberger, Jr.
Executive Vice-President

DATE: 22 June 1977
TO: The Board of Directors
FROM: Richard E. Carter *REC*
SUBJECT: REGINALD HEBER SMITH COMMUNITY FELLOWSHIP PROGRAM

INTRODUCTION

This report is intended as an overview of the Reginald Heber Smith Community Lawyer Fellowship Program and the future relationship of that program to the recruitment plans of the Office of Program Support.

The Office of Program Support has designed a program to provide funds for efforts that will support, not replace, the recruitment efforts of local program directors. Underlying this approach is our belief that the Corporation, through the Office of Program Support, can stimulate coordinated recruitment efforts by local programs. The problems experienced by programs in recruitment should be addressed in the context of the related issues of the professional development of staff, retention of experienced staff in programs, and the quality and continuity of services to clients of the programs.

The plans of Program Support for recruitment are designed to reinforce or extend existing efforts in three areas: Sharing and dissemination of recruitment and personnel information; personal contact in the field with prospective candidates for legal services practice; and direct incentives to attract and retain staff in legal services practice. A system for sharing recruitment information, position openings, exchange and transfer opportunities, and a bank of available candidates for the positions, will extend the effective reach of the recruitment efforts of local programs and that of prospective candidates for legal services positions. Field recruitment seminars will provide the opportunity for representatives of programs or program directors themselves to meet and talk to interested candidates face-to-face in a structured setting. Direct incentives will develop and reinforce interest in legal services practice among a variety of prospective candidates: pre-law students, law students, and practicing attorneys and paralegals.

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The Smith Fellowship Program can be an important base of Program Support field recruitment efforts. Annually since its inception ten years ago, the program has visited all of the law schools in the United States and Puerto Rico. Staff of the recruitment unit of Program Support will build on the field contacts and experience of the program in designing and implementing a broader field effort that will include law school seminars and forums for the recruitment of candidates for staff positions in programs as well as Smith Fellows (or Reggies, as they are generally referred to in Legal Services). Fellowships will be awarded as an incentive, not only for prospective law graduates, but for practicing attorneys and legal specialists (using differential salaries to reflect varying experience and training) to serve in Legal Services Programs.

It is in this context that we have examined the present and past work and record of the Smith Fellowship Program.

I. GENERAL DESCRIPTION AND BACKGROUND

The Reginald Heber Smith Community Lawyer Fellowship Program was conceived by the Office of Legal Services (OLS) of the Office of Economic Opportunity (OEO) as a specialized recruitment and training effort for lawyers who would be placed in OEO legal services programs. In the late autumn of 1966 over 150 such programs were in operation or about to open. At that time the need was recognized by OLS for an effort to attract able and dedicated lawyers to staff the newly organized projects. It was believed that a program for recruitment of lawyers who could be specially trained in the areas of practice related to poverty law and assigned to legal services programs across the country would contribute to a high quality of legal representation for clients of these projects.

In January, 1967, the University of Pennsylvania Law School was awarded funds to begin a fellowship program named after Reginald Heber Smith. The mechanics of administering the Smith Fellowship money, as formulated at the University of Pennsylvania Law School, involved national solicitation of applications from law graduates and licensed attorneys, visits by staff of the program to law schools to make presentations on legal services and to talk to candidates, personal interviews of applicants, selection of fellows, intensive poverty law training, and assignment to programs. Since its inception in 1967 through the selection and assignment of fellows in 1977, the Smith Fellowship Program has continued this primary function as a vehicle for nationwide selection of legal talent for legal services programs in substantially the same format.

The Smith Fellowship Program was administered through the University of Pennsylvania from 1967 to December, 1969, under the directorship of two University of Pennsylvania law school faculty members, beginning with Professor Howard Lesnick and, thereafter, Professor David Filvaroff. The first cycle of the fellowship awards was conducted during the academic year 1967-68 and involved 50 lawyers, who received special training at the University of Pennsylvania. In 1968-69 the class was increased to 100 lawyers, approximately forty of whom were trained under the auspices of Professors Robert Harris and James White at the University of Michigan Law School, and the remaining sixty at the University of Pennsylvania. The final cycle conducted under the direction of the University of Pennsylvania, 1969-70, involved 250 lawyers, all of whom were trained by the law school at a Philadelphia-area training site.

The concept of the Fellowship Program in 1967 was to give young, able lawyers an opportunity to learn a new kind of legal practice -- poverty law -- and to engage in that practice for a year or more in legal services projects around the country. The national recruitment effort was primarily directed at the nation's 180-plus law schools from which candidates for the Fellowship would be drawn. After the initial selection of Fellows, but before their assignment to local legal services offices, Smith Fellows were trained in areas of the law that were considered most relevant to the lives of poor Americans: welfare law, housing law, consumer law, juvenile law, etc. The substantive training was, at that time, considered an important and integral part of preparing attorneys who would be working with low income clients to meet the special challenges of the practice of "poverty law."

Aside from a decrease in the number of Fellowships, a result of the funding crisis of the early 70's, the only significant change in the conduct of the Smith Fellowship Program since 1967 has been the shift of the responsibility for training. When the Fellowship Program started at the University of Pennsylvania and for a few years thereafter, up to six weeks training was provided to all of the Fellows prior to their assignment to programs. At that time few law schools offered courses that included or were specifically fashioned to cover the subjects that later became associated with "poverty" law. There was also only the beginnings of any regular training for legal services lawyers in general. It was thought that special and intensive training, with handbooks to take to the assigned office, was the only way a large number of lawyers could be made sufficiently aware of their potential clients' problems.

At some point it was determined that training for the Reggies, which was expensive and, by 1973, considered somewhat duplicative of national training offered generally, would be provided through the Legal Services Training Program of

Catholic University. Pre-assignment orientation for Reggies is now limited to a week-long program on issues of poverty law. Reggies, just as all other staff attorneys in the field, qualify for Corporation-sponsored legal training offered by Program Support.

The funding of the Smith Fellowship Program has been continued on a year-to-year basis through an annual grant. In September, 1969, the University of Pennsylvania informed the Director of Legal Services of OEO that the University had decided not to conduct another round of the Fellowship Program. In December, 1969, OEO awarded the grant for the direction and administration of the fourth cycle of the Smith Fellowship Program to Howard University School of Law. Glenn E. Carr, a member of the faculty of Howard University School of Law, was appointed Director of the Program and remains in that position.

Beginning in the fall of 1969, the recruitment policy of the program was augmented to include the objective of encouraging law graduates and young attorneys from ethnic minority groups and women to select legal services as a career. Consequently, the Smith Fellowship Program has become an important resource for contacting and recruiting minority as well as non-minority lawyers who are interested in the practice of poverty law. The Smith Fellowship Program is the largest single employer of ethnic minority group lawyers in the nation, with the possible exception of the Federal Government.

The administrative staff of the Smith Fellowship Program consists of thirteen full-time people and is physically located off campus in down-town Washington, D.C. With all positions filled, the staff is composed of an Executive Director, a Deputy Director, three Assistant Directors, an Administrative Assistant, a Budget Assistant, and six clerks. The current professional staff has a total of more than twenty-five (25) years of Legal Services experience and many of the staff are former Smith Fellows. A majority of the non-professional staff, likewise, possesses backgrounds in legal services work.

II. REGGIE CLASS PROFILES

Although the selection of Fellows has emphasized different criteria from year to year, from the start of the program at the University of Pennsylvania through the present administration, the Reggie classes have exhibited a balance of high academic achievement and strong social commitment (as represented by previous experience). Limited data prevent complete profiles of the early Reggie classes, but the following summaries are indicative of the direction of the recruitment and selection objectives of the program over the years:

- 1967-68 Class -- First Class - (University of Pennsylvania Law School)

Out of a class of 50, more than 50% had one year of experience prior to coming into the Program; 11 attorneys had been in private practice; 9 were judicial clerks; 5 had worked for governmental agencies; 7 had graduate degrees; nearly 1/2 had some prior contact with poverty law; 50% of the class were members of law review.

- 1968-69 Class - (University of Pennsylvania Law School)

Out of a class of 100 Reggies, 72 had student experience in poverty law; 24% were members of law review staffs; 38% had a year or more of experience; 8 were judicial clerks; 8 were former Peace Corps Volunteers; 2 were VISTA lawyers; 6 were governmental workers; 1 was a law professor; 6 had LL.M Degrees; and 14 had other graduate degrees.

- 1969-70 Class - (University of Pennsylvania Law School)

In a class of 250 Reggies, 79 (32%) were members of law review staffs; 78 (31%) had a year or more of various legal experience; 25 were judicial clerks; 15 were Peace Corps Volunteers; 21 were VISTA attorneys; 3 had governmental experience; 2 were former law professors; 3 had LL.M Degrees; and 8 had graduate degrees in areas other than law.

- 1970-71 Class - (Howard University School of Law)

The 1970 class included 180 or 72% of a class of 250 who had previous experience in poverty law; 14 who had practiced for a year or more following law school; 5 who were judicial clerks; 3 former Peace Corps Volunteers; 24 former VISTA attorneys; 20 with previous governmental experience; 6 with LL.M Degrees; 30 (12%) who were members of law review staffs; and 6 with advanced graduate degrees.

- Classes 1971-72 through 1974-75 - (Howard University School of Law)

The 1974 class and the previous three classes contain an overwhelming number of applicants who elected to study poverty law subjects before entering law school. Further, 15 of the 1974 class were members of a Bar; 10 had practiced for a year or more; 9 were judicial clerks; 15 were former VISTA attorneys; 5 had advanced degrees; and 18 had law review status.

- Classes 1973 through 1977 - (Howard University School of Law)

Data are more complete for Reggies selected for classes in the period from 1973 to 1977. Although the classes beyond 1970 were much smaller in number than 250, they continue to show a significant representation of academic achievement and legal and poverty law experience, as shown on the following chart:

	YEAR				
	'73	'74	'75	'76	'77
	No. (%)				
Law Review	14 (12%)	15 (10%)	24 (17%)	15 (10%)	16 (11%)
Graduate Degree	13 (11%)	17 (12%)	4 (3%)	17 (12%)	6 (4%)
Bar	12 (10%)	15 (10%)	10 (7%)	5 (3%)	5 (3%)
Former VISTA	4 (3%)	13 (9%)	11 (8%)	36 (25%)	5 (3%)
TOTAL CLASS SIZE	120	145	144	145	150

Data do not exist on the racial, ethnic, and sexual composition of the classes recruited when the program was based at the University of Pennsylvania; however, in the years since the transfer of the program to Howard University, the classes have contained substantial numbers of minorities and women. The following chart gives a breakdown:

	Class '73/74		Class '74/75		Class '75/76		Class '76/77		Class '77/78	
	No.	(%)								
Black	53	44%	60	41%	52	36%	66	46%	59	39%
White	44	37%	50	35%	68	47%	46	32%	56	37%
Puerto Rican	4	3%	9	6%	6	4%	7	5%	10	7%
Chicano	13	11%	15	10%	11	8%	20	14%	16	11%
Asian	--	---	5	4%	3	2%	3	2%	5	3%
Indian	1	1%	4	3%	4	3%	3	2%	2	1%
Other	--	---	2	1%	--	---	--	---	2	1%
Male	99	83%	99	68%	101	70%	85	59%	99	65%
Female	21	18%	46	32%	43	30%	60	41%	51	35%
TOTAL CLASS SIZE	120	100%	145	100%	144	100%	145	100%	150	100%

III. REGGIE PLACEMENT PROCESS

The placement process begins with an allocation of positions or "slots" to each of the nine Legal Services regions. The initial allocation is made by the Office of Program Support to the Regions proportionate to the size of its low-income eligible population and the current level of "access" to Legal Services. Decisions about where the Reggies are to be assigned within the regions are made jointly by the Office of Program Support and the Regional Offices. In an effort to make a first step at restoring the special-project concept of the Reggie

assignment, especially since new funds were available this year to add regular staff positions for the first time in a number of years, legal services programs were asked to submit brief descriptive proposals to the Regional Offices, which were the basis for the subsequent Reggie assignment decisions within the Regions. The Smith Fellowship Program assumes responsibility for the field recruitment of Reggies, which includes contacting and interviewing candidates, and for selecting Reggies from among the applicants and assigning them to the Legal Services Programs selected by the Regional Offices and the Office of Program Support.

A. Recruitment

In the recruiting phase, staff of the Smith Fellowship Program attempt to consider the potential or demonstrated professional quality of the coming class and the awareness and sensitivity of the applicant to the problems and issues facing low-income persons. Recruitment entails contacting prospective candidates through a brochure and face-to-face in seminars and personal interviews. The brochure, limited to one page, contains approximately 800 words and provides a brief history of the program, a biographical sketch of the latest class, and the salary range and basic information on the types of professional experience and training Reggies are likely to receive in their assignments.

In August, the brochure and application forms are sent to every law school in the United States and the Commonwealth of Puerto Rico. To publicize the availability of the fellowships to clerks, brochures and applications are sent to all Federal courts and all state courts of last resort. Advertisements are placed in legal publications, the Federal Register and Case and Comment. The Black Law Students Association, the Mexican-American Law Students Association and the Native American Law Students Association give prominent exposure to the availability of fellowships in their publications. Moreover, in the case of Native Americans, each prospective law graduate that is referred is personally invited to apply for a fellowship. Project Directors, having contact with law students who work for their projects, also publicize the program.

Personal contact with applicants begins in September with field visits to law schools and lasts until the end of November. Unless special requests are made, recruiting sessions are conducted at the one hundred eighty (180) law schools in the United States and Puerto Rico. The procedure in planning a recruiting session is to call a law school placement director, arrange a place and time and then confirm the arrangements by mail. Upon arrival at the law school, the staff member makes an effort to meet and talk with the placement director. If requested, the staff member talks with deans

or faculty members who wish to meet. On occasion, because of traveling problems or scheduling conflicts, a Smith Fellow on assignment with a neighborhood office close to a law school will be asked to substitute for a staff member at a prearranged recruiting session. Invitations are extended, through the placement director of the law school, to all third-year law students who are expecting to graduate in June of the year of the class for which they are eligible. Law students not eligible are also invited to attend and participate in the recruiting sessions. Applications are distributed and a presentation is made by Smith Fellowship staff on the purposes of the fellowship program and the practice in legal services for the poor.

B. Selection and Assignment

The selection process involves an interview with applicants, evaluation and ranking of candidates, and award of the fellowship. In November, the professional staff starts interviewing the applicants for the Reginald Heber Smith Fellowship. Approximately 95% of the 2,000 applicants were interviewed each year for the fellowship years 1976 and 1977. Application forms, letters of recommendation, and law school transcripts are taken together by the staff of the Smith Fellowship program to evaluate candidates according to selection criteria. The evaluation criteria for selection are related to demonstrated academic ability, experience in poverty law or legal services, and sensitivity to the conditions of poverty.

In the evaluation of applicants, the interviewer [with other staff members] discusses the interviewer's notes and impressions of the applicant and the information conveyed by the application file (transcript, experiential narrative, letters of recommendation, etc.). Each member of the staff ranks the applicants he or she has interviewed and evaluated. The ranking determines by priority when and if an applicant is to receive an offer.

The final selection process begins on or about March 1st of each year and takes approximately one week. The actual award of Smith Fellowships is accomplished by the use of two lists, one is a list of the Legal Services positions in offices that have been selected to receive Smith Fellows for a given year. The other list is a ranking of the top one hundred fifty (150) applicants (depending on the number of allocated fellowships) along with their location preferences, who will receive fellowship offers, in descending order. A second list of another one hundred fifty (150) applicants, the "hold" list is employed in descending order to fill positions that are not accepted.

Geographic assignments are made to candidates based on their rank on the selection list. Program staff review applications to ascertain the first geographic location choice of the number one person on the ranking list and then look for the same location on the list of Legal Services positions. If there is a match-up, the location is offered to the applicant. If none of the geographic choices of the number one applicant is on the Legal Services position list, the applicant is called and informed of the locations that are available. The assignment is made in similar fashion for the number two person on the ranking list and continues until all the fellowships have been awarded and applicants placed in all the Legal Services programs on the position list.

BUDGET ANALYSIS IV.

The overall budget for the program administered by Howard University in FY 1977 was \$4.5 million, which includes \$3.9 million for fellowships (the salaries of the individuals accepted) and \$591,262 for administration. The amount for fellowships provided funds and fringe benefits for a total of 326 first, second, and third-year Reggies at an average cost of \$11,963 including fringe benefits. The administrative budget, which includes personnel and direct and indirect charges, supports the staff and office of the Smith Program and comprises 13% of the total budget.

Within the budget for administration, 44% of the total is allocated to personnel, 38% to direct charges, and 18% to indirect as follows:

- Personnel is budgeted at approximately \$177,000 for professional salaries and benefits and \$83,000 for support staff.
- Direct charges, which include consultation and professional services, staff travel, space and rental, supplies and equipment, printing, etc. are placed at \$227,000. Staff travel and per diem at \$60,000 is the largest single item and is explained by the extensive field recruitment activity of five of the staff.
- Indirect charges are paid to Howard University in the amount of \$104,000 for overhead and administrative services. Howard University assumes responsibility for making disbursements in behalf of the Smith Fellowship program to cover staff salaries and operating expenses. Howard also makes the quarterly fellowship payments to the Legal Services Programs to pay the 300-plus Smith Fellows assigned to their projects.

V. SOME CHARACTERISTICS OF REGGIE APPLICANTS AND ALUMNI

Demand for Reggie Fellowships was strong when the program began and seems to be stronger every year. Applications to the Smith Program have consistently increased. The number of applications received in 1967 for fifty positions was 250; in 1968, 800 applicants were considered for the available 100 positions. In 1969, the Program was expanded to a total of 250 fellowships for which 1,300 applications were received. In 1970, approximately 1,000 applications were received for 250 positions (the decrease in applications may well be attributed to the fact that recruiting efforts were not initiated until mid-January 1970). In each of the following years, nearly 2,000 applicants were submitted for the 200 positions available. Approximately 1,600 applications were received for the 150 fellowships awarded in March of 1973, and a comparable number was received for 1974. For both 1975 and 1976, nearly 2,000 applications were received for the 144 positions and approximately 1,900 of the applicants each year were interviewed.

The Smith Fellowship is one of the vehicles used by law graduates and licensed attorneys to enter legal services practice. The Program has served as a conduit for 140-250 additional attorneys and law graduates to be exposed to legal services each year. The fellowship provides a structured opportunity for lawyers to gain skills in poverty law and to make a contribution in service to clients.

There are indications that the Smith Fellowship Program has been an effective means of locating and placing minority and non-minority attorneys in legal services who will stay. Over 80% of the minority group lawyers employed at the present time in legal services are Smith Fellows or former Smith Fellows. Additionally, for legal services programs overall, a recent survey has shown that of the persons currently employed as Project Directors in legal services, approximately 30% are former Smith Fellows.

The following is a summary of characteristics of Reggie Alumni:

- Only about two percent (2%) of each class of Smith Fellows fail to complete the first year of the fellowship. Another two percent (2%) fail to renew for the second year of the fellowship.
- Roughly 96% complete the two years of the fellowship.
- After the fellowship, about seven percent (7%) of those completing two years (alumni) go into private practice.

- About 17% of Reggie alumni seek employment with governmental agencies that have as their mandate a social purpose: HEW; Labor; Social Security, etc.
- The remaining 72% of Reggie alumni remain in legal services.

VI. RECRUITMENT NEEDS

The Office of Program Support has been considering the ways that the Reginald Heber Smith Community Lawyer Fellowship Program might function within the context of the Legal Services Corporation expanded recruitment effort. Correspondence, conversations, and meetings with program directors, staff attorneys, paralegals, and others, as well as discussions within the Corporation, generated good general information about the recruitment needs of legal services programs. The Office of Program Support is seeking to interpret these needs in developing the specific Legal Services Corporation recruitment programs to be offered in Fiscal Year 1978. The general goals are these:

- To produce interested and qualified candidates for legal services programs - most programs do their own recruiting at a few select law schools. Usually directors see the direct recruitment function as a heavy drain on their time but do not want to give up the aspects of personally interviewing candidates and making selection decisions. Many programs in remote or rural areas are not exposed to a large enough pool of applicants from which to draw staff. National recruitment activity would supplement local efforts to contact a number of potential new hires for attorney and paralegal positions.
- To develop vehicles for increasing the participation of minorities and women in legal services programs - many legal services programs outside major cities have some difficulty in contacting and attracting numbers of minority attorneys. A national pool of qualified minority and women candidates would be available as a staffing resource for all legal services programs.
- To facilitate the exchange of labor between legal services programs - staff of legal services programs are often not aware of opportunities for transfer to other legal services programs where they would have a chance for career mobility or

exposure to new areas in the practice of law. Similarly, directors of programs are not aware of staff in other legal services programs with experience who may be looking for a change of professional direction or geographic location. National recruitment machinery would assist legal services staff to move (change jobs) between programs.

- To identify and place attorneys and paralegals with special skills in programs where needed - no central resource exists for maintaining current information on the specialized skills of the staff of legal services programs. A limited network of "consultants" for training and technical assistance is maintained by the Office of Program Support. The access to these resources is limited by the lack of knowledge about what people may be available and whom to ask. The Legal Services Corporation could handle special recruitment requests by drawing from a national skill pool.
- To identify a cadre of trained public-sector attorneys and paralegals - there is a problem of maintaining communication with people who have legal services experience who are no longer working in programs. Many of the staff of legal services programs might be expected to move into and out of legal services practice a number of times to do other things. It would be good to keep information on skills of staff of programs related to legal services practice. A cumulative inventory and profile of current and former legal services staff, including Reggies, will be maintained as a file of potential program managers, supervisors, specialists, and trainers in advanced or specialty areas of the law.
- To stimulate productive relationships with other parts of the legal profession - many legal services programs are seeking improved correspondence with the private Bar. The national recruitment effort would extend to reach attorneys and paralegals in private as well as public practice. The national scope for placement could potentially provide avenues for attorneys and paralegals in private and public practice to move into legal services practice and for legal service practitioners to obtain broader experience in public or private agencies and firms.

VII. RECRUITMENT PLANS

With respect to the broad recruitment goals, the Office of Program Support will proceed in FY '78 to develop a few programs to support the recruitment activities of local legal services programs. Recruitment programs under consideration are those that will improve the sharing of recruitment information among programs, create incentives for students and practicing attorneys to enter legal services programs, and broaden the present field recruitment activities:

1. Beginning this summer, we are sponsoring a small number of summer law clerk positions placed in programs serving special needs population, such as migrants and Indians, and those located in remote areas.

2. In the fall we will begin developing a national recruitment data base that will help us implement a job bank and job exchange service for legal services programs and legal services staff.

3. Field recruitment activities of Program Support, beyond the interviews conducted by the Smith Fellowship Program with Reggie applicants, will include a number of forums and seminars for contacting current and potential candidates for legal services program staff positions.

Staff of Program Support will assume responsibility for coordinating the recruitment programs of the Corporation and will work actively with the Smith Fellowship Program to design and implement the field recruitment strategy for FY '78. The ten years of experience of the Smith Fellowship Program is a significant asset to the recruitment effort.

The efforts of the Smith Fellowship Program will complement the field recruitment plans of the Corporation in the following ways:

-- Produce interested candidates for legal services: This effort would include contacting and interviewing law graduates and this next year practicing attorneys who may be interested in jobs in legal services programs. The Smith Fellowship Program would also participate in planning and producing recruitment seminars and forums.

-- Improve access to legal services programs for minorities and women: The Reginald Heber Smith Fellowship Program should continue to emphasize the award of fellowships to minority and women recent law graduates as a way to involve these persons in legal services practice. Additional approaches are being requested of the Reggie Program to recruit and place experienced attorneys who are minorities or women in legal services practice.

-- Identify and place attorneys in legal services: Emphasis for the award of fellowships would be on attorneys who are able to assume substantial legal and law-related responsibilities in the programs and to work in difficult situations. Placement is also based on willingness and ability of candidates to be quickly admitted to practice in the states where they are assigned. A priority this coming year will be to recruit substantial numbers of experienced attorneys for placement as Reggies (at a higher salary level than new graduates) and as regular staff attorneys in legal services programs.

The Office of Program Support would like to modify the perception by legal services programs of a Reggie assignment as a "stop gap" or "warm body" resource to a program. In the context of the goals stated above, the Office will work with the Regional Offices, Legal Services Programs, and the Smith Fellowship Program to develop firmer arrangements between the recipient Reggies and the programs, from the initial interview through the tenure of the placement. Selection and placement of Reggies should be deliberately made and programs should have thought through the short and longer term role, including the future permanent hiring, of the Reggie in the office.

SMITH FELLOWSHIP PROGRAM

1977-78 Reggie Class

ALABAMA

Legal Aid Society of Birmingham
Birmingham, Alabama Reginald Barley Wm & Mary

Legal Aid Soc. of Madison County
Huntsville, Alabama Billie J. Young Cumberland

ARIZONA

Maricopa County Legal Aid Program
Phoenix, Arizona Daniel Ortega Arizona State

John Serrano U So. California

Legal Aid Soc. of Pima County
Tucson, Arizona Frank Triana Texas Tech

Papago Legal Services
Sells, Arizona (Vacant Slot)

DNA - Peoples Legal Services
Window Rock, Arizona Dennis Allen Gonzaga Univ.

Michael Vargon U of Minnesota

ARKANSAS

Legal Aid Bureau of Central Ark
Little Rock, Ark. Claude Nicholson Howard Univ.

CALIFORNIA

Legal Aid Foundation of Los Angeles
Los Angeles, Calif. Margarita Banez U So. Calif.

Legal Aid Found. of Long Beach
Long Beach, Calif. Juanita Stinson Southwestern U

California Indian Legal Serv.
Oakland, Calif. Lester Marston Hastings

Arthur Maillet Golden Gate

San Fernando Valley Neighborhood
Legal Services
Pacoima, Calif. Fred Fujioka Boalt Hall

Legal Aid Soc. of San Mateo Cty
Redwood City, Calif. Anne Segura Loyola U

CALIFORNIA (continued)

Legal Aid Soc. of Santa Clara San Jose, Calif.	Carmen Estrada	Hastings
Legal Aid Soc. of Sacramento County Sacramento, Calif.	Jai Kun Yoo	Davis Law Sch
Legal Aid Soc. of San Diego San Diego, Calif. (Chula Vista Office)	Lloyd Jones	Georgetown U
Neighborhood Legal Assistance Found San Francisco, Calif.	Elaine Lee	U Denver
California Rural Legal Assistance San Francisco, Calif. (Stockton office)	Robert Garcia	U Calif(Berkeley)

COLORADO

Colorado Rural Legal Services Denver, Col.	Steve Alcala	U Colorado
Legal Aid Soc. of Metro Denver Denver, Col.	Lee Gatas	U Colorado
Pikes Peak Legal Services Colorado Springs, Col.	Alfredo Magallanes	N.Y.U.

DELAWARE

Community Legal Aid Soc. Wilmington, Delaware	Theopolis Gregory	U Florida
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DISTRICT OF COLUMBIA

Neighborhood Legal Services Prog. Washington, D.C.	William Scott Lawrence Williams	Catholic U International LS
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FLORIDA

Volusia County Legal Services Daytona Beach, Florida	Stanley Stone	Howard Univ.
Jacksonville Area Legal Services Jacksonville, Florida	Nathaniel Walker Albert Cloud	Fordham U Cornell L S
Legal Services of Miami Miami, Florida	Annie Carroll Elizabeth Auguste	NCCU U of Miami
Law Inc. of Hillsborough County Tampa, Florida	Deborah Archie	Emory U
Florida Rural Legal Services Haines City, Florida	Jay Schwartz Jose Sosa	Nova U SUNY

GEORGIA

Atlanta Legal Aid Soc., Inc.
Atlanta, Ga.

Sam Johnson
Barbara Savage

Franklin Pierce
Georgetown U

Georgia Legal Services
Atlanta, Ga.

David R. Blatt
Renee Williams

Capital U
UCLA

ILLINOIS

Legal Assistance Foundation
Chicago, Ill.

Mark Holbert
Robert Hunter

Case Western
U Penn

Cook County Legal Assistance Found
Chicago, Ill.

Calvin Ward

U Chicago

Illinois Migrant Legal Assist. Proj.
Chicago, Ill.

Rafael Alvarez

Marquette

Land of Lincoln Legal Assist. Found.
Springfield, Ill. 62701

Richard Anderson

Northwestern U

Central Ill Legal Services
Peoria, Ill.

Maureen Feran

Loyola U (La)

INDIANA

Legal Services Organization of Indian
Indianapolis, Ind.

Alvin Arrington
Vicki Johnson

U North Carolina
Washington U

Legal Aid Soc. of St. Joseph Cty
South Bend, Ind. 46619

Stephen Brischetto

U Notre Dame

IOWA

Legal Services Corp of Iowa
Des Moines, Iowa

Charles Harak
Marsha Bergan
Peter Moore

Northeastern U
U Iowa
U Idaho

KANSAS

Wyandotte County Legal Aid Soc.
Kansas City, Kansas

Maureen Scully

U Mo (KC)

Legal Aid Soc. of Topeka
Topeka, Kansas

James Sanders

U Kansas

Legal Aid Soc. of Wichita, Inc.
Wichita, Kansas

Terence Mundorf

Gonzaga

KENTUCKY

Northeast Kentucky Legal Services
Moorehead, Ky.

Deborah Hiatt

Northeastern

KENTUCKY (continued)

Legal Aid Soc. of Louisville Louisville, Ky.	William Davis Katherine Howe	U Kentucky Howard U (Grad)
Appalachian Research & Defense Fund Prestonburg, Kentucky	Kathleen O'Sullivan Ira Newman	Hofstra U Kentucky

LOUISIANA

Legal Aid Soc. of Baton Rouge Baton Rouge, La. 70801	Lawrence Martin	Southern U
S.W. Louisiana Legal Services Lake Charles, La.	(Slot Vacant)	
New Orleans Legal Assist. Corp New Orleans, La.	Earl Lindsay Ammon Miller	U Tulane Southern U
Caddo Bossier Legal Aid Soc. Shreveport, La.	Rayford Bullock	Loyola (Grad)

MARYLAND

Legal Aid Bureau Baltimore, Maryland	Lloyd Monroe Jeanne Hitchcock	Indiana U U Maryland
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MASSACHUSETTS

Greater Boston Legal Serv. Boston, Mass.	Patricia Chance	NCCU
West Mass Legal Services Northampton, Mass. 01060	Hiram Perez	U Puerto Rico

MICHIGAN

Washtenaw County Legal Aid Soc. Ann Arbor, Mich.	Martin Geer	Wayne State
Oakland County Legal Aid Soc. Pontiac, Mich.	Gregory Holiday Deborah Thomas	U Detroit Georgetown
Berrien County Legal Services Bureau St. Joseph, Mich.	Sharon Zebelman	Hamline Univ.
Wayne County Neighborhood Legal Serv. Detroit, Mich.	Loris Primus	Valparaiso
The Greater Lansing Legal Aid Bureau Lansing, Mich.	Marjorie Suisman	Boston College
Upper Peninsula Legal Services, Inc. Sault St. Marie, Mich.	(Slot Vacant)	

MICRONESIA

Micronesian Legal Services Corp. (Slot Vacant)
Saipan, Mariana Islands

MINNESOTA

Legal Assistance For Ramsey County Beveriy Balos U Minn
St. Paul, Minn. Joyce Miyamoto Wm. Mitchell

MISSISSIPPI

Central Miss Legal Services Lula Mae Anderson Harvard Law Sch
Jackson, Miss. Susan Griggins U Wisconsin

No. Miss Rural Legal Services Deborah Jackson Rutgers
Oxford, Miss. Harrison McIver Rutgers

MISSOURI

Legal Aid Soc. of the City & County (Slot Vacant)
of St. Louis
St. Louis, Mo.

Legal Aid & Defender Society Freddie Rasheed Rutgers
Kansas City, Mo.

NEBRASKA

Legal Aid Soc. of Lincoln Stephanie Marks U Nebraska
Lincoln, Nebraska

Legal Aid Soc. of Omaha/Council Timothy O'Roark U Nebraska
Bluffs Warren Nash Creighton
Omaha, Nebraska

Panhandle Legal Services Ramon Gomez UCLA
Scottsbluff, Neb

NEVADA

Cjark County Legal Services Program Martine Makower Howard U
Las Vegas, Nevada 89106

NEW HAMPSHIRE

New Hampshire Legal Assist. Theresa Lavelle Franklin Pierce
Manchester, N.H.

NEW JERSEY

Camden Regional Legal Serv. Roland Hardy U Santa Clara
Camden, N.J.

Newark Legal Services Project Evora Thomas Georgetown
Newark, N.J.

NEW JERSEY (continued)

Hudson County Legal Services
Jersey City, N.J.

Barbara Bell

Seton Hall

NEW MEXICO

Legal Aid Soc. of Albuquerque
Albuquerque, N.M.

Marino Torrez

U New Mexico

Northern New Mexico Legal Serv.
Taos, N.M.

Santiago Chavez

U New Mexico

Zuni Legal Aid & Defender Society
Zuni, N.M.

Carl Rogers

Harvard

NEW YORK

Broome Legal Assist. Corp.
Binghamton, N.Y.

Nehru Nelson

Hofstra

Mid Hudson Valley Legal Services
Poughkeepsie, N.Y.

Jeffrey Segal

Rutgers

Legal Aid Soc. of Rockland County
New City, N.Y.

(Slot Vacant)

Neighborhood Legal Services, Inc.
Buffalo, N.Y.

Paul Voley Ortiz

SUNY

Community Action for Legal Services
New York, N.Y.

Collins Bull
Jose Marrero
Laura Johnson
Esther Mora
Victor Olds
Arthur Soong

Brooklyn LS
Inter American
Rutgers (New)
U New York
Brooklyn LS
Brooklyn LS

Monroe County Legal Assistance
Rochester, N.Y.

Hanna Cohn

George Wash U

Westchester Legal Serv.
White Plains, N.Y.

(Slot Vacant)

NORTH CAROLINA

Legal Aid Soc. of Mecklenberg
Charlotte, N.C.

Janice Mills
(slot vacant)

Duke Univ.

Durham Legal Aid Soc.
Durham, N.C.

Vicki Washington

NCCU

Legal Services of North Carolina
Raleigh, N.C.

Emery Rann
Sandra Upperman

Howard U
U North Carolina

Legal Aid Foundation for Winston Salem
Winston-Salem, N.C.

(Slot Vacant)

NORTH DAKOTA

North Dakota Legal Services
New Town, N.D.

Patricia Gorham

Washburn U

OHIO

Legal Aid & Defender Soc of Columbus
Columbus, Ohio

Janice White

Capital U

Legal Aid Soc. of Dayton
Dayton, Ohio

(Slot Vacant)

Toledo Legal Aid Soc.
Toledo, Ohio

(Slot Vacant)

Allen County Legal Serv. Assoc.
Lima, Ohio

Jeffrey Shaw

Ohio Northern

OKLAHOMA

Legal Aid Soc. of Oklahoma County
Oklahoma City, Okla.

Morris Bell

Oklahoma U

Tulsa County Legal Aid Soc.
Tulsa, Okla.

Glen Olives

U Santa Clara (Grac)

OREGON

Oregon Legal Services Corp.
Portland, Oregon

Spencer Neal

U Washington

Legal Aid Services, Multnomah
Bar Assoc.
Portland, Oregon

Peggy Iwasaki

Northwestern

PENNSYLVANIA

Delaware County Legal Assist.
Chester, Penn.

Lydia Kirkland

Howard Univ.

PUERTO RICO

Puerto Rico Legal Services
Hato Rey, P.R.

Ana Matanzo-Vicens

U Puerto Rico

Puerto Rico Migrant Legal Serv.
Hato Rey, P.R.

Victoria de Jesus Ortiz

Inter American

San Juan Legal Services
San Juan, PR

Victor Agrait

Inter American

RHODE ISLAND

Rhode Island Legal Serv.
Providence, R.I.

Marvin Clemons

Howard Univ.

SOUTH CAROLINA

Neighborhood Legal Assist.
119 Spring Street Suite 4
Charleston, S.C.

Robert Gailliard
Ralph Wilson

U South Carolina

Legal Aid Service Agency
Columbia, S.C.

Yvonne Massey

Boston College

SOUTH DAKOTA

South Dakota Legal Services
Mission, S.D.

Peter Birge
Yvette Hall

U Chicago
U Wisconsin

TENNESSEE

Legal Aid Soc. of Chattanooga
Chattanooga, Tenn.

Jeffrey Hoffman

U Texas

Memphis & Shelby County Legal
Memphis, Tenn.

Warren Brown
Albert Thompson

Boston U
Memphis State

Legal Services of Nashville
Nashville, Tenn.

Floyd Price

U Tenn

TEXAS

Dallas Legal Services Found.
Dallas, Texas

Victoria Welcome
Douglas Wilson

Brooklyn LS
Texas So.

Texas Rural Legal Aid
Weslaco, Texas

Nemecie Lopez
Stephen Romero

U Penn
Loyola (Calif)

El Paso Legal Assistance Soc.
El Paso, Texas

Raimundo Sarabia

Antioch

Tarrant County Legal Aid Found.
Fort Worth, Texas

Jack Manning

Texas So.

Legal Aid & Defender Soc. of Travis
Austin, Texas

Ignacio Trevino

U Texas

Bexar County Legal Aid Assoc.
San Antonio, Texas

Arturo Barrera

Stanford

Houston Legal Foundation
Houston, Texas

Walter Strickland

U Houston

UTAH

Utah Legal Services
Salt Lake City, Utah

Bruce Plenk
Rita Vatter

U Utah
U Puget Sound

VERMONT

Vermont Legal Aid, Inc.
Burlington, Vt

Gail Marshall

U Maine

VIRGINIA

Charlotte Albermarle Legal Aid Soc.
Charlottesville, Va.

Edward Wayland

Columbia LS

Neighborhood Legal Aid Soc.
Richmond, Va.

Norvill Clark

American Univ.

Legal Aid Soc. of Roanoke Valley
Roanoke, Va.

Johnny Morrison

Wash. & Lee

WASHINGTON

Puget Sound Legal Assist. Found.
Tacoma, Wash.

Virginia Weaver

U Puget Sound

WEST VIRGINIA

Appalachian Research & Defense Fund
Charleston, W. Va.

Steve Culley

Indiana Univ.

North Central West Virginia Legal Aid
Morgantown, W. Va.

William Byrne

West Virginia U

WISCONSIN

Milwaukee Legal Services
Milwaukee, Wisconsin

Jorge Fuentes

U Wisconsin

MONITORING AND

EVALUATION

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 21, 1977

TO: Members of the Board of Directors

FROM: Alice Daniel and Charles E. Jones

SUBJECT: Monitoring and Evaluation

The monitoring and evaluation activities required by the Legal Services Corporation Act serve three principal statutory purposes. These are to "insure the maintenance of the highest quality of service and professional standards,"^{1/} to "insure that grants and contracts are made so as to provide the most economical and effective delivery of legal assistance to persons in both urban and rural areas",^{2/} and to insure compliance with the Act, Corporation Regulations, and grant conditions.^{3/}

The comprehensive approach to monitoring and evaluation adopted by the Corporation is consistent with the Act. This approach includes regular monitoring and evaluating activities by regional staff, and development of standard measures of performance and information systems in the Delivery Systems Study. In addition, the Corporation undertakes special evaluation and monitoring efforts as they are needed. Through these activities the Corporation will gather comprehensive information concerning current legal services practice, assess quality, effectiveness, and efficiency, and develop detailed criteria and standards for the future.

This memorandum discusses the monitoring and evaluation activities being carried out by the Corporation, and their relation to the relevant statutory provisions.

^{1/} Section 1007(a)(1).

^{2/} Id., Section 1007(a)(3).

^{3/} Id., Section 1007(d).

Corporation Monitoring and Evaluation ActivitiesA. Monitoring and Evaluation by Regional Staff

Regional staff conduct on-site visits to each program at least four times a year. More frequent visits are made when special problems are discovered or technical assistance is needed.

These visits serve three broad purposes: (1) they are a principal means of obtaining an overview of program operations and its provision of services; (2) they provide a basis for assessing program management; and (3) they permit review of personnel policies and procedures. The information collected on the visits is analyzed by the Regional office, compiled in a comprehensive report, and used as a basis for recommended improvements and changes in the program. A brief description of the contents of the on-site visits may be helpful.^{4/}

(1) Review of the overall operation of a program includes determining whether it is complying with the Act, Regulations, and grant conditions. Particular attention is given to the structure and role of the board of directors and the extent to which the board is involved in management, policy-setting, and community liaison activities.

With respect to the program's provision of legal services, the Regional staff reviews the qualifications and experience of the program staff, supervision procedures, the caseload management system, library facilities, and other resources and support services needed for representing clients effectively. Each program staff member is interviewed if possible; otherwise, interviews are conducted with a representative cross-section of the staff. When program deficiencies or staff dissatisfaction is discovered, attempts are made to determine the cause of the problem and to suggest an appropriate remedy.

(2) The Regional management specialist examines program procedures and systems for purchasing equipment, supplies, payroll and petty cash management, insurance, client trust funds, and litigation funds. The adequacy and efficient

^{4/} A fuller understanding may be obtained by examination of the comprehensive field visit checklists attached to this memorandum.

utilization of space and equipment is considered, as well as the efficiency of record and file systems. When deficiencies are discovered the Regional staff may recommend improvements to the Board of the program, provide or arrange for technical assistance, or request the Corporation's Office of Program Support to develop training materials concerning problems encountered in numerous programs.

(3) With respect to personnel, the Regional staff studies a program's hiring policies, grievance procedures, and salary and benefits schedules. The program's organizational structure is studied to determine whether it provides for clear lines of authority and efficient utilization of personnel. If improvement is called for the Regional staff makes recommendations to the program's Board or, where appropriate, arranges for technical assistance.

B. Development of Evaluation Systems and Criteria

Additional evaluation and monitoring tools are being developed in the course of the Corporation's research regarding legal services delivery. Prior to the implementation of the Delivery Systems Study, little work had been done -- in legal services or elsewhere -- regarding methods of judging performance in the delivery of legal services. In order to determine the relative effectiveness of the models involved in the Delivery Systems Study, therefore, the Corporation is developing systems to measure performance in terms of four primary criteria: cost of delivering legal services; quality of legal services; client satisfaction with legal services; and impact of legal services on the poverty community as a whole.^{5/} A Project Reporting System is also being developed that will, by means of standardized forms and definitions, provide statistical data regarding the legal activities and resource use of each program.

These activities will provide the basis for a comprehensive evaluation effort. For the first time in the history of the legal services program, the Corporation will have a general overview of legal services cases, clients, and activities. We expect to have the capability to evaluate each Corporation-funded program using standard performance criteria and

^{5/} The first three of these criteria are self-explanatory. The fourth -- impact -- will reflect the ability of programs to set and achieve measurable goals. It is closely related to the requirement in Part 1620 of the Corporation's Regulations that each grantee establish priorities for use of its resources.

comparable data. Reports generated by the Project Reporting System should enable local project managers to perform self-monitoring, and alert Regional staff to abnormalities in performance that might indicate a need for technical assistance or some other problem. Those reports also will supplement and facilitate the on-site visits by Regional staff.

Both the measurement systems for the performance criteria and the Project Reporting System are being developed with the assistance of independent contractors. Those contractors are advising the Corporation regarding the design of the measurement systems, providing training for Corporation and project staff regarding their use, and recommending procedures to insure that results are meaningful and data quality is good. The Corporation expects that, once these systems are sufficiently developed to be used as management tools, independent contractors will be called upon periodically to assess the validity of the results and recommend improvements where necessary. In addition, independent contractors will be employed to actually perform evaluations in situations where the Corporation and a program disagree about a particular evaluation.

C. Special Monitoring and Evaluation Efforts

The Corporation has adopted special monitoring procedures and conducted special evaluations when the need arose. For example, on-site monitoring of the thirteen support centers is supplemented by the requirement that each submit a quarterly report describing its activities in some detail. These reports help to insure compliance with the restrictions in Section 1006(a)(3) of the Act, and with the terms of the support center contracts.

On other occasions, the Corporation has sought independent evaluations of certain projects when special expertise was required. Such an evaluation was conducted with respect to the Data Capture and Retrieval System, an experimental statistical reporting project conducted by the Cleveland program. The evaluation revealed a number of flaws in the system, and provided valuable information for design of the Project Reporting System.

Another such evaluation was performed with respect to the Cook County Computer Project, an experimental program that used computers to assist in divorce cases. The evaluation showed that, as structured, the project was not an economical method of providing legal assistance, and it was discontinued.

II

Statutory Provisions

Section 1007(d) of the Legal Services Corporation Act directs the Corporation to:

monitor and evaluate and provide for independent evaluations of programs supported in whole or in part under this title to insure that the provisions of this title and the By-Laws of the Corporation and applicable rules, regulations, and guidelines promulgated pursuant to this title are carried out.

The legislative history of the Act provides little insight regarding the meaning of the term "evaluation". There is some indication, however, that Congress intended the approach to be a comprehensive one. Section 1007(g), for example, states that:

the Corporation shall provide for comprehensive, independent study of the existing staff-attorney program under the Act and ... of alternative and supplemental methods of delivery of legal services ... and, based upon the results of such study, shall make recommendations to the President and the Congress ... concerning improvements, changes, or alternative methods for the economical and effective delivery of such services.

Additional guidance is provided by Congressional expressions of dissatisfaction with evaluations conducted by OEO, and by a report issued by the General Accounting Office in 1973, that was highly critical of OEO's monitoring and evaluation efforts. Four principal deficiencies were emphasized:

- OEO had let evaluation contracts -- totalling over \$55 million as of September 1968 -- without giving advance attention to the evaluation design, and had failed to define the criteria and standards for evaluations ahead of time.

- There was no reliable statistical data on the operations of programs, the number and characteristics of clients, the types of cases handled, or their relative costs.

- Programs had not been asked to define their objectives in terms that allowed comparison of achievements with specified goals.

- On-site visits were haphazard and infrequent, and reporting requirements were not enforced. There was no systematic effort to insure program compliance with declared OEO policy restrictions on activities.

As demonstrated in Part I of this memorandum, the Corporation's monitoring and evaluating activities have been carefully designed to avoid the errors made by OEO. Each of the identified deficiencies in OEO practices is addressed by one or more of the elements in the Corporation plan.

The Act does not specify the circumstances in which independent evaluations, as distinguished from those conducted by Corporation employees, should be commissioned. Again, however, the legislative history suggests that the Corporation's current practice and future plans are consistent with the Congressional intent. The Corporation expects that periodic independent evaluations may be helpful to test the validity of its own evaluative efforts, to assess the adequacy of the assistance it provides to programs, and whenever special expertise is needed.

MONITORING CHECKLIST #1

OVERVIEW OF PROGRAM: BOARD, LITIGATION CAPACITY & OVERALL

PROVISION OF SERVICES

A. Board of Directors

1. Structure & Operation
2. Activity Level
3. Involvement in Program Management
4. Community Liaison

B. Litigation Capacity

1. Review of Individual Staff
2. Caseload Management System
 - Setting Priorities & Goals
 - Procedures for Implementation of Priorities & Goals
3. Case Generation & Screening Processes
 - Financial Eligibility Criteria
 - Non-Financial Eligibility Criteria
 - Source of Client Information about LSP
4. Case Handling Procedures
 - Intake & Preliminary Interview(s)
 - Attorney Interview
 - Referrals
 - Cases Accepted - Court Costs
 - Case Termination Criteria

C. Library Facilities & Control

D. Overview of Client Services

E. Community Education Activities (Outreach)

F. Utilization of Outside Assistance

G. Special Grant Conditions, Program Self-Evaluation

The following topics, questions and issues are to be examined when monitoring the overall performance by legal services programs in their provision of services. It is not an exhaustive nor definitive list of all issues to be examined. It should be used by LSC personnel only as a checklist of points to be examined and should be used in conjunction with all other LSC Guidelines, Manuals and Regulations for Recipients.

NOTES

A. BOARD OF DIRECTORS

1. Structure & Operation of Board [See: 45 CFR 1607]

- a. Are Bylaws & Charter adequate?
- b. Do Bylaws & Charter comply with LSC Regs?
- c. Does Board composition meet LSC criteria?
[See Appendix A for items to be given special attention when reviewing Board composition]
- d. Are meeting agendas prepared & published in advance?
- e. Are detailed minutes kept which record clearly actions taken by the Board? Available to public?
- f. Is a corporate record book maintained?
- g. Is a current list of directors maintained?
- h. Are there policies & procedures to provide Board members with reimbursement for out-of-pocket expenses incurred while performing their duties?
- i. Are meetings held in locales accessible to the client community?

2. Activity Level

- a. How frequent are the meetings? How long?
- b. Does a quorum attend all meetings?
- c. Are committees active?

3. Involvement in Program Management

- a. Does the Board interfere with the attorney-client relationship?
- b. Does the Board have a Financial/Audit Committee?
Is it active?
- c. Does the Board interfere with the administrative operation of the program?

4. Community Liaison

- a. Is the Board active at fundraising?
- b. Does the Board provide a good liaison with the Bar? with the Judiciary?
- c. Does the Board assist in promoting the availability of legal services to the client community?

B. LITIGATION CAPACITY

1. Review of Individual Staff*

- a. Do internal procedures exist for review and evaluations of personnel? Are they adequate? Are they frequent enough?
- b. Are decision-making procedures well-developed? Used? Is there reasonable delegation and are there clear lines of responsibility & authority?
- c. Director, Deputy Director, Director of Litigation
 - Qualifications & Experience
 - Duties, Ability to Delegate, Ability to Supervise
 - Caseload, Time Commitment, Types of Cases
 - Leadership (w/staff, poverty community & community at large)
 - Relationship to bench, bar, others
 - Reputation among staff, judges, lawyers
 - Administrative ability
 - Sensitivity to poverty community & its problems
- d. Attorneys Admitted to Practice
 - Qualifications, Experience, Training
 - Duties
 - Caseload (specialties, litigation)
 - Morale
 - Adequate supervision
- e. Attorneys Not Admitted to Practice
 - Qualifications, Experience, Training
 - Duties
 - Caseload (specialties)
 - Morale
 - Adequate supervision
- f. Paraprofessionals, Lay Advocates, Law Students
 - Qualifications, Experience, Training
 - Duties
 - Adequate supervision/Morale
- g. Secretaries, Bookkeepers, Administrative Assistants and Other Clerical Staff
 - Qualifications, Experience, Skills, Duties
 - Adequate supervision/Morale

* It may be neither practical nor possible to interview all staff members. However, a sufficient number and cross-section of employees (at all levels) should be interviewed to develop a sense of overall staff morale, and to review personnel policies and procedures, and staff

NOTES

B. LITIGATION CAPACITY (Continued)

2. Caseload Management System

a. Setting Priorities & Goals [See Appendix B, Memo from Charles Jones re: Priorities In Caseload]

- Is there involvement by the poor community & specific sub-groups?
- Is there involvement by the board?
- Is there harmony with LSC goals & criteria?
- Is there measurability of the program's goals?
- Is there awareness of resultant unmet needs?

b. Procedures for Implementation

- Is there specialization by individual staff?
- Are there specialized law units (e.g., family law center)?
- Is there reasonable caseload limitation?
- Is there referral elsewhere?
- Is there regular review of cases handled?
- Is there regular review of achievement of goals?
- Is there regular reassessment of goals?
- Are fees charged?

3. Case Generation & Screening Processes

a. Financial Eligibility Criteria

- Has the program set workable eligibility criteria?
- Do they comply with LSC regulations [45 CFR 1611]?
- Are there significant exceptions? If so, are they abused or carefully supervised?

b. Non-Financial Eligibility

- Does the program keep an accurate record of why applicants are rejected? (e.g., geographic, type of case)
- Is that information used to quantify unmet needs of otherwise eligible clients & explore better ways to meet those needs (e.g., expand service area, promote better liaison with public defender, private bar cooperation on divorces)

c. Source of Client Information about LSP

- Does the program keep an accurate record of how clients learn about the program?
- Is that information utilized to improve equal access to all eligible clients? How?

NOTES

B. LITIGATION CAPACITY (Continued)

4. Case Handling Procedures

a. Intake & Preliminary Interview(s)

- Are there restrictions on intake hours (e.g., appointment required or Tuesdays only)?
- What are the qualifications and training of the intake workers?
- Is information carefully recorded?
- Is a private office used to ensure confidentiality?
- Is the interview(s) reasonable in length?
- Are criteria for immediate referral to an attorney established? Used?
- What is the time period from intake and initial interview to meeting with an attorney?

b. Attorney Interview

- Are there resolution procedures for potential conflicts of interest?
- Is the duration of the interview reasonable?

c. Referrals

- Has the program developed an effective referral procedure for applicants it doesn't handle?
- Are employees familiar with the other services available to rejected applicants?
- Is the program cultivating good relations with other programs where applicants are referred?
- Are accurate records kept on referral rates? Are they used to develop programmatic changes and better inter-agency coordination?

d. Cases Accepted/Court Costs

- Are careful records kept on cases accepted? How are they resolved? What issues are involved? What are the remedies pursued & procedures used?
- Are the records used to evaluate employee activity?
- Are the records used to consider programmatic changes to expedite client services?
- Does the program request *In Forma Pauperis* regularly?
- Are some court costs paid from the litigation fund? What types? Annual Amount?

e. Case Termination Criteria

- Are careful records kept on when & why cases are closed?
- Are those records used to evaluate employee activity?
- Are those records used to develop programmatic changes?
- Does the program attempt to calculate information on cases where client's objective is obtained? partially obtained? not obtained?
- Do supervisors use the case closed data to evaluate attorney and paralegal caseloads?

NOTES

LIBRARY FACILITIES & CONTROL

1. Are the library facilities adequate? Current? Functional? Accessible? Utilized?
2. Does the program maintain a pleading and brief file? Is it indexed? Is it current?

OVERVIEW OF CLIENT SERVICES

1. Types of cases by Substance
 - a. Are careful records kept on types of cases handled?
 - b. Are those records used to evaluate employee activity or to consider programmatic changes?
 - c. Are some staff devoted exclusively to certain categories of cases? Is of, how many lawyers? paralegals?
2. Community Service & Client Involvement with LSP
 - a. Are the client representatives on the program's board active?
 - b. What community groups are served by the program?
 - c. Are program staff members from the community?
 - d. Does the program have a client grievance procedure [See Appendix C: Proposed Regulation published 1-26-77; 45 CFR 1621]

COMMUNITY EDUCATION ACTIVITIES (OUTREACH)

1. Is there a reasonable degree of community education being pursued in light of caseload statistics and program goals and priorities?
2. Are the methods of community education appropriate? effective?

UTILIZATION OF OUTSIDE ASSISTANCE

1. Is outside help solicited (e.g., from ACLU, NAACP, lawyers guild, public defenders, bar association, volunteers, law students)?
2. Does the program use Support Centers and are all program staff aware of their existence? Is the program satisfied with assistance provided by centers?

NOTES

F. UTILIZATION OF OUTSIDE ASSISTANCE (Continued)

3. Does the program use the LSC Office of Program Support and Regional Management Specialist?
4. Does the program use LSC training (by sending trainees, using training materials)?
5. Does the program use Clearinghouse Review? Poverty Law Reporter?

G. SPECIAL GRANT CONDITIONS - PROGRAM SELF-EVALUATION

1. What special conditions exist? Are they adhered to?
2. Is there internal program evaluation? How is it designed? Does it work?

APPENDIX A to Monitoring
Checklist #1

When reviewing a program's Board of Directors, special attention should be given to the following items:

Method of Selection

Was there adequate input from a variety of organizations and groups, with no one group dominating selection?

Board Composition

Does the Board reasonably reflect the interests and characteristics of the eligible clients? [Part 1607.3(a)]

Are the attorney members of the Board "supportive of the purposes of the Act and have interest in, and knowledge of, the delivery of quality legal services to the poor"? [Part 1607.3(b)]

Those members of the Board who are neither attorneys nor clients nor representatives of clients--are they interested in and supportive of legal services to the poor? [Part 1607.3(g)]

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: July 28, 1976
TO: PROJECT DIRECTORS
FROM: Charles E. Jones *cej*
SUBJECT: Priorities in Caseload Management

Please include with your grant application for refunding a statement that describes:

1. The priorities of your program in caseload management, as developed in light of the needs of the programs clients and the provisions of the Legal Services Corporation Act of 1974, including the requirement that priority be given to "those least able to afford legal assistance," and also.
2. the process by which those priorities were arrived at, including the scope of involvement by the client community.

At the last meeting of the Board of Directors of the Corporation, Tom Ehrlich and I stated our intention to seek this information from programs, and there was general support for the plan. The Corporation is not itself setting either the priorities or the processes for individual programs. Rather we are requiring that every program develop some set of priorities through some process. Priorities will and should vary from area to area. Similarly the process for setting priorities will and should vary depending on a variety of local conditions.

Regional staff will review the statements and will be in touch with you if they have questions or concerns about them.

EJ/ab

MONITORING CHECKLIST #2

PROGRAM OPERATIONS: POLICIES & PROCEDURES

- A. Payroll Procedures
- B. Space & Utilities
- C. Equipment, Furniture & Fixtures
- D. Security, Injury to Persons & Property
- E. Purchasing Supplies, Services, Postage
- F. Petty Cash Fund
- G. Clients Trust Fund
- H. Litigation Fund
- I. Telephone: Long Distance and Incoming Calls & Letters
- J. Travel
- K. Budget Procedures
- L. Program Audit

The following list of selected questions and issues are to be examined when reviewing the program operations of legal services programs. It is neither exhaustive nor definitive on all issues. It should be used in conjunction with the Sample Program Operations Manual and LSC regulations and guidelines related to program operations.

Many questions may refer only to the existence of a policy or procedure. In fact, many LSC regulations only require that a policy or procedure exist, without requiring any specific content. Therefore, it is left to the person reviewing the program to determine how effective and workable the program's policy or procedure is in operation.

NOTES

A. Payroll Procedures

1. Does the program record time and attendance for all employees, requiring the signature of employees and supervisor on time and attendance records?
2. Does the program have regularized payroll procedures which distribute paychecks effectively?

B. Space & Utilities

1. Are the program's office(s) easily accessible to the client community?
2. Are the offices private enough to ensure confidentiality?
3. Are the offices arranged to maximize efficiency?
4. Are they maintained adequately and in a good state of repair?
5. Is the rent reasonable for the area?

C. Equipment, Furniture & Fixtures

1. Does the program have an inventory of all property, including source, date acquired, and price?
2. Is the inventory kept up to date? Reviewed and confirmed annually?
3. Is there a policy and practise prohibiting use of program equipment for non-program purposes?
4. Do all employees have adequate and functional equipment to perform their roles effectively?

D. Security, Injury to Persons or Property

1. Does the program have adequate insurance to protect its employees, invitees and clients from loss due to injury or theft? (e.g., comprehensive liability, worker's compensation)
2. Does the program maintain adequate security precaution against theft, fire and other injury to persons and property?

NOTES

E. Purchasing Supplies, Services, Postage

1. Does the program have an effective cost saving procedure for procuring supplies & services?
2. Are the procurement procedures adequate to avoid double-billing or other similar activities by suppliers?
3. Are there procedures in effect to minimize re-production and postage expense?

F. Petty Cash Fund

1. Is the petty cash fund procedure functional and limited in its use?
2. Is the petty cash fund secure from theft and controlled to avoid embezzlement?
3. Are all transactions carefully recorded?
4. Is the custodian bonded?

G. Clients Trust Fund

1. Does the clients trust fund meet the requirements of the State Rules of Professional Conduct?
2. Are all transactions recorded carefully? Balanced regularly?
3. Are all funds maintained separately from other program funds and in a secure manner?
4. Is the custodian bonded?
5. Is each client trust fund transaction recorded in the program's general ledger as well?

H. Litigation Fund

1. Is the litigation fund functional and limited in its use?
2. Is the fund secure from theft and controlled to avoid embezzlement?
3. Are all transactions carefully recorded?
4. Is the custodian bonded?

NOTES

I. Telephone: Long Distance and Incoming Calls & Letters

1. Does the program have a policy and procedures to control personal long distance and message unit telephone calls?
2. Are all long distance calls logged and attributed to an employee?
3. Does the program have a clear policy & procedure for responding promptly to all incoming calls and letters?
4. Are receptionists trained and supervised to ensure professional courtesy to all clients and others contacting the program?

J. Travel

1. Has the program established a workable travel policy and procedures for employees and others traveling locally and out of town on program business?
2. Does the program carefully record each travel expense reimbursement?

K. Budget Procedures

1. Does the program budget comport with LSC's revised format?
2. Does the budget include all sources? including in-kind sources, if any?
3. Is the budget used as a fiscal planning tool, comparing past and present expenditures with a future projection?
4. Is the budget reconciled with actual expenditures quarterly? monthly?

L. Program Audit

1. Is the program audit conducted in accordance with the LSC Audit & Accounting Guide?
2. Are auditing charges reasonable?
3. Did the audit summary (prepared by LSC Comptroller's Office) identify any problems? Are those problems being addressed? Have they been resolved?

MONITORING CHECKLIST #3

PERSONNEL POLICIES & PROCEDURES

- A. Organization
- B. Hiring Policies & Procedures
- C. Compensation
- D. Fringe Benefits
- E. Leave Benefits
- F. Benefits - General
- G. Office Routines & Procedures
- H. Employment Standards
- I. Grievance Procedures & Termination
- J. Overall Program Communication

The following list of selected questions and issues are to be examined when reviewing the personnel management of legal services programs. It is neither exhaustive nor definitive on all issues. It should be used in conjunction with the Sample Personnel Manual and LSC Regulations related to program personnel matters.

Many questions may refer only to the existence of a policy or procedure. In fact, many regulations only require that a policy or procedure exist without requiring any specific content. It is left to the reviewer to determine how effective and workable the program's policy or procedure is in operation.

NOTES

A. Organization

1. Does the program have a simple organization chart depicting the structure of the program and showing clear lines of authority?
2. Does the program have a list of branch offices, including personnel and their telephone numbers?
3. Does the program have an office-staffing pattern for each office depicting job titles and lines of authority?

B. Hiring Policies & Procedures

1. Does the personnel manual indicate the basis upon which positions are filled, e.g., employment qualifications, affirmative preference to persons from the community served by the program, formal educational requirements necessary or unnecessary for particular positions, tests required?
2. Is there an established and observed equal opportunity policy? There can be no discrimination on the basis of race, sex, national origin, color, creed, age, religion, marital status, physical handicap, political affiliation or sexual preference. [See: Appendix A-Sample Statement]
3. Does the personnel manual state who makes the final decision on employment and staffing?
4. Does the personnel manual include policies and procedures which foster employee promotion or transfer within the program?
5. Does the personnel manual indicate how notices are prepared and circulated for job openings? Is that procedure followed?
6. Does the program have clear and well-defined procedures for hiring an employee, i.e., written application, interview, testing (as applicable), notice to unsuccessful applicants, preparation of personnel action forms, etc.?
7. Does the program have written job-descriptions on file for each paid position?
8. Are the employees given a copy of their job description at the time of employment?
9. Is a copy of the job-description maintained in the employee's personnel file?

NOTES

Hiring Policies & Procedures (Continued)

10. Does the program require a well-defined probationary period of employment?
11. Are there policies which provide for written performance evaluations to be conducted during the probationary period?
12. Does the program have a policy for re-employment of former employees?
13. Is nepotism precluded from the hiring decision?

C. Compensation

1. Does the program have an established wage and salary schedule with starting salaries, salary ranges, and step increases for each paid position?
2. Has the program conducted a salary comparability study upon which the wage and salary schedule is based? [See Appendix B: Published instruction on requirement for wage comparability study]
3. Does the program have a merit increase policy? Are there any increase limitations during specified periods of time?
4. Does the program have written policies concerning overtime work, taking into consideration local law, regulations and procedures governing payment of overtime work?
5. Do the program policies control the accumulation of overtime work?
6. If the program has a policy for compensatory time, does it provide for maximum accrual and carry-over provisions?
7. Does the program use a "personnel action" form as the controlling document for employee hiring, promotion and transfer?
8. Are all employees required to verify their time and attendance report on a daily basis?
9. Are all time and attendance reports reviewed and signed by supervisory personnel?
10. Does the personnel manual state clearly who has authority to approve salary increases?

NOTES

Compensation (Continued)

11. Does the program verify previous salary levels from past employers for new employees?

D. Fringe Benefits

1. Does the program provide health or life insurance (in whole or in part) to full-time employees?
2. Does the program carry worker's compensation insurance?
3. Does the program carry disability insurance for employees? Unemployment insurance?

E. Leave Benefits

1. Has the program established fixed holidays during the year?
2. Has the program established a health leave policy?
3. Has the program established a policy for advancing health leave and payment of health leave upon termination?
4. Has the program established an annual leave policy covering accrual, use and approval, advance annual leave, and payment upon termination?
5. Does the program provide for family death leave, election day leave, jury and witness duty leave, religious observances and administrative leave for the purpose of preparing for the bar examination?
6. Do the program's personnel policies provide for maternity and paternity leave including use of accrued leave time, and maximum duration?
7. Does the program provide for a leave-of-absence without pay?

F. Benefits - General

1. Does the program have a classification system for part-time, full-time, temporary and permanent employees?
2. Does the program support employee membership and involvement with professional associations?
3. Does the program actively sponsor and promote employee training and career development? How?

STAFF

REFLECTION

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 23, 1977
TO: T. Ehrlich
FROM: Barbara Sard 
SUBJECT: Planning Estimates for Staff Retention Projects

I. Where We Are

As you know, in January the Board preliminarily determined to allocate a major portion of the investment income earned in FY 1977 to the area of staff retention. To further understand the retention issue, Corporation staff prepared an initial analysis of causes and possible solutions (distributed prior to last Board meeting), which was widely circulated among field programs. A meeting was held in Chicago May 8-9, a summary of which is in the July 7-8 Board materials, to further discuss the nature and extent of the turnover problem, and possible solutions, and research has been done to obtain a more complete statistical picture of turnover.

This memorandum is designed to provide a summary of staff views on how all or a portion of the investment income could be used to help meet the retention problem. The estimates stated are no more than that -- estimates -- but they should provide a fair basis for discussion at the Board meeting in July. On the basis of that discussion and further analyses, we will be prepared to make recommendations to the Board for its decisions at a subsequent meeting this year. For those interested, we have more details available on the various categories of projects.

The Chicago meeting, the hundreds of comments received to date, our research, and further discussion among Corporation staff, yield the general conclusion that increased retention of local program staff is an important objective for the Corporation to pursue. As it is impossible at this stage to isolate precise casual factors, continuing surveys are under consideration. There is, however, general consensus that the causes of the excessive turnover rate lie in the areas of:

- a) Poor Salary and Economic Prospects
- b) Poor Program Management
- c) Lack of Professional Growth Opportunities
- d) Emotional Burnout
- e) Sense of Low Professional Status

II. What We Are Now Doing or Planning

The ongoing and planned activities of the Corporation address many of the basic issues critically related to turnover:

- a) Salaries and Economic Prospects - proposed allocation of \$3.5 million under Field Services to assist well-managed programs to achieve salary comparability;

- proposed use of approximately \$2 million by the Office of Program Support for retention-related recruitment activities: loan forgiveness, scholarships, summer clerkships and sabbaticals;
- b) Program Management - regional office monitoring visits, technical assistance, Office of Program Support "basic training" for project directors and managing attorneys;
- c) Professional Growth- skill training for new lawyers and some paralegals by the Office of Program Support; limited substantive law training.

III. What Further Is Needed

Because of their anticipated effectiveness, ease of national implementation, and innovative character, several more efforts deserve serious consideration in FY 1978:

A. Economic Benefits

1. Pensions - Only approximately 10 percent of field programs have pension plans instead of or in addition to Social Security. \$100,000 could be allocated for a feasibility study of a national pension structure, with or without Corporation funding. \$1.9 million could be held in reserve to be used as an initial underwriting of the pension system if a Corporation contribution is determined to be advantageous.

<u>FY 1978 Funding</u>	<u>High</u>	<u>Low</u>
- Special study (consultants)	\$ 100,000	\$100,000
- Corporation underwriting of a national pension system	1,900,000	-
	<hr/>	<hr/>
Subtotal	\$2,000,000	\$100,000

2. Loan Stipends and Loan Forgiveness - The FY 1978 funds now proposed to be used by the Office of Program Support in this area - \$900,000 - would support a modest program: approximately 50 law students could receive stipend-loan payments (loans convertible into stipends for years of service); and 370 lawyers could receive loan forgiveness grants.

A more substantial effort in the stipend-loan area, coupled with summer clerkships, would be useful to implement now, however, so that a transition away from more difficult to administer loan forgiveness payments would be possible in the future. As currently conceived, the Office of Program Support loan forgiveness program would focus on new attorneys only, and therefore additional funds would be required to help retain attorneys now employed in legal services programs.

<u>FY 1978 Additional Funding-Loan Forgiveness</u>	<u>High</u>	<u>Low</u>
Loan-Stipends and Summer Clerkships	\$ 550,000	\$275,000

<u>FY 1978 Additional Funding-Loan Forgiveness</u>		
Loan Forgiveness Payments	450,000	225,000
	<hr/>	<hr/>
Total Loan/Stipend and Loan Forgiveness Programs	\$1,000,000	\$500,000

B. Specialized Training in Critical Areas of Program Management

At current and projected funding, neither the regional staff nor the Office of Program Support will be able to provide programs with sufficient assistance in some critical management areas related to effective retention and prevention of emotional burnout, such as personnel management and evaluation, interpersonal skills, and goal and priority planning and implementation.

<u>FY 1978 Funding</u>	<u>High</u>	<u>Low</u>
Training sessions and technical assistance grants	\$500,000	\$275,000

C. Grants to Programs to Enhance Opportunities for Professional Growth

One-third of all legal services attorneys leave each year. Of those who terminated in 1976, 80 percent had been with legal services programs less than three years. One of the most critical reasons for this severe loss of only just-trained staff is agreed to be the lack of opportunities within neighborhood offices for attorneys to move "up" -- continue to grow as lawyers -- without moving "out" -- to support units, program management, and mostly, to employment outside of legal services. Innovative ideas are needed to develop better ways of using our professional resources within programs -- e.g., better supervision methods, job rotation, creative approaches to repetitive problems. Defeating the "up and out" cycle is essential to provision of high quality legal services by neighborhood offices.

Interested programs could be requested to submit proposals for funding (very little may be require in some cases) of innovative projects they could implement within one year which they anticipated would improve program performance, enhance growth opportunities for their staff, and reduce turnover. The Corporation would select proposals to be funded based upon the capability of the program to carry out the proposal (regional office evaluation); innovativeness; relation to key professional growth areas; and applicability to other programs. Ongoing evaluation of the effectiveness of the model projects would be conducted, and results disseminated.

<u>FY 1978 Funding: Experimental Grants</u>	<u>High</u>	<u>Low</u>
Grants	\$1,300,000	\$650,000

Special experimentation with the effectiveness of sabbaticals as a means of enhancing professional growth opportunities could also be done, in light of sharp interest in this possibility but mixed results from the few programs which have tried them in the past.

<u>FY 1978 Funding: Sabbaticals</u>	<u>High</u>	<u>Low</u>
Sabbaticals	\$200,000	\$100,000

*Attached hereto are three supporting memoranda: a Summary of the Conference on Turnover held in Chicago, May 8-9; and two analyses of data gathered on Experience and Salaries of Attorneys and Paralegals in Legal Services.

FY 1978 Estimates of
Additional Funding for
Staff Retention Projects

	<u>High</u>	<u>Low</u>
A. <u>Economic Benefits</u>	\$3,000,000	\$ <u>600,000</u>
1. Pensions	2,000,000	100,000
2. Loan-Stipends & Loan Forgiveness	1,000,000	500,000
 B. <u>Specialized Training in Critical Areas of Program Management</u>	 <u>500,000</u>	 <u>275,000</u>
 C. <u>Grants to Programs to Enhance Opportunities for Professional Growth</u>	 <u>1,500,000</u>	 <u>750,000</u>
1. Experimental Grants for Program Improvement	1,300,000	650,000
2. Sabbaticals	200,000	100,000
	<hr/>	<hr/>
Totals	<u>\$5,000,000</u>	<u>\$1,625,000</u>

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 23, 1977

TO: All Interested Persons

FROM: Barbara Sard *BS*

SUBJECT: Experience and Salaries of Attorneys and Paralegals
in Legal Services: Correlations with Dollar Per
Poor Person Funding

Method

The experience and salary data reported by the sample programs in April, 1977 was analyzed according to the FY 1977 levels of dollars per poor person of Legal Services Corporation funding for each of the 54 of the 60 sample programs for which complete statistics were available. (For a full description of the methodology of the survey, see the "Initial Findings and Analysis" memorandum.)

Results

Dollars per poor person of LSC funding appears to have no correlation with the ratio of experienced attorneys in programs, minimum or maximum salaries paid, the existence or salaries of experienced attorney managers, or the number or salaries of experienced paralegals. This lack of any correlation is revealed both by an analysis of programs averaged within dollar groupings, as well as by a frequency distribution chart of all programs.

Reservations

Analysis only on the basis of FY 1977 LSC funding levels may seriously oversimplify funding realities, and thus miss any real correlations which may exist between actual funding and funding history, and experience and salaries of professional staff. Many programs received a significant increase in FY 1977 funding over previous years. One year's increase is not likely to reveal itself immediately in the experience ratio of attorney and paralegal staff. Secondly, the study compared number and salaries of attorneys and paralegals, regardless of funding source, with LSC funding only. We do not know what proportion of the staff was,

at the time of the study, being paid through non-LSC funds. The existence of substantial outside funds would obviously change the programs' real funding picture dramatically.

Attachments

To show the significance of the correlation between program size and experience ratios, as detailed in the Initial Findings paper, in comparison with the lack of any correlation between dollars per poor person LSC funding and experience of staff, we are attaching the following charts:

- A. Ratio of Experienced Attorneys/Other: Frequency Distribution of Sample Programs by FY 1977 Dollars Per Poor Person LSC Funding

- B. Ratio of Experienced Attorneys/Other: Frequency Distribution of Sample Programs by Total Number of Attorneys

A, Ratio of Experienced Attorneys/Other; Frequency
 Distribution of Sample Programs by FY 1977
 Dollars Per Poor Person LSC Funding

Program Classification: Dollars Per Poor Person	0 / X										Average Ratio	
	1 / 1.00- 2.00	1 / 2.01- 3.00	1 / 3.01- 4.00	1 / 4.01- 5.00	1 / 5.01- 6.00	1 / 6.01- 7.00	1 / 7.01- 8.00	1 / 8.01- 9.99	1 / 10.00- 14.99	1 / 15.00- 20.00		No. 5 Year Attys.
1.00 - \$1.99	1										5	1 / .67
2.00 - \$2.99	1											1 / 1.16
3.00 - \$3.99	1			1								1 / 1.48
4.00 - \$4.99	4		2		1			1				1 / 1.15
5.00 - \$5.99	3		1			1					1	1 / 1.27
6.00 - \$6.99	1			1								1 / 1.13
7.00 - \$9.99	3				1						1	1 / 1.11
8.00 - \$14.99	3											1 / .53
5.00 - \$20.00											1	0 / 2
Totals	17	18	3	2	2	2	0	1	0	0	3	Total 54

Average Ratio for all Programs: 1/1.19

B. Ratio of Experienced Attorneys/Other: Frequency Distribution of Sample Programs by Total Number of Attorneys

0 / X

Program Classification:

No. of Attorneys	1 / .00- 2.00	1 / 2.01- 3.00	1 / 3.01- 4.00	1 / 4.01- 5.00	1 / 5.01- 6.00	1 / 6.01- 7.00	1 / 7.01- 8.00	1 / 8.01- 9.99	1 / 10.00- 14.99	1 / 15.00- 20.00	No. 3 or 5 year Attys.	Average Ratio
1 - 4	3	1									5	1 / 2.10
5 - 9	5	1		1	2	2						1 / 1.83
10 - 14	1	4	2	1			1					1 / 2.07
15 - 19	2	4	2	1								1 / 1.39
20 - 24	4											1 / .63
25 - 29	1											1 / .78
30 - 34	3											1 / .80
35 - 39		1										1 / 1.19
40 - 44		2										1 / 1.53
45 - 49												1 / .77
50 - 69	2	1										1 / 1.19
Totals	21	18	3	2	2	2	0	1	0	0	5	

Average Ratio for all Programs: 1 / 1.19

SUMMARY OF CONFERENCE ON TURNOVER

May 8-9

The first session, Sunday evening, was devoted to a general discussion of the nature of the turnover problem and its causes.

The discussion centered around the relationship of retention of experienced staff and the quality of legal services work. There was general agreement that there is too high a rate of turnover in many legal services programs. Some participants expressed the view that, from the perspective of quality, turnover was not particularly a problem, for two reasons. First, that attorneys who did primarily "law reform" work -- meaning major litigation without extensive contact with clients -- tended to stay longer; and second, that substantial experience was not needed to do high quality "law reform" work, as the skills involved were most closely related to those learned in law school. Most participants seemed to disagree strongly with the assumption underlying this point of view: that quality in legal services work is represented by "big cases." This disagreement was not only in principle, but also because of the relative numbers involved: it was estimated that 90 to 95 percent of the attorneys in legal services are working in neighborhood offices, representing large numbers of clients in individual matters. Furthermore, several persons disagreed with the premise that the skills involved in doing "law reform" work were those learned in law school. It was asserted that such work is now far more difficult, as the obvious issues have already been joined, and therefore substantial experience is required to adequately understand and address the more pervasive and intractable injustices which affect the poor.

From the perspective of attorneys most directly and heavily involved in representation of individual clients, the view was expressed that a high rate of turnover among these attorneys is inevitable. Most participants, however, were unwilling to accept that concept of futility. They felt that the performance of high quality work for legal services clients requires us to find solutions to the problem of high turnover among such attorneys. Many expressed the view that this work requires experienced attorneys to make the quick judgments relating to many different subject matters, which are required. Others stressed the importance of counteracting turnover to provide for continuity of representation to individual clients.

In addition to the problems of professional growth implicit in the discussion of turnover among "law reform" attorneys in contrast with attorneys representing large numbers of individual clients, issues of salary, poor management, and the perceived low status of legal services work were raised by many participants. Others mentioned the relation between the kinds of individuals recruited into legal services work and turnover: i.e., that programs employ people who intend to stay only a few years for training; and often hire people who have an unrealistic idea of what legal services work entails. Some project directors admitted that programs may foster this lack of congruence between expectations and reality by touting the most seemingly attractive parts of legal services work in their recruitment efforts.

In discussing the relation between "emotional burn out" and turnover, several interesting points were made. There appeared to be general agreement that substantial discrepancy between an individual's goals or hopes in entering legal services work, and the subsequent perception of actual accomplishment led to an enormous amount of frustration. There was a difference of view, however, as to whether an orientation to accomplish change in itself led to a greater or lesser degree of frustration. Some thought that the more change-oriented an individual was, the more likely that his or her expectations would not be met, and therefore the more likely the frustration. Others thought that a change-oriented person, who was at the same time politically sophisticated, would have a more realistic sense of the timetable which change would take and would therefore not become as frustrated. The general conclusion on this issue was that it was enormously important for programs to help their staff define achievable goals, if a sense of accomplishment could be realized.

There seemed to be general agreement that minority attorneys left legal services work sooner than other lawyers. Many reasons were noted: the existence of more options at higher salaries; felt need for the greater status of private practice; prejudice towards minorities in the local communities; and disagreements with policies adopted by program boards of directors.

Among the other points raised in the discussion, it was mentioned that two years may be the critical point for the decision by both paralegals and attorneys to stay in legal services work; and that the loss of senior staff may be particularly critical as it tends to have a redundant effect among other staff in a program; persons begin to presume that short tenure is expected.

On Monday morning, there was further discussion of whether turnover is a problem. The question was raised as to whether an organization necessarily progresses from an initial and stimulating period of originality and creativity to a quiescent stage of routine work. The issue here was stated as whether, by improving the security and financial rewards of legal services employment, programs would attract less creative people, who were comfortable with more routine work, and therefore, the quality of legal services work would be diminished. No resolution was reached on this very provocative issue. However, there was a consensus that the goal was some mixture of stimulation with security so that experienced and creative staff would remain. In this perspective, maintaining a stimulating and challenging work environment, and resisting the routinization of the work product in legal services, took on added importance.

An attempt was made to focus discussion on various proposals to counteract turnover, grouped under the general categories of management, professional growth, and economic issues. In attempting to discuss the various proposals aimed at improving opportunities for professional growth, the group raised many stimulating issues. Several suggestions were made about the best methods to prepare inexperienced attorneys to do competent work in a neighborhood office. Underlying all of the suggestions, was the recognition that, to perform competently, an attorney in a neighborhood office requires knowledge of a broad array of substantive areas and skills. There appeared to be agreement that the usual practice in legal services programs of placing the novice staff member on intake work, with most client contact, needed to be seriously rethought. Recognizing that the generalist role was perhaps the most difficult, several people advanced different notions of how a new staff member could pass through various specialized roles in a more or less structured training program. (The concept of an apprenticeship in a support center, however, met a largely negative response, both for theoretical and practical reasons; that support center work was not in fact the best possible preparation for neighborhood office work, and also that work in a support center would somehow "spoil" an attorney who then would not wish to come to a neighborhood office.)

Other ideas regarding organization of work assignments so as to provide ongoing training and opportunities for professional growth, were also advanced. Job rotation seemed to be perceived as a generally good idea, though the issue of how it would work was not reached. Much discussion centered around the concept of joint work. Some

warned that the role of senior attorneys supervising junior attorneys, while it may be very helpful to the juniors, might be frustrating and unrewarding for the seniors. A few different ideas were advanced to counteract this problem. One was to organize work in essentially a three-person team, of a senior, middle level, and junior attorney, so that the junior attorney would in fact be able to learn from middle level attorneys.

A more severe break with current practices was advocated, based on the medical model of the senior staff person being responsible for diagnosis, and then organizing and supervising the work effort. Although there appeared to be substantial interest in the concept of utilizing the skills and knowledge of the most senior staff to diagnose the client's problem, (as it was recognized that perception of the nature of the problem was often the most difficult part of legal services work), it was felt by some that a primarily supervisory role for senior attorneys would not be satisfying to the kind of lawyers we would like to keep in legal services work, who would wish to be able to do their own cases. In addition, some participants were uneasy about the effect on younger attorneys of placing so much control over their work in the hands of the senior staff.

Although no resolution of these issues was reached, there was agreement about the importance of determining the most effective learning sequence for lawyers in legal services practice; and implicitly, a determination that it was not sufficient merely to identify experimental job roles which may be attractive to experienced staff; somehow the challenging roles for senior staff had to be combined with an effective learning environment for the inexperienced.

Salaries was the only economic issue focused upon in the afternoon. Most of the participants agreed that the salaries currently paid attorneys entering legal services work were not a significant problem. However, for attorneys carrying heavy educational loan obligations (felt to be true for most minority lawyers), the salary paid from the second year onward, when these loans normally come due, would be critical. The consensus was that salaries paid in the third, fourth, and later years, as well as the expectation in the earlier years of what those salaries would be, was the most important point. It must be noted that some participants stressed that salary was a more important reason for people leaving legal services work than many attorneys were willing to admit. Despite the admitted importance of salaries, few of the participants indicated that in their belief financial rewards alone would sufficiently increase retention. The point was also raised

that the issue of salary must be looked at not only in its obvious financial aspect, but also from the perspective of what salary indicates about an individual's own sense of self-worth, and how others will view her or his abilities.

A few participants expressed their belief that the necessary number and quality of attorneys could be attracted and retained in legal services work at current low salaries. Most participants disagreed with this view as a matter of fact. However, others pointed out that even if this assumption were true, it was wrong as a matter of principle to require the staff of legal services programs, by their own low salaries, to subsidize society's obligation to provide legal services to the poor.

On the issue of the role of the Corporation, if any, in dealing with salary problems causing excessive turnover, the consensus appeared to be against special subsidies by the Corporation of salaries in particular programs. The only exception to this conclusion was the suggestion that a special Corporation subsidy may be justified where a program was not receiving any equalization or other additional funds, and could show that it was impossible for it to adjust its operations sufficiently to increase staff salaries. Although a direct financial role for the Corporation was not indicated, it was generally agreed that there was a need for strong Corporation support of programs paying higher competitive and adequate salaries. Although some regions appear to be doing this now, others felt that the Corporation was more concerned with quantity of cases than it was with salaries paid to employees. There was a suggestion, to which the reaction was unclear, that the Corporation could require that programs pay salaries within 10 percent of those indicated by its salary comparability study, unless the program could show to the satisfaction of the regional office why it should or could not pay such salaries. It was clear, however, that programs were opposed to specific salaries mandated by the Corporation.

On the issue of training, the consensus appeared to be that national training events lasting several days, whether conducted by the Corporation or by organizations such as PLI, at least in greater quantity than now available, were probably irrelevant to counteract turnover. The only exception to this point of view appeared to be the recognition of the role of such national training events in affording the attorney time away from the daily burdens of work and time to interact with others. In this respect, it was observed that the Corporation now offers virtually no training opportunities, other than in management, for attorneys with more than three years of experience.

On the other hand, after some discussion it became clear that there was virtually unanimous agreement that the possibility of ongoing, daily learning within programs was vitally important to counteract turnover, at all experience levels. Less critical than this ongoing training, but still felt to be a greater need than more national training events, were funds to assist programs to conduct local training events.

The use of private attorneys by programs to assist with training was also discussed. Participants had had mixed experiences, some successful and some not. However, it was felt to be very useful to have private attorneys involved to work directly with staff attorneys on problems and cases where the private attorney had experience and expertise.

There were several roles indicated for the Corporation in the area of training. The most important appeared to be the development of models for ongoing, effective, daily training within programs. Not only was this area the most important; it was the area where the least is known about how to train effectively. The importance was also stressed of the Corporation being the agent to communicate ideas among programs; of the Corporation providing seed money for local training events; and possibly for the Corporation to provide funds to send experienced attorneys, not now eligible for Corporation training, to private training sessions -- although on this point, it was not clear that there was general agreement.

In addition to substantive law and skills training, the importance was also mentioned of language training for staff that worked with non-English speaking clients.

The discussion then turned to interpersonal skills training. There was general agreement that, for many different reasons, the staff of legal services programs needed to be far more proficient in interpersonal skills than they are. It was agreed that such skills are important to improve the quality of interviewing and counseling, and to assist staff in withstanding the stress of legal services work. There was skepticism about what some participants labeled as "sensitivity training," but everyone appeared to agree that some training in human relations skills was very important. Moreover, there was agreement that programs are now least prepared to help themselves meet this need. Several different models of interpersonal skills training were mentioned: regular training sessions, retreats, seminars, and consultants working with programs.

Such consultants could deal directly with human relations issues, or they could advise about the psychological problems in cases, thereby imparting to the staff the perceptive skills critical to the improvement of human relations. Due to a general lack of knowledge and expertise, no particular method of interpersonal skills training was favored. There did appear to be an agreement that the development of training materials in this area was an important role for the Corporation.

The final discussion was on methods of implementing and fostering ideas to counteract turnover. Only the surface of this issue was really touched. Some of the ideas raised were:

- Regional offices should require each program to develop a "retention plan";
- After further development of ideas of methods of organizing work in neighborhood offices that may be helpful to foster professional growth and to prevent "burnout," programs would be solicited to submit proposals for projects, with supplementary funds provided where necessary, and with a study component;
- Grants could be given to some or all programs, on some unspecified basis, to do whatever they indicated they would to counteract turnover, as long as it showed some promise and they indicated that they would record their efforts and results.
- Perhaps some combination of these ideas could also be implemented.

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Overall, several things were clear from the turnover conference. Most people believe that the quality of work done by legal services programs is adversely affected by excessive rates of turnover, for which no single cause can be identified. In addition to the four basic causes described in the initial memorandum: emotional burnout, lack of professional growth opportunities, lack of salary prospects, and poor management (which were all validated at the meeting) there also seemed to be a consensus that to this list should be added the problem of image or role: that legal services lawyers often believe that they have little status in the eyes of other professionals. The turnover problem, its effect on quality, and its underlying causes, are issues that deeply concern the legal services community. More discussion is certainly needed on the complex subjects of professional growth and burnout, as well as a further specification of the role of the Corporation in management and on economic issues.

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 22, 1977

TO: All Interested Persons

FROM: Barbara Sard *BS*

SUBJECT: Experience and Salaries of Attorneys and Paralegals
in Legal Services: Initial Findings and Analysis

Summary

Current experience and salary data on 60 field programs reveals that on the average 23 percent of lawyers (excluding project directors) in legal services have 5 years or more legal experience, and 22.68 percent have three to four years of experience, yielding an average experience ratio of 2:2:5. However, 63 percent of programs fall below this average. Medium sized and the largest programs have the highest experience ratio; programs of less than 20 attorneys the lowest. A relatively insignificant number of lawyers spend more than 25 percent of their time managing. There is no correlation between experience ratio, size of program, and average minimum and maximum salary paid. Less than a fifth of programs pay higher salaries to managers than to other similarly experienced attorneys. Approximately two-thirds of programs have experienced paralegals, with no correlation between size of program and paralegal experience.

Method

On April 22, 1977 we sent a brief questionnaire to the 60 programs which have been selected as a random sample of all legal services field programs. Answers have been received from each of the 60 programs. The questionnaire sought to discover the amount of legal experience of attorneys and paralegals now in legal services, salaries now paid, and any distinction in experience and/or salaries which correlated with performance of predominantly managerial roles.^{1/} No information was collected regarding project directors. The results of the survey were grouped according to program size.

^{1/}

A "manager" was defined as someone who spent less than 75% of his/her time in direct lawyering on or supervising of clients' cases.

Attorney Experience

Programs were asked to report their total number of attorneys, regardless of funding source; the number with five years or more experience in law-related work since law school, and with three years but less than five years of legal experience.^{2/}

Of the 939 lawyers employed in the 60 programs (excluding project directors) 216 had five or more years of experience, and 213 had three or four years. Stated differently, 23.00 percent of attorneys in legal services have five or more years of experience, 22.68 percent have three to four years, and the remaining 54.31 percent (510) have less than three years of experience. These figures yield an overall experience ratio of (approximately):

2	:	2	:	5
5-year attorneys		3-4 year		less than 3 years

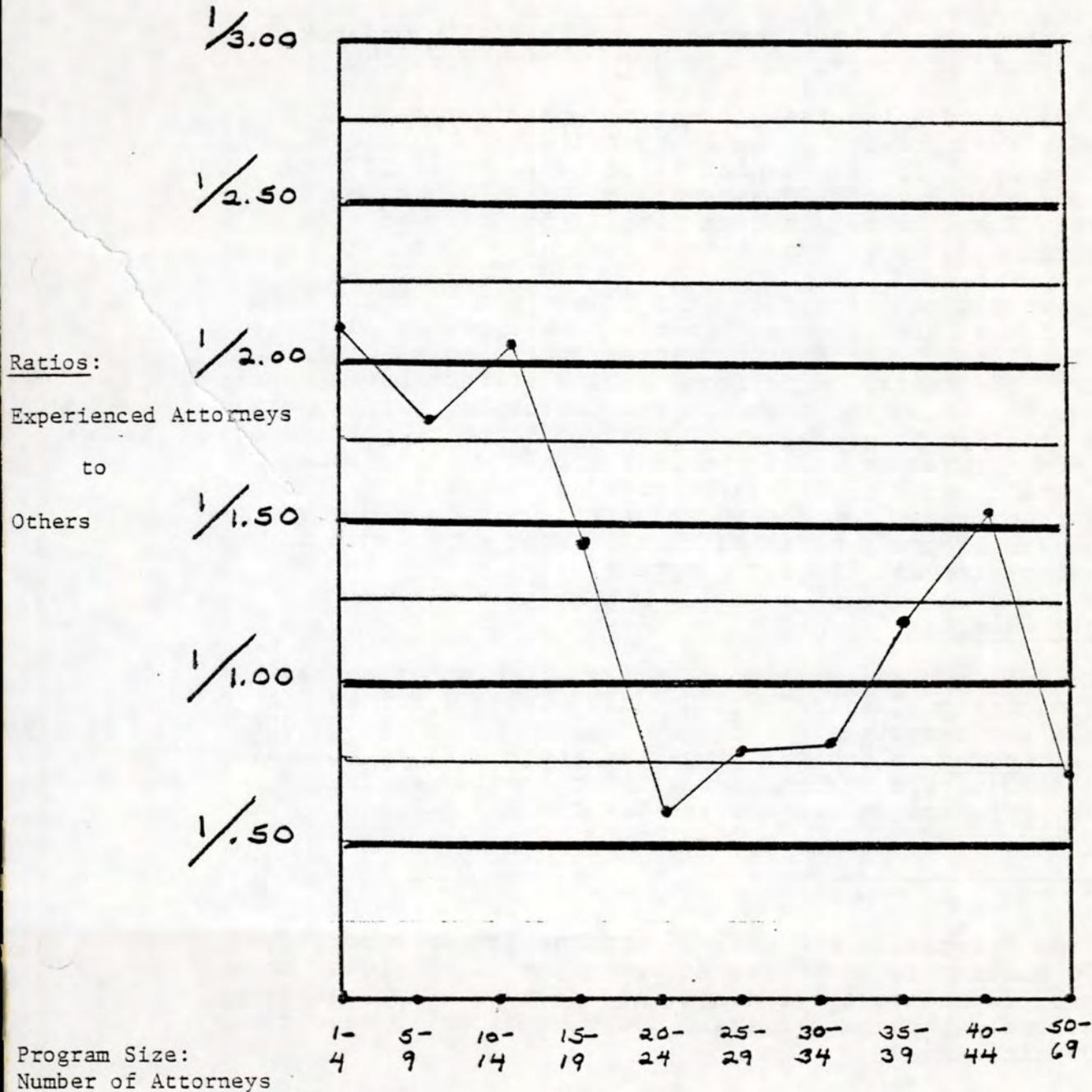
Distribution of experience varies significantly by program size, with medium-sized programs having the highest experience ratio. While the overall ratio of five-year attorneys to all less experienced attorneys in programs is one "senior" to three and a third (3.35) others, the programs ranging from 20 - 29 attorneys have a substantially higher ratio, with one senior attorney to less than two others; and the programs with 30 - 34 attorneys, and those larger than fifty attorneys, are somewhat higher than the average, about 1 to 2-1/2 - 3. The programs with the lowest experience ratio of "seniors" to others are those with less than 20 attorneys, and those with 35 - 55, which all have less than one senior attorney to four or more others.

Looking at the ratio of attorneys with three or more years of experience to those with less experience, the average ratio is higher than that of "seniors" to others: one "middle" attorney to each 2.39 others. Programs with 15 attorneys or larger have significantly more "middle" attorneys to juniors than do smaller programs, but only programs with 20 - 24, and 30 - 39 attorneys have a higher than average ratio.

^{2/}

It appears possible that some programs may have misinterpreted the question, and included as a five year + attorney a lawyer in his/her fifth year of work -- who thus really has only four years or more experience. We tabulated the data as reported, however.

When the "senior" and "middle" level attorneys are combined and looked at in proportion to "juniors," the initial pattern of highest experience ratio in medium size and largest programs again reasserts itself. The overall average ratio is one "experienced" attorney to each 1-1/5 "juniors" (1/1.19). The middle-sized, 20 - 34 attorney programs, and the largest, 50+ are substantially higher than the average: one experienced attorney to each 2/3 - 4/5 "junior." The smallest programs, those from 1 - 19 attorneys, as a group still have the lowest experience ratio -- about one experienced attorney for every two juniors; and the medium-large programs, those with 35 - 44 attorneys, also have an average to below average ratio of experience.



Significantly, most size groupings of programs have an average experience ratio significantly lower than the overall ratio of 2:2:5, or 1:1-1/5. Only 22, or 37 percent of the 60 programs, have a higher than average experience ratio. Thus, it is clear that the substantial experience present in some programs is dramatically raising the average.

Attorney Managers

As the survey was seeking to discover the extent to which attorney experience correlated with performance of lawyering tasks, we used the arbitrary cut-off of 75 percent of time spent in client representation or supervision of casework as indicative of being a non-manager. Clearly, then, the reported data, to the extent the project directors' estimates are even correct, substantially understate the number of attorneys who spend some time managing.

However, despite this caveat of understatement, the data show a surprisingly small proportion of "managers": 27 of the total of 216 "senior" attorneys, or 12.50 percent, and only 9, or 4.23 percent, of the 213 middle level lawyers. There is no apparent correlation between size of program and use of experienced attorneys to manage.

As we did not ascertain what proportion of their time, if any, these "managers" may spend on casework or supervising other legal staff, it does not appear valid to discount them from the overall experience ratios stated above. Conversely, to the extent that project directors, particularly in the smallest programs, spend a significant proportion of their time lawyering, their inclusion in the experience ratios would serve to increase somewhat the ratio in the smallest programs, but not to an extent which would significantly alter the general pattern of most experience in the medium-size and largest programs.

Attorney Salaries

The minimum and maximum salaries which programs reported paying to "senior" and "middle" level attorneys do not hold any surprises: a range of about \$15 ^{3/4} to 19,000 average minimum salary for five-year attorneys, to \$18,259 to \$21,880 average maximum, except for the larger than 50 attorney programs, whose average maximum was \$28,413. The

3/

The one program in the 25 - 29 attorney group reported a \$12,000 minimum to five-year attorneys -- \$2,925 lower than the next lowest average minimum, and therefore apparently aberrational, though some small programs did also report a \$12,000 minimum.

range for middle level attorneys was similar, but \$3 - 4,000 lower: \$12,500 - \$15,600 average minimum, to \$14,400 - \$18,167 average maximum, with the exception of the largest, more than 60 attorney programs, whose average maximum for middle level attorneys was \$20,162.

With the exception of the higher average maximum salary for both categories of experienced attorneys paid by the largest programs, there is no correlation between program size and salary.

What is most interesting, however, is that there is also no correlation whatsoever between the average salaries paid by programs and their experience ratio: some of the medium-sized programs, with the highest ratio of senior attorneys and overall experienced attorneys, have the lowest average salary range paid to experienced staff.

Attorney Salaries/Management

In less than half the programs which reported having experienced attorney managers do these managers earn higher salaries than their peers. Of the 20 programs which reported having one or more "senior" attorney managers, 9 or 45.00 percent, reported any variation in the salaries paid to "manager," in contrast with "non-manager" senior attorneys. The difference was usually in the maximum salary paid, which averaged, for these 9 programs, \$2,962 higher for managers than the average maximum paid to non-managers. There was no significant correlation between program size and the existence of a managerial salary differential, or the size of the difference.

The same basic generalizations hold for salary differentials for middle-level attorney managers, though there is even less distinction made in salary for performance of managerial tasks by three and four-year attorneys. 6 of the 60 programs have one or more middle attorney managers, but only 2, or 33.33 percent of these have a salary differential for managers over non-managers. This differential was always in the maximum salary paid, which averaged \$1,480 greater for managers in those 2 programs. Again, size of program does not appear to have a significant relation to payment of a salary differential for management.

Paralegal Experience and Salaries

The survey only inquired into the extent of paralegal experience in legal services programs, and salaries paid. No information was gathered with regard to the total number of paralegals in programs, primarily because of the definitional problems anticipated, particularly at lower experience levels.

Of the 60 programs surveyed only 29 reported having any paralegals with five years or more experience, with a total of 76; and 26 programs had paralegals with three and four years of experience, totaling 67. Approximately 2/3 of the programs had some experienced paralegals -- either three or five year or both. The distribution of experienced paralegals across program size appeared to be entirely random. In light of this random distribution, we did not seek to correlate attorney experience with paralegal experience.

With regard to salaries, senior paralegals receive an average of \$9,490 minimum to an average of \$10,595 maximum. The range for three and four year paralegals is similar: \$8,879 average minimum to \$9,566 average maximum.

Reservations

This study leaves many questions unasked, and unanswered, regarding the distribution of experienced attorneys and paralegals in offices within programs (e.g., clustered in "law reform" units), and the actual role of experienced staff in supervision of or working with junior staff members. These questions, for these particular programs, will be addressed, and hopefully answered, within a year by the data to be generated by the Project Reporting System.

There is no intention here simply to equate experience with quality: there is obviously not a direct and invariable relationship between years of experience and skill as a lawyer or paralegal. However, there is the substantial likelihood that there is a general correlation between experience and skill, and consequently quality; and hopefully also between experience and efficiency. It is on these assumptions of the desirability of increasing the experience ratio of capable staff that the turnover project rests.

A. ATTORNEY ACTUAL AND AVERAGE EXPERIENCE RATIOS BY PROGRAM SIZE

Program Size: No. of Attys.	N.	Actual Ratios			Average Ratios					
		5 yr/ Tot.	3 yr/ Tot	5 + 3/ Less	5 yr/ Less	3 yr/ Less	5 + 3/ Less	5 yr/ Less	3 yr/ Less	5 + 3/ Less
1 - 4	10	3/31	7/31	10/21	1/9.33	1/3.00	1/2.10	1/1/1	.33/1	.48/1
5 - 9	16	23/119	19/119	42/77	1/4.17	1/4.05	1/1.83	.24/1	.25/1	.55/1
10 - 14	11	26/135	18/135	44/91	1/4.19	1/5.06	1/2.07	.24/1	.20/1	.48/1
15 - 19	9	27/146	34/146	61/85	1/4.41	1/2.50	1/1.39	.23/1	.40/1	.72/1
20 - 24	4	32/91	24/91	56/35	1/1.84	1/1.46	1/.63	.54/1	.69/1	1.60/1
25 - 29	1	10/25	4/25	14/11	1/1.50	1/2.75	1/.78	.67/1	.36/1	1.27/1
30 - 34	3	27/99	28/99	55/44	1/2.67	1/1.57	1/.80	.38/1	.64/1	1.25/1
35 - 39	1	7/35	9/35	16/19	1/4.00	1/2.11	1/1.19	.25/1	.47/1	.84/1
40 - 44	2	16/86	18/86	34/52	1/4.38	1/2.89	1/1.53	.23/1	.35/1	.65/1
45 - 49	0									
50 - 69	3	45/172	52/172	97/75	1/2.82	1/1.44	1/.77	.35/1	.69/1	1.29/1
Mean: All Programs	60	216/939	213/939	429/510	1/3.35	1/2.39	1/1.19	.30/1	.42/1	.84/1

B. ATTORNEY MANAGERS AND SALARY DIFFERENTIALS BY PROGRAM SIZE

5 year + Attorneys

Program Size No. Attys.	N	No. Programs w/managers	No. of sames	No. of diff.	Avg. Diff.		No. Cases		No. Cases Both Varied
					Maximum	Minimum	Maximum Only Varied	Minimum Only Varied	
1 - 4	10	1	1	0	-	-	-	-	-
4 - 9	16	2	1	1	\$3,648	1	0	0	0
10 - 14	11	4	2	2	5,252	1	0	1	1
15 - 19	9	5	4	1	3,000	1	0	0	0
20 - 24	4	2	1	1	2,750	1	0	0	0
25 - 29	1	1	1	0	-	-	-	-	-
30 - 34	3	1	0	1	2,380	1	0	0	0
35 - 39	1	1	0	1	1,500	1	0	0	0
40 - 44	2	1	1	0	-	-	-	-	-
45 - 49	0	0							
50 - 69	3	2	0	2	5,289	2	0	0	0
All Programs	60	20	11	9	\$3,402	8	0	0	1

B. ATTORNEY MANAGERS AND SALARY DIFFERENTIALS BY PROGRAM SIZE (Cont'd)

3-4 Year Attorneys											
Program Size No. Attys	N	No. Programs w/managers	No. of sames	No. of diff.	Avg. Diff. Maximum	No. Cases Maximum Only Varied	No. Cases Minimum Only Varied	No. Cases Both Varied			
1 - 4	10	1	1	-	\$ 1,500	-	-	-			
5 - 9	16	0	-	-	1,246	-	-	-			
10 - 14	11	0	-	-	2,500	-	-	-			
15 - 19	9	2	1	1	1,052	1	0	0			
20 - 24	4	1	0	1	2,050	1	0	0			
25 - 29	1	0	-	-	-	-	-	-			
30 - 34	3	1	1	0	1,000	-	-	-			
35 - 39	1	1	1	0	-	-	-	-			
40 - 44	2	0	-	-	-	-	-	-			
45 - 59	0	-	-	-	-	-	-	-			
50 - 69	3	0	-	-	1,500	-	-	-			
All Programs	60	6	4	2	\$1,550	2	0	0			

C. Average Minimum and Maximum Attorney Salaries, by Program Size

<u>Program Size</u>	<u>Number of Programs N</u>	<u>Number of Programs Not Applicable NA</u>	<u>Average 5-yr. Minimum</u>	<u>Average 5-yr. Maximum</u>
1 - 4	10	7	\$16,333	\$19,933
5 - 9	16	4	17,212	20,071
10 - 14	11	1	16,391	19,440
15 - 19	8	0	16,294	20,755
20 - 24	4	0	14,925	18,259
25 - 29	1	0	12,000	19,000
30 - 34	3	0	18,773	21,880
35 - 39	1	0	19,000	21,500
40 - 44	2	0	15,244	20,500
45 - 49	0	--	--	--
50 - 69	<u>3</u>	<u>0</u>	<u>16,813</u>	<u>28,550</u>
All Programs	60	12	\$16,560	\$20,488

<u>Program Size</u>	<u>Number of Programs N</u>	<u>Number of Programs Not Applicable NA</u>	<u>Average 3-yr. Minimum</u>	<u>Average 3-yr. Maximum</u>
1 - 4	10	7	\$14,556	\$15,775
5 - 9	16	4	14,777	16,222
10 - 14	11	2	15,080	17,491
15 - 19	8	0	14,438	16,451
20 - 24	4	0	12,508	14,392
25 - 29	1	0	13,700	15,400
30 - 34	3	0	16,000	18,167
35 - 39	1	0	16,500	17,500
40 - 44	2	0	13,500	16,303
45 - 49	0	--	--	--
50 - 69	<u>3</u>	<u>0</u>	<u>15,000</u>	<u>19,100</u>
All Programs	60	12	\$14,900	\$16,638

D. EXPERIENCED PARALEGALS: NUMBER AND SALARY RANGE

Program Size	No. of 5-yr. Paralegals	Avg. Min. Salary	Avg. Max. Salary	No. of 3-4 yr. paralegals	Avg. Min. Salary	Avg. Max. Salary
1 - 4	5	\$ 8,696	\$ 9,363	3	\$ 7,233	\$ 7,900
5 - 9	10	8,950	10,328	7	8,476	8,780
10 - 14	5	9,768	10,572	8	8,951	9,794
15 - 19	7	10,033	10,344	13	8,272	8,712
20 - 24	8	9,600	11,450	4	9,700	9,900
25 - 29	1	11,000	11,000	0	-	-
30 - 34	15	9,800	10,800	12	8,733	9,617
35 - 39	3	12,000	12,500	2	10,500	12,000
40 - 44	6	8,250	8,750	8	8,400	9,400
45 - 49	0					
50 - 69	16	9,717	13,344	10	8,080	9,267
All Programs	76	\$ 9,490	\$10,595	67	\$ 8,879	\$ 9,566

Staff Retention

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: July 6, 1977
TO: All Interested Persons
FROM: Barbara Sard¹⁹ and Linda Schmidt
SUBJECT: Basic Statistics Concerning Turnover of Attorneys in Legal Services

Attached are four reports generated from our existing data concerning turnover of attorneys in legal services:

- A - 1976 Turnover Rate and Inter-Program Transfers: "Net Loss" of Attorneys.
- B - Analysis of Inter-Program Transfers, 1974 - 1976.
- C - Duration of Stay of Attorneys Terminating in 1974 - 1976.
- D - Distribution of Turnover Rate Among Programs.

Summary

34.86 percent of attorneys, funded by all sources, terminated from LSC-funded programs in 1976. 96 of these 1,068 terminations represented transfers to other programs, yielding a net loss to legal services of 972 attorneys: an adjusted net loss rate of 31.72 percent.

The proportion of terminating attorneys who leave for other legal services programs has been fairly constant in the last three years. Approximately 27 percent of these inter-program transfers terminated from their "new" program within 1974-76.

Eighty percent of the attorneys terminating in 1976 had, upon leaving, worked in their particular legal services program less than three years. However, the turnover rate of more experienced attorneys remains high: more than one-third of attorneys with 3+ - 5 years of work in a particular program left in 1976.

Memorandum
July 6, 1977
Page Two

There is a wide variation of attorney turnover rates among legal services programs, ranging from zero to or in excess of 200 percent (double turnover of staff within year), but most programs cluster around the average turnover rate of 34.86 percent. 15 percent of programs suffered more than 60 percent turnover of attorney staff in 1976; three-fourths lost more than 20 percent of their attorney staff.

A. 1976 Turnover Rate and Inter-Program Transfers:
 "Net Loss" of Attorneys

Further work with corrected data in the human resources computer file maintained by the Office of Program Support has generated the following revised figures for the turnover rate of attorneys, funded by all sources, employed in Legal Services Corporation-funded programs in 1976:

Total Number of Attorneys Employed in 1976 <u>1/</u>	Attorney Terminations 1976	Turnover Rate 1976
3,064	1,068	34.86%

Of the 1,068 attorneys who left the programs in which they had worked in 1976, 2/ 96, or 9.0 percent of terminations, became employed in a different LSC-funded program in 1976.

Although the fact of leavetaking is itself relevant to the particular programs losing staff, from an overall legal services perspective it is fair to adjust the "turnover rate" to account for these inter-program transfers. For 1976 such an adjustment yields a "net loss" of 972 out of 3,064 attorneys: a "net loss" rate of 31.72 percent.

Total Attorney Terminations 1976	Inter-Program Transfers 1976	Total Adjusted Net Loss '76	Adjusted Net Loss Rate -'76
1,068	96	972	31.72%

1/

The total number of attorneys employed was calculated as of August 1976, in order to guard against inflating the "active" list with attorneys newly hired by expansion programs. All project directors were included as attorneys. Compared with the data generated earlier in the year, the total number of attorneys was reduced by about 400, the number of terminating attorneys reduced by about 150, and the turnover rate adjusted very slightly from 35.21% to 34.86%.

2/

Changes in branch offices within programs were eliminated from consideration as terminations in the latest data analysis.

B. Analysis of Attorney Inter-Program Transfers in 1974-76

1) The proportion of attorneys who transferred from one legal services program to another remained fairly constant in 1974-1976. The table below indicates the total number of transfers, of terminations and the percentage that transfers constituted of total terminations in 1974, 1975, and 1976.

<u>Year</u>	<u>Inter-program Transfers</u>	<u>Total Terminations</u>	<u>% of Terminations that are Transfers</u>
1974	60	789	7.6%
1975	113	1,078	10.5%
1976	96	1,068	9.0%
	<u>269</u>	<u>2,935</u>	<u>9.2%</u>

2) Of the total of 269 attorney transfers in 1974-76, 199, or 73 percent of these transferees remained in the programs to which they transferred.

<u>Total Transfers</u>	<u>Remained in New Program</u>	<u>Percent Remaining</u>	<u>Terminated in New Program</u>	<u>% Reterminating</u>
269	199	73%	70	27%

The figures show that over 1/4 (27%) of the transferring attorneys later terminated in their new programs. Therefore, the turnover rate is still relatively high among attorneys who have transferred to new programs.

3) Finally, the table below shows the breakdown of transfer status changes by year. "Status changes" were those cases in which the attorney's job title changed, when he/she transferred to a new program. 1/

1/

Based on the job titles reported to and recorded on the human resources file of the Office of Program Support, we made the following categorizations of status changes:

Upward Status Changes:	<u>Title Before Transfer</u>	<u>Title After Transfer</u>
	Staff Attorney	Senior/Managing Atty. Deputy Director Project Director

	<u>1974</u>	<u>%</u>	<u>1975</u>	<u>%</u>	<u>1976</u>	<u>%</u>	<u>Total</u>	<u>%</u>
							<u>74-76</u>	
Upward Status Changes	13	22	32	28	17	18	62	23
No Status Changes	47	78	75	67	69	72	191	71
Downward Status Change	0	0	6	5	10	10	16	6

The status change table shows a fairly consistent pattern among the three years; the majority of transfers involved no change in job title. However, the number of "no status change" transfers may be unrealistically high, as many transfers may have undergone a change in job function, responsibility, or salary without an accompanying change in job title.

1/Cont'd.

Upward Status Changes:	<u>Title Before</u> <u>Transfer</u>	<u>Title After</u> <u>Transfer</u>
	Senior/Managing Attorney	Deputy Director Project Director
	Deputy Director	Project Director
Downward Status Changes:	<u>Title Before</u> <u>Transfer</u>	<u>Title After</u> <u>Transfer</u>
	Project Director	Deputy Director Senior/Managing Atty. Staff Attorney
	Deputy Director	Senior Attorney Staff Attorney

C. Attorney Terminations and Duration of Stay

The first table which follows gives a percentage breakdown of the duration of stay for attorneys terminating in 1974-76. "Duration of stay" was computed on the basis of time spent as an attorney in a particular legal services program. In the case of inter-program transfers, no calculation was made of accumulated time spent in two or more legal services programs. Transferring attorneys, however, typically only comprised about 10 percent of terminating attorneys and yearly 3 percent of all active attorneys. "Duration of stay" did not include legal experience gained outside of legal services programs.

The second table shows the ratios of 1st, 2nd, 3rd, etc. year terminating attorneys to 1st, 2nd, 3rd, etc. year active attorneys, based on 1976 statistics only.

Table 1 Duration of Stay for Attorneys Terminating in 1974, 1975, and 1976

<u>Length of Time Served</u>	<u>% of Attorneys Terminating in 1974</u>	<u>% of Attys. Term. in 1975</u>	<u>% of Attys. Term. in 1976</u>	<u>Rounded Percentages</u>
1 yr. or less	30.44	27.84	30.52	30%
1+ - 2 yrs.	29.81	29.22	28.37	30%
2+ - 3 yrs.	17.99	20.87	19.85	20%
3+ - 4 yrs.	10.64	10.48	9.55	10%
4+ - 5 yrs.	3.80	4.91	4.88	
5+ - 7 yrs.	4.54	3.52	4.49	10%
7+ - 10 yrs.	2.40	2.88	2.25	(4+ yrs. & above)
More than 10 years	.38	.28	.09	
Total	100.00%	100.00%	100.00%	

Table 2 Turnover Rates for Varying Durations of Stay in 1976

<u>Length of Time Served</u>	<u>Number of Attorneys Terminating in 1976</u>	<u>No. of Attorneys Active in 1976</u>	<u>Percent Turnover</u>
1 yr. or less	326	1,146	28.45
1+ - 2 yrs.	303	685	44.23
2+ - 3 yrs.	212	451	47.01
3+ - 4 yrs.	102	270	37.78
4+ - 5 yrs.	52	152	34.21
5+ - 7 yrs.	48	196	24.49
7+ - 10 yrs.	24	137	17.52
More than 10 years	1	27	3.70
Total	1,068	3,064	34.86%

The first table indicates that about 80 percent of attorneys who terminated in 1974-1976 left after less than three years employment in their particular program. However, the second table shows that the 3+ - 5 year attorneys who terminated in 1976 constituted more than 1/3 of all 3+ - 5 year attorneys active in legal services. Therefore, the turnover rate among the more experienced attorneys remains high, despite the fact that they are a relatively small proportion of all attorneys who leave.

It should be noted that there is a discrepancy between the number of active 3+ year attorneys shown in Table 2 and the ratio of experienced attorneys reported in the memo of June 22, "Experience and Salaries of Attorneys and Paralegals in Legal Services." The survey results discussed in the June 22 memo indicated that 45 percent of a sample of legal services attorneys had three or more years of experience. On the other hand, Table 2 shows that 782, or 26 percent, of all active attorneys in 1976 had 3+ years experience or more.

There are two probable explanations for this discrepancy in the reports of experience. First of all, the questionnaire which served as a basis for the June 22 memo asked programs

to report the number of attorneys "with three or more years legal experience since law school." The human resources file statistics, however, (used to compute Table 2) include only the attorneys' experience in their current legal services programs.

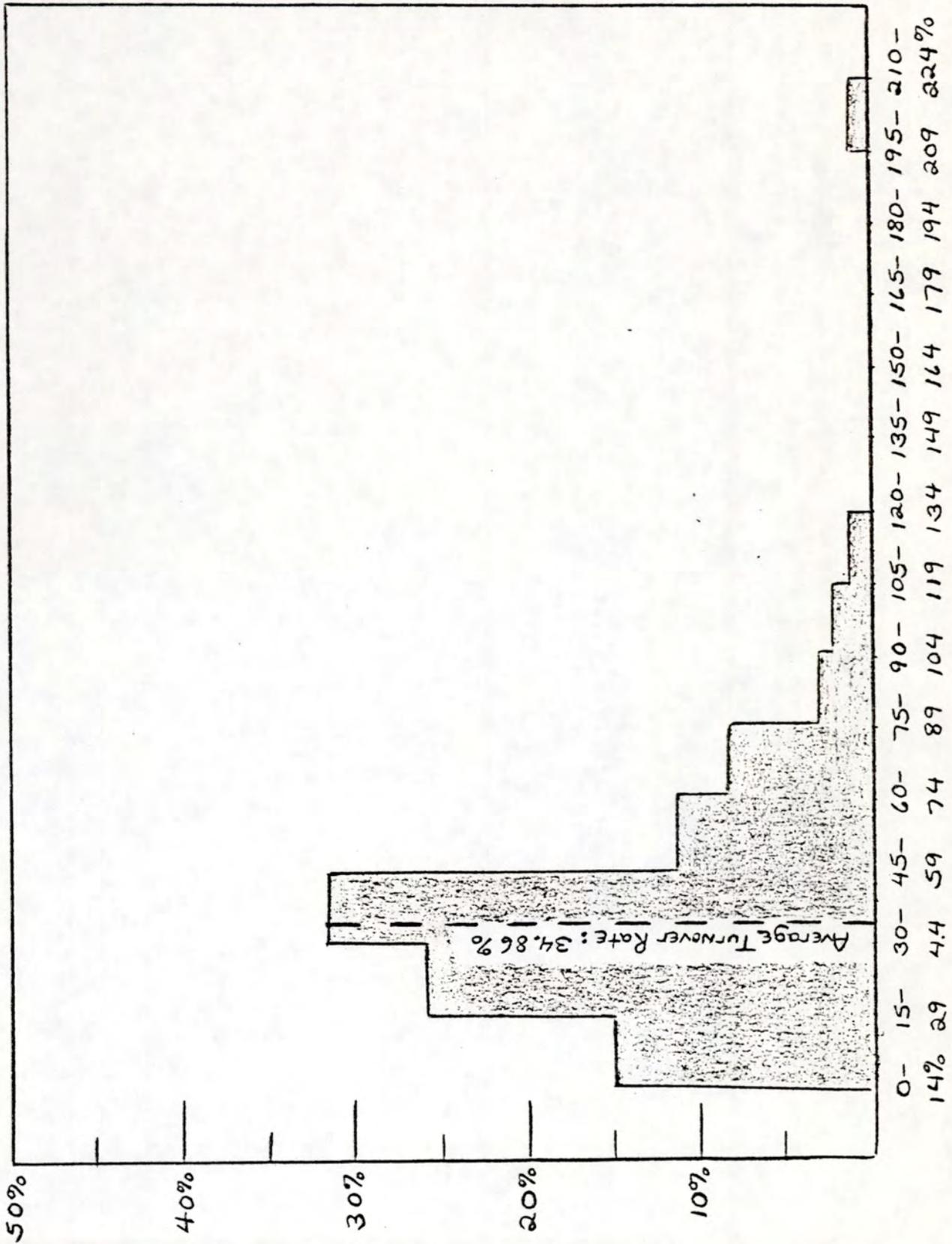
The second likely explanation for the discrepancy was mentioned at p. 2 n. 2 of the June 22 memo. It appears that many programs may have misinterpreted the question and reported attorneys in their 3rd year of work as 3+ year attorneys -- i.e., attorneys with three or more years of experience. Such an inclusion of an additional year's experienced group of attorneys would account for a substantial proportion of the discrepancy. If attorneys in their third year -- 2+ -- are included in the "experienced" category this group composes 40 percent of the 1976 active file, in comparison with 45 percent in the survey results.

D. Distribution of Turnover Rates Among Programs

Data was available to compute individual attorney turnover rates for 241 of the programs. Turnover rates were based on attorneys in all job categories (including project directors), regardless of funding source, in 1976 only.

The resulting turnover rates reveal a wide variation of turnover rates among programs, ranging from 0 percent - 200 percent, with the largest group of programs clustering around the average of 34.86 percent. 15 percent of the programs fell into the highest turnover group, with a turnover rate of 60 percent or more and nearly 1/3 (32%) had turnover rates equal to or in excess of 40 percent. 15 percent of the programs had relatively low turnover rates of 15 percent or less and about 1/4 (26%) had turnover rates of 20 percent or less.

DISTRIBUTION OF TURNOVER RATES AMONG PROGRAMS



TURNOVER RATES: PERCENT

PERCENT OF ALL PROGRAMS

TURNOVER RESOLUTIONS

1. PAG endorses the following categorical concepts for the expenditure of investment profits:

- A. Economic Benefits
 - (1) Pensions
 - (2) Loan Forgiveness and Scholarship
- B. Career Development
 - (1) Grants to Model Projects
 - (2) Skills Development
 - (3) Enhancement of Client Involvement at Decision-Making Level

[Included within the meaning of B(1) are flexible job descriptions, interpersonal skills training; within B(2), management training; and within B(3) exploration of new methods for client involvement.]

2. PAG endorses the weighted use of all the investment income as represented by the following, based on assumed profits of 5 Million:

- A. Economic Benefits
 - (1) Pensions - 2 Million (40%)
 - (2) Loan Forgiveness and Scholarships - 1 Million (20%)
- B. Career Development - 2 Million (40%)
 - (1) Grants to Model Projects
 - (2) Skills Development
 - (3) Enhancement of Client Involvement at Decision-Making Level

[The weighted approach was utilized because investment income from the bank may be under or over 5 Million. It was the sense of PAG that all investment monies be spent as set out above. This does not represent a prioritization, but a total package of expenditures.]

3. PAG endorses the maxim that "turnover", an inadequate term for a difficult, important problem, is a continuing responsibility of local programs and the Legal Services Corporation. PAG makes particular reference for the purpose of example to:

- A. The importance of information from the Office of Field Services, specifically Social Security taxes and attendant alternatives.
- B. Salaries.
- C. Client Involvement.
- D. The importance of a well-funded, strong Office of Program Support. PAG trusts there will be no dilution of the developing strength of the Office of Program Support.

EEO ANALYSES AND
COMPLAINT REVIEW

17

LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 16, 1977

TO: Thomas Ehrlich and Clinton Bamberger

FROM: Charles White *CW*

SUBJECT: Summary Analyses of Legal Services Program Personnel,
Governing Bodies and Clienteles*

The race and sex information submitted by 274 legal services programs to the LSC Office of Equal Opportunity has been summarized to provide the Corporation with insight into the participation of women and minorities in legal services programs. The information submitted by each field program contained the name, title, current salary, race, sex, amount of LSC funds utilized for the position, amount of non LSC funds utilized for the position, and languages spoken fluently other than English. In addition, approximately 252 legal services programs submitted information about the race and sex characteristics of their governing bodies, eligible client populations in service areas, and clients that received legal assistance in 1976. Special attention has been given to the race and sex of all persons participating in field programs to provide the Corporation with an assessment of the status of equal opportunity in legal services programs.

A. GOVERNING BODIES:

As of January 1977, there were approximately 4,703 persons serving on boards of directors at legal services programs. Women board members represented 24% of those serving on boards, minority persons represented 33% of the total, and White board members represented 67% of persons serving on boards. The survey further shows that there were 1,028 (22%) Black board members at 209 field programs, 386 (8%) Hispanic American board members at 118 field programs, 51 (1%) Asian American board members at 19 programs, and 99 (2%) American Indian board members at 31 programs. It appears that eleven (11) programs did not have women on their boards of directors and seventeen (17) programs did not have minority persons serving on their boards.

B. ALL LEGAL SERVICES PROGRAM EMPLOYEES:

The survey shows that as of January 1977, of the 274 programs that reported, there were approximately 7,503 persons employed in various capacities at legal services programs. An overview of the legal services

*The detailed report that this memorandum summarizes will be available for Board members at the meeting.

workforce shows that administrative personnel represent 5% of the workforce, staff attorneys represent 35% of the workforce, professional personnel (non-legal) represent 21% of the workforce, and clerical personnel represent 36% of the workforce.

Women employees comprised 58% of the workforce, White employees comprised 62% of the workforce, and minority employees comprised 38% of the total workforce. The minority employee workforce includes 1,558 (21%) Black employees, 1,018 (14%) Hispanic American employees, 144 (2%) American Indian employees, and 160 (2%) Asian American employees. Table B indicates that 78% of the minority workforce is employed at programs in a para-professional and clerical capacity. Also, 80% of the female workforce is employed at programs in a para-professional and clerical capacity.

C. ADMINISTRATIVE POSITIONS:

Administrative personnel are employees that assist in setting program policies and have decision-making responsibility for the management of legal services programs (i.e., program directors, deputy directors, and other management personnel designated by programs). As of January 1977, there were 367 persons employed in an administrative capacity in legal services programs, which represents 5% of the legal services workforce. Women account for 12% of legal services administrators employed in 35 field programs, and minority administrators account for 17% of the legal services administrative workforce.

In addition, the survey indicates that there are 21 women program directors and 43 minority program directors of which, 14 program directors are Hispanic American, 25 program directors are Black, 3 program directors are American Indian, and 1 director is Asian American.

D. ATTORNEY POSITIONS:

This classification represents program personnel who are employed in permanent salaried staff attorney positions. Attorney positions funded from CETA, VISTA, Reginald Heber Smith, and Title X funding sources have been separated from regular staff attorney personnel. As of January 1977, the survey shows that there were 2,602 staff attorneys employed in legal services programs which represents 35% of the legal services program workforce. Women account for 26% of the attorney workforce employed in 174 legal services programs. Further, White attorneys account for 82% of the attorney workforce and minority attorneys account for 18% of the attorney workforce.

Table C shows that there were 218 (8%) Black attorneys employed in 88 field programs, 184 (7%) Hispanic American attorneys employed in 61 programs, 13 (.5%) American Indian attorneys employed in 7 programs, and 43 (2%) Asian American attorneys employed in 21 programs. Approximately 16% of the minority legal services workforce is employed as staff attorneys.

- I. Reggie Attorneys: The survey shows that of the 274 programs reporting, there were 166 Reggie attorneys of which 36% were women, 50% were White, and 50% were minority. Minority Reggie attorneys include 62 (37%) Black attorneys, 18 (11%) Hispanic American attorneys, 2 (1%) American Indian attorneys, and 1 (.6%) Asian American attorney.
- II. VISTA Attorneys: The survey shows that of the 274 programs reporting, there were 93 VISTA attorneys of which 18 (19%) were women VISTA attorneys, 82 (88%) were White VISTA attorneys and 11 (12%) were minority VISTA attorneys. Minority VISTA attorneys include 1 (1%) Black attorney, 7 (8%) Hispanic American attorneys, and 3 (3%) Asian American attorneys.
- III. CETA Attorneys: The survey shows that there were 23 CETA attorneys employed at legal services programs of which 8 (35%) were women CETA attorneys, 20 (87%) were White CETA attorneys, and 3 (13%) were minority CETA attorneys. Minority CETA attorneys include 1 (4%) Black attorney, and 2 (9%) Hispanic American attorneys.
- IV. Title X Attorneys: The survey shows that there were 4 attorney positions funded through Title X. These Title X attorneys were minority and 2 were women attorneys.

E. PROFESSIONAL POSITIONS (non-Legal):

Professional non-legal personnel are professional employees that have formal college training or other training, and work experience of specialized nature (i.e., accountants, auditors, librarians, etc.). As of January 1977, of the 274 legal services programs reporting, there were 238 professional non-legal personnel employed in field programs, representing 3% of the legal services workforce. Women professionals comprise 58% of professional employees, White professional employees comprise 57%, and minority professional employees comprise 43% of the professional non-legal workforce. Further analysis shows that there were 47 (20%) Black professionals, 39 (16%) Hispanic American professionals, 8 (3%) American Indian professionals, and 9 (4%) Asian American professionals employed in field programs. Approximately 4% of the minority legal services workforce is employed in professional non-legal positions.

F. PARA-PROFESSIONAL POSITIONS:

Para-Professional personnel are employees that perform some of the duties of a professional in a supportive role that requires less formal training or experience required of a professional (i.e., paralegals, law students, office managers, etc.) As of January 1977, of the 274 programs reporting, there were approximately 1,566 para-professional employees at programs

which represent 21% of the legal services program workforce. Approximately 60% were women para-professionals employed in 196 programs, 52% White para-professionals, and 48% minority para-professional employees. Further analysis shows that there were 424 (27%) Black para-professionals employed in 119 programs, 253 (16%) Hispanic American para-professionals employed in 67 programs, 36 American Indian para-professionals employed in 8 programs, and 38 (2%) Asian American para-professionals employed in 13 programs. Approximately 26% of the minority legal services workforce is employed in para-professional positions.

G. CLERICAL POSITIONS:

The clerical personnel are employees who are responsible for all routine office and clerical type work required in an office (i.e., secretaries, bookkeepers, clerks, etc.)

As of January 1977, there were 2,730 clerical employees representing 36% of the legal services workforce. Women comprise 94% of the clerical workforce, White employees comprise 45% of the clerical workforce, and minority employees comprise 55% of the clerical workforce. Further analysis shows that there were 829 (30%) Black clerical employees, 528 (19%) Hispanic clerical employees, 69 (3%) American Indian clerical employees, and 80 (3%) Asian American clerical employees. Approximately 52% of the minority legal services workforce is employed in clerical positions.

H. CLIENTS:

The client category noted in Table A and B represent recipients who received legal assistance from legal services programs in 1976. Approximately 228 field programs submitted client information to the LSC Office of Equal Opportunity. Table A and B show that of the programs reported approximately 1,369,951 people received legal assistance in 1976. Women recipients represented 45% of the recipients, White recipients 52%, and minority recipients represented 48% of the recipients. Further analysis indicates that there were 29% Black recipients, 9% were Hispanic American recipients, 3% were American Indian recipients, and .8% were Asian American recipients. Approximately, 82,988 minority clients were not identified by race.

MEMO: Thomas Ehrlich and Clinton Bamberger
Page Five
June 16, 1977

* * * * *

This report establishes the foundation for the annual monitoring of legal services programs by the Corporation. You will receive a report in a few days containing my conclusions and recommendations relative to the report and information about the status of Equal Opportunity Policy Statements and Affirmative Action Plans submitted by legal services programs. At that time, we should discuss the conclusions and recommendations and the appropriate way to approach programs that have been earmarked to submit affirmative action plans to the Corporation.

cc: Charles Jones



LEGAL SERVICES CORPORATION

COMPLAINT REVIEW PROCEDURE

A. PURPOSE:

Any person adversely affected by a decision of any LSC recipient program (the "Program") on a complaint of discrimination based on race, religion, color, sex, age, marital status, national origin, physical handicap, political affiliation, or other basis prohibited by law, may request a review of the decision by the Director of Equal Opportunity at:

Legal Services Corporation
733 Fifteenth Street, N. W., #700
Washington, D. C. 20005
Telephone: (202) 376-5100

Programs are required to notify complainants of their right to appeal adverse decisions to the Corporation.

The Programs own procedure for consideration and review of a decision by the Program must be exhausted prior to a request for review by the Director of Equal Opportunity.

B. REVIEW REQUEST PROCEDURE:

Each request shall be in writing and signed by the complainant; and shall specifically state the grounds of the complaint, the Program's decision of the complaint, the date the decision was received by the complainant, and the reasons review is being sought. A copy of the complaint and all relevant documents shall be enclosed.

The request for review must be made within 15 days after receipt of the Program's decision.

C. REVIEW:

Upon receipt of a request, the Director shall undertake a review to determine that:

- a. the Program had a valid complaint procedure in effect at the time the complainant submitted his or her complaint;
- b. the provisions of the procedure were fully complied with in addressing the complainant's grievance; and
- c. the decision is substantially supported by the evidence presented.

D. DECISION:

If the Director finds that the Program did not have a valid complaint procedure in effect at the time that the complaint was made or that the provisions of a valid complaint procedure were not fully complied with in processing the grievance, the grievance shall be returned to the Program for consideration in accordance with a valid complaint procedure.

If the Director finds that the decision is not substantially supported by the evidence presented, the Director may require the Program to reconsider the grievance, or, if the Director finds that the grievance is substantially supported by the evidence presented then the Director may require the Program to take action to redress the grievance.

Comment: Where the complainant has filed a complaint with the EEOC or other appropriate enforcement agency before requesting review, the Director may withhold his or her decision until the agency action is completed.

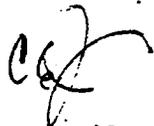
E. PROHIBITION:

No person shall be penalized, disciplined or subjected to any reprisal because he or she submitted a request to review the disposition of a complaint of discrimination.

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LEGAL SERVICES CORPORATION

MEMORANDUM

DATE: June 29, 1977
TO: The Board
FROM: Charles E. Jones 
SUBJECT: National Clients Council

Attached you will find a report on the National Clients Council, together with a copy of a budget heretofore submitted by the National Clients Council.

Encls.
CEJ/ab

NATIONAL CLIENTS COUNCIL

The National Clients Council is composed of persons formerly or presently eligible for legal services under the Legal Services Corporation Act, in addition to members of groups having an interest in the delivery of legal services to those unable to afford private counsel.

The National Clients Council is structured on state, regional, and national levels. An annual conference is held in each State, attended by representatives from local programs. At this conference are elected State chair and vice-chairpersons who then represent their state at the annual Regional Conference. There are presently nine regions, the Clients Council having recently re-aligned itself to conform to the LSC regions. Regional chair and vice-chairpeople are then selected at the Regional Conference.

The Board of the National Clients Council is composed of two members from each Region (also selected at the annual Regional Conference), three At-Large Members, and six Organizational Members. Nationally, the NCC has Regional Offices which provide training and technical assistance to the local client groups and programs within each region.

One of the primary thrusts of the NCC is its work with clients and local programs. The NCC usually makes its initial contact with a community through an existing grass-roots organization, but frequently legal services programs request assistance from the NCC in providing orientation about legal services programs for client members of their boards. A National Clients Council staff member first makes a needs assessment with the local client community and the board and then orientation is designed and provided to fit the specific need that has been identified. Orientation is open to all board members, not just members of the client community.

The orientation provided to the board members emphasizes building leadership ability through recognition of the dynamics involved in inter-personal communication. A National Clients Council staff member may attend a full board meeting and then hold an orientation session following the Board meeting. At this session, open to all members of the Board, the NCC staff member diagrams communication between the board members and then identifies the skills involved.

Another key function of the NCC is in assisting programs to set their priorities with input from the client community. Not infrequently, programs do not know how to go about this process, and the NCC has proved its assistance to programs in this regard.

The National Clients Council is also instrumental in providing information to various people on a wide variety of topics. The NCC has several times been asked to testify before Congressional and American Bar Association Committees, in addition

to various state bar associations, for example, the North Carolina Bar Association requested testimony from the NCC before deciding to give bar sponsorship to a legal services program.

The National Clients Council was recently monitored by Field Services staff. Although the NCC was experiencing some difficulty in timely closing its books, this problem has now been corrected. During the monitoring visit, staff members, including Bernie Veney, Director of the NCC and Larry Marquez, his Deputy, were interviewed. Nezzie Willis, a Board member, was also contacted. The monitoring team was satisfied that the NCC was in compliance with LSC's Act and regulations, and that LSC's funds were appropriately accounted for.

copy: Field Services Files

CJ/JS/cd

NATIONAL CLIENTS COUNCIL

LINE ITEM BUDGET

<u>CATEGORY.</u>	<u>BUDGET AMOUNT</u>
SALARIES	157, 000.00
FRINGE BENEFITS	18, 840.00
CONSULTANT FEES	00.00
STAFF TRAVEL	31, 347.00
BOARD TRAVEL	33, 453.00
CONSULTANT TRAVEL	00.00
RENT	12, 368.00
POSTAGE	2, 532.00
SUPPLIES	4, 400.00
EQUIPMENT	5, 930.00
XEROX/PRINTING	11, 730.00
TELEPHONE	23, 475.00
OTHER COSTS	<u>6, 925.00</u>
TOTAL	308, 000.00

SALARIES

The National Clients Council employs fourteen full time people. Five of these staff members are employed in the Washington Headquarters office. The balance are employed in our four regional offices located in Atlanta, Ga., Chicago, Ill., Denver, Colo. and Los Angeles, Calif.

Each of the regional offices has a regional coordinator and an assistant who provides some field coverage as well as taking care of all clerical functions. In addition, NCC has a training coordinator who has been located in the Chicago office but will soon relocate to Washington, D.C.

The regional staff is the main vehicle we have for contact with the Corporation's regional office staff and with the various local programs. Through their efforts we identify those programs which need assistance in the identification and/or involvement of the client community. This staff, plus the training coordinator

and the Executive Director provide assistance to programs conducting planning sessions and provides training events for the non-attorney members of local bodies. It is interesting to note that when these training events are conducted many of the attorney members attend as well.

Depending on the amount of time available and the level of functioning of a given local board, the training usually consist of helping the board members better understand the Corporation's manadate, its rules and regulations and the statutory limitations imposed on grantees. Further, we have had great success at establishing better communication between board members through the use of various techniques developed for management training. Other aspects which have been covered in some training events are how to conduct a meeting, parlimentary procedure, planning and evaluation techniques and some elementary aspects of the budgeting process.

FRINGE BENEFITS

Fringe benefits for NCC employees are budgeted at 12% of salary. Included in these benefits are medical coverage, unemployment insurance, social security and life insurance. No other fringe benefits are provided.

CONSULTANT FEES

We maintain this line item but we have not currently budgeted any monies in the category. We do, from time to time, when funds are available, use persons of special expertise either to upgrade the skills of staff or to conduct one-shot training experiences of a particular nature.

STAFF TRAVEL

The Regional Coordinators, the Training Coordinator and the Executive Director all travel on a regular basis. Occassional travel is performed by one or more of the remainder of the staff. The normal travel is to local programs to render the basic assistance for which we are established. There is travel, particularly by the Executive Director to meetings conducted by various portions of the legal services community.

The staff receives per diem at the rate of \$34 per day as established by GAO guidelines except for those cities where a higher per diem rate has been established.

BOARD TRAVEL

The Clients Council is governed by a Board of Directors established to insure the broadest possible geographic and ethnic participation in its decision making process. The board, which has 29 seats contains two persons from each of the ten regions established by the federal government (we are currently in the process of realigning to conform to the nine region structure of the Corporation), three members-at-large (one Chicano, one Native American and one Puerto Rican), and six organizational seats two of which are currently occupied. A listing of the board members is attached hereto.

The board of the Council meets four times a year with one meeting being our Annual Meeting. An attempt is made to meet in various sections of the country to enable members from different programs to participate directly in our decision making process. We also try to hold some board meetings in conjunction with the activities of other organizations related to the delivery of legal services. This practice enable us to stay better informed on the issues from the perspective of attorneys and other non-poor persons. Also, it provides an on-going vehicle for orgainzations such as the NLADA, the ABA, the National Bar Association, etc., to gain the perspective of the low-income consumers of legal services.

CONSULTANT TRAVEL

As with Consultant Fees, we maintain this line for use when there are monies available and special needs.

RENT

This category represents the rent paid for all space used by the Clients Council for its five offices.

EQUIPMENT

In the main, monies spent in this category is for the rental of equipment. There have been no recent purchases of equipment but if there are, any items would become the property of the Corporation at the termination of our grant.

TELEPHONE

This is a major cost item for NCC and as we make more and more contacts with local programs and individuals and as telephone rates go up across the country we are lesss and less able to stay within the buget for this item.

The Corporation staff has been looking into the possible acquisition of FTS lines for our outgoing calls and this would, we believe, result in a major cost savings. If this is not possible, we will again explore the installation of WATS lines. A previous study indicated that at that time WATS lines were not cost efficient for our use.

NATIONAL CLIENTS COUNCIL
SALARY STRUCTURE

<u>TITLE</u>	<u>SALARY</u>
Executive Director	18,500
Deputy for Operations	14,000
Deputy for Administration	15,000
Training Coordinator	14,500
Regional Coordinator	13,000
Regional Coordinator	11,000
Regional Coordinator	12,000
Administrative Assistant	9,500
Secretary	7,000
Secretary	8,000
Secretary	7,500
Secretary	7,500
Secretary	8,250
Secretary	<u>7,500</u> (Unfilled)
Total	153,200

NATIONAL CLIENTS COUNCIL
BOARD OF DIRECTORS

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Bernard Henault, Island Pond, Vermont. White, eligible male, client. Chairperson, Vermont Legal Aid, Inc.

Adelberth Rozario, Fairhaven, Mass. Cape Verdian, (black) male, client representative. Former Chairperson, Massachusetts Law Reform Institute.

Ellsworth Morgan, Newark, N.J. Black, male, client representative. Organization representative nominated by the National Tenants Organization. Member of the board of the Newark Legal Services Project.

George Moore, Brooklyn, N.Y. Black, male, client representative. Former Chairperson, Community Action for Legal Services, New York N.Y.

Virginia Stevens, Elizabeth, N.J. White, female, eligible client. Treasurer Union County Legal Services Corporation.

Rudolfo Bazan, Arroyo, Puerto Rico. Puerto Rican, male, eligible client. Member of the board of the Puerto Rico Legal Services.

Dorothy Richardson, Pittsburgh, Pa. Black, female, eligible client. Treasurer Legal Services of Pennsylvania and member of the board Neighborhood Legal Services Association, Pittsburgh, Pa.

Mary Lanier, Washington, D.C. Black, female, eligible client. Member of the board Neighborhood Legal Services, Washington, D.C.

Dorothy Harris, Huntsville, Ala. Black, female, eligible client. Member of the board of the Legal Aid Society of Madison County, Huntsville, Ala.

Ned Williams, Savannah, Ga. Black, male, eligible client. Member of the Savannah Client Advisory Council to Georgia Legal Services.

Cornelius Hill, Ft. Wayne, Ind. Black, male, client representative. Member of the board of the Legal Aid of Ft. Wayne.

Margaret Howell, Toledo, Ohio. Black, female, client representative. Member of the board of the Ohio State Legal Services Association, Columbus, Ohio.

Nezzie Willis, Chicago, Ill. Black, female, eligible client. Organizational representative nominated by the National Welfare Rights Organization. Member of the board of the Legal Assistance Foundation of Chicago.

Rodney Griffin, Houston, Tex. Black, male, eligible client (at the time of election).

Rev. Bobbie Windell, Oklahoma City, Okla. White, female, eligible client. Member of the board of the Legal Aid Society of Oklahoma County.

Mary Louise Butler, St. Louis, Mo. Black, female, eligible client Chairperson Legal Aid Society for the City & County of St. Louis.

Henrietta Miles, Waterloo, Iowa. Black, female, eligible client. Member of the board Black Hawk County Legal Aid Society, Waterloo, Iowa.

George Arrellano, Casper, Wyo. Chicano, male, client representative. Member of the board, Legal Aid Services, Casper, Wyo.

Moses Martinez, Las Animas, Colo. Chicano, male, eligible client (at the time of his election). Chairperson, Colorado Rural Legal Services.

Ernie Kaohimaunu, Kamuela, Hawaii. Hawaiian, male, eligible client. Chairperson Evaluation Committee Legal Aid Society of Hawaii.

Mary Limon, Montebello, Calif. Chicano, female, client representative.

Rosalio Munoz, Los Angeles, Calif. Chicano, male, client representative. Chicano-At-Large.

Tahnazbah McIntire, San Diego, Calif. Native American, female, eligible client.
Native American At-Large.

Jesus Capetillo, Woodburn, Ore. Chicano, male, client representative.

Gloria Warness, Everett, Washington. White, female, eligible client. Chairperson, Northwest Washington Legal Services, Everett Washington. Member of the board of Evergreen Legal Services, State of Washington.

Maryellen Hamilton, the President Emeritus of NCC, also has a seat on the Board of Directors. Ms. Hamilton is from New Orleans, La. is black, female and an eligible client.

At this time, twenty-five of the twenty-nine seats are filled. The four vacancies are to be filled from the nominees from several organizations who share NCC's concerns with the problems of the poor. We have received nominations from the Gray Panthers, several migrant farm workers organizations and from several community action associations. At its next meeting, the Board will decide which, if any of these organizational nominees will be seated.

NATIONAL CLIENTS COUNCIL

ESTIMATED COST

BOARD MEETING TRAVEL

<u>HOME</u>	<u>DENVER</u>	<u>CHICAGO</u>	<u>NEW ORLEANS</u>	<u>WASHINGTON, D.C.</u>
Island Pond, Vt.	304	205	250	116
Fairhaven, Mass.	304	178	250	110
Newark, N.J.	286	160	222	74
Elizabeth, N.J.	286	160	222	74
Brooklyn, N.Y.	286	160	222	74
San Juan, P.R.	402	320	248	196
Pittsburgh, PA.	240	110	186	72
Washington, D.C.	266	142	194	—
New Orleans, La.	208	174	—	194
Savannah, Ga.	304	164	130	130
Huntsville, Ala	102	128	52	142
Ft. Wayne, Ind.	204	62	236	85
Toledo, Ohio	214	72	186	108
Houston, Tex.	178	186	90	228
Oklahoma City, Okla.	126	154	136	220
St. Louis, Mo.	166	82	142	158
Waterloo, Iowa	156	180	280	178
Casper, Wyo.	78	182	252	286
Las Animas, Colo.	84	276	292	354
Kamuela, Hawaii	351	440	526	608
Montebello, Calif.	174	306	288	384
Woodburn, Ore.	196	306	344	384
Everett, Wash.	200	306	348	384
Los Angeles, Calif	174	306	288	384
San Diego, Calif.	174	306	288	384
Chicago, Ill	<u>186</u>	<u>—</u>	<u>174</u>	<u>142</u>
TOTAL	5,649	5,065	5,846	5,469

Per Diem Cost:

Denver & New Orleans \$33 per day X 3 days X 26 persons = \$2,574 per meeting.

Chicago \$39 per day X 3 days X 26 persons = \$3,042 per meeting

Chicago³ \$39 per day X 3 days X 26 persons = \$3,042 per meeting

Washington, D.C.² \$42 per day X 3 days X 26 persons = \$3,276 per meeting

Total Estimated Meeting Cost:

Denver	\$8,223
Chicago	\$8,107
New Orleans	\$8,420
Washington, D. C.	8,745

TOTAL: Four Meetings \$33,495