Program Preservation – Alternatives to Reductions in Force

Lawyers Alliance’s Program Preservation Initiative is helping nonprofits address legal issues associated with the economic downturn. In the first half of 2009, Lawyers Alliance assisted organizations on 122 legal issues related to the downturn, ranging from telephone consultations to formal legal representation.

According to a recent study of nonprofits sponsored by the Human Services Council of New York City, 62% of respondents reported decreases in public funding and 73% reported cuts in private funding. To balance the need to cut costs yet retain the workforce necessary to staff critical programs, many organizations are considering ways to reduce their labor costs without having to lay off any employees. In addition, avoiding layoffs saves unemployment insurance costs, and for some organizations, severance costs. Cost-saving measures may include:

- Re-assigning employees between program areas
- Eliminating or reducing bonuses
- Reducing health care and pension costs
- Reducing salaries
- Reducing hours
- Implementing furloughs (temporary unpaid leave of absence)

There are, however, legal issues that may arise with these actions. For example, in most cases changes should be made either for the entire organization or for entire units, based on organizational needs, to avoid appearances of discrimination. Organizations also should make sure that their policies, employee contracts and offer letters, and any applicable collective bargaining agreements permit such actions. Lawyers Alliance staff and volunteer attorneys can help nonprofits navigate complex processes and state and federal laws to avoid pitfalls and fulfill legal obligations to their employees.

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On Tuesday, May 19, 2009, more than 400 representatives of the legal, banking, and nonprofit sectors gathered at Gotham Hall to celebrate Lawyers Alliance’s 40th Anniversary. The festivities included a slide show highlighting clients, volunteers, and supporters; a special 40th anniversary video presentation; and recognition of three outstanding public service honorees.

Lawyers Alliance is pleased to single out this year’s honorees for their commitment to pro bono legal services:

- **Michael Helfer**, on behalf of the Legal Department of Citigroup
- **Thomas C. Baxter, Jr.**, of the Federal Reserve Bank of New York
- **Fatima Goldman** and the Federation of Protestant Welfare Agencies

To view the video online, please visit www.lawyersalliance.org/videos.php

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Lawyers Alliance Welcomes New Board Members

Lawyers Alliance for New York is pleased to announce the appointment of three members of its Board of Directors. **Celayne Hill** is Vice President and Deputy General Counsel at Local Initiatives Support Corporation. She advises on legal matters including loan transactions, government contracts, insurance, labor, and employment law, conflicts of interest, and intellectual property. **Neil Radey** is the Managing Director of Credit Suisse, General Counsel for the Americas, and co-General Counsel for the Investment Banking Division, based in New York. He is a member of the Investment Bank Management Committee. **Joshua Berick** is a Partner at Linklaters. He focuses his practice on private equity and mergers and acquisitions. Welcome all!
spotlight on: furloughs

A furlough is a temporary unpaid leave of absence, voluntary or mandatory, which occurs during a defined period of time. Furloughs may be taken in full weeks, or on one or more days per week. All or some of an organization’s employees may be included in the furlough. Both furloughs and salary reductions will result in a reduced employee paycheck, but with furloughs the employee’s base salary remains the same so that when the furlough ends the employee will automatically revert to the regular compensation level.

Case Example: Lawyers Alliance advised a large elder services organization through the process of planning and implementing a reduction in force and a furlough program to minimize legal risk. This included reviewing the selection process, drafting legally compliant severance agreements, and explaining unemployment insurance options. As a result, the organization is able to save more jobs and keep programs in place.

Spotlight on: Shared Work Program

The New York State Shared Work Program provides for partial unemployment insurance for full-time employees whose weekly hours have been reduced by no more than 60%. The program is designed to supplement wages of employees whose hours are cut and to encourage employers to reduce hours rather than to conduct across-the-board layoffs. The program benefits both employees and employers. Participating employees do not see a reduction in their health insurance, retirement, vacation pay, or other fringe benefits. As economic conditions improve, employers are spared the expense of recruiting, hiring, and training new employees.

Employers must meet two preliminary requirements to apply for the Shared Work Program. First, they must employ five or more full-time workers. Second, they must have been liable for unemployment insurance for at least four completed calendar quarters. Any eligible New York employer must submit a plan for approval two to four weeks prior to implementing the reduced-hours program.

Case Example: A large citywide advocacy organization had determined that, to preserve as many programs as possible, the best course of action would be to apply to the New York State Department of Labor’s Shared Work Program. Under the plan submitted, the organization reduced all employees’ work hours by 20% over a 10-week period, and reduced the salaries of the employees by 20%. Under the Shared Work Program, employees were able to claim unemployment benefits from New York State for the 20% of their time that they were unemployed. Lawyers Alliance assisted with preparing the plan submitted to the Department of Labor, as well as with addressing questions that arose regarding changes to the plan once it was in place.

Contact Senior Staff Attorney Judith Moldover at (212) 219-1800 ext. 250 for specific guidance regarding alternatives to reductions in force.

For monthly legal alerts on proper personnel management during the economic downturn, visit www.lawyersalliance.org/news_legal_alerts.php

New Home for Lawyers Alliance

Effective July 31, 2009, Lawyers Alliance relocated its operations to 171 Madison Avenue (at 33rd Street), 6th floor, New York, NY 10016. The telephone number, 212-219-1800; fax number, 212-941-7458; and website, www.lawyersalliance.org remain the same.

The move is part of a long-term plan for meeting clients’ legal needs and to accommodate future development. The new 7,200 square-foot space includes an on-site facility for Lawyers Alliance’s workshops that seats 30 participants.

Says Executive Director Sean Delany, “Our new accommodations will play an integral role in Lawyers Alliance’s continued ability to offer excellence in legal services and educational programs for nonprofits. We are grateful to Jeff Gural and Newmark Knight Frank for working with us to make this transition affordable and as smooth as possible.”

Visit www.lawyersalliance.org for more information on Lawyers Alliance’s programs, including the Fall 2009 Workshop Calendar.
In Brief

New Staff

As Program Associate for Client Relations, **Avie Bertaccini** serves as the primary day-to-day liaison between Lawyers Alliance and its current and prospective clients. She actively engages in outreach to community-based and other nonprofit organizations, coordinates the client intake and screening process, responds to numerous inquiries from nonprofit groups. Prior to joining Lawyers Alliance in 2009, Ms. Bertaccini served as grants research coordinator at the Jewish Communal Fund. She earned her M.S.W from Hunter College and B.A. from Vassar College.

**Jonathan A. Lieberman Fernandez**, Staff Attorney and Simpson Thacher Fellow, focuses on Lawyers Alliance’s Program Preservation Initiative and the Immigrant Communities program area. Prior to joining Lawyers Alliance, Mr. Lieberman was a Capital Markets Associate with Simpson Thacher & Bartlett LLP and participated in the Teach For America program in Houston, Texas. He received his J.D. from Columbia Law School in 2008 and received his B.A. from the University of Pennsylvania in 2003.

Cornerstone Awards

**Tuesday, October 27, 2009 • 6:00 pm - 8:00 pm**

**Pfizer Conference Center • 150 East 42nd Street, New York, NY**

Lawyers Alliance presents the Cornerstone Awards annually to recognize attorneys and institutions that have made extraordinary contributions through pro bono legal services to nonprofits.

**2009 Cornerstone Award Winners**

**Institutional Honorees**

- **Paul, Hastings, Janofsky & Walker LLP**
- **Seyfarth Shaw LLP**

**Awards to Individual Honorees**

**Peter L. Curry**  
**Farrell Fritz, P.C.**

**Keith E. Danish**  
**Hiscock & Barclay**

**Jessica A. Gary**  
**Goodwin Procter LLP**

**Joseph A. Guay**  
**Holland & Knight LLP**

**Andrew B. Latack**  
**Creative Artists Agency (formerly of Proskauer Rose LLP)**

**Doreen E. Lilienfeld**  
**Shearman & Sterling LLP**

**Jason T. Polevoy**  
**McDermott Will & Emery LLP**

**Rona G. Shamoon**  
**Skadden, Arps, Slate, Meagher & Flom LLP**

Please look for event highlights in our Winter 2010 newsletter.
Lawyers Alliance Works to Strengthen Services For the Homeless

In New York City, the number of families with children in shelters has increased by 12% since June 2008 to a record high of almost 10,000 families. Currently, more than 36,000 homeless New Yorkers stay in shelters, and thousands more sleep on the streets, in the subway system, and other public places.*

Throughout its 40-year history, Lawyers Alliance has made it a priority to provide legal assistance to organizations that provide services to homeless individuals and create housing for homeless persons and families. This year, through its Affordable Housing and Homeless Services initiative, Lawyers Alliance is helping 48 organizations on 80 different legal matters to cope with an increased demand for services at a time of dwindling resources.

**Case Example: 97 Crooke Avenue/Brooklyn CAMBA, a community-based social service organization, provides services such as housing and homelessness support, to approximately 30,000 individuals each year. Through its affiliate CAMBA Housing Ventures (CHV), created in 2005, CAMBA seeks to develop 1,000 units of permanent housing in Brooklyn by 2015.**

In late 2007, CHV purchased a triangle-shaped parcel of land at 97 Crooke Avenue in Brooklyn out of a bankruptcy proceeding to offer affordable, supportive housing to lower-income community residents and formerly homeless individuals leaving the City’s shelter system. The project will provide 53 units, of which 60% are designated for homeless disabled persons and 40% for low-income residents earning no more than $30,000. In addition to safe, permanent housing, the building also will provide on-site case management, community rooms, and a landscaped back patio and garden. By incorporating sustainable elements, the project also aims to reduce the building’s energy consumption by 20% compared to a typical apartment building, which makes it eligible for New York State Energy Research and Development Authority incentives.

The project’s total development costs are estimated at $18,000,000, with funding from the New York City Department of Housing Preservation and Development, Low Income Housing Tax Credits, Federal Home Loan Bank Affordable Housing Program, as well as the energy incentives. The Corporation for Supportive Housing provided acquisition and pre-development financing.

Pro bono attorneys at Chadbourne & Parke provided initial representation. Lawyers Alliance formed the general partner and limited partnership that will own the beneficial interest in the project, is forming an HDFC to hold title to the project, and is handling the low-income housing tax credit transaction and the construction loans from the New York City Department of Housing Preservation and Development. The loan closings are anticipated for late fall.

For more information on Lawyers Alliance’s work with homeless services organizations, please contact Staff Attorney Gail Bayarin at gbayarin@lawyersalliance.org or (212) 219-1800 ext. 279.

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Another Record Breaking Year for Law Firm Appeal!

The 2008-2009 Law Firm Appeal raised $631,935, topping the previous year’s record and reaching new heights in our 40th Anniversary Year. Lawyers Alliance thanks our two outstanding Co-chairs Brad S. Karp and Theodore V. Wells, Jr. of Paul, Weiss, Rifkind, Wharton & Garrison LLP for their tireless efforts. These funds will help to ensure that nonprofits that need our services during these challenging economic times will have access to quality legal assistance and educational services. Lawyers Alliance would also like to thank the 63 firms represented in the 2008-09 Law Firm Appeal for their generosity:

Arnold & Porter LLP
Becker, Glynn, Melamed & Muffly LLP
Bernstein Litowitz Berger & Grossman, LLP
Bingham McCutchen LLP
Boies, Schiller & Flexner LLP
Cadwalader, Wickersham & Taft LLP
Caplin & Drysdale
Chadbourne & Parke LLP
Cleary Gottlieb Steen & Hamilton LLP
Condon & Forsyth LLP
Covington & Burling LLP
Cravath, Swaine & Moore LLP
Davis Polk & Wardwell
Debevoise & Plimpton LLP
Dechert LLP
Dewey & LeBoeuf LLP
Dickstein Shapiro LLP
DLA Piper LLP (US)
Duane Morris LLP
Flemming Zulack Williamson Zauderer LLP
Friedman Kaplan Seiler & Adelman LLP
Fulbright & Jaworski L.L.P.
Gair, Gair, Conason, Steigman & Mackauf
Goldfarb & Fleece
Goodwin Procter LLP
Gregory P. Joseph Law Offices LLC
Holland & Knight LLP
Hughes Hubbard & Reed LLP
Katten Muchin Rosenman LLP
Kaye Scholer LLP
Kenyon & Kenyon LLP
Kirkland & Ellis LLP
Kramer Levin Naftalis & Frankel LLP
Lankler Siffert & Wohl LLP
Linklaters LLP
Lowenstein Sandler PC
Law Offices of Pamela A. Mann LLC
Mayer Brown LLP
Mazur Carp Rubin & Schulman P.C.
McKee Nelson LLP
Menaker & Herrmann LLP
Morgan, Lewis & Bockius LLP
Morrison & Foerster LLP
Nixon Peabody LLP
Orrick, Herrington & Sutcliffe LLP
Osler, Hoskin & Harcourt LLP
Patterson, Belknap, Webb & Tyler LLP
Pillsbury Winthrop Shaw Pittman LLP
Proskauer Rose LLP
Schulte Roth & Zabel LLP
Seyfarth Shaw LLP
Shearman & Sterling LLP
Sidley Austin LLP
Simpson Thacher & Bartlett LLP
Skadden, Arps, Slate, Meagher & Flom LLP
Sonnenschein Nath & Rosenthal LLP
Stroock & Stroock & Lavan LLP
Sullivan & Cromwell LLP
Thelen LLP
Vinson & Elkins L.L.P.
Weil, Gotshal & Manges LLP
White & Case LLP
Winston & Strawn LLP