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AmeriCorps Reform Plan [1]

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MEMORANDUM

To: Ken Apfel

From: Harris Wofford and Shirley Sagawa

Re: AmeriCorps

Date: April 26, 1996

Part 1 -- Goals and timetable

In our agreement with Senator Grassley, we promised to release goals and timetables for cost-cutting within 60 days (early May). By reducing the per Member cost of AmeriCorps, we expect to be able to increase the size of the program more rapidly. After conducting extensive analysis, we propose the following:

The Corporation will seek to achieve the following budgeted average cost/per FTE AmeriCorps Member funded through AmeriCorps State/National:

- 1997: \$17,000
- 1998: \$16,000
- 1999: \$15,000

These numbers will be indexed for inflation, and include all Corporation costs, such as education award; Corporation share of the living allowance and benefits; grant for program support; and state commission and Corporation administration, training, recruitment, etc. that is directly attributable to AmeriCorps State/National. These numbers also assume that there will be funds appropriated to support no fewer than 25,000 AmeriCorps Members; if the number drops, the cost per Member will increase.

annual # ↑ no intervening charges

For comparison purposes, current average figures for AmeriCorps*National (excluding federal programs, which will be eliminated) are as follows:

	Corporation Share	Grantee Share ¹	Total
Member support	\$4,900 ²	\$2,700	\$7,600
Program support	\$5,200	\$5,800	\$11,000
Education award	\$4,725	0	\$4,725
Other	\$2,000	0	\$2,000
TOTAL	\$16,825	\$8,500	\$25,325

Current figures for AmeriCorps*State are:

	Corporation Share	Grantee Share ¹	Total
Member support	\$6,900	\$2,400	\$9,300
Program support	\$5,500	\$5,200	\$10,700
Education award	\$4,725	0	\$4,725
Other	\$2,000	0	\$2,000
TOTAL	\$19,100	\$7,600	\$26,700

¹ Grantee share may not include all costs, just those reported as match.

² The average is below the standard \$6,800 because professional corps Members do not receive a living allowance from the program.

Because we cannot control other sources of funding and the accounting problems would be insurmountable (and undermine our effort to improve our financial management system), we will not be able to implement a cap or average that purports to include all costs of the program regardless of cost, or even all federal or government costs. Note also that our figures are "budgeted" cost per Member, again due to accounting problems and the fact that our fiscal year does not track exactly the program year.

Please note that some staff believe the proposed goals and timetables leave too little room for error, and that circumstances beyond our control may make it impossible for us to achieve the goals. However, we understand that to be effective, the numbers must be impressive; higher numbers may not achieve the congressional goal that is being pursued.

Part 2 -- How programs will achieve the goals

1) Find alternative sources of funds.

Clearly many programs will have to raise more funding in order to achieve these goals. We will move aggressively to improve our technical assistance on fundraising and to find other ways to assist programs, including seeking more national partners. If program costs remain the same, the above numbers would require that state programs raise at least \$4,000 more per Member by 1999.

2) Reduce the cost of programs.

A complement to raising funds is, of course, reducing costs. We are conducting research and planning to provide technical assistance on "reinventing AmeriCorps" -- how to do more with less. We, along with State Commissions on National and Community Service, will need to help programs, especially those with high costs, to find ways to improve their programming and do it at a lower cost. Ideas might include increasing use of team leaders who are AmeriCorps Members rather than staff; eliminating layers of management; and finding ways to conduct training locally rather than centrally (for those programs that are geographically dispersed).

Part 3 -- Policy decisions

There are several policy decisions that we could make in order to move programs toward the targets. The range of policy options is based on some assumptions about the major factors affecting the Corporation's share of the cost of AmeriCorps programs. These assumptions are:

- a. Programs can do more to raise money from other sources, but many programs will need our help to do that.
- b. The most important component of cost in AmeriCorps programs is the living allowance. Any measures taken to reduce the expenditures for living allowance will have a major impact on overall cost. This is particularly true for programs that pay living allowances that exceed the current minimum of \$7,945.
- c. Programs can be more efficient in how they manage their costs.
- d. Some types of programs may need more support from the Corporation than others.

The following are policy changes that we propose to make in order to move programs toward the targets.

1) Move to a multi-year grant cycle for renewals.

Currently, we provide grants that may be renewed for up to three years without re-competing. In the first year, 90% of programs were renewed. We have been advised by programs that it would be easier for them to raise funds long-term if they received commitment for three-year grants up-front instead of annual grants that may be renewed. This would mean less administrative burden for the Corporation and State Commissions as well. In order to accomplish this without sacrificing quality, we will need to ensure that new structures are in place to evaluate the performance of programs, and we may need to "defund" programs mid-cycle if they are not performing. This is harder to do than to defund programs by not renewing them, due to procedural rights programs would have. However, by limiting multi year grants to those that had completed a successful

two or three years, we could ensure that the most risky programs remain on an annual cycle.

2) Create incentives to standardize the Corporation share of the weekly living allowance.

Currently programs can operate for any number of weeks up to 52, as long as they enable members to achieve 1700 hours of service and pay them a living allowance of at least \$7,945 a year. A 52-week program would pay a little bit more than \$150 per week with the Corporation share being a little more than \$125 per week. However, due to the way the statute is written, a 40-week program (in which the Members serve the full 1700 hours over 40 weeks instead of 52 weeks), for example, ends up providing a living allowance of almost \$200 a week³. We could save some money on Member support by creating more incentives for programs that operate for less than 52 weeks to reduce the amount of the living allowance (by liberal use of waivers of the minimum amount) to \$150 or \$160 a week. This could save as much as \$1,000 per FTE without creating a hardship for AmeriCorps Members. The down side is that many Members think the living allowance should be higher, not lower. You should be also aware that shortening the program year is not supported by some staff, who believe that it will be difficult for Members to complete 1700 hours.

3) Cap program costs

As discussed in our earlier memo, there are many advantages to phasing in a "fixed grant" system, the most obvious of which is that it enables us to send a clear signal about how much grant money is available so that programs don't look for ways to maximize support from the Corporation. It also would be much simpler to administer than the current system. We could combine the fixed program support grant with the living allowance reform discussed above -- for example, if the program support grant was \$3,000 a year, and we agreed to pay \$600 per Member, per month, for ten months of Member support, we might combine the two parts into a fixed grant of \$9,000 per Member. Potential savings to be gained by capping the program support funds will depend on how low the cap is; current spending in state programs is about \$5,500 per year per Member.

A down side to this approach is that "one size" rarely "fits all"; we would certainly affect the program portfolio if we go to a fixed amount. We could mitigate against some negative effects by allowing for some variation in the fixed amount (i.e. \$1,000 extra for rural programs, new start-ups, etc.) or by creating a hardship fund. We will need to discuss which of the affected types of programs should receive this additional support; potential groups include rural programs, residential programs, environmental programs, programs in their start-up year, and programs serving at-risk youth. Of course, the more

³The \$200 per week figure is derived by dividing the annual living allowance of \$7,945 by the number of weeks in the program.

complexity we introduce into the system, the more we lose the benefits of the more simple fixed grant.

A second problem that we will have to address is that some programs currently receive less than \$3,000 in program support. Unless some maintenance of current level required is devised, these programs would presumably receive a windfall.

The fixed grant would ideally involve no required match. Staff feel strongly that the tighter the funding cap, the more flexibility programs must have in their ability to raise funds from certain sources. Unless the current statute were amended, programs would still be required to provide matching funds. Despite political pressure to the contrary, staff believe that the allowable sources of funding and type (cash or in-kind) of match should remain as it is currently.

Finally, if the match were eliminated by statute, one would want to consider whether this would be attractive to Congress.

4) Increase cost-share partnerships.

We have committed to doing \$10 million worth of "education award" partnerships the 1996-97 program year; through these partnerships, the Corporation contributes the education award and the partner bears the costs relating to member and program support. Assuming that we would attribute a pro-rata share of the Corporation administrative costs, any cost-share Members that we enroll will cost about \$7,000 each (ed award plus share of Corporation/Commission overhead). The effect that this will have on the overall cost per FTE will depend on the total size of the pool and the portion who are cost-share Members. For example, if the total pool is 50,000 and 90 percent average \$16,000 per FTE, the 10 percent who are cost-share Members will bring the overall average down to \$15,000. The Corporation's working group on cost-share programming believes that we could increase the number of these lower-cost Members more dramatically and maintain our high quality standards if a modest amount of program support were available -- such as \$1,000 per Member. This will be discussed in another memo.

5) Increase the number of Members.

Because the Corporation overhead will not grow proportionate to the number of AmeriCorps Members, increases above the current number of 25,000 Members should yield savings on a per Member basis. For example, if the number of Members doubles, while the overhead costs increase only 50%, we would save \$500 per Member. Similarly, if the number of programs were to drop, the cost would increase as overhead is spread over fewer Members.

6) Encourage funding of part-time Members through cost-shares.

Our analysis shows that part-time programs cost more than full-time programs on an FTE basis; this may be due to the fact that (1) they are harder to administer -- the program must keep track of Members' schedules, which tend not be standardized; (2) they must train, supervise and submit paperwork for each individual; and (3) in many cases, they are university based and must cover higher overhead and staff salaries keyed to the university pay scale. We could reduce the number of part-time programs that receive grant funds from AmeriCorps and instead emphasize cost-share programming for these programs. (Note that Senator Mikulski has been the key supporter of part-time programming.)

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TO: Shirley

DATE: 5/3/96

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Management Evaluation Team

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Youth Volunteer
Corps of America

Washington,
Massachusetts, &
Arizona
February 1996

Prepared by
Robert Walters

MAJOR FINDINGS

The mission of the Youth Volunteer Corps of America (YVCA) is “to create and increase volunteer opportunities to enrich America’s youth, address community needs and develop a lifetime commitment to service.” YVCA focuses almost exclusively on education, with its “primary service objective...to promote school success.”

YVCA operates programs in 40 communities in 22 states. In each of those venues, a community organization serves as the primary host/sponsor of the YVCA participants. The AmeriCorps program operates at the vast majority of those YVCA venues—in 35 communities in 21 states—with myriad combinations of full- and part-time (some year-round and some summer-only) participants at those locations.

Equally varied are the provisions for providing the corps members with guidance, support, leadership and direction. In some communities, the participants operate with only minimal or nominal supervision and assistance from a staff member of the local host/sponsor organization. In others, that leadership is more substantial and direct. In still others, a full-time leader is assigned to the program.

This report is the product of an extensive undertaking on the part of the Management Evaluation Team—a comprehensive examination of a “national direct” program conducted through visits to representative sites around the country. To deal with the YVCA AmeriCorps program’s practice of operating under various structural arrangements in numerous venues, the reviewer traveled to communities in three states—Boston, Massachusetts; Tucson and Casa Grande, Arizona; and Seattle, Everett and Bremerton, Washington.

In those communities, the reviewer visited sites at which AmeriCorps members were engaged in service delivery activities; and interviewed teachers and others employed by those service partners, all program leaders, and virtually all YVCA AmeriCorps participants. The following are the major findings of this review:

Promising practices/Program strengths

- In the urban areas visited, the YVCA programs are implemented by teams of corps members who have strong leadership. As a result, their service efforts generally produce exemplary results.
- Corporation concerns about corps members engaging in prohibited activities appear to have been satisfactorily resolved following YVCA’s distribution of a pair of memos in late 1995 explicitly instructing participants to refrain from engaging in those proscribed activities.

- Among the outstanding examples of service performed by YVCA AmeriCorps members: the Boston program has successfully recruited students living in foster homes and homeless shelters to serve as volunteers; an especially committed and enthusiastic corps member in a remote Arizona copper mining town has inspired enthusiasm about AmeriCorps among not only high school students but also members of the business community; the Tucson program has successfully recruited student volunteers from the Arizona School for the Deaf and Blind; in Seattle, teenagers enlisted as volunteers in the YVCA program are serving free meals to people whose ages are the same but whose lives are very different—homeless teenagers who roam the city's streets.
- As in many other programs with school-based projects, establishing good relations between corps members and school administrators and teachers is always dicey and sometimes difficult. Many of the complications have been avoided when participants serve two years at the same school.

Areas of concern/Program weaknesses

- In the smaller communities and rural areas visited, the YVCA programs frequently are implemented by only one or two members who rely on weaker leadership. As a result, there have been months-long service lapses, misguided service efforts and other unsatisfactory outcomes.
- Some local programs involve individual placements, where corps members act as their own program directors and attempt to simultaneously engage in direct service and perform administrative tasks.
- Turnout among the junior and senior high school students recruited by YVCA corps members has been disappointing, with only a modest fraction of those initially indicating an interest showing up for projects. The apparent cause is the student volunteers' propensity to overschedule themselves.
- There is little evidence of YVCA oversight of programs in the field, even in instances where those programs have floundered in recent months and years.
- Corps members are increasingly demoralized by the Washington political controversy over the future of AmeriCorps, and the possibility that the program could be terminated.

Management Evaluation Team

Memo To: Shirley Sagawa
From: Robert Walters
Subject: Youth Volunteer Corps of America
Date: February 28, 1996

Attached is a report on the Youth Volunteer Corps of America which was visited during November and January of 1996. It was prepared to assist you in reaching any decisions you may make with respect to the program's future status and/or funding.

Program Organization & Structure

The mission of the Youth Volunteer Corps of America (YVCA) is “to create and increase volunteer opportunities to enrich America’s youth, address community needs and develop a lifetime commitment to service.” YVCA focuses almost exclusively on education, with its “primary service objective...to promote school success.”

YVCA, headquartered in the Kansas City, Missouri suburb of Overland Park, Kansas has sought to advance that mission through cooperative arrangements with both public and private organizations at both the national and local level. The national partnerships include collaborations with several foundations as well as with the Corporation, which has made grants to YVCA under its AmeriCorps*USA, Learn and Serve America, and other programs. At the local level, YVCA operates programs in 40 communities in 22 states. In each of those venues, a community organization serves as the primary host/sponsor of the YVCA participants. Community affiliates of the United Way and the YMCA most frequently play that role, but the function also is assumed by a wide variety of other groups, including the Camp Fire Boys and Girls, Boys and Girls Clubs, Boy Scouts, Red Cross, and numerous local organizations.

The AmeriCorps program operates at the vast majority of all the YVCA venues described above—in 35 communities in 21 states—with myriad combinations of full- and part-time (some year-round and some summer-only) participants at those locations.

Equally varied are the provisions for providing the corps members with guidance, support, leadership and direction. In some communities, the participants operate with only minimal or nominal supervision and assistance from a staff member of the local host/sponsor organization. In others, that leadership is more substantial and direct. In still others, a full-time leader is assigned to the program.

Methodology

This report is the product of an extensive undertaking on the part of the Management Evaluation Team—a comprehensive examination of a “national direct” program conducted through visits to representative sites around the country.

To deal with the YVCA AmeriCorps program’s practice of operating under various structural arrangements in numerous venues, the reviewer and the Program Officer, Mikki Seligman, agreed on an assessment regimen that

afforded an opportunity to examine those differences through field visits to local programs functioning under various formats.

As a result, the first three sections under the "Findings" heading deal with program elements idiosyncratic to each of the locations visited. The remaining sections focus on themes and issues common to all of those sites and/or to the YVCA program nationally.

In gathering material for this report, the reviewer traveled to communities in three states—Boston, Massachusetts on Nov. 28-30, 1995; Tucson and Casa Grande, Arizona on Jan. 16-20, 1996; and Seattle, Everett and Bremerton, Washington on Jan. 22-26, 1996. In those communities, the reviewer:

- Visited sites at which AmeriCorps members were engaged in service delivery activities (most often schools but also libraries, community centers and other facilities.)
- Interviewed teachers, principals and others employed by those service partners who had been designated to provide on-site liaison with the YVCA AmeriCorps members.
- Interviewed virtually all AmeriCorps participants (in a very few instances, participants were ill, out of town or otherwise not accessible during the reviewer's visit.)
- Interviewed the following officials of the program's primary host/sponsoring agencies (each of which serves as the program's fiscal agent in the locale cited) and these program leaders:
- In Boston, Mass.: Elsa Bengel, Vice President and Director of the Education and Training Branch of the YMCA of Greater Boston; and YVCA Team Leader Connie Egan.
- In Casa Grande, Ariz.: Pat Griffen, Executive Director of Against Abuse, Inc.; and YVCA Program Director Jerry Spellman.
- In Tucson, Ariz.: Jane Schurz, Vice President for Operations of the Volunteer Center of Tucson; and YVCA Program Director Jennifer Gilmore.
- In Seattle, Wash.: Jane C. Kuechle, Director of Branches of the Camp Fire Boys and Girls; YVCA Program Coordinator David Kelly-Hedrick and YVCA Assistant Program Coordinator Julia Sanders.
- In Everett, Wash.: Julie Willie, Youth Program Director of the YMCA of Snohomish County, and YVCA Program Director Melissa Barnett.

- In Bremerton, Wash.: Kay Bidwell, a senior staff member of the Kitsap County Commission on Children and Youth; Diana Theroux, Director of the Employment and Training Division of the Kitsap (County) Community Action Program; and YVCA Project Coordinator Wallace Ross.

Findings

I. Massachusetts

Elsa Bengel, Vice President and Director of the Education and Training Branch of the YMCA of Greater Boston, which serves as the primary host/sponsor agency for the YVCA program there, is a thoughtful, committed professional with considerable skills and long experience in the community service field. In addition, Team Leader Connie Egan (who is in her early 50s) handles the day-to-day leadership of the corps members, most of whom are in their early and mid-20s.

Although Bengel is a first-rate leader, she has myriad responsibilities as a senior executive of the city's YMCA, in addition to overseeing two AmeriCorps programs. As a result, some corps members say they don't always receive as much direction as they'd like.

The YVCA program in Boston utilizes the services of four AmeriCorps members. Each receives a somewhat larger than average annual stipend of \$10,000, because Bengel says she wants participants who have attained a measure of maturity through attendance at (if not graduation from) college. She believes payment of a premium is crucial to securing the services of people with the desired skills and experience.

The Boston YVCA program is highly integrated with another AmeriCorps "national direct" program, the YMCA Earth Service Corps, which has 40 participants in almost 20 communities throughout the country. Four of those corps members are assigned to the Boston YMCA, and they share with the four YVCA participants a room in the YMCA building that all eight AmeriCorps members use as a base of operations. In addition, members of the two groups are assigned to service delivery projects at the same schools in the city.

Corps members in both groups include several individuals who previously were active—and, in some cases, held low-level leadership positions such as summer camp counselor—in various other, non-AmeriCorps programs sponsored by the YMCA of Greater Boston. To the extent that all of the AmeriCorps participants interviewed were thoroughly impressive, the YMCA of Greater Boston appears to have incorporated the AmeriCorps programs into its informal leadership development efforts.

II. Arizona

In Tucson, Program Director Jennifer Gilmore is a highly focused, well organized leader. Although she's only 26 years old, she has developed (in part though a year as an AmeriCorps team leader, in 1994-95) an especially sophisticated view of national service. For example, she emphasizes the importance of corps member "reflection" after the completion of each project, thus incorporating service learning into those efforts.

"She's very goal-oriented, very clear in her expectations," says one corps member. Returning the praise of her corps members, Gilmore offers an exquisite compliment: "They're all dreamers."

The YVCA program designated elsewhere in this report as operating in Casa Grande, Ariz. actually functions throughout Pinal County, Ariz., in which Casa Grande is the largest community. That distinction is significant because geography is an important consideration in conducting an AmeriCorps program in that highly rural, sparsely populated setting.

To the north is Maricopa County, home of Phoenix and its sprawling suburbs. To the south is Pima County, which includes Tucson. In the middle lies Pinal County, sprawling across 5,344 square miles (exactly 200 square miles fewer than the entire state of Connecticut) of the Sonoran Desert. Its 132,000 people are easily outnumbered by its saguaro cactus plants.

The five designated sites in the county to which corps members are supposed to be assigned are Superior, Mammouth-San Manuel, Apache Junction, Eloy and Casa Grande. With one exception, the driving time between any two of those communities ranges from two to three hours.

That means the AmeriCorps participants have considerable autonomy. Program Director Jerry Spellman operates out of Casa Grande and says he makes field visits to each corps member every other week, but the participants say they see him far less frequently. Of the three corps members serving at the time of the reviewer's visit, two say Spellman has visited their communities only once since the beginning of the program year in September 1995, and the third speaks vaguely of "regular" visits.

Spellman and his corps members convene at a site in the country once a month for a program meeting, but there's no training or education component of those sessions and several participants say the meetings aren't especially productive. "Sometimes there's nothing to talk about, and we sit around and stare at each other," says one.

Spellman is, by far, the least impressive YVCA Program Director encountered in the course of this review. A low-key, laid-back individual, he's well-intentioned and well-meaning but ineffectual and unfocused. "I'm not getting the support or the backup I feel I need from my (program) director," says one corps member whose additional comments leave no doubt that there's little good will remaining in her relationship with Spellman. Another corps member says he calls YVCA's headquarters in Kansas City rather than Spellman in Casa Grande when he has problems, because he can't rely on Spellman to provide leadership in resolving issues that arise. In Tucson, Gilmore believes Spellman "is in over his head."

At the time of this review, two of Spellman's five AmeriCorps slots were unfilled. In Eloy, he lost a participant last year when she was promoted to a post at the YVCA national headquarters. Many months and repeated unsuccessful attempts to find a replacement later, the position remains vacant, and Spellman says he's likely to lose the slot. At the time of the reviewer's visit, he was preparing to dismiss the most recent in a succession of three corps members to serve in Casa Grande—a 32-year-old woman who, according to Spellman, repeatedly failed to show up for her assignments, citing car, baby-sitting and plumbing problems.

In one extraordinary episode, Spellman explains that he deals with what he considers to be unwarranted Washington intrusion into his program by refusing to read the AmeriCorps Program Director's Manual. He then produces that manual, accompanied by a November 30, 1995 cover letter from Shirley Sagawa, and proudly notes that in mid-January 1996—approximately six weeks later—it remains encased in its original plastic "shrink wrap." Spellman further explains that he expects it to remain unopened for an indefinite additional period.

Notwithstanding those real or imagined weaknesses, Spellman presides over pieces of three Corporation grants—in the form of an AmeriCorps*USA program, an associated Learn and Serve America grant and a recent Subtitle H demonstration program grant to fund a Local Collaboration Initiative whose centerpiece will be a series of five "Teen Town Halls" across the county, all focusing on pregnancy prevention among teenagers.

One of the three corps members serving at the time of the review, in Mammoth-San Manuel, is especially impressive. His achievements are described in the "Success stories" section at the bottom of this report. The second corps member, in Apache Junction, is somewhat less impressive but nevertheless a valuable AmeriCorps member.

The third, in Superior, is an older, dedicated woman who's vice mayor of the town and the driving force behind the establishment four years ago of a community-funded "Teen Town Youth Center." When the reviewer arrived in

the small town (it's about five blocks square) for a previously scheduled visit, she was flustered because she didn't know the public school was only open for a half day and her volunteers had been searching in vain for her during the first half of the afternoon.

She then invited the reviewer to accompany her on a one-block walk to the site of the Head Start program, where she said some of her volunteers are regularly placed. On arrival, she belatedly discovered that it was closed for the day. She then dispatched volunteers to the town library, but they returned within five minutes to explain that the librarian had nothing for them to do. She briefly unlocked a closed thrift shop, told a group of volunteers to straighten out a shelf of clothing, then pulled them out of the store after ten minutes. Finally, the volunteers were shepherded back to the youth center, where they watched television, played board games and otherwise "hung out."

The reviewer didn't visit the third YVCA AmeriCorps program, in Flagstaff, because YVCA national officers say it has not fully recovered from various, unspecified difficulties encountered earlier. Spellman says he understands there was "some turmoil" in Flagstaff about the program's primary sponsor/host, as well as "a whole bunch of confusion" about the role of the one full-time corps member who was functioning as a program director and administrator rather than providing direct service.

III. Washington

The Seattle program operates in two distinct venues—in the city and in its burgeoning "Eastside" suburbs (the largest of which are Bellevue, Redmond and Kirkland) situated on the east side of Lake Washington. Program Coordinator David Kelly-Hedrick is a focused, inspired, impressive leader. "David is a phenomenal leader. He leads by example," says his deputy, Julia Sanders, in an assessment shared by other corps members.

With six full-time and two-part AmeriCorps members, Seattle has the largest single cohort of participants of any YVCA program in the country. On his own initiative, Kelly-Hedrick has reached out to two other YVCA AmeriCorps programs on the fringes of the Seattle metropolitan area—Bremerton with two full-time corps members and Everett with one full-time participant—to minimize their isolation. He has repeatedly invited them to Seattle to participate in projects, training sessions and other joint endeavors.

The Seattle program also has developed a creative approach to enlist volunteers in the schools. To ingratiate themselves with the students, corps members volunteer to assist school-based groups with which they have an affinity then seek to convince members to participate sometimes as a group in service projects. Thus, a former

cheerleader volunteers as an assistant to the cheerleaders' faculty advisor; a one-time varsity volleyball player enlists as an assistant to the volleyball team's coach; and a native Hawaiian agrees to advise a club of students from Hawaii, Samoa, Tonga and other Pacific islands.

Projects range from operating a food bank for a day to conducting a blanket drive for the homeless. "We take our service very seriously. We're completely invested in our projects," says Sanders. As in Tucson, post-project reflection is a major component of the program, providing a natural opportunity for service learning.

The Everett program offers a vivid example of what can go wrong when a lone corps member in an individual placement situation serves as her own program director and has inadequate, part-time leadership. The participant, Melissa Barnett, is an exceptionally poised, self-confident young woman who's had a far wider range of work experience than most AmeriCorps members. In the 3½ years since she graduated from college, she's been an airline flight attendant, a tour guide at a winery and a brewery, and the manager of a branch office of a consumer finance company, where she says the value of the accounts doubled under her leadership.

But her YVCA AmeriCorps experience has been something of a disaster. Operating on the if-you-build-it-they-will-come theory, she initially concentrated her efforts on establishing monthly service projects in Snohomish County, then sought to induce members of high school service clubs in four communities—Everett, Marysville, Snohomish and Lake Stevens—to participate in those projects.

But she now says that approach was badly flawed in two crucial respects. First, she didn't appreciate the need to place the highest priority not on identifying and organizing service projects, but instead on integrating herself into the targeted schools, for the purpose of encouraging and enlisting student volunteers. "Building relationships with the kids is most important, not monthly programs," Julie Willie, Youth Program Director of the YMCA of Snohomish County, says in retrospect. Second, the four schools where Barnett sought to recruit volunteers were scattered throughout the county, forcing her to devote valuable time to traveling instead of organizing.

From September to January—the entire first half of the current academic year—Barnett embraced that flawed approach. During that period, she says she was thoroughly satisfied with the leadership provided to her by Willie, the YVCA program's primary host/sponsor. The two had regularly scheduled weekly meetings, and both say Barnett was able to turn to Willie for advice and counsel in between those meetings.

While praising the support she received from Willie, however, Barnett subtly suggests that the YMCA may share responsibility for the failed initial effort. The flawed approach was suggested by the YMCA, Barnett says. In

addition, she says she encountered difficulty in enlisting student volunteers because she was competing with other YMCA-based programs seeking to recruit in the same schools.

Willie is the stereotypical part-time advisor who's capable and devoted but who has more responsibilities than she can reasonably handle. Last year, she says, she was in charge of overseeing seven different YMCA-based youth programs operated throughout Snohomish County. This year, two additional programs (YVCA was one of them) were added to her work load, bringing the total to nine. The number of people operating those programs—all of whose efforts Willie must monitor and guide—increased from three last year to 11 this year. She acknowledges that contributed to her inability to adequately guide Barnett, but adds: "It's more us not understanding what we want to do with the (YVCA) program. Our program is not what we want it to be."

Both she and Barnett now acknowledge that the arrangement didn't work well at all. "It was really an experimental year," says Willie, in effect writing off Barnett's efforts to date. "It's been a struggle for her." That experience reinforces the concern of Mikki Seligman, the Corporation Program Officer whose portfolio includes YVCA, about the proclivity for problems at seven YVCA sites where a lone corps member acts as his/her own program director while receiving limited support from a staff person in the primary host/sponsor organization.

Explaining that she has learned that "the best way to do it isn't the first way you try," Barnett now has drastically restructured her program to place a higher priority on enlisting volunteers than on setting up service projects. In addition, she has narrowed her geographic focus, recruiting in four schools in Everett and one in Lake Stevens.

Barnett says that throughout the travails of recent months, she received no support from YVCA. "They had no way of knowing what I was doing," she says. "Maybe I could have used more guidance at the beginning." But Kelly-Hedrick, the Seattle program leader, says that although he telephoned Barnett at least four or five times to offer support, she never returned any of the calls. Citing a sometimes faulty telephone system at the YMCA, Barnett says she never received any of Kelly-Hedrick's messages.

Barnett says the experience has made her skeptical of the individual placement model under which she has been operating. "A team of at least two or three would be better. It would be more effective—more of a presence in the county and able to involve more students," she says. "Seattle is the ideal model."

With two-full time corps members and a troubled leadership history, the Bremerton program hasn't been much more successful than its counterpart in Everett. "It didn't work too well in 1994-95," says Project Coordinator Wallace Ross, who offers this chronology:

A young woman named Melinda Grippo was placed in charge of the program in the summer of 1994, but was never formally designated as its director. She was "really overwhelmed" and left in December 1994 (only a few months after the program year began) "when the program was totally floundering." Greg Price then became the program's leader, but he lasted only about two months and departed in late February-early March of 1995. The next leader was Gwendolyn Shepherd, who was "chronically disorganized." She completed the 1994-95 year, but left in September 1995, just as the new program year was beginning.

She was succeeded by Ross, who says the constant leadership turnover is both a cause and an effect of an often-dysfunctional program. He candidly quotes the principal of Bremerton High School as saying: "You're the fourth YVCA representative we've seen in the last year. How do we know you'll follow up?"

Says one corps member: "They keep switching leaders. They leave all these loose ends. Files haven't been maintained, information hasn't been passed along." Because the transition between Shepherd and Ross occurred at the beginning of the 1995-96 program year, "they didn't do any planning for the fall" of 1995, when she and a second participant confronted turmoil at the start of their year service. "We had zero kids, we had zero projects, we didn't know where to go...It seemed nobody knew any more than we did," she adds.

Ross started soliciting school participation in the YVCA AmeriCorps program at the beginning of the 1995-96 academic year, a process described in stark terms by one participant: "Wallace would hole up in the office writing letters (to school principals and administrators) all day. We'd do things like addressing envelopes. For two months, (the other corps member) and I sat in the office twiddling our thumbs...It was really frustrating for us. We were getting no satisfaction out of it at all."

When Kitsap County's schools reopened after the Christmas-New Year's vacation, Ross received the first telephone response to his letters. After a meeting with the principal and a guidance counselor at the school, a corps member was invited in, was granted access to the students and the program was quickly launched. "It's been the best three weeks ever," she says, even though most of the first half of the academic year was lost. Although the two corps members organized occasional, random service projects in September, October, November and the first half of December, one participant says they did "not much" during those months.

The second corps member was to gain access to another Bremerton area high school in late January-early February, shortly after the reviewer's visit. Thus, the Bremerton program will also have lost the entire first half of the 1995-96 school year before getting underway. Also as in Everett, the Bremerton participants say YVCA

didn't even know of their troubles earlier in the year, and thus provided no assistance. Finally, an informal assessment of Ross: He's certainly not as weak a leader as Spellman in Arizona, but he's also not as strong as the other full-time program directors interviewed, especially his counterparts in Tucson and Seattle.

IV. Urban vs. rural settings

If there's one single, striking discovery to emerge from this assessment of the YVCA AmeriCorps program, it's the disparity in program quality between a) big-city and small-town settings, and b) team and individual placement models. There's a strong correlation between those two issues because city or urban locales are logical venues for teams, while small-town or rural settings are more suitable locations for individual placements. Indeed, that pattern is apparent in the six YVCA AmeriCorps programs visited by the reviewer:

Location Number of AmeriCorps members

Cities

Boston	4 full-time	1 part-time
Seattle	6 full-time	2 part-time
Tucson	1 full-time	4 part-time

Small towns

Casa Grande, AZ	3 full-time*
Everett, WA	1 full-time
Bremerton, WA	2 full time

* - Casa Grande is a special case in two regards: First it has five corps member slots, but only three were filled at the time of the review. Second, corps members are so widely dispersed over a large area and have so much independence that what appears to be a team is actually a group of individual placements.

Evidence gathered throughout this review suggests that the quality of the programs is above average in each of the urban areas with team placements and below average in each of the rural venues with individual placements.

A discussion of the urban-rural issues is offered below, while the placement models are examined in the next section of this report.

Several factors appear to contribute to the urban/rural disparity: First, the people with the background and skills needed to staff community service programs in leadership positions tend to live in urban rather than rural areas. In addition, these small towns/rural areas also had a dearth of community service organizations and other institutions capable of providing support to national service programs.

V. Corps member placement models

The national YVCA AmeriCorps program is very heavily skewed toward an individual placement model, as the chart below (based on data supplied by YVCA) illustrates:

# of Participants	# of Programs
1 full-time	10
2 full time	2
1 part-time	4
2 part-time	6
1 full-time + 1 part-time	6
Other combinations*	5
Teams of 3-6 full-time + 1-2 part-time	4

* - The programs in this category have various combinations of 1-2 full-time and 1-4 part-time members. Summer-only corps members are not included in this or any other category above.

Fewer than 11 percent of all YVCA AmeriCorps programs have what could be considered team placements, consisting of 3-6 participants. The vast majority of the other programs have various combinations of 1-2 full-time and 1-2 part-time participants.

In Seattle, Kelly-Hedrick says he's leaving that post to become a field organizer on the YVCA national staff. He says he'll be traveling the West, seeking to establish new YVCA programs, most of them with no more than one or two full- or part-time participants, rather than attempting to enhance the quality of, or increase the number of, corps members in existing programs.

That mile-wide, inch-deep organizing approach concerns Gilmore, who says "they're concentrating too much on expanding the number of sites instead of improving the quality of the (existing) program." Moreover, the information collected during this review suggests that local YVCA programs relying on individual (or two-person) placements don't fare especially well, because it's difficult, if not impossible, to justify utilizing capable, skilled leaders in programs with one or two participants. Thus, the corps members often lack adequate oversight, guidance, support and direction.

Examples of that phenomenon encountered in this review are in the communities of Casa Grande, Ariz.; Everett, Wash. and Bremerton, Wash. In contrast, the teams of corps members in Boston, Tucson and Seattle have superior leadership.

VI. The volunteer generator model

YVCA's primary goal is to promote civic responsibility through volunteerism among young people who range in age from 11 to 18 and who attend junior and senior high schools throughout the county.

At most of the local programs visited as part of this review, difficulties related to that "volunteer generator" model were apparent. Repeatedly cited by corps members and their program leaders were variations of this typical situation: During a corps member's initial visit to a school to promote the program and enlist volunteers (usually by speaking to individual classes or to school assemblies), 50 or more students would place their names on a signup sheet indicating they were interested. All of them would be contacted prior to the corps member's return visit to further explain the program to them and to organize a project, but only about 25 would attend at that scheduled meeting. Finally, only about five to ten would show up at the designated time and place to launch the project.

That falloff was cited in Tucson, where a participant recalls that 16 high school students were expected at a project launch, "then I got a lot of calls about why they couldn't make it, and ended up with six of them and a parent." Another corps member in Tucson suggests that the optional team size is 20 to 25, because only about half are likely to show up for any given project, producing a manageable team of 10-12 members.

In Seattle, corps members say the typical pattern in a high school is that 60 students sign up in response to an initial appeal but 30 of them present themselves for projects only once, twice or not all. The other 30 are more reliable, with 20 of them usually participating and a “hard core” of 10 dedicated souls forming the nucleus of the school’s service club.

In Bremerton, corps members say 35 students at one high school initially signed up for the program, indicating an interest in volunteer community service. At the first meeting to organize and plan for a project, 12 showed up. When the time arrived to conduct the first two projects, the turnout was two and three students, respectively. “We were very disappointed,” says a corps member.

At another Bremerton area school, 50 students put their names on a signup sheet, but not one showed up at the initial organizing meeting. The first three service projects attracted three, one and two students, respectively, according to the participant.

The consensus of those interviewed during this review is that the volunteer generator approach is difficult to implement among only junior and senior high school students because they must cope with so many responsibilities and distractions—including school work, after-school jobs, hyperactive social lives, homework, exams and college admissions. (In an intriguing observation, one corps member suggests that junior high school students are better candidates for community service because they must deal with one less time-consuming distraction: They don’t have drivers’ licenses and thus can’t squander countless hours cruising around the community.)

In addition, some participants suggest that junior and senior high school students may lack the skills and sophistication to handle some assignments. “I think sometimes our volunteers are a bit overwhelmed,” says a Tucson corps member, citing the case of a volunteer who on one occasion asked: “Is there anything we can do about this, or is it just too big for us.”

Notwithstanding those difficulties, the students who do make and fulfill a commitment to serve as volunteers in YVCA programs bring to their projects extraordinary levels of determination, energy and enthusiasm that often produce outstanding results.

VII. Prohibited activities

Responding to Corporation concerns that some YVCA AmeriCorps members might be engaged in prohibited activities, Schutte in November 1995 sent a pair of memos to participants stressing the importance of abstaining

from those activities. Most of the corps members interviewed during this review were questioned about that issue. All of them said they had been made aware of the issue and had abided by the prohibition.

Especially convincing is the fact that, in several instances, YVCA AmeriCorps members brought up the topic to complain about being constrained from engaging in prohibited activities. In Pinal County, Arizona, for example, a corps member says he can't understand why he was told that he and his volunteers couldn't participate in a voter registration campaign—an activity he believed to be noncontroversial and acceptable. Similarly, in Seattle a corps member says she's not happy about being prohibited from engaging in political activity, community organizing and lobbying.

VIII. Relations with schools

Securing permission to place AmeriCorps members in public schools invariably is a delicate, protracted process, requiring authorization variously from the community's central school administration, school principals and classroom teachers. "The students are ready to go. The biggest challenge has been to get teacher involvement," says a Seattle corps member.

In Casa Grande, Ariz., a YVCA AmeriCorps initiative proposed last fall has been thwarted for months because of hostility on the part of school officials. A written proposal "has been sitting there since September, but it's a lost piece of paper because they don't want to deal with it," says Spellman.

In several communities, some corps members say a lack of advance planning and preliminary organizing on the part of the staff prevented them from launching their in-school programs in the autumn, at the beginning of both their service years and the schools' academic year.

Instead, they were required to spend months securing permission from school personnel. In some cases, they were unable to move into schools until early 1996—after the Christmas-New Year's school vacation—thus losing the opportunity to engage in substantive activities for almost the entire first semester.

Even in schools to which YVCA AmeriCorps members had been assigned in the previous year, continuity is a problem. Although personnel in those schools are familiar and comfortable with the program, they're often reluctant to proceed in the second year until they've vetted the new corps members and found them acceptable. The result, according to the participants, is that there often are only marginal differences between "old" and "new"

schools in terms of the number of weeks and months required to gain full access to the students after the beginning of the school year.

To overcome that problem, corps members overwhelmingly believe that two-year assignments are especially valuable for participants assigned to schools—a position shared by Jane C. Kuechle, Director of Branches of the Camp Fire Boys and Girls in Seattle, who places a high priority on the continuity that arrangement affords. In addition, participants yearn for more staff planning or organization to gain the trust and confidence of school personnel in the summer, prior to the beginning of the academic year.

In Seattle, corps members in 1994-95 were rotated among several schools in which they served, an arrangement that proved to be less than satisfactory because it didn't give them an opportunity to fully integrate themselves into the schools' culture. In 1995-96, they're not only assigned full-time to a single school, but they also carry the title of "Service Coordinator" for that school and, in most cases, have office space in the school's counseling center.

In several communities—including Boston, Seattle and Bremerton—YVCA AmeriCorps members have established relationships with elementary schools, for the purpose of utilizing the high school students they recruit as volunteers to serve as tutors and mentors of school children in the elementary grades. One Boston participant says it's especially fulfilling to witness the interaction between older volunteers in their late teens and youngsters only half as old. When the older mentors warn their younger proteges about the dangers present in the inner-city streets and the irreversible mistakes some teenagers make, the exchange can be mutually beneficial, explains that corps member.

IX. Relations with YVCA national headquarters

In Tucson, Gilmore says she—like all YVCA AmeriCorps participants—received training as a corps member in 1994-95. But she says she received no training in 1995-96 as a program leader. Her counterparts in other communities visited say they also have received no leadership training from YVCA.

"I've never received any feedback from YVCA on how my program is doing—any form of evaluation," adds Gilmore. "I feel that YVCA is operating in a state of chaos—and they have been for some time...There's no quality control. It's chaotic."

In Seattle, Assistant Program Coordinator Julia Sanders concurs in that assessment. "A lot of times, the national office doesn't know what's going on," she says. "They said: 'We'll provide books and guides to help you develop a school curriculum' but nothing was ever delivered."

Program directors at five of the six communities visited say they have received no site visits from YVCA field officers since the beginning of the current service year, in September 1995. The exception is the Tucson program, but Gilmore says the visit was almost exclusively a social and ceremonial occasion on which the YVCA national staff member asked no tough questions, requested access to no documents and generally sought little other information.

Those reports are disconcerting because they don't comport with an assertion by YVCA AmeriCorps Program Director Steve Schutte that the organization recognizes a need to enhance oversight of its field operations. "We learned that we didn't have adequate staff in the field," he says. "As a result, we made mistakes, which we're now working to correct."

Kelly-Hedrick says the YVCA national office provides "pretty good support" to its field organizations this year, but "there wasn't very good communication last year." Indeed, he says training and other services also were poor last year, when Joe Gonzales was YVCA's Field Director, a post that placed him in charge of the organization's AmeriCorps program. "He wasn't the man for the job," says Kelly-Hedrick. Gonzales has been replaced this year by Steve Schutte.

All of this year's corps members received a week of training in Kansas City, near YVCA's national headquarters, before they began their service last autumn. The participants' assessment of that experience is sharply bifurcated, with some corps members saying they were overwhelmed by too much material presented too quickly and others saying they hardly learned anything new.

"They came back (from the training) so overloaded with information. They were totally confounded," says Spellman. Two of his corps members say they had a hard time absorbing the large amount of quasi-technical material presented at the training sessions. Similarly, one Bremerton corps member says she was overwhelmed and another says the training week was "awful—really poorly planned." In Seattle, however, a corps member says: "They didn't challenge us enough. They went over stuff we already knew." Two Boston corps members share that view.

In each case above, those who say they were overwhelmed are first-year corps members who knew virtually nothing about YVCA, AmeriCorps or community service before being subjected to a fast-paced training week, while those who were bored by material with which they were familiar are second-year corps members who had dealt with most of the issues during their first year.

A Seattle corps member says that in addition to the training at the start of the program year, he'd like training during the year on homelessness, environmental issues and other project-specific topics.

Spellman is critical of YVCA for paying lip service to local autonomy and place-based programs while imposing rigid, unsuitable national standards on its programs. For example, he says, the organization places considerable emphasis on its summer program, because the junior and senior high school students it recruits as volunteers can devote entire days to service, compared with much briefer after-school and weekend periods in which they serve during the school year. But Spellman says YVCA hasn't given any consideration to the special problems associated with operating a summer program in the desert Southwest, where afternoon temperatures regularly reach 110-120 degrees.

(But in neighboring Tucson, where the summers are just as hot, Gilmore says "if a program has a problem with summer scheduling, it's not being imaginative or creative enough." She cites project opportunities at indoor, air-conditioned locations such as food pantries and clothing banks as well as outdoor sites such as swimming pools and cooler, high-altitude park lands. "If there's a will, there's a way," she adds.)

Spellman also says he objects to some YVCA directives sent to corps members, which he characterizes as wholly inappropriate. An example, he says, was a mailing telling participants that many of their program-related questions could be answered by examining the YVCA Program Director's Manual. Participants have no business reading that publication, Spellman says, adding: "I've had to tell YVCA several times that I don't want my people doing this stuff."

Finally, Spellman says YVCA's national headquarters is imposing a terrible paperwork burden on its local programs. "They're asking us to do stuff that is totally out of the question," he says, citing demands for statistics, evaluations and narratives that require local program directors to, among other things, "explain how you integrated service learning" into every project conducted. Spellman says he can't meet that requirement for all 150 projects he has underway, in part because "my AmeriCorps members haven't learned how to keep good records yet."

X. Relations with the Corporation

Both corps members and their Program Directors in all of the communities visited as part of this assessment report having little or no direct contact with the Corporation. They say questions or problems that have arisen regarding AmeriCorps service have been directed to personnel at YVCA's national headquarters, who apparently have resolved all concerns from the field in a timely and effective manner.

The structure of the YVCA AmeriCorps program presents participants with a multi-tiered arrangement that fragments their identification and loyalty. From the bottom up, they relate to: a) the school or other institution to which they're regularly assigned and where they spend most of their service time, b) the primary host/sponsor in the local community, c) YVCA and d) AmeriCorps.

Many of the AmeriCorps members and leaders express profound concern about ongoing political dispute in Washington over the future of the national service program. Pat Griffen, Executive Director of Against Abuse, the YVCA AmeriCorps primary host/sponsor in Casa Grande, Ariz. says constant uncertainty about the program's viability is undermining its acceptance in many segments of the community. Spellman says he's experiencing increasing difficulty in securing local support for the program in that Arizona venue because "nobody wants to support a loser."

"If you don't know whether the program has a future, it's hard to make long-term plans—and long-term is where you're really going to make a difference," says one Seattle corps member. "It's tough because you don't know what the future is," adds another who says it's difficult for her to deal with uncertainty about the program's future. "I'm kind of upset by the politics," says a Bremerton corps member.

XI. Other issues

Post-service benefit: Many corps members cite the post-service educational benefit as a crucial element that attracted them to—and keeps them enthusiastic about—AmeriCorps. At one Arizona program, a participant candidly explains that for him "it was more of an incentive than helping the youth of Tucson."

At the same time, many corps members are disturbed by what they characterize as the Corporation's belated disclosure that the educational benefit is subject to the personal income tax, and that the tax due—slightly more than \$700 for those in the lowest (15 percent) tax bracket—must be paid by them from personal funds because it

cannot be taken out of the \$4,725 award. Those participants note that their low-income status makes it difficult to raise an additional \$700 to pay taxes in a year when they're attending school.

Program interaction: In each of the three states visited, one or more corps members express a strong desire to engage in information exchanges, joint projects and other forms of interaction with other AmeriCorps participants in their cities, counties and states. "Sometimes it's hard to feel you're part of a unified effort," says a Seattle corps member.

In Tucson, a corps member cites increased collaboration and cooperation with other AmeriCorps programs as a priority she shares with other participants. In Seattle, Assistant Program Director Julia Sanders says she also would like to engage in joint activities with the hundreds of other AmeriCorps members in the state, but contact with any of them is limited to two ceremonial events annually—on Martin Luther King's birthday in February and during an April event celebrating community service.

Telephone mail boxes: In Seattle, Camp Fire Boys and Girls, the YVCA AmeriCorps program's primary host/sponsor and fiscal agent, provides a mundane but valuable service to the participants: Camp Fire is sharing its telephone "mail box" system with the corps members, assigning each of them an individual box to receive messages and designating one box for messages that are to be "broadcast" to all corps members. That service has proven especially valuable to participants who are constantly moving around and often aren't close to telephones.

Service as discipline: In several communities visited, YVCA AmeriCorps programs participate in programs under which young people convicted of misdemeanors are referred to them by judges, probation officers and others in the judicial system. The offenders are required to complete a fixed number of service hours in lieu of incarceration.

In two Arizona communities, Apache Junction and Mammoth-San Manuel, for example, the programs accept as participants young people on probation or those convicted of minor offenses in the courts and "sentenced" to community service. A similar arrangement exists in Tucson.

In a variation of that arrangement, the YVCA AmeriCorps program in Casa Grande, Ariz. has proposed that high school students suspended for disciplinary and other reasons be referred to it as participants, then be required to complete a fixed number of service hours before their suspension is lifted.

In no instance in which that arrangement was encountered was there any concern that it could be considered a controversial form of “compulsory volunteerism.”

Diversity: The relatively small cohorts of corps members in each of the communities visited mitigated against a formal demographic survey, but several patterns were unmistakable. The YVCA AmeriCorps participants skew heavily female, white and college educated. There is one male apiece in four of the six program visited—those with more than two corps members. All the corps members are female in the two programs with one or two participants.

The participants are overwhelmingly white. In Seattle, however, individuals of Laotian, Filipino and Hawaiian descent serve as corps members. Virtually all of the corps members interviewed have either completed two or three years of their college education or have secured an undergraduate college degree.

Financial confusion: In Boston, the YMCA, the primary host/sponsor agency for the YVCA program, last year advanced YVCA \$4,800 to pay legitimate expenses associated with the program. In the process of dealing with two large national bureaucracies—YMCA headquarters in Chicago and YVCA headquarters in Kansas City—the reimbursement request was submitted on inappropriate forms.

As a result, the money still has not been refunded to the Boston YMCA, and it now is reluctant to advance any new funds for YVCA program expenses this year. One corps member says she had to spend \$200 of her own money to pay for needed equipment, supplies and materials, with no assurance of when—or even if—she would be reimbursed.

XII. Getting things done

In Boston, Maria Delos, a member of the administrative staff of the Lucy Stone School says those being successfully tutored and mentored by the AmeriCorps participants include one youngster who has lived in 13 foster homes in the last 18 months, and others who live in shelters with their homeless families. They and other students often are more responsive to the young AmeriCorps members, many of them late 1980s graduates of the city’s school system, than to older teachers, Delos says.

At Boston’s Compass School, which exclusively serves emotionally disturbed students, Pamela Hernick so favorably impressed the administrative staff when she was a part-time YVCA AmeriCorps member assigned there last year that she has been hired as a part-time teacher this year.

Also in Boston, corps members participated in food collection campaigns for the homeless prior to Thanksgiving and Christmas of 1995. Although those participants normally aren't assigned to the soup kitchens and food pantries where the food was destined to go, their program leaders decided it was important for them to make the deliveries themselves, so they could gain a personal understanding of poverty and homelessness.

In San Manuel, Ariz., 23-year-old Andy Smith—the sole AmeriCorps member in a remote copper mining town—is an especially enthusiastic and successful volunteer recruiter. He boasts that those he has enlisted at the local high school range from the valedictorian to “the kids who don't do much except hang around the parking lot smoking.” By telling those students he's offering them “their big chance to make a difference,” Smith says he has motivated a core group of 15 to 20 students (as well as additional occasional participants) to conduct Thanksgiving and Halloween food drives for the needy, assist at a food bank during the Christmas season, paint an elaborate mural on the walls of a recreation center and recondition a public park long in disrepair. Smith has established ties to the local business community, where he's generated support for AmeriCorps through both personal contacts and speeches to the Rotary Club and other service clubs. “I've learned more in the last four months than in three years at college,” says the ebullient Smith.

In Tucson, corps members are assisting homeless people living in “Shantytown” on the banks of the Santa Cruz River. They've convinced a local fast food chain to donate fried chicken, then carry it (as well as steel barrels and firewood to build fires to heat the food) into the community.

Also in Tucson, the Arizona School for the Deaf and Blind is among the schools in which YVCA AmeriCorps members have aggressively sought to recruit volunteers. They report considerable success in two particular areas: First, involving the disabled on a project-by-project basis affords an opportunity to include them in AmeriCorps programs without having to acquire the specialized skills and equipment necessary to support full-time (or even part-time) corps members. Second, the disabled students are delighted that someone cares enough about them to seek their assistance and to value the contributions they can make.

In Casa Grande, Ariz., YVCA organized a toy drive with a twist during the 1995 Christmas season. Many of the toys were distributed to youngsters in homeless shelters. Among those conducting the collection (and participating other program activities) were seven young residents of those homeless shelters.

In Apache Junction, Ariz., YVCA-generated volunteers are rehabilitating a youth center. They're painting the building's walls, installing tile and carpet on its floors and clearing the weed-strewn property on which it sits.

In Seattle, an estimated 25 to 50 homeless teenagers live on the city's streets at any given time. Various charitable organizations have banded together to provide a "Teen Feed"—soup kitchen-style meals exclusively for those teenagers. Among the participating groups is YVCA AmeriCorps. Its effort differs from that of all the other groups involved in the "Teen Feed," however, because those doing the serving are teenagers recruited by YVCA participants. Thus, there are teenagers on both sides of the serving line. YVCA leaders say they're aware that the high-risk arrangement is fraught with emotional and psychological implications for both sets of teenagers, but they believe the benefits outweigh the potential perils.

MEMORANDUM

TO: National Service Colleagues
FROM: Harris Wofford
RE: AmeriCorps Plan
Date: April 29, 1996

As you know, I have placed a high priority on strengthening the bipartisan base for national service. This includes responding effectively to issues raised by Members of Congress on both sides of the aisle. It has been clear for months that the cost per AmeriCorps Member is a key concern for many in Congress. It is equally clear that if we are to expand AmeriCorps successfully, we will have to find a way to deliver AmeriCorps for less money and with the continued high quality.

We were delighted when, last week, Congress voted to fund AmeriCorps for the 1996-97 program year at a level that will support 25,000 Members. In our struggle to secure funding, Senator Grassley and Senator Mikulski played key roles, working with Senator Bond. Due to the progress we had made in improving AmeriCorps and our commitment to put forward goals and timetables for reducing the costs of the AmeriCorps*State/ National programs, Senator Grassley publicly stated his support for the continuation of the program and joined in supporting the \$400 million level of funding approved by Congress.

We are now faced with the challenge of setting those goals and timetables, and, most important, developing a strategy to reach the goals. This memo lays out the goals and timetables that we feel are necessary to get the job done, as well as proposed policy changes that are intended to help programs lower their costs while maintaining quality. We are eager to get your thoughts on these proposed policy changes, information on how your program has reduced costs, and any additional suggestions you may wish to offer.

Goals and Timetables

For program year 1997-1998: Reduce AmeriCorps budgeted average cost to \$17,000 per Member

For program year 1998-1999: Reduce AmeriCorps budgeted average cost to \$16,000 per Member

For program year 1999-2000: Reduce AmeriCorps budgeted average cost to \$15,000 per Member

These figures would be indexed for inflation and include all Corporation (but not necessarily all federal costs): the education award; Corporation share of living allowance and benefits; grant for program support; and state commission and Corporation administration, training, recruitment, etc. that is directly attributable to AmeriCorps*State / National. These

numbers also assume that there will be funds appropriated to support no fewer than 25,000 AmeriCorps Members; if that number drops, the cost per Member will increase.

For comparison purposes, current average figures for AmeriCorps*National (excluding federal programs, which have been eliminated for the 1996-1997 program year) are as follows:

	Corporation	Grantee	Total
Member Support	\$ 4,900*	\$ 2,700	\$ 7,600
Program Support	\$ 5,200	\$ 5,800	\$ 11,000
Education Award	\$ 4,725	- 0 -	\$ 4,725
Other	\$ 2,000	- 0 -	\$ 2,000
TOTAL	\$ 16,825	\$ 8,500	\$ 25,325

* The average is below the standard \$6,900 because a substantial number of Members received only the education award.

Current figures for AmeriCorps*State are:

	Corporation	Grantee	Total
Member Support	\$ 6,900	\$ 2,400	\$ 9,300
Program Support	\$ 5,500	\$ 5,200	\$ 10,700
Education Award	\$ 4,725	- 0 -	\$ 4,725
Other	\$ 2,000	- 0 -	\$ 2,000
TOTAL	\$ 19,100	\$ 7,600	\$ 26,725

Policy Changes

The goals will require significant changes in some AmeriCorps programs. Programs will need to find additional sources of funding. However, it is also possible to achieve savings through restructuring. We are currently developing a technical assistance plan to help programs identify ways to make cost-effective improvements, and we will look to each State Commission to provide leadership for their programs to meet the goals.

A major way in which this change could be implemented would be to change the system of providing AmeriCorps grants from one in which each program negotiates each line item with Corporation staff to a fixed grant system. Through this system, each program would receive, for each full-time equivalent Member, a grant in a set amount (for example, in program year 1997-1998, the grant might equal \$10,000). The grant would cover a share of the Member support and

program support costs of the program, with the remainder to be raised by the program. This system could be implemented without statutory amendment, but the current matching requirements would then still apply; ultimately, the statute would be amended to eliminate the match in order to provide programs maximum flexibility in obtaining additional sources of funding. A single fixed grant amount could either apply to all programs or different levels could be set to apply to different types of programs. Alternatively, a "hardship" fund could be established to provide modest additional resources to programs that would be hardest hit by the changes.

Another way State Commissions may choose to meet these goals is to introduce or expand the offering of education awards-- without funds for living allowances and with or without modest funds for program support-- to those sponsoring organizations with the means to provide such support without Corporation funding. We will soon send you a working paper on some of these approaches.

Additional policy changes that would save money which we have discussed include:

- Making multiple year grants to programs that have successfully operated for at least a year.
- Clarification of rules regarding fundraising.
- Waiving the minimum living allowance (on a case-by-case basis as provided by statute) for programs that provide at least \$150 a week living allowance but operate less than 52 weeks per year.
- Reviewing and streamlining reporting requirements.

Please forward your comments and suggestions to me through Terry Russell, General Counsel. I look forward to hearing from you by May 15, 1996.

Call Monkey + Messages to Bill

MEMORANDUM

TO: National Service Colleagues

FROM: Harris Wofford

RE: AmeriCorps Reform Plan

Revisions Pursuant to Congressional Agreement

Date: April 26, 1996

Many of you may be aware of the agreement we negotiated with Senator Grassley last month. Due to the progress we had made in improving AmeriCorps and our commitment to put forward goals and timetables for reducing the costs of the AmeriCorps*State / National programs, Senator Grassley publicly stated his support for the continuation of the program and joined in supporting the \$400 million level of funding approved by the Congress last night.

by the Congress and now signed by the President

The following goals and timetables are what we believe such continuing Congressional support calls for.

For program year 1997-1998: Reduce AmeriCorps budgeted average cost to \$17,000 per Member

For program year 1998-1999: Reduce AmeriCorps budgeted average cost to \$16,000 per Member

For program year 1999-2000: Reduce AmeriCorps budgeted average cost to \$15,000 per Member

These figures include the educational award of \$4,725. They would be indexed for inflation and include all Corporation (but not necessarily all federal costs); Corporation share of living allowance and benefits; grant for program support; and state commission and Corporation administration, training, recruitment, etc. that is directly attributable to AmeriCorps*State / National. These numbers also assume that there will be funds appropriated to support no fewer than 25,000 AmeriCorps Members; if that number drops, the cost per Member will increase.

For comparison purposes, current average figures for AmeriCorps*National (excluding federal programs, which have been eliminated for the 1996-1997 program year) are as follows:

	Corporation	Grantee	Total
Member Support	\$ 4,900*	\$ 2,700	\$ 7,600
Program Support	\$ 5,200	\$ 5,800	\$ 11,000
Education Award	\$ 4,725	- 0 -	\$ 4,725
Other	\$ 2,000	- 0 -	\$ 2,000
TOTAL	\$ 16,825	\$ 8,500	\$ 25,325

* The average is below the standard \$6,900 because a substantial number of Members received only the education award.

Current figures for AmeriCorps*State are:

	Corporation	Grantee	Total
Member Support	\$ 6,900	\$ 2,400	\$ 9,300
Program Support	\$ 5,500	\$ 5,200	\$ 10,700
Education Award	\$ 4,725	- 0 -	\$ 4,725
Other	\$ 2,000	- 0 -	\$ 2,000
TOTAL	\$ 19,100	\$ 7,600	\$ 26,725

Most ~~The reform plan~~ ^{The proposal} goals will necessitate significant changes in some AmeriCorps programs. Programs will need to find additional sources of funding. However, it is also possible to achieve savings through restructuring. We are currently working on research and a technical assistance plan to help programs identify ways to make cost-effective improvements, and we will look to each State Commission to provide leadership for their programs to meet those goals.

A major way in which this change could be implemented would be to change the system of providing AmeriCorps grants from one in which each program negotiates each line item with Corporation staff to a fixed grant system. Through this system, each program would receive, for each full-time equivalent Member, a grant in a set amount (for example, in program year 1997-1998, the grant might equal \$10,000). The grant would cover a share of the Member support and program support costs of the program, with the remainder to be raised by the program. This system could be implemented without statutory amendment, but the current matching requirements would then still apply; ideally, the statute would be amended to eliminate the match in order to provide programs maximum flexibility in obtaining additional sources of funding. A single fixed grant amount could either apply to all programs or different levels could be set to apply to different types of programs. Alternatively, a "hardship" fund could be established to provide modest additional resources to programs that would be hardest hit by the changes.

Another way State Commissions ^{could} ~~may~~ choose to meet these goals is to introduce or expand the offering of education awards only without funds for living allowances or program support, to those sponsoring organizations with the means to provide such support without Corporation funding. Or offer education awards and living allowances without any program support. We will soon send you a working paper on some of these approaches.

2 Or education awards and modest ~~program~~ program support without the Corporation funds for living allowances

Memorandum to National Service Colleagues
April 26, 1996
Page Three

In addition, we are aware that there may be policy changes that the Corporation could pursue that would save money. Some of the changes that we are considering include:

- Making multiple year grants to programs that have successfully operated for at least a year.
- Clarification of rules regarding fundraising, including a possible waiver of OMB rules prohibiting the use of government funds to support certain types of fundraising activities.
- Waiving the minimum living allowance (on a case-by-case basis as provided by statute) for programs that provide at least \$150 a week living allowance but operate less than 45 weeks per year.
- Reviewing and streamlining reporting requirements.

~~Through this memorandum, we are seeking~~ ^{Mr. Seoh} your comments on these proposals. We would be eager to hear additional policy changes that would result in cost savings, and to learn ways in which your program has been able to lower its costs without hurting quality.

Message for Rosenberry, Peg

From: Rymph, David
Date: Thu, Apr 18, 1996 10:21 AM
Subject: FW:
To: Rosenberry, Peg

AmeriCorps Reform

Shirley

Peg's comments
4/24/96

From: Sagawa, Shirley
To: Potter, Lance; Kenefick, Mike; Heinaru, Peter; Waldman, Steven; Russell, Terry; Rymph, David; Kowalczyk, Gary; Sofer, Gene; Gray, Tracy@CNCS MS Mail Serve; Jospin, Debbie@CNCS MS Mail Se; Algra, Diana@CNCS MS Mail Serv
Date: Wednesday, April 17, 1996 1:48PM

Here is the revised memo being forwarded to Harris for discussion. It will be formatted as a memo to Ken Apfel and White House staff after Harris approves the text.

Part 1 -- Goals and timetable

In our agreement with Senator Grassley, we promised to release goals and timetables for cost-cutting within 60 days (early May). We propose, with some reservations, the following:

The Corporation will seek to achieve the following budgeted cost/per FTE AmeriCorps Member funded through AmeriCorps*State/National:

- 1997: \$17,000
1998: \$16,000
1999: \$15,000

Shirley and Grassley happy at \$17,000?
It is why go lower to \$15,000, especially if the ed. award is included in it?

These numbers will be indexed for inflation, and include all Corporation costs, such as education award; Corporation share of the living allowance and benefits; grant for program support; and state commission and Corporation administration, training, recruitment, etc. that is directly attributable to AmeriCorps*State/National. These numbers also assume that there will be funds appropriated to support no fewer than 25,000 AmeriCorps Members; if the number drops, the cost per Member will increase.

For comparison purposes, current average figures for AmeriCorps*National (excluding federal programs, which will be eliminated) are as follows:

Table with 4 columns: Corporation share, Grantee share*, Total. Rows include Member support, Program support, Education award, Other, and TOTAL.

Current figures for AmeriCorps*State are:

	Corporation share	Grantee share*	Total
Member support	\$6,900	\$2,400	\$9,300
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Other	\$2,000	0	\$2,000
TOTAL	\$19,100	\$7,600	\$26,700

*Grantee share may not include all costs, just those reported as match.

Because we cannot control other sources of funding and the accounting problems would be insurmountable (and undermine our effort to improve our financial management system), we will not be able to implement a cap or average that purports to include all costs, or all federal or government costs. Note also that our figures are "budgeted" cost per Member, again due to accounting problems and the fact that our fiscal year does not track exactly the program year.

Please note that some staff believe the proposed goals and timetables leave too little room for error, and that circumstances beyond our control may make it impossible for us to achieve the goals. However, we understand that to be effective, the numbers must seem impressive; higher numbers may not achieve the political goal that is being pursued.

Part 2 -- How we get there

1) Expect programs to raise more funds

Clearly many programs will have to raise more funding in order to achieve these goals. We will move aggressively to improve our technical assistance on fundraising and to find other ways to assist programs, including seeking more national partners and working with the Partnership for National Service. It would be advantageous to find a way to exempt AmeriCorps programs from OMB rules that restrict use of funds for fundraising. If program costs remain the same, the above numbers would require that state programs raise at least \$4,000 more per Member by 1999.

*can we phase this in?
New programs need more support from us while they plan in place.
Some way of allowing 1st year grantees a higher cost per member of new funds with decreasing amounts each year is good.*

2) Reduce the cost of programs

An alternative to raising funds is, of course, reducing costs. We are conducting research and planning to provide technical assistance on "reinventing AmeriCorps" -- how to do more with less. We will need to help programs, especially those with high costs, to find ways to improve their programming and do it at a lower cost. Ideas might include increasing use of team leaders who are AmeriCorps Members rather than staff; eliminating layers of management; and finding ways to conduct training locally rather than centrally (for those programs that are geographically dispersed).

Part 3 -- Policy decisions

There are several policy decisions that could make in order to move programs toward the targets.

- 1) Move to a multi-year grant cycle for renewals.

Currently, we provide annual grants that may be renewed without recompeting for up to three years. In the first year, 90% of programs were renewed. We have been advised by programs that it would be easier for them to raise funds long-term if they received three year grants instead of annual grants that may be renewed. This would mean less administrative burden for the Corporation and State Commissions as well. In order to accomplish this without sacrificing quality, we will need to ensure that new structures are in place to evaluate the performance of programs, and we may need to "defund" programs mid-cycle if they are not performing. This is harder to do than to defund programs by not renewing them, due to procedural rights programs would have. However, by limiting multiyear grants to those that had completed a successful two or three years, we could ensure that the most risky programs remain on an annual cycle.

This makes sense

- 2) Standardize and shorten the program year.

Currently programs are encouraged, but not required, to start in September, January, or June, and they can operate for any number of weeks up to 52, as long as they enable members to achieve 1700 hours of service and pay them \$7,900 a year. By increasing pressure on programs to start in September/October and operate through June we would shorten the program year, thereby creating an opportunity to reduce the amount of the living allowance (by liberal use of waivers of the minimum amount) by as much as \$1,000 per FTE -- without creating a hardship for AmeriCorps Members. It would have the added benefit of building a common element into programs (we do the national launch in October) and would increase the attractiveness of AmeriCorps to recent college graduates who are used to operating on a school calendar (think about who is available to start a program in November!).

This will be really hard to do. Many programs operate 11 or 12 months & can't easily change. It's already hard to adjust on the living allowance and as it is much less lower it. Also what does the staff do during that period. I assume you're not letting them go, so they remain on the payroll. It's too disruptive otherwise

The down side is that many Members think the living allowance should be higher, not lower. You should be also aware that shortening the program year is not supported by some staff, who believe that it will be difficult for Members to complete 1700 hours and that programs should have autonomy in choosing their start and end dates. This would also require that we take special steps to enable certain kinds of programs to operate in the summer.

- 3) Cap program costs

As discussed in our earlier memo, there are many advantages to going to a "fixed grant" system, the most obvious of which is that it enables us to send a clear signal about how much grant money is available so that programs don't look for ways to maximize support from the Corporation. It also would be much simpler to administer than the current system. We could combine the fixed program support grant with the living allowance reform discussed above -- for example, if the program support grant was \$3,000 a year, and we agreed to pay \$600 per Member, per month, for ten months of Member support, we might combine the two parts into a fixed grant of \$9,000 per Member.

Potential savings to be gained by capping the program support funds will depend on how low the cap is; current spending in state programs is about

\$5,500 per year per Member.

A down side to this approach is that "one size" rarely "fits all"; we would certainly affect the program portfolio if we go to a fixed amount. We could mitigate against some negative effects by allowing for some variation in the fixed amount (i.e. \$1,000 extra for rural programs, new start-ups, etc.) or by creating a hardship fund. We will need to discuss which of the affected types of programs should receive this additional support; potential groups include rural programs, residential programs, environmental programs, programs in their start-up year; and programs serving at-risk youth. Of course, the more complexity we introduce into the system, we lose the benefits of the more simple fixed grant.

A second problem that we will have to address is that some programs currently receive less than \$3,000 in program support. These programs would presumably receive a windfall.

Finally, the fixed grant would ideally involve no required match. Staff feel strongly that the tighter the funding cap, the more flexibility programs must have in their ability to raise funds from certain sources.

Unless the current statute were amended, programs would still be required to provide matching funds. Despite political pressure to the contrary, staff believe that the allowable sources of funding and type (cash or in-kind) of match should remain as it is currently.

Finally, if the match were eliminated by statute, one would want to consider whether this would "sell" politically.

4) Increase cost-share partnerships.

We have committed to doing \$10 million worth of "education award-only" partnerships this year; through these partnerships, the Corporation contributes the education award and the partner bears the costs relating to member and program support. Assuming that we would attribute a pro-rata share of the Corporation administrative costs, any cost-share Members that we enroll will cost about \$7,000 each (ed award plus share of Corporation/Commission overhead). The effect that this will have on the overall cost per FTE will depend on the total size of the pool and the portion who are cost-share Members. For example, if the total pool is 50,000 and 90 percent average \$16,000 per FTE, the 10 percent who are cost-share Members will bring the overall average down to \$15,000. The Corporation's working group on cost-share programming believes that we could increase the number of these lower-cost Members more dramatically and maintain our high quality standards if a modest amount of program support were available -- such as \$1,000 per Member. This will be discussed in another memo.

5) Increase the number of Members

Because the Corporation overhead will not grow proportionate to the number of AmeriCorps Members, increases above the current number of 25,000 Members should yield savings on a per Member basis. For example, if the number of Members doubles, while the overhead costs increase only 50%, we would save \$500 per Member. Similarly, if the number of programs were to drop, the cost would increase as overhead is spread over fewer Members.

This is hard. I think we go on well think they are a hard ship case

yes, do a decreasing fixed rate starting higher the first year and working down.

I think is possible, we would need to develop our deal guidelines about what components are required and then separate equipment costs, motor quality & compliance. The programs would be responsible for raising funds to implement the programs as required for costs above the fixed.

a major selection criteria so that programs can go below but not above and they will get funding preference if below.

6) Reduce the number of part-time Members

Our analysis shows that part-time programs cost more than full-time programs on an FTE basis; this may be due to the fact that (1) they are harder to administer -- the program must keep track of Members' schedules, which tend not be standardized; (2) they must train, supervise and submit paperwork for each individual; and (3) in many cases, they are university based and must cover higher overhead and staff salaries keyed to the university pay scale.

We could reduce the number of part-time programs that receive grant funds from AmeriCorps and instead emphasize cost-share programming for these programs. However, this may affect our demographics because we would lose a group of more educated Members from the larger pool. Note also that Senator Mikulski has been the key supporter of part-time programming.

I wouldn't eliminate them. Just fund which ones work? are cost-effective and which ones

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Please note that some staff believe the proposed goals and timetables leave too little room for error, and that circumstances beyond our control may make it impossible for us to achieve the goals. However, we understand that to be effective, the numbers must seem impressive; higher numbers may not achieve the political goal that is being pursued.

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An alternative to raising funds is, of course, reducing costs. We are conducting research and planning to provide technical assistance on "reinventing AmeriCorps" -- how to do more with less. We will need to help programs, especially those with high costs, to find ways to improve their programming and do it at a lower cost. Ideas might include increasing use of team leaders who are AmeriCorps Members rather than staff; eliminating layers of management; and finding ways to conduct training locally rather than centrally (for those programs that are geographically dispersed).

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Potter, Lance

From: Sagawa, Shirley
Sent: Wednesday, April 17, 1996 1:48 PM
To: Potter, Lance; Kenefick, Mike; Heinaru, Peter; Waldman, Steven; Russell, Terry; Rymph, David; Kowalczyk, Gary; Sofer, Gene; Gray, Tracy@CNCS MS Mail Serve; Jospin, Debbie@CNCS MS Mail Se; Algra, Diana@CNCS MS Mail Serv

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*18.3 all
18.8 all plus VISTA, NCCC*

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*Cut costs
means
more
Members*

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State Comp takes local

Part 3 -- Policy decisions

There are several ~~policy~~ ^{key} decisions that ~~could make in order~~ ^{we propose to take} to move programs toward the targets.

1) Move to a multi-year grant cycle for renewals

Currently, we provide ~~annual~~ ^{up to three-year} grants that may be renewed without ~~recompeting~~ ^{up front} for up to three years. In the first year, 90% of programs were renewed. We have been advised by programs that it would be easier for them to raise funds long-term if they received three year grants instead of ~~annual~~ grants that may be renewed. This would mean less administrative burden for the Corporation and State Commissions as well. In order to accomplish this without sacrificing quality, we will need to ensure that new structures are in place to evaluate the performance of programs, and we may need to "defund" programs mid-cycle if they are not performing. This is harder to do than to defund programs by not renewing them, due to procedural rights programs would have. However, by limiting multiyear grants to those that had completed a successful two or three years, we could ensure that the most risky programs remain on an annual cycle.

based on performance and availability of appropriations

2) Standardize and shorten the program year

Currently programs are encouraged, but not required, to start in September, January, or June, and they can operate for any number of weeks up to 52, as long as they enable members to achieve 1700 hours of service and pay them \$7,900 a year. By increasing pressure on programs to start in September/October and operate through June we would shorten the program year, thereby creating an opportunity to reduce the amount of the living allowance (by liberal use of waivers of the minimum amount) by as much as \$1,000 per FTE -- without creating a hardship for AmeriCorps Members. It would have the added benefit of building a common element into programs (we do the national launch in October) and would increase the attractiveness of AmeriCorps to recent college graduates who are used to operating on a school calendar (think about who is available to start a program in November!). The down side is that many Members think the living allowance should be higher, not lower. You should be also aware that shortening the program year is not supported by some staff, who believe that it will be difficult for Members to complete 1700 hours and that programs should have autonomy in choosing their start and end dates. This would also require that we take special steps to enable certain kinds of programs to operate in the summer.

Terry
member pay less if shorter
shortening longer

commitments for

3) Cap program costs

As discussed in our earlier memo, there are many advantages to going to a "fixed grant" system, the most obvious of which is that it enables us to send a clear signal about how much grant money is available so that programs don't look for ways to maximize support from the Corporation. It also would be much simpler to administer than the current system. We could combine the fixed program support grant with the living allowance reform discussed above -- for example, if the program support grant was \$3,000 a year, and we agreed to pay \$600 per Member, per month, for ten months of Member support, we might combine the two parts into a fixed grant of \$9,000 per Member. Potential savings to be gained by capping the program support funds will depend on how low the cap is; current spending in state programs is about \$5,500 per year per Member.

A down side to this approach is that "one size" rarely "fits all"; we would certainly affect the program portfolio if we go to a fixed amount. We could mitigate against some negative effects by allowing for some variation in the fixed amount (i.e. \$1,000 extra for rural programs, new start-ups, etc.) or by creating a hardship fund. We will need to discuss which of the affected types of programs should receive this additional support; potential groups include rural programs, residential programs, environmental programs, programs in their start-up year; and programs serving at-risk youth. Of course, the more complexity we introduce into the system, we lose the benefits of the more simple fixed grant.

A second problem that we will have to address is that some programs currently receive less than \$3,000 in program support. These programs would presumably receive a windfall.

Finally, the fixed grant would ideally involve no required match. Staff feel strongly that the tighter the funding cap, the more flexibility programs must have in their ability to raise funds from certain sources. Unless the current statute were amended, programs would still be required to provide matching funds. Despite political pressure to the contrary, staff believe that the allowable sources of funding and type (cash or in-kind) of match should remain as it is currently.

Finally, if the match were eliminated by statute, one would want to consider whether this would "sell" politically.

4) Increase cost-share partnerships.

We have committed to doing \$10 million worth of "education award ^{the 1996-97 program} only" partnerships ^{this year}; through these partnerships, the Corporation contributes the education award and the partner bears the costs relating to member and program support. Assuming that we would attribute a pro-rata share of the Corporation administrative costs, any cost-share Members that we enroll will cost about \$7,000 each (ed award plus share of Corporation/Commission overhead). The effect that this will have on the overall cost per FTE will depend on the total size of the pool and the portion who are cost-share Members. For example, if the total pool is 50,000 and 90 percent average \$16,000 per FTE, the 10 percent who are cost-share Members will bring the overall average down to \$15,000. The Corporation's working group on cost-share programming believes that we could increase the number of these lower-cost Members more dramatically and maintain our high quality standards if a modest amount of program support were available -- such as \$1,000 per Member. This will be discussed in another memo.

5) Increase the number of Members

Because the Corporation overhead will not grow proportionate to the number of AmeriCorps Members, increases above the current number of 25,000 Members should yield savings on a per Member basis. For example, if the number of Members doubles, while the overhead costs increase only 50%, we would save \$500 per Member. Similarly, if the number of programs were to drop, the cost would increase as overhead is spread over fewer Members.

6) Reduce the number of part-time Members

Our analysis shows that part-time programs cost more than full-time programs on an FTE basis; this may be due to the fact that (1) they are harder to administer -- the program must keep track of Members' schedules, which tend not be standardized; (2) they must train, supervise and submit paperwork for each individual; and (3) in many cases, they are university based and must cover higher overhead and staff salaries keyed to the university pay scale. We could reduce the number of part-time programs that receive grant funds from AmeriCorps and instead emphasize cost-share programming for these programs. However, this may affect our demographics because we would lose a group of more educated Members from the larger pool. Note also that Senator Mikulski has been the key supporter of part-time programming.

- Commitments Exchanged
- Journal Entry
- Thoughts & Ideas
- Agendas (telephone, meetings)
- Conversations

APRIL 1996

DAILY RECORD OF EVENTS

8

MONDAY

99th Day 267 Left
Week 15

I don't want to say that we just give annual grants, since we would then have a statutory obligation to ~~peer review~~ every renewal. Instead, what we do is make a 3 year grant in one year increments - subject to "renewal" based on performance & availability of appropriations. Your point is not as clearly made this way, but I would say it as I have made the cuts.

Sec. 3.2(C) Initials: JGP Date: 1/16/29 ~~CONFIDENTIAL~~
2013-0661-F(2)

Shirley:

Some words of encouragement on the notion of reducing the number of weeks in which Members finish the program. I got a run of the average actual weeks Members took to complete in 94-95, program by program: For full timers, it was 47; and although the range was 21-60 weeks (yes, 21 weeks...), the programs were generally clustered pretty tightly around 47-48 weeks.

We need to keep in mind that the Members will spend two to three weeks of their service year on vacations and sick time, for which they will receive their "fellowship," but will not earn hours.

Thus, I think that the typical program now goes: Members serve for 47 weeks, and are paid therefore about 170./wk, but earn hours during about 44 weeks, which requires them to work about 39 hours/week.

To reduce the overall service period to 44 weeks, Members would have to do earn their hours in probably 41 or 42 weeks, which would require them to work 41-42 hours/week. That part is, it seems, all good.

In fact, the only touchy part is that if programs are finishing in 47 weeks, most are not going to try to cap pay at \$150, which would mean reducing members' pay quite a bit, but rather, would want to keep it nearer to where they currently are, about \$170. That could eat into our savings.

To see how fast the Member weekly pay eats up our savings, consider these:

Member pay:	Over (wks):	CNS/wk	CNS/YR	CNS SAVINGS	Member hrs/week ¹
\$150	44	\$128	\$5,610	\$1,143	41
\$160	44	\$136	\$5,984	\$769	41
\$170	44	\$145	\$6,358	\$395	41
\$180	44	\$153	\$6,732	\$21	41

So we need to be very sensitive to the relationship between the weeks they serve and their pay, or we could end up saving a lot less money than we hope.

Losing \$20./week for the full-timers is a pretty significant chunk of change, it seems to me. Here are some other models in which they'd lose a little less, work a little more:

Member pay:	Over (wks):	CNS/wk	CNS/YR	CNS SAVINGS	Member hrs/week
\$150	44	\$128	\$5,610	\$1,143	41
\$170	44	\$145	\$6,358	\$395	41
\$170	40	\$145	\$5,780	\$973	45
\$160	42	\$136	\$5,712	\$1,041	43

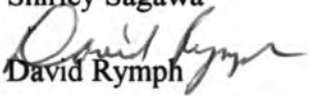
The last example seems to be a nice compromise. At 43 hrs/wk they'd be working about 4 hours/wk more than they did in 94-95, and earning \$10. less. On the other hand, their service year would be done more than a month sooner than it was in 94-95.

It seems like this is one of the best ways to reduce cost; we'll have to pay careful attention to the implementation in order to achieve the savings and not demoralize the Members.

I'm at 202/966-7598.

¹ Calculated at 2.5 weeks less than the total service year, to account for vacation and sick leave.

MEMORANDUM

TO: Shirley Sagawa
FROM: 
DATE: April 16, 1996
SUBJ: Cost Data on Education Award Only Programs

Attached are a series of tables and charts that show cost data for education award only programs. There are four categories of programs included here: programs in which members receive CNS-provided member support, Education Award "Plus a Lot", Education Award "Plus a Little" and Education Award "Pure Form." The data are the average overall cost per FTE for the programs and the average cost to CNS per FTE.

Findings

- * The total CNS cost per FTE in Education Award "Plus a Lot" Programs is \$ 6,328
 - Most of this cost is in staffing at \$ 3,658 per FTE cost to the Corporation.
- * The total CNS cost per FTE in Education Award "Plus a Little" Programs is \$ 331.
 - The Corporation spends nothing on staffing or evaluation in "Plus a Little" Programs.
- * The highest overall total cost per FTE is in the "Pure Form" programs at \$20,585 which the Corporation, of course, pays nothing.
 - This cost run up comes in Member Support Costs which exceed the cost in programs supported by the Corporation by \$ 2,742.

Attachments

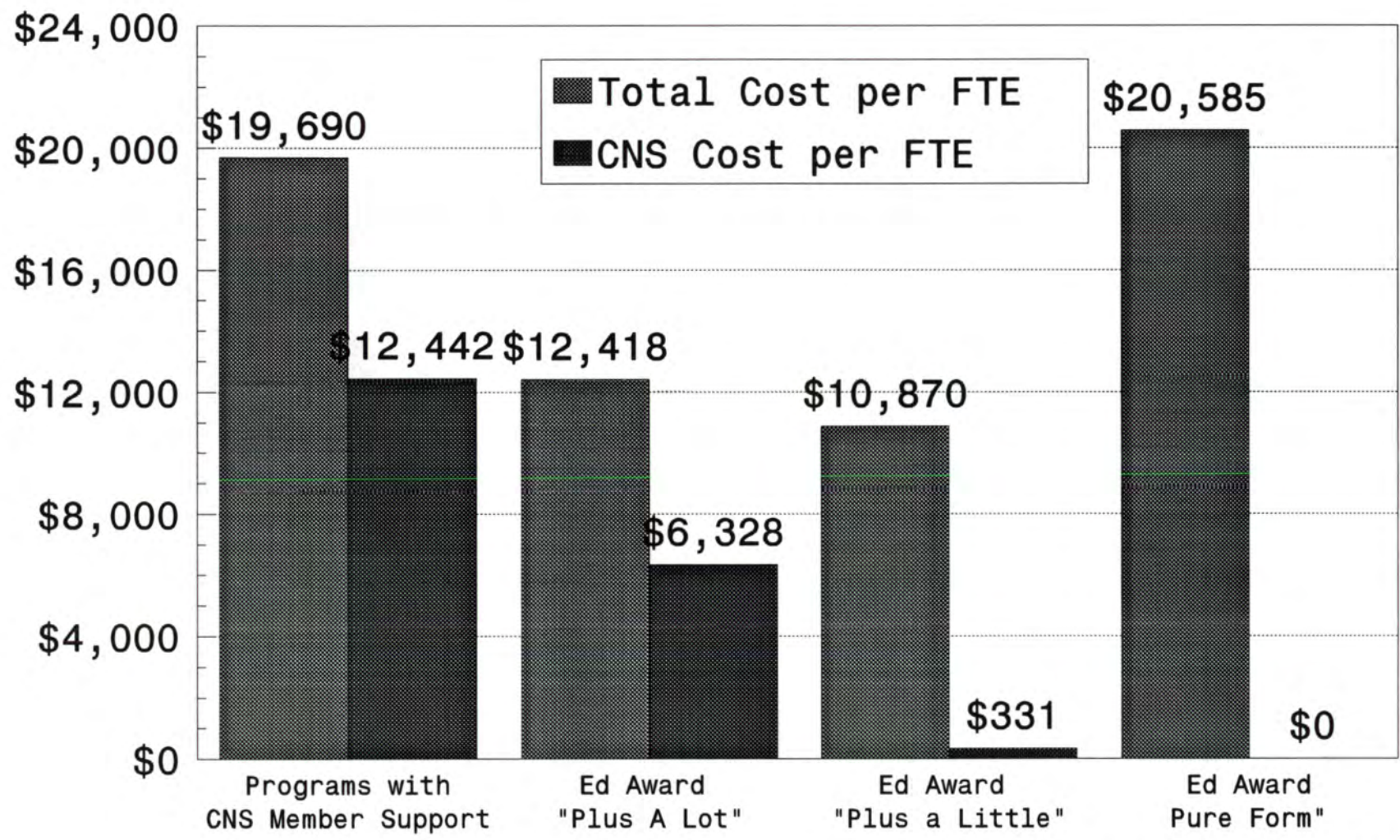
cc: Tracy Gray

**Average Costs per FTE for
Programs with and without CNS-Provided Member Support,**

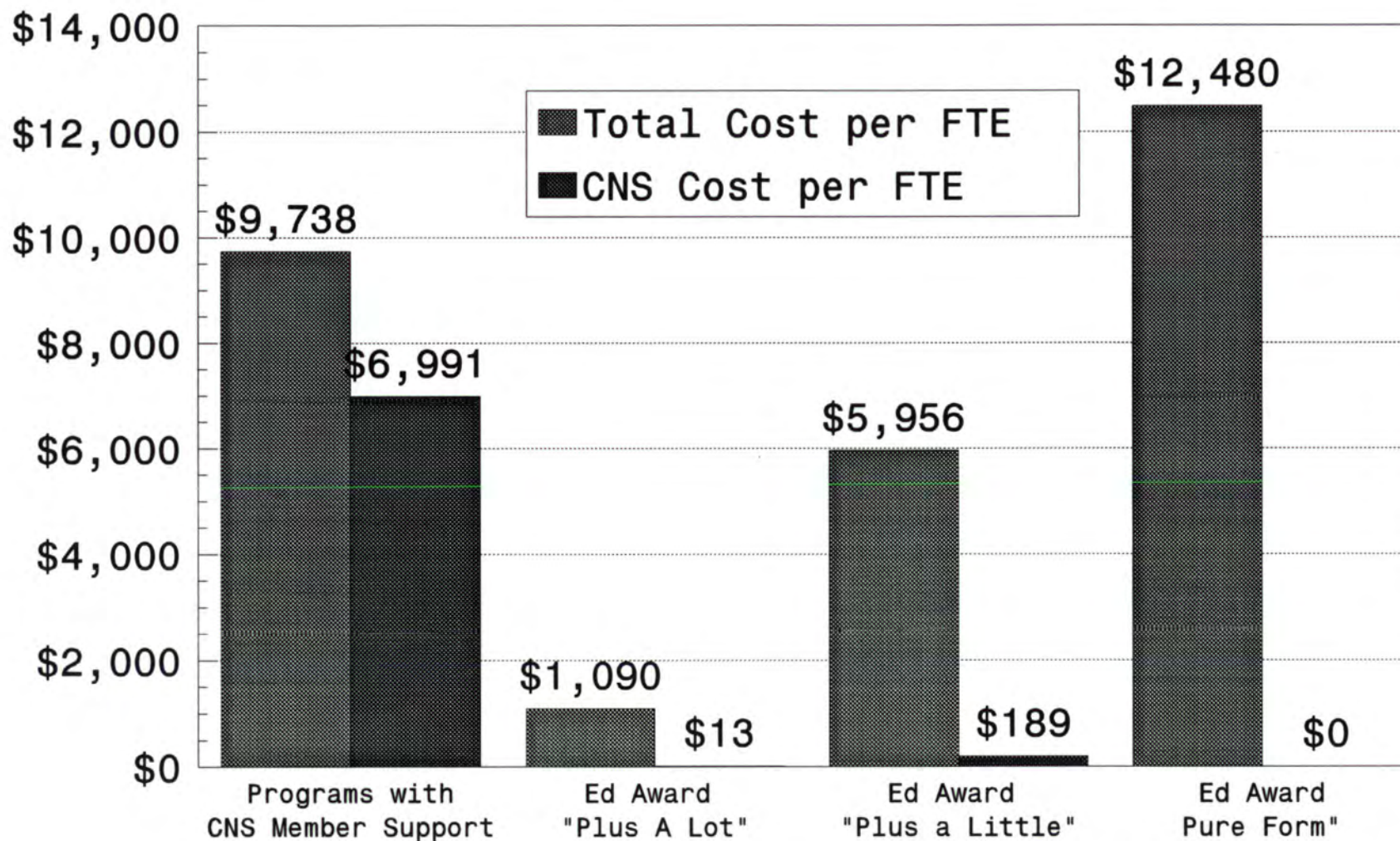
Controls: Excluding Federal Agencies

Budget Category	Operating Programs with CNS-provided Member Support (N=367)		Operating Programs without CNS-provided Member Support (N=26)					
			Education Award Only "Plus a Lot" (N=13)		Education Award Only "Plus a Little" (N=6)		Education Award Only "Pure Form" (N=4)	
	Total Cost per FTE	CNS Cost per FTE	Total Cost per FTE	CNS Cost per FTE	Total Cost per FTE	CNS Cost per FTE	Total Cost per FTE	CNS Cost per FTE
A. Member Support Costs	\$ 9,738	\$ 6,991	\$ 1,090	\$ 13	\$ 5,956	\$ 189	\$ 12,480	\$ 0
B. Other Member Costs	1,191	565	1,058	714	215	16	367	0
C. Staff	5,398	3,088	5,602	3,658	2,877	0	5,299	0
D. Operating Costs	2,406	1,020	2,123	766	1,127	121	1,257	0
E. Internal Evaluation	292	155	264	108	60	0	21	0
F. Administration	1,406	533	932	277	635	5	1,160	0
Total Costs	\$ 19,690	\$ 12,442	\$ 12,418	\$ 6,328	\$ 10,870	\$ 331	\$ 20,585	\$ 0

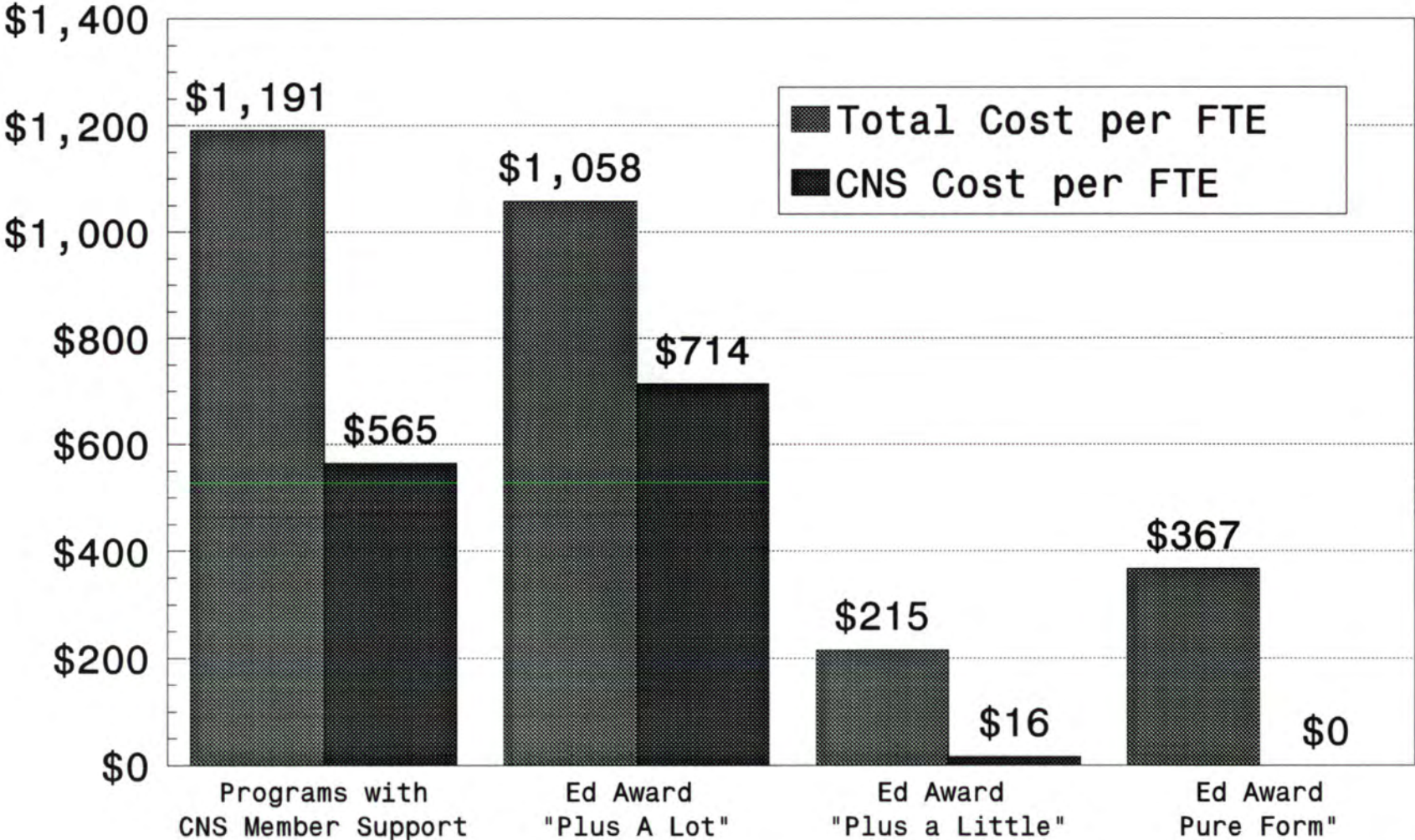
Total Costs in Education Award Only Programs



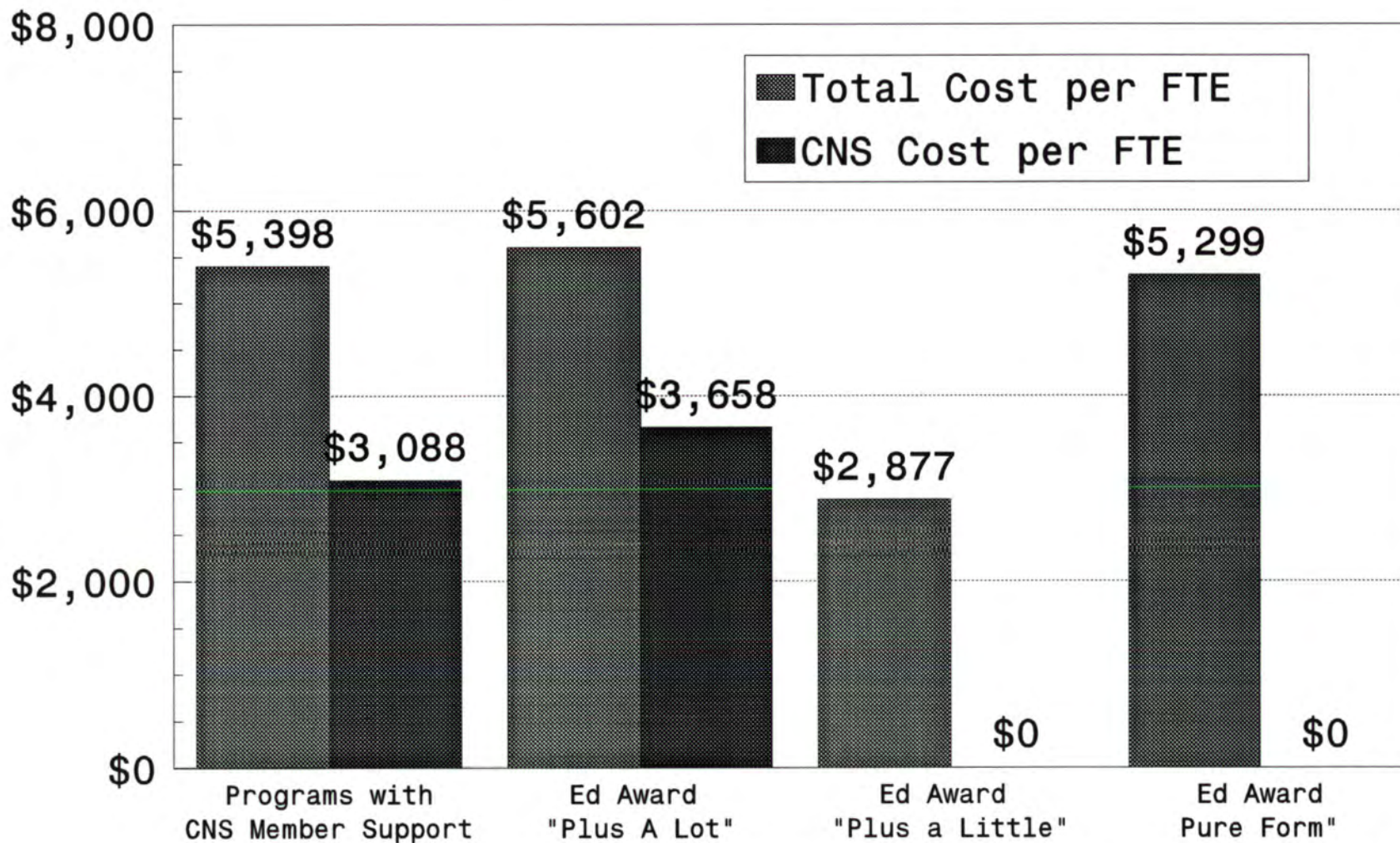
A. Member Support Costs in Education Award Only Programs



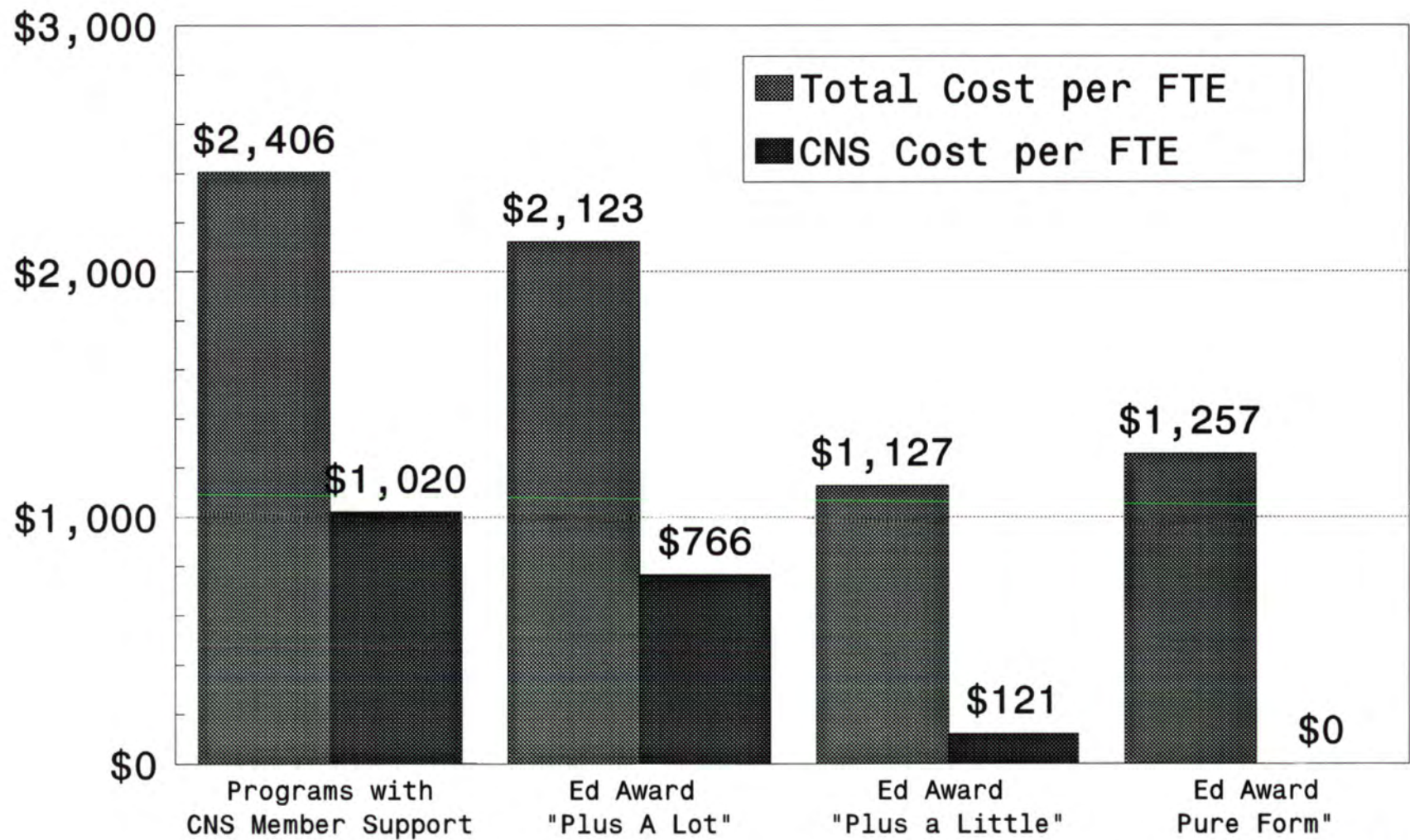
B. Other Member Costs in Education Award Only Programs



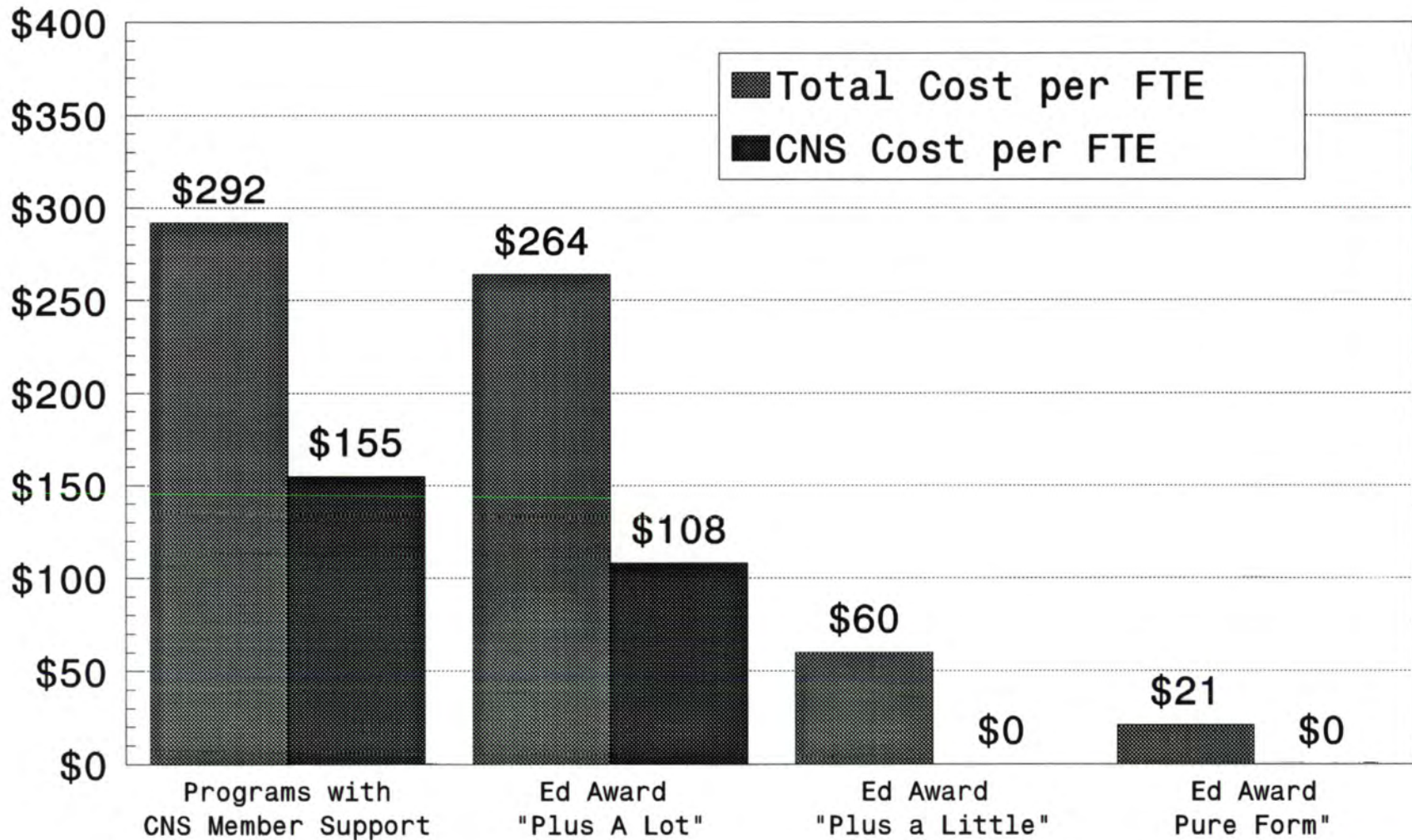
C. Staff Costs in Education Award Only Programs



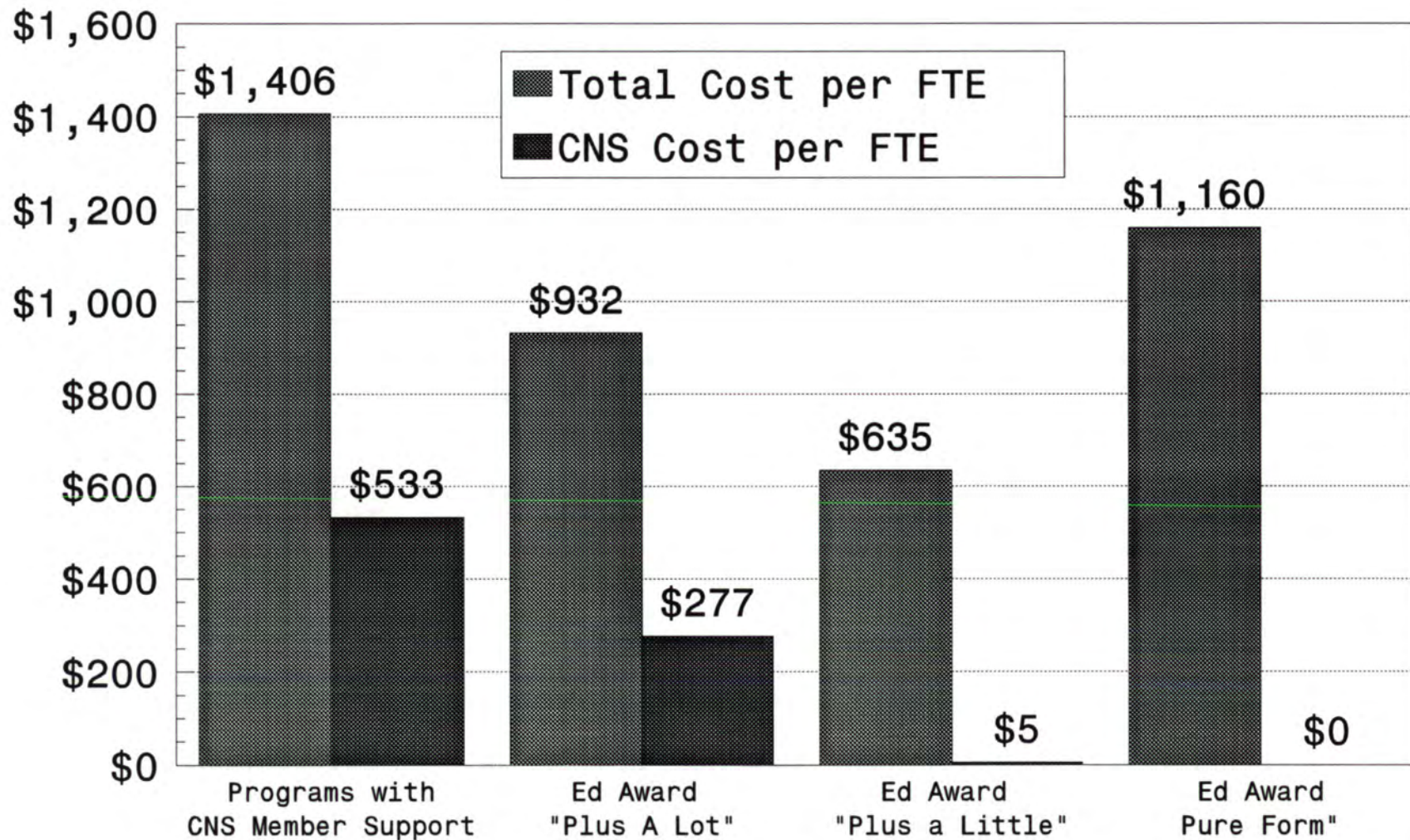
D. Operating Costs in Education Award Only Programs



E. Internal Evaluation in Education Award Only Programs



F. Administrative Costs in Education Award Only Programs



MEMO

TO: Shirley Sagawa
FROM: David Rymph
DATE: April 17, 1996
SUBJ: Cost Data and Part Time Participants

Here are some things I have learned about the relationship between cost and level of part-time participants.

1. **Level of Part-time Participation is not a strong predictor of cost in AmeriCorps*State and National programs.** There are lots of factors that have much more impact on cost than part-time participation. These other factors include: paying a stipend or not, national vs. state, renewals vs. new, residential vs. non-residential, and priority area. Given all that,
2. **In certain situations, part-time participation is associated with higher costs per FTE, both total and to the Corporation.** In a certain type of program -- State programs paying members a stipend, renewed in 95, non-residential, and not having an education priority, of which there are 59-- ten programs were identified in which the level of part-time participation does relate to cost. Ten programs in which most members were part-time had a much higher cost per FTE than did 49 programs with a majority of full-time members. The attached table shows these data and the ten programs with their cost per FTE.
3. **In certain situations, part-time participation is associated with higher staffing costs per FTE.** To simplify the analysis and to focus it, I eliminated from the data set some types of programs that have the most impact on cost, but are few in number. These include: 17 programs that do not pay a stipend, 6 residential programs, and 26 Ed Award only programs. This left a set of 360 programs to represent a more "normal" profile of AmeriCorps*National and State programs. In this new set, level of part-time participation is associated with both higher total staff costs per FTE and the CNS share of those staff costs. That is, the more part-time members a program has, the higher the staff costs per FTE.

In this same data set, another factor associated with staffing cost was urban-rural differences, both overall and for the CNS share of that cost. Urban programs have higher staffing costs. When this factor is allowed for (held constant), part-time participation still influences staff costs. And, there is no relationship between urban-rural and part-time participation.

4. **In certain situations, part-time participation is associated with higher operating**

costs. Looking at the same 360 programs as in the previous point, programs with a majority of part-time participants had higher total operating costs per FTE than did programs with a majority full-time. In this case, however, the CNS share of that cost had no relationship to level of part-time participation.

Other factors associated with operating costs include these: programs with an education priority have lower operating costs and programs with an environmental priority area have higher operating costs.

Attachment

cc: Tracy Gray

Average Costs per FTE

PROGRAMS WITH AND WITHOUT A MAJORITY FULL-TIME MEMBERS

Includes Only: State Grantees
 Programs paying a stipend to members
 Renewals in 95
 Non-residential programs
 Programs without an education priority

Budget Category	Majority Part-time Members (N=10)		Majority Full-Time Members (N=49)	
	Total Cost per FTE	CNS Cost per FTE	Total Cost per FTE	CNS Cost per FTE
A. Member Support Costs	\$ 8,221	\$ 5,879	\$ 10,351	\$ 6,942
B. Other Member Costs	2,334	835	1,212	580
C. Staff	8,466	4,606	5,384	2,858
D. Operating Costs	5,686	1,776	2,350	890
E. Internal Evaluation	298	38	248	148
F. Administration	2,962	577	1,332	546
Total Costs	\$ 27,967	\$ 13,710	\$ 19,820	\$ 11,964

The ten programs with a majority part-time participants with their average total cost per FTE:

<u>Project Name</u>	<u>Total Cost per FTE</u>
United Way, Saginaw (MI)	\$ 18,563
Union City Daycare (NJ)	22,879
Kansas State University	23,040
Hawaii Lawyers Care	25,886
Montgomery County Policy	28,745
San Diego State University	29,235
Michigan State University	29,546
Shreveport Green (LA)	29,757
Exchange Club (TN)	32,412
Corp. for Public Mngt. (MA)	39,603