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[Loose Material - Reauthorization Group] [1]

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Shirley 10/30

KEY QUESTIONS FOR REAUTHORIZATION BILL

In each case, I tried to keep in mind that even if we want to change policy we may not want to replace one prescription with another. Even in the areas of reform, like the fixed grant, we may want to simply get rid of the existing language about matches rather than insert detailed new language about fixed grants.

Combined Reauthorization -- Do we want to merge the NCSA and DVSA reauthorizations?

- Keep them separate
- Merge everything into one bill
- Explore merging authorizations while maintaining separate appropriations
- Keep separate authorizations but make statutory changes to make programs more consistent

The Competitive Pool -- Do we want to keep it? If so, with changes? If not, do we want to make changes in the terms of the formula pool? If we try to put "quality" into the formula, how do we do so?

- Keep law as is
- Keep competitive pool but tie money to commission performance instead of individual program proposals
- Eliminate competitive pool and give out 2/3 of the money through the current formula
- Eliminate competitive pool, give out 2/3 of the money through formula but change the formula to include bonuses for program quality
- Give Corporation authority to decide through regulations

The 20% Solution -- If we distribute 2/3 of the money by formula, then we could also try a novel approach to improving quality without micromanaging: require that each state turn over at least 20% of their programs each year. This will force them to weed out bad programs more aggressively, and will free up money for new proposals. It would force programs to improve quickly lest they fall below the 20% line.

- Yes
- No

The State Office Structure -- Do we want to keep them? Do we want to change their role? If so, what?

- Keep existing structure and division of labor with commissions
- Have commissions make program decisions for all programs. Have state offices act as the Corporation's monitoring arm for all programs.
- Eliminate state offices and put savings towards increasing state commission staffs
- Give Governors the choice of whether to use the commissions or the state offices (Michelle Engler proposal)
- Give Corporation full authority to decide

Learn and Serve Structure -- Should funding continue to go through the existing streams? Should it be given to the commissions? Should more of it go through community groups instead of schools?

- Keep as is
- Have commissions do it, while giving SEA voting representation
- Have SEAs distribute the money but increase the percentage going through community groups
- Have SEAs distribute the money but decrease the percentage going through community groups
- Give Corporation authority to decide

Consistency -- If the DVSA and NCSA are kpet separate, what areas should be made consistent?

Areas of inconsistency among VISTA, AmeriCorps state/national and NCCC

- Living allowances
- Education awards
- Perception about "direct vs. indirect" service
- Rules about receiving government aid
- Fundraising
- Hours counting
- Quota for low income (NCCC)
- Anti-poverty emphasis

Cooperation -- If state offices and commissions remain separate are there ways the law could make coperation easier?

- No
- Allow for sharing of fice space
- Allow for sharing of staff
- Other

Fixed Grants -- Do we want to change the law so we can go to a pure fixed grant system?

- Keep as is
- Change law to require fixed grant
- Change law to give Corporation flexibility to do fixed grant

Government Benefits -- Should national service participants be eligible for welfare?

- Cannot get living allowance in addition to welfare
- Could get housing aid
- Could get housing and medicaid
- Could get housing, medicaid, and food stamps
- Could get housing, medicaid, food stamps and AFDC
- Could get any form of public aid

Hours -- Should we keep the 1,700 hours requirement for fulltime service?

- Keep as is
- Use VISTA model (24 hour a day)
- Keep minimum hours but increase them
- Keep minimum hours but disallow training as countable "indirect service"
- Eliminate indirect service
- Give Corporation authority to set hours

Hours - parttime -- Should we keep the 900? hour requirement for parttime service?

- Keep as is
- Eliminate it
- Give Corporation flexibility to decide
- Give commissions flexibility to decide

Commissions - Composition -- Should we keep current law about composition of the commissions?

- Eliminate prescriptive slots except for general statement about being bipartisan and diverse
- Keep prescriptiveness but change the slots
- Give complete flexibility to governor
- Keep as is

Corporation Board -- Should the board have the same requirements for composition as the state commissions?

- Keep as is
- Make it same as state commissions
- Make some areas consistent but nother others

Commissions -- Legal Status -- Should any changes be made to encourage states to set up commissions as non-profits?

- Keep as is
- Increase incentives
- Decrease obstacles
- Require them to be set up that way

Terms of Corporation Employment -- Do we want to make any changes in the personnel system? Give Corporation broad authority to design consistent personnel system for all employees

- Keep as is
- Require renewable contracts
- Exempt Corporation from certain rules like bumping

Contracts -- Are there statutory changes that could make it easier to do procurement and hiring?

- Keep as is
- Model after some other more independent agency (RTC? Sallie Mae?)

Fundraising -- Are there any statutory changes that would make it easier for programs to raise money?

- Keep as is
- Allow AmeriCorps to fundraise
- Prevent VISTAs from fundraising

Privatization -- the Presidio -- Are there any statutory changes that would make it easier to persue our desired plans on the Presidio?

Areas of service -- Could we get rid of all those detailed presecriptions about where AmeriCorps members must serve?

Ed Award Escalator -- Could we tie the ed award to 80% of the veterans benefit?

Term Limits for Programs -- Should there be a limit on how long a program should get funded? If so, should it be for all Corporation programs?

- Keep law as is
- Write term limits
- Give Corporation authority to do term limits
- Give state commissions authority to do term limits

Privatization of the Corporation -- Should we propose privatization as part of our bill? If so, what should it look like?

- Privatize program side
- Privatize evaluation
- Privatize evalaution and program
- Create "endowment"
- Privatize everything
- Privatize nothing
- Commission a study

Trust Fund -- Are there changes in the law that would make the trust fund more effective?

Keep as is
Allow trust fund money to be used for National Service Scholars and other scholarships
Allow trust fund to be used for "fellowships" that include stipends and education awards

NCCC?

Evaluation ?

from e-mail

CORPORATION FOR NATIONAL SERVICE

MEMO

To: Shirley Sagawa, Executive Director

From: Reauthorization Working Group - Decentralized Delivery System

Re: **Draft Report** of the December 14-15, 1995 Working Group Meeting

Date: January 29, 1996

Thank you very much for inviting our group of 16 State Corporation Office Directors and State Commission Executive Directors to meet from December 14-15, 1995 on reauthorization issues concerning a decentralized delivery system.

Attached, you will find two documents which comprise our current **draft** report on the work we believe we accomplished during that meeting:

- **Summary Recommendations** - a 4 page review of recommendations upon which we had the most agreement
- **Appendix A** - a detailed set of edited minutes from the meeting

While we believe that the meeting was productive, it did not allow us enough time to identify all of the recommendations we would like to share with you and the Reauthorization Strategy Working Group. Thus, please consider this report a **draft**.

However, thanks to the Kauffman Foundation, we plan to meet again in mid-February to continue our work and to complete a final report of recommendations. Since we will share this draft with our constituents before that meeting, we will also be able to incorporate their input into the final report.

In the meantime, we would like you and the Reauthorization Strategy Working Group to consider the points raised in this first report - those presented in the minutes as well as those mentioned in our summary. We also welcome any opportunity to dialogue about this draft with the Reauthorization Strategy Working Group, Chief Executive Officer Wofford or any one else you desire. Please feel free to share these documents with whomever you believe should receive them. While they are labeled **DRAFT**, we do consider them public information within the CNS network at this time since they will be shared with our constituents.

If you have any questions about the attached documents or our next steps, please do not hesitate to contact Nancy Deaver (State Commission Executive Director/Oklahoma), Zeke Rodriquez (State Corporation Office Director/Oklahoma) or Steve Schad (State Commission Executive Director/Missouri). They will be organizing our next meeting. You may also contact Margaret McLaughlin, our Dec. 14-15 meeting facilitator, about the process by which these documents were developed.

Again, we thank you for this opportunity to work on the reauthorization issues surrounding a decentralized delivery system. Our commitment to working together remains strong.

cc: Debbie Jospin, Diana Algra, Mal Coles, Gina Fulbright-Powell, Margaret McLaughlin

DRAFT REPORT - 1/29/96

SUMMARY RECOMMENDATIONS:
REAUTHORIZATION ISSUES SURROUNDING
A DECENTRALIZED DELIVERY SYSTEM:

A working group of 8 State Corporation Directors and 8 State Commission Executive Directors met for 8 1/2 hours from December 14-15, 1995 to review the Corporation's current delivery system and to make recommendations on its effectiveness to the Reauthorization Strategy Working group and CEO Harris Wofford. The members of this group included:

State Commission Executive Directors	State Program Directors
Dave Crowley/KY	Jorina Ahmed/PA
Nancy Deaver/OK	Gayle Hawkins/CA
Frank Dirks/MI	Vin Marzullo/RI
Linda Forsyth/CA	John Miller/WA
David Karoff/RI	Mike Murphy/WI
Kate Mehr/MA	Mary Pfeiler/MI
Marlis Miller/OR	Zeke Rodriquez/OK
Steve Schad/MO	Betsy Wells/KY

By the end of the meeting, members were able to come to some general agreement on recommendations concerning four basic reauthorization issues. These recommendations are presented in this summary under the following sections:

Part 1) the principles by which a decentralized system should be developed,
Part 2) the basic components of that decentralized system,
Part 3) the contextual realities which inhibit or support a decentralized system, and
Part 4) the basic structural tenets of that system.

Consensus alluded the group, however, about what the delivery system should actually look like and who would staff it. Major questions remain which need to be addressed before that consensus can be reached. These questions are mentioned in Part 5 - Sticking points and unresolved questions.

Because of its commitment to further discussion, the group decided to consider this report a "continuous" working draft . As such, it may be shared with our constituents as well as the Reauthorization Strategy Working Group and other CNS staff. After receiving input from constituents, group members will meet again in mid-February for further deliberations and the development of a final report of recommendations.

Part 1. Principles For Designing a Decentralized Delivery System

Group members brainstormed - and agreed in general with - the following principles by which a delivery system should be designed. We answered the question: What should be remembered when designing this system? Undergirding these principles was the general belief that the design should rest in the hands of the Corporation, not Congress.

1. Increase flexibility in exchange for accountability to deliver high quality programs with measurable results

2. Increase communities' capacity to sustain the involvement of a continuum of service opportunities including L&S, AmeriCorps* VISTA, NSSC, NCCC, AmeriCorps*State/National
3. Break down barriers which separate programs and inhibit holistic programs
4. Promote a system that has the support of private, public and non-profit sectors
5. Maximize cost-effectiveness
6. Strive toward consumer oriented management
7. Increase focus on part-time opportunities to meet locally identified needs; consider stipended and non-stipended opportunities
8. Develop a system which will be politically viable
9. Build program/partnership sustainability
10. Be Mission driven, not program driven
11. Ensure that every "program"/partnership generates new volunteers

Part 2. Components of a Decentralized Delivery System

A discussion of the aforementioned principles led us to decide that we wanted a **decentralized** delivery system that would be sensitive to our current system while synthesizing its effective aspects. Following is a list of components within that system. While we reached general agreement about the list, there was some dissent about particular items on it.

1. Get rid of national T&TA and fold it into PDAT (50% of this responsibility might be with the Commissions and 50% with the State Corporation Offices)
2. With National Directs, CSOs and State Commissions should decide jointly on the workload to administer and monitor these. 33% of federal funds to National Directs is too high. CNS/HQ support for National Directs should be moved to the field.
3. State Commission administrative funds should be allocated based on a formula incorporating both the number of programs and members/volunteers, not just population
4. State Plan should be jointly developed by State Commission and State Corporation Offices and include the State Education entity and other community service organizations, as necessary.
5. State Corporation Office should maintain responsibility for management of AC/VISTA and NSSC resources.
6. State Plan goes to the service center or Cluster Director, not CNS/HQ
7. State Commissions approve AmeriCorps awards, not CNS/HQ, with copy to Corporation State Office, Cluster and HQ of what has been approved.
8. L&S would fall under the jurisdiction of Commissions, not CNS/HQ. Local collaboration should be with State Department of Education; Higher Education institutions apply to Commission, not CNS/HQ
9. Make the State field structure be the T&TA structure (See #1 in this section)

Part 3 - Contextual Realities

We were reminded that there exist field realities which have to be recognized when designing this delivery system. Following are those we labeled as contextual realities.

- **Political reality** affects the delivery system
  1) It is difficult to develop a system with a state focus when the political environment at the national level impacts on the state.
  2) Non-partisanship must happen but is difficult to accomplish.
  3) There are constraints within state bureaucracies affecting the delivery system.
  4) Changes in governors can impede and add instability to a delivery system.

5) The advantages and disadvantages of block grants must be considered
6) There are strong interests supporting various components of the current system

- **A long-term perspective** in developing a delivery system is necessary but difficult to take and maintain
  1) A bi-partisan organization must exist to adapt to political changes.
  2) Greater flexibility/decision-making must be inherent in the system to allow for long-term changes.
  3) Barriers to state flexibility in conducting long-term planning must be removed. (A listing of these barriers follows.)
- **Barriers to state flexibility** must be eliminated. These are:
  1) Commissions can't sponsor programs. Can that change legally?
  2) Federal employee status/role does not allow staff to be flexible in their assignments. Can Corporation State Office staff work more closely with Commissions?
  3) Office co-habitation/co-location restrictions on State Corporation Offices and Commissions due to "conflict of interest" inhibits collaboration. We must remember that State Commission are grantees of CNS. Can that change legally?
  4) Decision-making resides at CNS/HQ - This must go to states.
  5) States should determine quality standards. This could be done in collaboration with HQ.
  6) HQ's role in reviewing state plans needs to be relevant to state progress on plan rather than to such operational details as program requirements, i.e. 20 members, etc.
- **Strengths in the current system do exist** and should be retained
  1) Maintain effective parts of existing system.
  2) Integrate quality aspects of the delivery system.
  3) Retain autonomy at state level for cost effectiveness.
  4) Use state plan as an integration tool.
  5) CNS structures should be de-compartmentalized.
- **Concerns of Seniors** must be considered.
- Delivery systems now labeled dual delivery really are **multiple delivery.** We are inaccurately labeling the problem. For example, confusion occurs across the multiple delivery systems for AmeriCorps* State/National, AmeriCorps*VISTA and L&S programs.
- Underlying the contextual realities is the question: Is it safe to wish for **alternative structures** while **retaining cooperation?**

Part 4 - Basic Tenets

While recognizing the contextual realities cited above, we recommend consideration of the following general, **structural tenets** during any reauthorization discussion on the delivery system. While there was basic agreement on these tenets, consensus again alluded us.

- A **commission** (at the state level) should be responsible for the **process** by which the delivery of national and community service programs in the state is determined.
- A **commission** should reflect the **composition** of the state's communities
- A **State Plan** should be developed by Commission and Corporation State Office staff with State Education representatives and others interested in community and national service. This state plan would include clear, measurable action steps.
- **Incentives** should be offered to promote collaboration between Commission and State Corporation offices.

- A **continuum of field structure** options to comprise a delivery system should be determined at the state level.
- The State Plan should become the **funding mechanism** for community and national service programs in the state.

Part 5 - Sticking Points and Unresolved Questions

Raised during our more animated discussions, the following points and unresolved questions underline the difficulty we had in reaching consensus on a structure for a revised decentralized delivery system.

1. **Point**: Collaboration among all parties interested in national and community service must be intentional but not restrictive or limiting to the state's flexibility in determining its direction. This applies to CNS programs as well as to others in the state. It was proposed that the "**process**" of collaboration may be more important than a "structure" which brings Commissions and State Corporation Offices collaboratively together under one roof.
Question: Is it possible to retain the autonomy of the State Corporation Office's role over DVSA programs and the Commissions' role over NSTA programs while promoting collaboration and cost-effectiveness?

2. **Point:** The **mechanism** to design a delivery system in each state could be decided upon within and by each state. What that mechanism does should also be determined at the state level recognizing the different funding sources for various CNS programs. Some states may desire a new public entity, others commissions, others a non-profit entity, and others an already existing public service department. Some may want to retain the current Corporation State Office structure; others may want to combine it with current Commissions; others may ignore both. Regardless of the ultimate structure, the decision on who designs the form and function of a delivery system should be made at the state level. In addition, it was recommended that "quality standards" be developed collaboratively by all partners - including state representatives and national staff - to help determine the appropriate structures and ability of offices to operate effectively.
Questions: Can NSTA and DVSA programs come under one state-determined entity despite different funding systems (state versus federal)? Could they ever be combined? How could the current delivery system and CNS/HQ accommodate the variety of delivery systems possible across the country?

3. **Point:** If current commissions are retained in states, their **membership** should include representatives of all CNS programs (RSVP, FGP, SCP, AmeriCorps* VISTA, AmeriCorps* State/National, NCCC, and L&S) and others such as the State Education Agency, etc. This would allow for a seamless system of information sharing and planning among programs at the state level. Differences emerged about what other functions the groups could collaborate on without being duplicative. Regardless, if a commission is formed, it may be that it would have ultimate approval of the state plan with input from all Corporation streams and Corporation State Offices.
Question: Who would have the final responsibility for CNS programs in each state? What does final responsibility mean? What functions of the delivery system could be consolidated and how?

In addition to these recommendations, we request consideration of our opinions about the overall goal of a delivery system and the pro's and con's of our current system. These opinions are detailed in their respective sections of Appendix A - Meeting Minutes:

1) the **goal** of quality programs (Section #4),
2) the elimination of the **negative aspects** of the current system (Section #2), and
3) the retention of the **positive aspects** of the current system (Section #2).

<u>DRAFT</u> REPORT -1/29/96

APPENDIX A:
Delivery System Working Group
MEETING NOTES
December 14 - 15, 1995

A working group of 8 State Corporation Directors and 8 State Commission Executive Directors met for 8 1/2 hours from December 14-15, 1995 to review the Corporation's current delivery system and to make recommendations on its effectiveness to the Reauthorization Working group and CEO Harris Wofford.

The members of this group included:

State Program Directors	State Commission Executive Directors
Jorina Ahmed/PA	Dave Crowley/KY
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John Miller/WA	Linda Forsyth/CA
Mike Murphy/WI	David Karoff/RI
Mary Pfeiler/MI	Kate Mehr/MA
Zeke Rodriquez/OK	Marlis Miller/OR
Betsy Wells/KY	Steve Schad/MO

In attendance were:
Debbie Jospin, Chief of Staff
Gina Fulbright-Powell, T&TA
Margaret McLaughlin, T&TA

Based on an organizational development framework, the meeting covered seven agenda items: 1) Expectations of the meeting, 2) Assessment of current delivery system, 3) Principles of a model CNS delivery system, 4) Characteristics of a model community demonstrating development, 5) Contextual resources and constraints impacting a model delivery system, and 6) Recommendations.

Throughout the meeting, we returned to the framework to keep us on track.

Additional issues arose in the meeting which referred to topics outside the delivery system. These are listed at the end of these notes in Section 7.

Following are brief introductions to each topic and the edited newsprint notes per topic. Each section is labeled as containing either brainstormed or consensus comments to convey an accuracy of the group's overall opinion.

<u>Section 1. EXPECTATIONS</u>

A. State Corporation Directors and Commission Executive Directors paired up to introduce themselves and to identify their expectations of this meeting. Following are the expectations raised.

WHAT WILL MAKE THIS MEETING GO WELL?

- Find positives, common ground and unity of direction - Remember our common mission is community service
- Total honesty and respect for confidentiality within the corporation
- Capitalize on work of Corporation
- Put ideas on the table in a forthright and honest way
- Recognize that L & S resources are underutilized
- Identify and develop a sense of strength of all programs
- Come to a consensus on administrative structure
- Take best resources of Corporation and Commission offices to better support field
- Open dialog
- Lay on table that agency needs strong leadership
- Resolve problems which have led to the funding of L&S, AmeriCorps and State Commission Administrative grant applications being so long in coming
- Work more closely together between Commissions and Corporation
- Get ideas out and reach a better understanding
- Frank discussion of ways we have worked well together - Bring forth issues
- Suggest more funding for Demonstration Projects
- Work better to join service projects and programs
- Practitioners settle on common ground, then bring in governors on mission, movement, and what is acceptable
- Find common ground and vision to present united front to Congress

B. A discussion followed on the confidentiality of this group's work. It was decided that any reference to individuals (within or outside the group) would remain confidential but that the general topics discussed and final report would not be.

Section 2. ASSESSMENT OF CURRENT SYSTEM

We then brainstormed the positive and negative characteristics of the current delivery system. There were differences of opinion on several of these characteristics.

Nonetheless, this listing enabled us to determine generally which aspects should be changed and which retained. We did agree that we should build a delivery system based on effective structures already existing.

WHAT ARE THE DAY TO DAY OPERATIONAL PROs and CONs In The CURRENT SYSTEM?

+ (PROs)

- The public perceiving us as lean and efficient.
- Subtitle H giving us a focal point by which we can think holistically.
- Positive chemistry between Commission staff and Corporation State Offices promoting collaboration. Some ingredients of that chemistry are:
  - Trust
  - Egos folded in back pocket!
  - Co-locating offices.
- A planning process for the State Plan where Commission and Corporation State Office already collaborate.
- Responsiveness of HQ/CNS to change and continuous improvement (a respect of the constituency voice).

- State Plan containing <u>objective (measurable)</u> aspects_
- HQ/CNS staff being polite and responsive.
- Measurable objectives' process spreading to other organizations.
- Continuing to apply TQM /Business continuous improvement to CNS
- Bringing together different constituencies.
- Citizen commissions and the process by which they participate, particularly when they are highly representative and include knowledgeable members
- Commission as public or non-profit entity
- Funding mix
- Ability to identify quality service opportunities

<u>- (CONs)</u>

- Lack of respect for Corporation state offices and cluster directors
- Lack /unequal amount of resources (human and financial) for Corp. state offices
- Lack of mechanisms to share resources
- Lack of cross communication
- Lack of focal point between Commissions and CNS
- Duplication of functions between commission and CNS/HQ staff
- No real role defined for relationships between AC/National Directs, Corporation State Directors and Commission EDs
- Washington D.C. structure doesn't foster field collaboration or engender trust
    - Reservation of power by HQ staff of CNS undermines field staff
- Individual offices at HQ for L&S, VISTA, AmeriCorps* NSSC are confusing
- Lack of integrated planning - lots of planning documents
- Micro management - AmeriCorps POs read QRs but so do commissions
- Redundant work, i.e. re-reading applications at state and HQ levels
- Timelines not coherent - need to be streamlined
- Corporation structure is too centralized
- Having State Corporation on board doesn't facilitate the coming together with commission
- Prohibition on sharing staff between Commission and Corporation State offices, i.e. receptionist...
- Perception of state offices as stodgy, old bureaucrats with fiefdoms
- CNS HQ physical set-up at HQ - office space separates AmeriCorps* State/National programs from VISTA, NSSC, etc.
- Structure has not allowed joining of programs and how money can be used across them
- States can't build own networks
- Data collection not synthesized by HQ and given back to States
- Lack of acknowledgment of VISTA years of experience with TQM
- Programs too focused on direct services compared to capacity building
- Don't have ability to provide/get non-profit management training
- Current models restrict creativity (direct service vs. capacity building -AmeriCorps* State/National vs. VISTA)
- Need one logo - stop being three separate programs in print
- Recent HQ video has <u>no</u> seniors present and is too youth focused
- Not able to incorporate Volunteer Action Centers in current structure
- There are non-essential regulations
- The process of citizen participation on Commissions is not working in all states. In some, participation is not appropriate; in others, the process does not function.
- Required match in small states can not be met
- Comparison of AmeriCorps to Peace Corps is not valid or necessary

Section 3. PRINCIPLES AND COMPONENTS OF A DELIVERY SYSTEM

A. Going back to the meeting's organizational framework, we brainstormed the principles by which a delivery system should be designed. What should be remembered when designing that system?

A comment was made that the design of this delivery system should rest in the hands of the Corporation, not in the hands of Congress.

A. Principles

1. Increase flexibility in exchange for accountability to deliver high quality programs with measurable results
2. Increase communities' capacity to sustain the involvement of a continuum of service opportunities including L&S, AmeriCorps* VISTA, NSSC, NCCC, AmeriCorps* State/National
3. Break down barriers which separate programs and inhibit holistic programs
4. Promote a system that has the support of private, public and non-profit sectors
5. Maximize cost-effectiveness
6. Strive toward consumer oriented management
7. Increase focus on part-time opportunities to meet locally identified needs; consider stipended and non-stipended opportunities
8. Develop a system which will be politically viable
9. Build program/partnership sustainability
10. Be Mission driven, not program driven
11. Ensure that every "program"/partnership generates new volunteers

B. A discussion of one of these principles led us to decide that we wanted a **decentralized** delivery system which could both synthesize and be sensitive to our current system. Following is a list of components mentioned in our description of a decentralized system.

B. Components of a Decentralized Delivery System

1. Get rid of national T&TA and fold into PDAT (50% of this responsibility might be with the Commissions and 50% with the State Corporation Offices)
2. With National Directs, CSOs and State Commissions should decide jointly on the workload to administer and monitor these. 33% of federal funds to National Directs is too high. CNS/HQ support for National Directs should be moved to the field.
3. State Commission administrative funds should be allocated based on a formula incorporating both the number of programs and members/volunteers, not just population
4. State Plan should be jointly developed by State Commission and State Corporation Offices and include the State Education entity and other community service organizations, as necessary.
5. State Corporation Office should maintain responsibility for management of AC/VISTA and NSSC resources.
6. State Plan goes to the service center or Cluster Director, not CNS/HQ
7. State Commissions approve AmeriCorps awards, not CNS/HQ, with copy to Corporation State Office, Cluster and HQ of what has been approved.
8. L&S (Comunity-based, K-12, and Higher Education) would fall under the jurisdiction of Commissions, not CNS/HQ. Local collaboration should be with State Department of Education; Higher Education institutions

apply to Commission, not CNS/HQ
9. Make the State field structure be the T&TA structure (See #1 in this section)

Section 4. Characteristics of a Model Community Manifesting Community Development

Grounding ourselves again in our meeting's framework, we discussed what our delivery system should accomplish at the community level. What is the **goal** of the quality programs we deliver? What would a community look like as a result of our having delivered quality programs?

The following is our brainstormed list of characteristics of that community.

The Characteristics of a Community Where Problems are Solved: "Home Town CNS"

- Strong community/School partnerships engage students in community service.
- Universities are interlinked with communities.
- Corporations are involved in community service activities organized through money and people/volunteers.
- Local government agencies are involved.
- Agencies know what other agencies and community based organizations are doing.
- There are strong incentives to collaborate/partner.
- Strong role exists for private and non-profits entities to participate.
- Programs reflect ethnic, economic, age diversity of community.
- Organized labor involvement is present.
- Service learning would be part of school curriculum.
- Problems are actively solved, economic opportunity is enhanced, and affordable housing exists.
- Infrastructure and coordinating mechanisms are available to support these efforts.
- Public/private funders collaborate.
- Service is inter-generational, not categorized.
- Resources are available to support programs.
- Community considers volunteerism as a serious approach to problem solving.
- Elected officials champion community service.
- Community recognizes service with, not to, recipients/beneficiaries.
- Service provides opportunity for reflection.
- Local community decides what the problems are and how they should be solved.

Section 5. CONTEXTUAL REALITY

Several members of our group expressed a need to be more realistic about accomplishing the meeting's task; i.e. making recommendations on the CNS delivery system. While it may have been helpful to discuss the ideal community, principles and system, we were reminded that there was a reality in the field which had to be recognized in designing any delivery system.

Following is a list of those contextual realities.

Contextual Realities

- **Political reality** affects the delivery system

1) It is difficult to develop a system with a state focus when the political environment at the national level impacts on the state.
2) Non-partisanship must happen but is difficult to accomplish.
3) There are constraints within state bureaucracies affecting the delivery system.
4) Changes in governors can impede and add instability to a delivery system.
5) The advantages and disadvantages of block grants must be considered
6) There are strong interests supporting various components of the current system

- A **long-term perspective** in developing a delivery system is necessary but difficult to take and maintain
  1) A bi-partisan organization must exist to adapt to political changes.
  2) Greater flexibility/decision-making must be inherent in the system to allow for long-term changes.
  3) Barriers to state flexibility in conducting long-term planning must be removed. (A listing of these barriers follows.)

- **Barriers to state flexibility** must be eliminated
  1) Commissions can't sponsor programs. Can this change legally?
  2) Federal employee status/role does not allow staff to be flexible in their assignments. Can Corporation State Office staff work more closely with Commissions?
  3) Office co-habitation/co-location restrictions on State Corporation Offices and Commissions due to "conflict of interest" inhibits collaboration. We must remember that State Commission are grantees of CNS. Can this change legally?
  4) Decision-making resides at CNS/HQ - This must go to states.
  5) States should determine quality standards. This could be done in collaboration with HQ.
  6) HQ's role in reviewing state plans needs to be relevant to state progress on plan rather than to such operational details as program requirements, i.e. 20 members, etc.

- **Strengths in existing system do exist** and should be retained
  1) Maintain effective parts of existing system.
  2) Integrate quality aspects of the delivery system.
  3) Retain autonomy at state level for cost effectiveness.
  4) Use state plan as an integration tool.
  5) CNS structures should be de-compartmentalized.

- **Concerns of Seniors** must be considered.

- Delivery systems now labeled dual delivery really are **multiple delivery.** We are inaccurately labeling the problem. For example, confusion occurs across the multiple delivery systems for AmeriCorps*State/National, AmeriCorps*VISTA, and L&S programs.

- Underlying the contextual realities is the question: Is it safe to wish for **alternative structures** while **retaining cooperation?**

Section 6. RECOMMENDATIONS

In summary, we recommend a delivery system which considers our opinions on the:
1) **goal** of quality programs (Section #4),
2) **principles** (Section #3) for designing a delivery system,

3) elimination of the **negative aspects** of the current system (Section #2),
4) retention of the **positive aspects** (Section #2)
5) recognition of **context**ual realities (Section #5).

A. Basic Tenets While recognizing the contextual constraints cited in Section # 5, we suggest consideration of the following general, **structural tenets** during any reauthorization discussion on the delivery system. While there was basic agreement on these tenets, consensus still alluded us.

- A **commission** (at the state level) should be responsible for the **process** by which the delivery of national and community service programs in the state is determined.
- A **commission** should reflect the **composition** of the state's communities
- A **State Plan** should be developed by Commission and Corporation State Office staff with State Education representatives and others interested in community and national service. This state plan would include clear, measurable action steps.
- **Incentives** should be offered to promote collaboration between Commission and State Corporation offices.
- A **continuum of field structure** options to comprise a delivery system should be determined at the state level.
- The State Plan should become the **funding mechanism** for community and national service programs in the state.

B. Summary of Main Discussion Points and Questions

The aforementioned tenets came after a longer discussion on the differences among us concerning the structure of a delivery system and the roles Corporation State Offices and Commissions would play.

The following points and unresolved questions raised during this lengthy discussion underline those differences and their complexity.

Sticking Points and Unresolved Questions

The following points and unresolved questions raised during our lengthy discussions underline those differences and their complexity.

1. **Point**: Collaboration among all parties interested in national and community service must be intentional but not restrictive or limiting to the state's flexibility in determining its direction. This applies to CNS programs as well as to others in the state. It was proposed that the "**process**" of collaboration may be more important than a "structure" which brings Commissions and State Corporation Offices collaboratively together under one roof. **Question**: Is it possible to retain the autonomy of the State Corporation Office's role over DVSA programs and the Commissions' role over NSTA programs while promoting collaboration and cost-effectiveness?

2. **Point:** The **mechanism** to design a delivery system in each state could be decided upon within and by each state. What that mechanism does should also be determined at the state level recognizing the different funding sources for various CNS programs. Some states may desire a new public entity, others commissions, others a non-profit entity, and others an already existing public service department. Some may want to retain the current Corporation State Office structure; others may want to combine it with current Commissions; others may ignore both. Regardless of the ultimate structure, the decision on who designs the form and function of a delivery system should be made at the state level.

In addition, it was recommended that "quality standards" be developed collaboratively by all partners - including state representatives and national staff - to help determine the appropriate structures and the ability of offices to operate effectively.
Questions: Can NSTA and DVSA programs come under one state-determined entity despite different funding systems (state versus federal)? Could they ever be combined? How could the current delivery system and CNS/HQ accommodate the variety of delivery systems possible across the country?

3. **Point:** If current commissions are retained in states, their **membership** should include representatives of all CNS programs (RSVP, FGP, SCP, AmeriCorps* VISTA, AmeriCorps* State/National, NCCC, and L&S) and others such as the State Education Agency, etc. This would allow for a seamless system of information sharing and planning among programs at the state level. Differences emerged about what other functions the groups could collaborate on without being duplicative. Regardless, if a commission is formed, it may be that it would have ultimate approval of the state plan with input from all Corporation streams and Corporation State Offices.
Question: Who would have the final responsibility for CNS programs in each state? What does final responsibility mean? What functions of the delivery system could be consolidated and how?

Section 7. ISSUES

While mentioned in relationship to the delivery system, the following comments were seen by us to refer to other CNS management issues as well. They are separated from the main body of the report for consideration outside any delivery system discussion.

- Get rid of the Presidio
- The structure of compartmentalization of L&S, AmeriCorps and NSSC prohibits collaboration at HQ as well as at the field level.
- HQs needs to link funding and accountability to the State Plans. This year's review of Commission State Plans did not seem to do this.
- We need models of effective working relationships between State and Commission offices. Perhaps we should study examples for next 6 months - i.e. sharing office
- During this reauthorization process, CNS should make the maximum number of changes in-house. Don't wait, allow or expect Congress to make them.
- States should be able to build upon their own infrastructure.
- CNS should address issues during the reauthorization process that don't require statutory change.
- CNS should allow states to shift applications to the appropriate stream of service - i.e. capacity building programs referred to VISTA - Maybe a hybrid application covering various streams could be developed.
- GC should allow an umbrella for the creation of models of cooperation.
- Look at regulations - take out everything that is not essential.
- Institutionalize the value of service related to funding/match ebb and flow of money related to long term commitment.
- Establish Commissions as 501 (c) (3)
- Ford Foundation Proposal. The air on this needs to be cleared. Frank Dirks will write a paper on the background and current status of this proposal.

Section 8. NEXT STEPS

- Type up newsprints and distribute 1st draft to group members
- This document becomes the basis for response for a 2nd draft

- Second draft then written for final feedback
- Third draft is shared with larger population
- Another meeting of this group will be planned for end of January or early February. Steve Shad in St. Louis, MO and Nancy Deaver in Oklahoma City, OK will take the lead on this. The meeting would cover reactions to the final draft and other delivery system reauthorization recommendations.
- Time Line:
  - 1st draft to group members by December 20
  - Back to Margaret by January 17
  - 2nd draft to group members by Jan 23rd
  - Back to Margaret by Jan 26th
  - 3rd draft to group members by Jan 30th

Cost Analysis of 1995 AmeriCorps*State and National Non-Profit Programs: An Investigation of the Relationship between Selected Program Characteristics and Total Cost per FTE and Corporation Cost per FTE

David Rymph, Director
Office of Policy Research
June 14, 1996

DRAFT

METHODS

Creating the Data Base for Analysis

This study looks at program characteristics and their influence on cost per FTE in AmeriCorps*State and National Non-Profit programs. Federal agency programs were excluded because they will not be a part of the Corporation's portfolio of programs in the immediate future. The data used for this study came from four sources:

(1) the Grant Application Review Process (GARP) data base
(2) grants data base
(3) AmeriCorps*State and National program officers
(4) the Office of Recruitment.

The variables used in the study from each of these sources are listed in the appendix.

The first step in creating the integrated data base for this study was to merge the GARP and grants data base into one file. Second, a listing of programs was provided to program officers who then coded each program for the presence or absence of a set of features (individual placements, for example). These data were then entered into the integrated file. Finally, the Office of Recruitment provided a list of traditional youth corps and a code for this was placed in the integrated file.

Statistical Analysis

These data were subject to a series of analytic steps that progressed from calculating frequencies, through correlations and analysis of variance, to multilinear regression analysis. Without going into detail, the intent of the statistics used was to narrow the range of program characteristics to those with the strongest relationships to total cost per FTE and Corporation cost per FTE. In a strong relationship, knowledge of one factor allows a better prediction of the level of another, in this study cost per FTE. By inference, the assumption is made that there may be a causal relationship between the predicting variable and cost.

A good example of this will be seen in the Findings where the payment of a stipend to a Member is shown to be the best predictor of cost. As will be shown, knowing this one factor alone the prediction can be made with some certainty that a program paying a stipend to members will cost, on the average, approximately $12,500 more than a program not paying a stipend.

Limitations

All cost and membership data reported in this study are estimates based on 1995 approved budgets for programs and other available data. Thus, all membership levels represent projected or planned enrollment and not actual. Cost estimates are planned expenses based on projected enrollment and do not reflect actual costs based on actual expenditures. Also, the data included in this study are based on information available at the time. That is to say that, while confidence can be placed in the general conclusions of this study, the absolute numbers may vary from data available through other Corporation sources.

In addition, the use of the term "program" in this study might have been more accurately labeled as "grant." This is to say that the same legal entity may receive more than one grant, but treat them as one program in an operational sense. In other cases, however, a legal grantee may receive multiple grants and treat them operationally as separate programs. Rather than take the time to sort this out, this study uses the grant as the unit of analysis and calls it a program.

Finally, the foundation for the study is an integrated data base on 392 operational, state and national non-profit program. Federal agency programs are excluded because they will no longer be funded as such by the Corporation beginning in 1996. These are all of the programs identified in the grants or GARP data bases that project at least some level of member enrollment in 1995.

FINDINGS

General Characteristics of AmeriCorps*State and National Programs in 1995

- The Corporation provided funds to 392 operating AmeriCorps*State and National Non-Profit programs in 1995. These programs enrolled 18,679 members, the average number of members per program was 3, and the program size ranged from five members to 900 members. See Chart 1 on the next page.

- Forty-four programs were national non-profits. The average number of members enrolled in these programs was 118, but this figure is deceptive because of the distortion in the mean caused by one large program with 900 members. The median size, 72.5 members, is more representative of national non-profits. The smallest programs had 20 members.

- There were 348 state programs with an average enrollment of 38.8. The median size was 27 members and programs ranged from a low of five to 414 members.

- The number of FTE enrolled in national non-profits averaged 90 with a median of 56. In state programs the average FTE enrollment was 30.5 with a median of 20.6.

- Fourteen programs of the 392 programs enrolled members without any support for living allowances. These programs include only 653 members. There were an additional eleven programs that, while paying a stipend, did not receive any Corporation support toward the living allowances. In all, there were twenty-five programs, enrolling 2,036 members, that could be classified as "Ed Award Only" because the Corporation paid no part of any living allowance for their participants.

- Two of the national non-profits were Ed Award Only programs -- Teach for America with 900 members and HIPPY USA with 115 members (but only 57.5 FTE). In both of these programs, members receive a stipend, but it is paid in the case of Teach for America by the local school system and in HIPPY by the local sponsor at the operating site. Twenty-three State programs were Ed Award Only.

Total Cost per FTE

- The total cost per FTE was $19,987 in all 392 operating programs funded in Fiscal Year 1995. See Chart 2 on the next page.

- Five program factors had a significant effect on total cost per FTE.

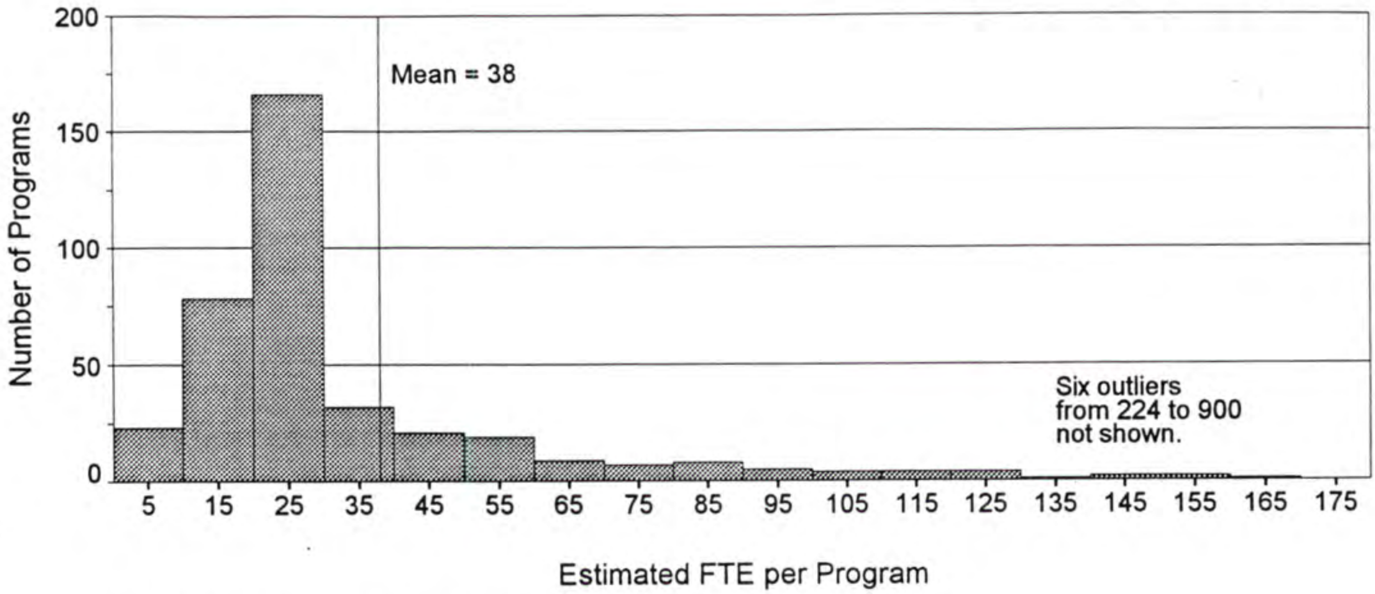
    (1) The most important factor was the payment of a stipend to members. The total cost per FTE in programs paying a stipend was $20,432 and only $7,952 in programs without stipends.

Chart 1

Estimated FTE per Program, 1995

AmeriCorps*State and National Non-profit Programs (N=392)

Office of Policy Research, 06/08/96



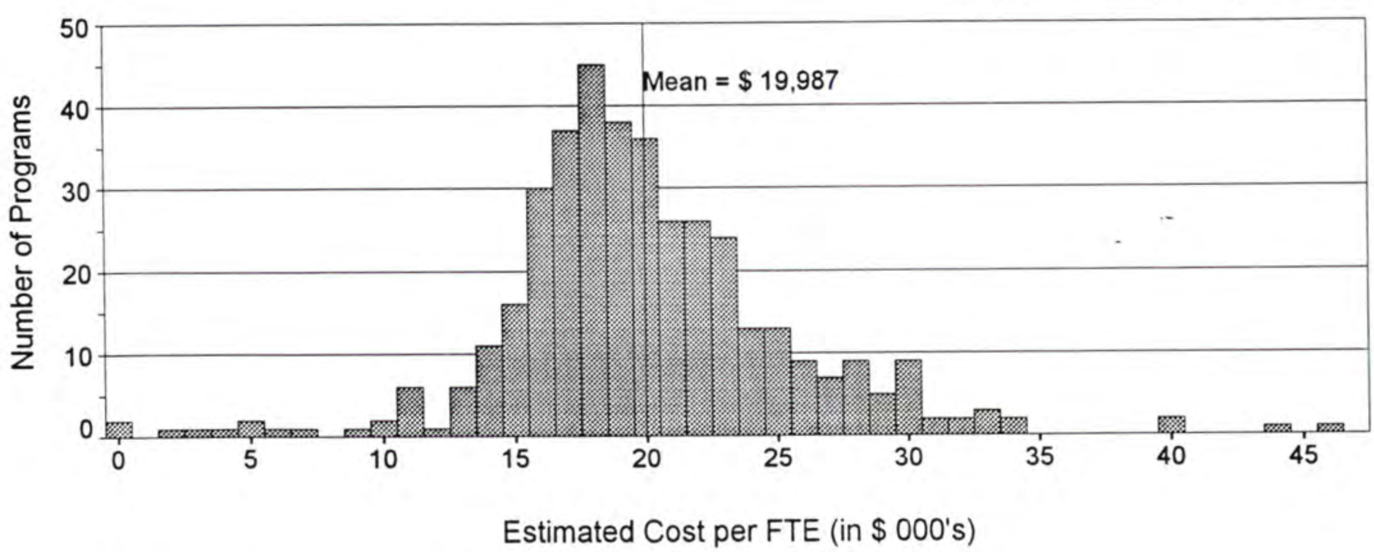
All operating programs except federal agencies.

Chart 2

Estimated Total Cost per FTE, 1995

AmeriCorps*State and National Non-profit Programs (N=392)

Office of Policy Research, 06/08/96



Cost estimates do not include Ed Award and Corporation overhead.

All operating programs except federal agencies.

(2) The second most influential factor was whether the program was funded through the national direct competition or through the states. National non-profits cost $22,810 per FTE, $3,500 more than the cost per FTE in state programs.

(3) The third factor came into play among state programs. Those state programs with only one priority, the environment, cost $ 23,395 per FTE, while those with other priorities (which might also include the environment) cost $18,986.

(4) The fourth factor was whether the grant was new in 1995. Among those state programs not devoted exclusively to the environment, programs funded by renewal grants cost $1,363 more per FTE than new grants.

(5) The fifth and final factor was education. State programs (falling among the renewals not exclusively environmental) with education as one of its priority areas, it cost $2,031 per FTE less than programs with no education priority.

The relationship among these five factors in shown in Chart 3 on the next page.

Cost to the Corporation per FTE

* In all 392 operating programs, the cost to the Corporation per FTE was $12,371.

* Three factors had a significant influence on these costs. Their overall relationships are shown in Chart 4 on page 7.

  (1) Most importantly, if a program was "Ed Award Only" (meaning that the Corporation paid no part of a member's living allowance), the cost to the Corporation per FTE was only $3,719. If, however, the program was not an "Ed Award Only", the CNS cost per FTE was $12,961.

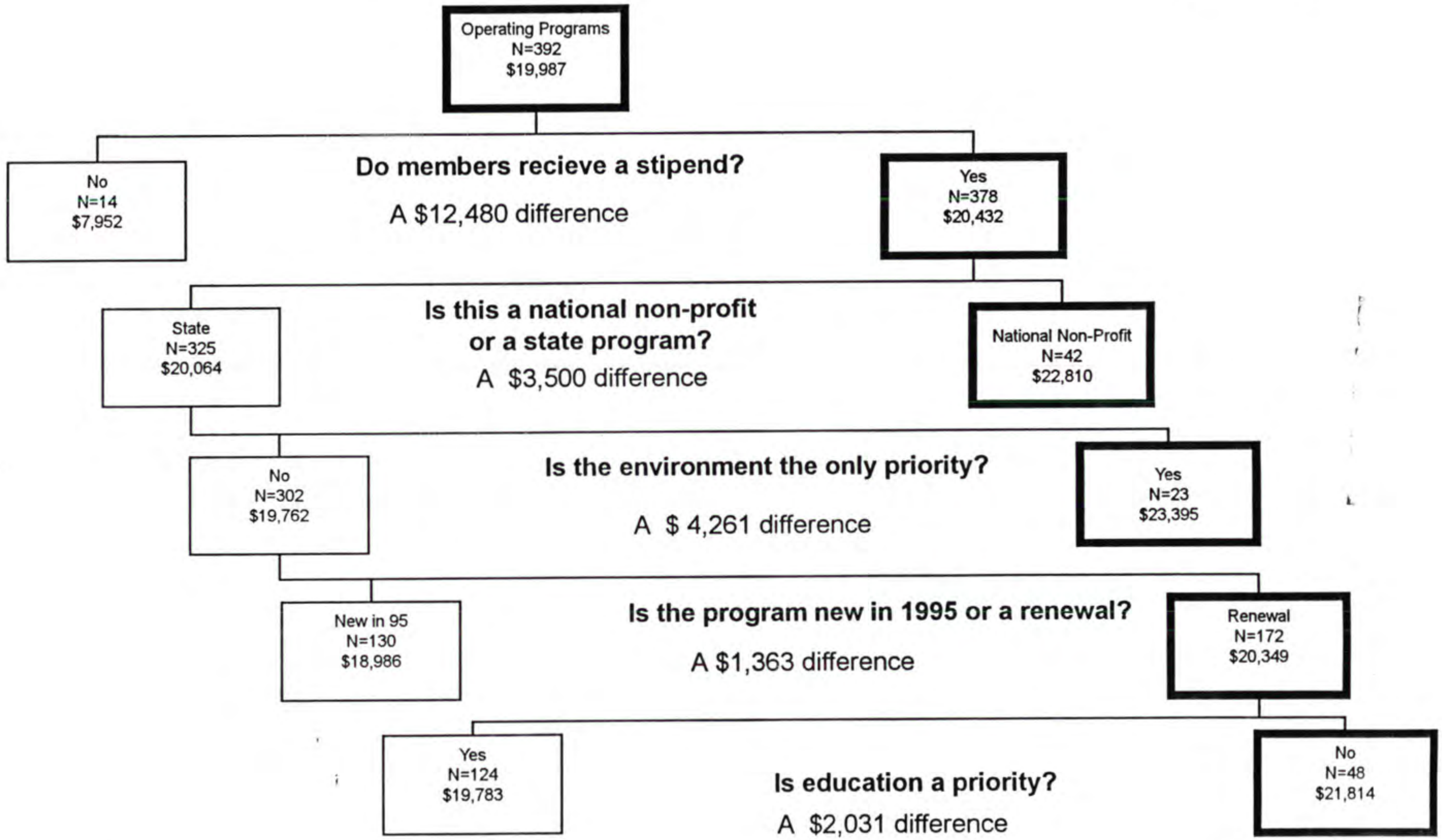
  (2) The second most influential factor was whether the program was a national non-profit or funded through the states. The Corporation cost per FTE was $1,358 more in the national non-profit programs than in the state programs.

  (3) The third factor was the size of the program, although it did take slightly different form depending on whether the program was state or national non-profit. Among the State programs, the Corporation's cost per FTE decreased as the number of members in the program increased. In the national programs, the influence came through the FTE count. The cost to the Corporation per FTE decreased as the number of FTEs grew. See Charts 5 and 6 on page 8.

Chart 3

Program Factors Associated with Total Cost per FTE in AmeriCorps*State and National Non-Profit Programs, 1995 (1) (2)

Office of Policy Research, 06/13/96

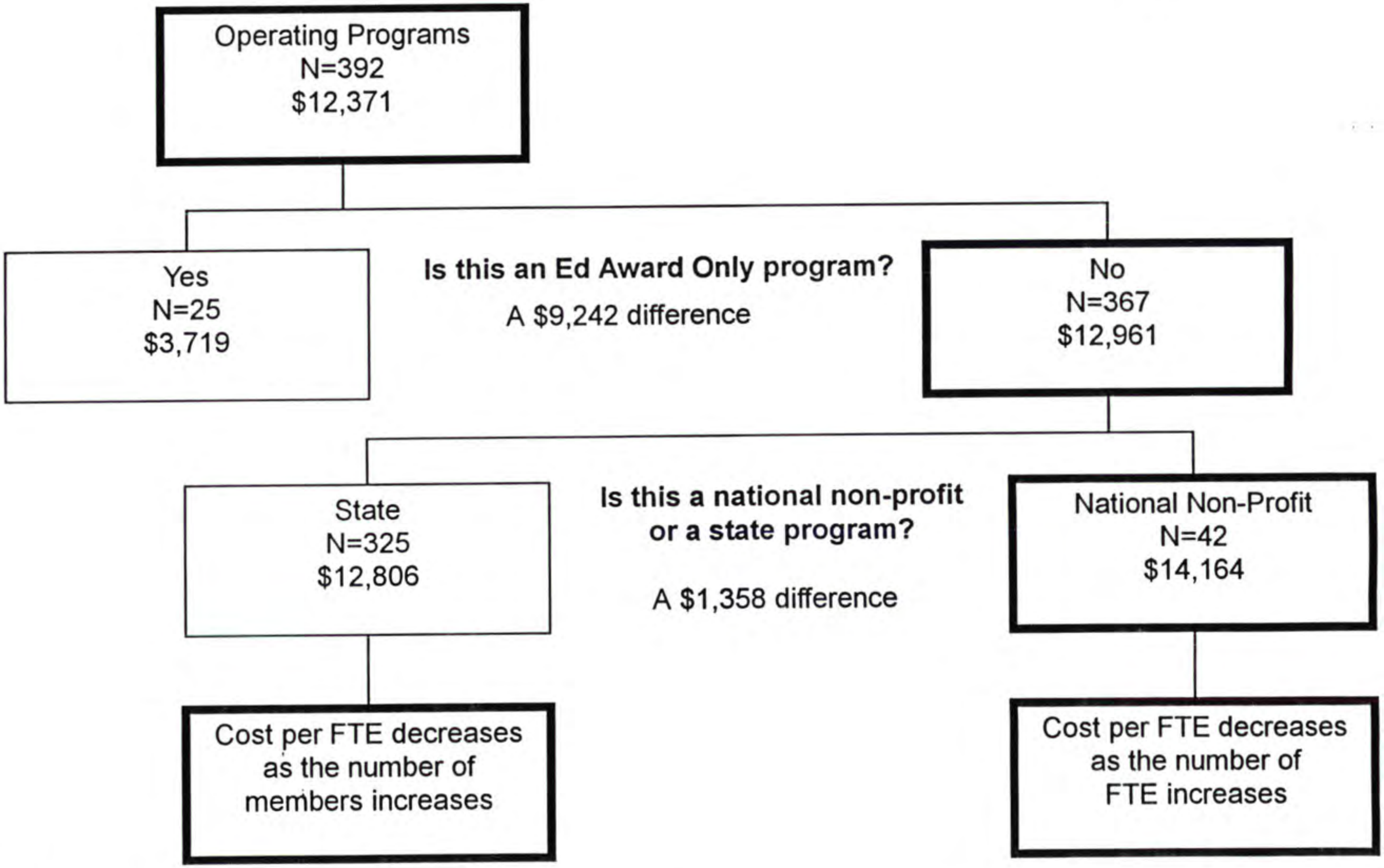


(1) Excludes federal agencies.
(2) Cost estimates do not include Ed Award or CNS overhead.

Chart 4

Program Factors Associated with Corporation Cost per FTE in AmeriCorps*State and National Non-Profit Programs, 1995 (1)(2)

Office of Policy Research, 06/13/96

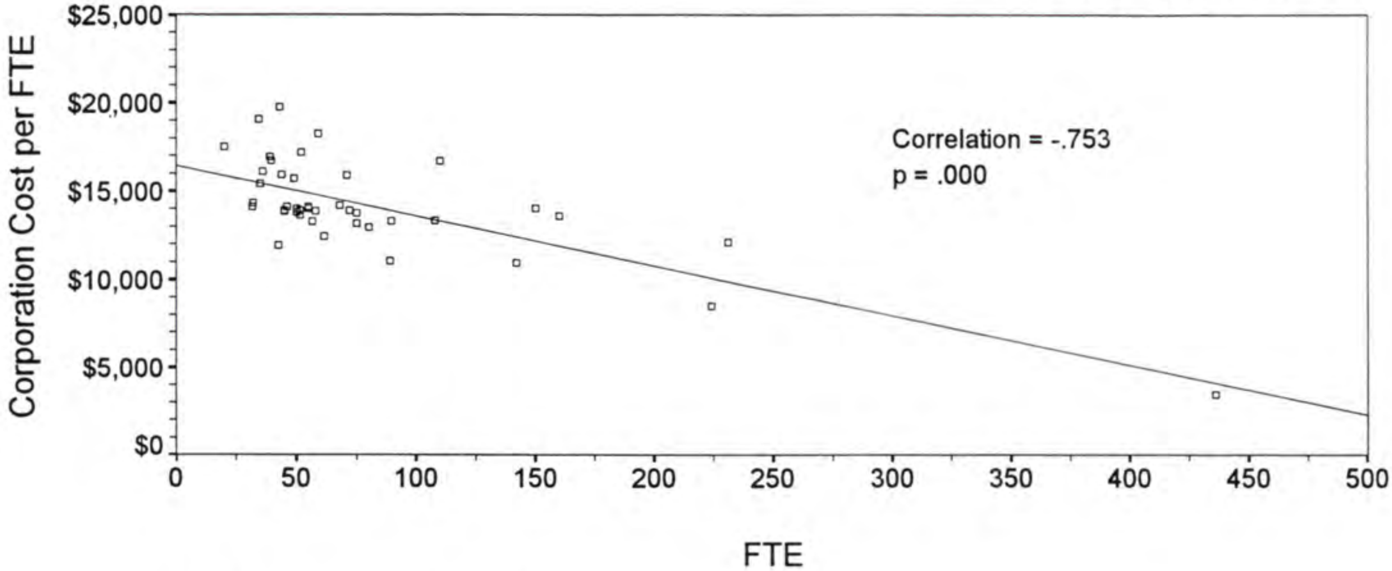


(1) Excludes federal agencies
(2) Cost estimates do not include Ed Award or CNS overhead.

Chart 5 **Number of FTE and Estimated Corporation Cost per FTE, 1995**

AmeriCorps*National Non-Profit Programs (N=42)

Office of Policy Research, 06/14/96

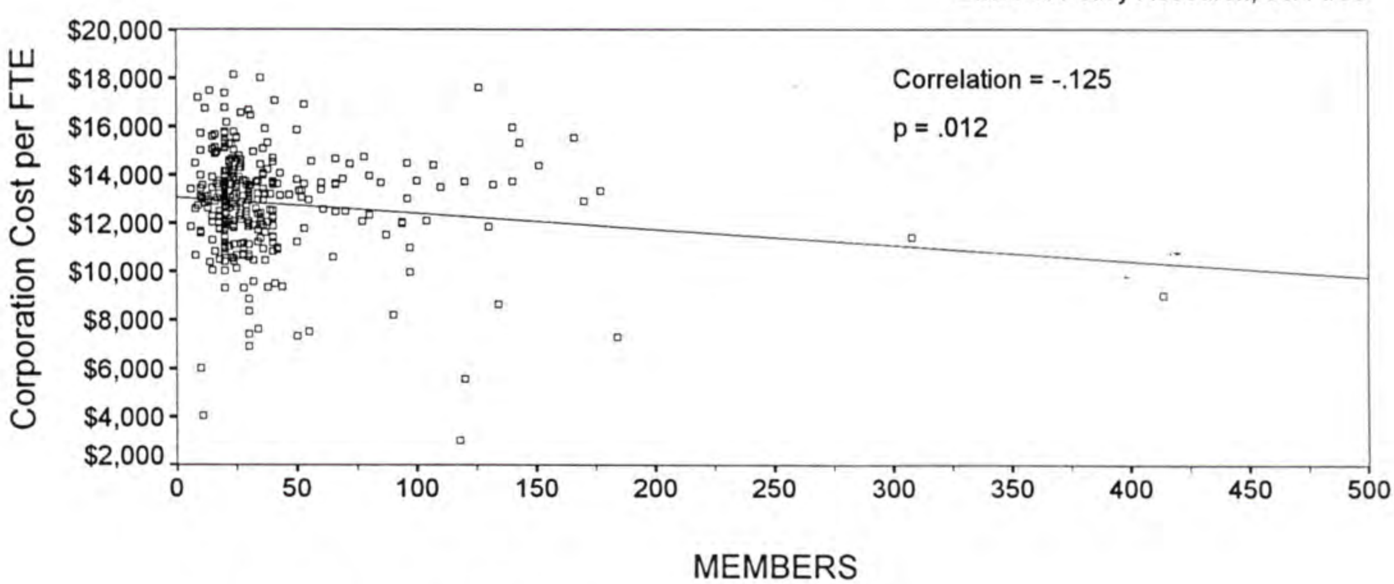


Cost estimates do not include Ed Award and CNS overhead.

Chart 6 **Number of Members and Estimated Corporation Cost per FTE, 1995**

AmeriCorps*State Programs (N=325)

Office of Policy Research, 06/14/96



Cost estimates do not include Ed Award and CNS overhead.

The Influence of Budget Components on Cost Differences

Each program budget has six components: member support (includes the living allowance), other member costs (training), operating expense, staff, evaluation, and administration. This six components can play significant roles in determining cost per FTE differences among program types.

Stipends and the Ed Award Only Category

* Of course, member support costs make the biggest difference between stipended and unstipended programs. In addition, however, administration costs in stipended programs ($1,407 per FTE) are more than double that of unstipended programs ($548 per FTE).

* In comparing Corporation costs per FTE between Ed Award Only programs and the others, the Corporation spends significantly more on staffing, operating, evaluation, and administration in non-Ed Award Only programs (and, of course, on member support). The Corporation's share of other member support costs, primarily training, is approximately the same in the two categories of programs. These differences are graphically portrayed in Chart 7 on the next page.

National Non-Profits and State Programs

* In their higher total cost per FTE, national programs spent significantly more than states on other member support, staffing, evaluation, and administration. See Chart 8 on next page.

* The Corporation invested more per FTE in national programs' costs for other member support, staffing, operating, and evaluation.

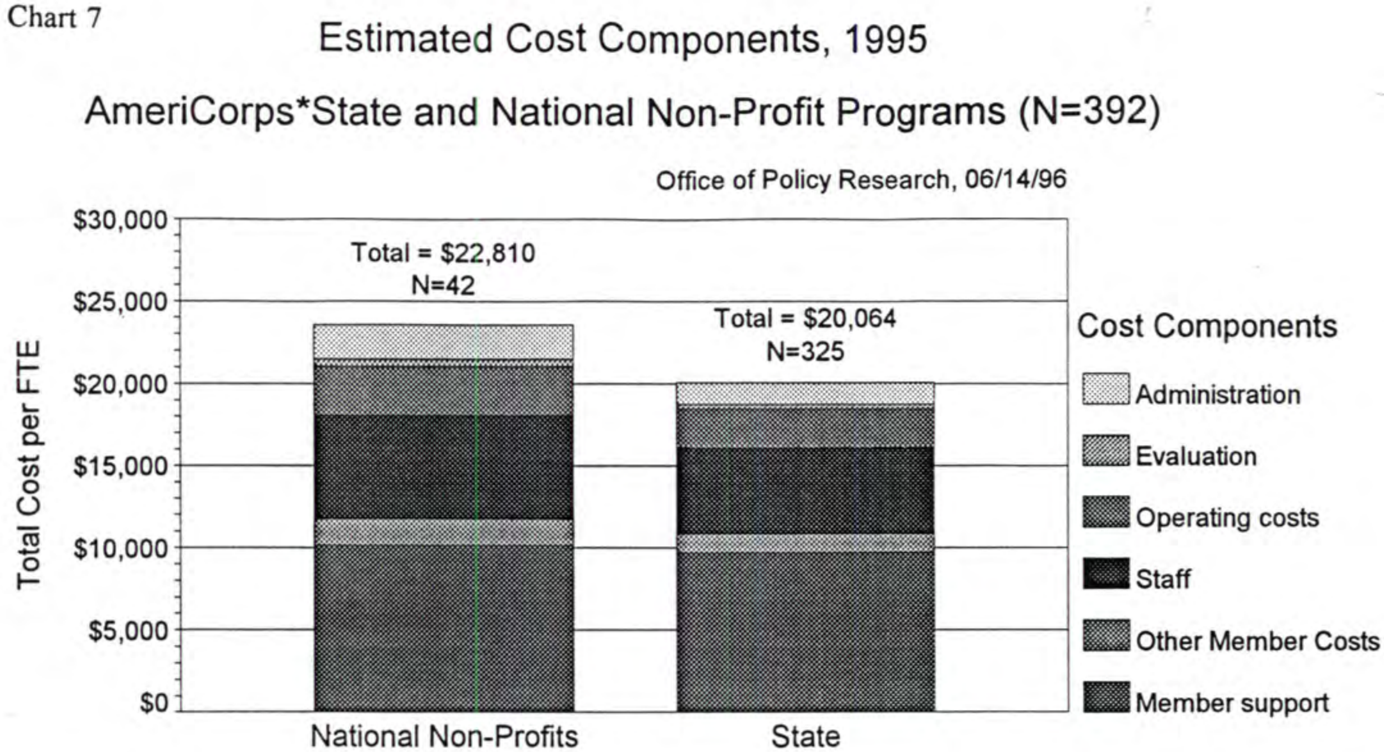
State Programs Exclusively Devoted to the Environment

* Programs with only an environmental priority spend significantly more than other programs in these areas: other member support, staffing and operating costs.

* Interestingly, the Corporation invests significantly less for member support and for administration in environmental programs than in other types of programs.

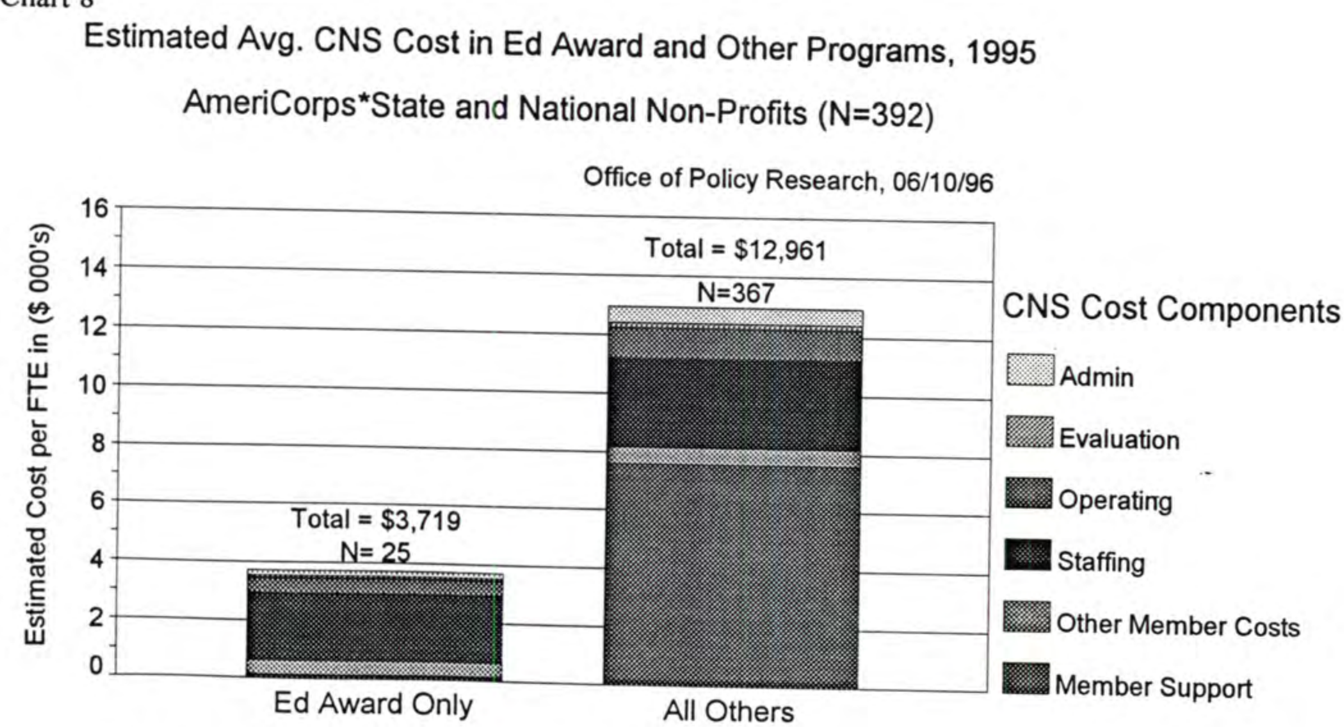
* Overall, the Corporation spends $667 less per FTE in exclusively environmental programs than in other types.

Chart 7



Cost estimates do not include Ed Award and CNS overhead.

Chart 8



"Ed Award Only" Programs receive no funds for stipends from Corporation, but may receive CNS support for insurance, FICA, etc.

Grants New in 1995 and Renewals

* Renewals spent more on other member costs and staffing, enough to make them significantly more costly overall than new programs.

* While the Corporation paid for a slightly higher share of member support costs in new programs, support to renewals for other member costs and staffing balanced this out so that Corporation investment was the same in the two categories of programming.

State Programs with Education as a Priority

* Among the 172 programs renewed in 1995, the one program factor that stands out is the education priority. There were 124 programs that marked education as at least one of their priority areas. These programs were significantly less expensive overall, a $2,031 per FTE difference, than the 48 programs lacking the education priority.

The Use of Cost Data in the Grant Review Process

While this study was underway, the Office of Policy Research was asked to review a few 1996 grant proposals. As part of this cross-read, a comparative approach was used that clustered programs by a few characteristics and then looked at how their costs looked.

In one case, Memphis City Schools, a marginal program, was examined by looking at how it compared in 1995 with the funded budget levels among a group of similar programs. Twenty-five programs were identified funded in 1995 that were: state programs, with stipended members, non-residential, education as the only issue area, and with a majority part-time members. These are arrayed on the next page.

This program's budget proposal for 1996 shows an estimated cost to the Corporation per FTE of $13,603. This is a substantial reduction from the 1995 budgeted CNS cost per FTE, $ 18,026. Note that the 1996 request level is higher than the median level of the 25 benchmark programs for last year.

This brief examples shows one way to deal with multiple program characteristics and allow for the possible interaction of several factors is to create clusters of like programs for comparison. This clustering technique is not restricted to cost comparisons and it could be extended to attrition, technical assistance utilization, or any number of factors.

Program	Total Cost per FTE	CNS Cost per FTE
Memphis City Schools	25794.46	18025.53
Sacramento County Office of Education	23414.19	16455.91
Public Education Fund	25538.49	15316.46
Anne Arundel Community College	22565.75	15089.90
Hawaii Department of Health	20568.65	13756.94
Youth Harvest Community Services	17231.80	13750.00
Martin University	17166.74	13716.37
Georgia School-Age Care Assoc	21723.33	13620.00
North Carolina State University	19631.27	13381.63
Cambridge Community Services	28365.27	13314.00
Lewis-Clark State College	22341.82	13264.62
Univ of North Carolina at Chapel Hill	22355.02	13158.69
Univ of Nevada, Las Vegas	18908.29	13124.63
Lincoln Univ	18627.88	12902.00
Community Resource Center	15707.54	12616.15
YMCA of Snohomish County	19189.70	12374.70
West Virginia Research Corp	29007.08	12342.00
Fort Wayne Community Schools	19395.00	12272.00
Rend Lake College/Southern Illinois	15186.70	12196.25
NC Center for the Study of Black History	14645.82	11732.59
Upper Cumberland Cty Comm Health	18834.50	11724.50
Eastern Michigan University	27552.32	11210.79
North Mississippi Regional Center	13764.37	10576.44
Fredricksburg City Public Schools	13428.35	10465.95
Dixie College	18350.25	10376.88

Conclusions

* Several program characteristics were found to have a significant influence on cost per FTE in AmeriCorps*State and National Non-Profit programs.

  -- Those factors with apparent, significant influence on total cost per FTE were:

    + payment of a stipend is more costly
    + national non-profits cost more than state programs
    + exclusive focus on environment as a priority area is more expensive
    + renewal grants cost more than new grants in 1995
    + education as one of the priority areas reduced costs.

  -- The factors that emerged as having a significant influence on Corporation cost per FTE were:

    + Ed Award Only programs cost a lot less
    + national non-profits cost more than state programs
    + program costs decrease as the number of FTE in national non-profits increases.
    + program costs decrease as the number of members in state programs increase.

  -- The role of program size is an interesting one. When looking at total cost per FTE, size not appear to be an important factor, but when focusing on Corporation cost per FTE it becomes central. One possible explanation is that the size of a program is related to the size and resources of the sponsoring institution. In larger programs with more resources, the Corporation does not contribute as large a share of the cost as it does in smaller programs with fewer resources. There may be other plausible explanation and this issue deserves further consideration.

* The study looked at the role of several factors that, in the end, did not show a significant relationship to cost. These included:

  -- grant review scores in 1995
  -- urban or rural differences
  -- percentage of full-time members
  -- use of individual placements
  -- geographic dispersion of members
  -- enrollment of at-risk youth
  -- residential programs
  -- mission of sponsor is primarily national service
  -- traditional youth corps.

* This finding does not mean that these factors do not have any influence on costs. Rather, it says that their influence may not emerge until other, more significant factors, are taken into consideration. Once these stronger factors are considered the significance of the remaining variables is difficult to identify.

* Budget components were found to have a significant influence on cost per FTE, but not all components have the same variability. The amounts that can be allocated for member support and administration are capped by regulation. Not surprisingly, these components show the least variability across programs. The other four components, however, other member support, staffing, operating, and evaluation costs show a much higher variation. This suggests that some savings might accrue by capping these components, either as a fixed amount per member, as in the case of member support, or as a percentage of the whole, as in administration funds. In other words, reducing the variation would reduce costs.

* One way to deal with multiple program characteristics and allow for the possible interaction of several factors is to create clusters of like programs for comparison. Using the data base, it was shown that some utility derives from clustering programs by common features. One of the examples compared costs in twenty-five state, non-residential programs with stipended, mostly part-time members, having education as the only issue area. This cluster used factors from both the significant set and the not so significant set as identified in the analysis.

Appendix

VARIABLES USED IN AMERICORPS*STATE AND NATIONAL COST ANALYSIS		
Source	Variable	Values
GARP Data Base	Type of grant	Federal Agency National Non-profit State Formula State Competitive
	Grant Review Score	0 to 100
	Year of Grant	Renewal in 95 New in 95
	Priority areas	Education Environment Human Needs Public Safety

VARIABLES USED IN AMERICORPS*STATE AND NATIONAL COST ANALYSIS		
Source	Variable	Values
Grants Data Base	Type of Award	Ed Award Only-CNS pays no member support Other-CNS pays some member support
	Urban or rural	Rural Both Urban
	Stipend	Members receive no stipend Members receive a stipend
	Fulltime Members - 1	Percentage of fulltime members
	Number of Ed Award Only Members	Number of full-time and part-time members enrolled as Ed Award only
	Fulltime Members - 2	Majority of members fulltime- yes or no
	Number of Members	Number of persons enrolled in program
	Number of FTEs	Number of members as FTEs
	Budget data	A. Member support costs B. Other member costs C. Staff D. Operating E. Evaluation F. Admin Total Cost
	Total Cost per FTE	Total Cost Overall per FTE Total Cost per FTE to CNS

VARIABLES USED IN AMERICORPS*STATE AND NATIONAL COST ANALYSIS		
Source	Variable	Values
Program Officers	Individual Placements	Program uses individual placements - yes or no
	Geographic Dispersion	Members' sites are geographically dispersed - yes or no
	National Service Programs	Program exists primarily as a national service program and not for some other purpose - yes or no
	At Risk Youth	Program enrolls at risk youth- yes or no
	Residential Programs	No residential component Partially residential Completely residential

VARIABLES USED IN AMERICORPS*STATE AND NATIONAL COST ANALYSIS		
Source	Variable	Values
Office of Recruitment	Youth Corps	Is program a traditional youth corps?

To: Mariah Nguyen
cc: Diana Algra
Shirley Sagawa
Miles Wilson

From: Barbara Agresti

Date: June 21, 1996

Re: Information on Living Allowance

I received your request at 4:00pm yesterday, June 20th, asking for a response by June 27th. Unfortunately, I am leaving this afternoon for vacation and won't be returning until July 1. So, taking into consideration my time constraints (which are very tight today), below is my quick attempt to provide you the information requested. It is not beautifully written, but it covers the basic facts. When I return, I will be more than happy to sit down with you and provide more information if necessary.

Public Allies -Chicago

For FY 1995 the living allowance was $14,800. Of this $14,800, $7,440 is paid by the host site/partner organization where the member is placed, $6,149 is paid by the Corporation, and $1,291 is paid by Public Allies.

For FY 1996 the living allowance has been decreased to $13,500. Of this $13,500, $8,500 (63% - a $1,100 increase from FY 1995) is paid by the host site/parent organization, $4,000 (29% - a $2,149 decrease from FY 1995) is paid by the Corporation, and $1,000 (7%) is paid by Public Allies.

Questions 1 and 2.
Public Allies' Board determines the living allowance and takes into consideration:

• how much money is needed to live safely in Chicago.

The Board feels strongly that for FY 1996 they are paying the minimal needed to live safely in Chicago.

• how much money is needed in order to attract the high caliber and diversity of member they desire and require for the program to be a success.

Public Allies has an extremely diverse Corps which contributes greatly to the success of their program and their impact on the city of Chicago.

(Member Profile: 33% African American, 30% Caucasian, 22% Latino/a, 12% Asian American, 3% Palestinian. 10% have a high school diploma or a GED, 35% have some college experience, 55% are college graduates. 55% F, 45% M. It should be noted that several of the members have children and some are single parents.)

• the high expectations they place on the members. Public Allies considers themselves a professional corp.

The members are expected to work 10-13 hours days.

• how much they can ask for in cash match from the host site/partner organization without creating a situation where small community-based organizations wouldn't be able to host a member.

> The Board feels that if they were to increase the cash match for the host sites that some of the community-based organizations they currently partner with would not be able to continuing hosting a member because they wouldn't be able to meet the match.

Public Allies justifies their living allowance being above $7,945 based on the above considerations, coupled with the fact that the match from the Corporation is so small.

Public Allies deciding to lower the living allowance for FY 1996 reflects:
- Public Allies 'giving' by responding to a concern of the Corporation
- The Public Allies AmeriCorps Members 'giving' by receiving a $100 less a month, and
- The Host Site 'giving' by providing a $1000 more in cash.

It should be noted that Public Allies was a Subtitle D grantee under the Commission for National and Community Service and the minimum living allowance for these programs were $9,100. Their program was designed around these guidelines.

It should also be noted that Public Allies has worked very hard to develop community partnership and create a program that the community wanted to invest cash funds into. Public Allies should be commended for the amount of cash support they leverage from host sites. They created a program which allows them to pay more than the $7945.

Though, Public Allies living allowance may be high, I think it is imperative that we also factor into the analysis the % of Corporation funds that are requested which in this case are extremely low.

The question that remains in my mind is: Should we focus on programs that are paying over $7,945 and perhaps 'make' programs who have created structures that allow the members to get paid more to change or sacrifice quality by paying a lower living allowance or should we focus on/analyze what the % of funds the programs are requesting for match from the Corporation.

Question 3
All full-time members are paid the same amount.

Question 4
Program doesn't have any part-time members.

Question 5
For further information, I would prefer that you wait until I return from vacation to gather it for you. If you can't wait, please know that I have developed a protocol with the Illinois Commission that I do not call their programs directly. Therefore, if you need additional information before I return, call the Commission and they will contact the program.

Illinois Dept. of Natural Resources - AmeriCorps RiverWatch Program
(please note the change in the program's name)

Since Public Allies is a competitive program and Department of Natural Resources is a formula program, I have much more information on Public Allies than the Department of Natural Resources.

For FY 1995 the program paid their FT members $9350 and their PT members $4950. The Corporation share is equal to 85% of $7945 for the FT members and 85% of $4206 for the part-time members. The remainder (27.8%) is paid with grantee funds.

For FY 1996 the program is proposing to have only FT Members and to pay these FT members $10,200. The Corporation share is 85% of $7945 ($6,753) and the grantee pays the remainder ($3,447).

Questions 1 and 2
It appears from the budget narratives that this program thinks through how much the living allowance should be in terms of how much the members should get paid an hour. (Keeping in mind that the program doesn't pay by the hour.) For FY 1995, 1700 hours/$9350 is $5.50. For FY 1996, 1700 hours/$10,200 is $6.00 per hour.

I am unaware who at the program level makes decisions about the living allowances and why initially it was decided to be over $7,945. If I were to take a guess, having not yet checked with the program, my guess would be that since all of the members in this program are students, this program may take into consideration what students earn at work-study positions on campus.

Question 3
All the FT members are paid the same amount.

Question 4
All the PT members are paid the same amount.

Question 5
As stated above, for further information I would prefer that you wait until I return from vacation to gather it for you. If you can't wait, please know that I have developed a protocol with the Illinois Commission that I do not call their programs directly. Therefore, if you need additional information before I return, call the Commission and they will contact the program.

I'm off to catch my plane. Hope it all makes sense. I don't have time to edit/polish, but the information is all correct.

Memo to Reauthorization Group from Myung and Stu

Monday, November 25, 1996

Following is a draft of the first of the "longer" memos to Harris about reauthorization; this memo details last Tuesday's day long meeting at the White House Conference Center. You may recall that we plan to give this memo to Harris to read over Thanksgiving.

Accordingly, please forward and edits to Stu by 9:30 Wednesday morning.

Thank you.

Memorandum to Harris Wofford

From: **The Reauthorization Group**
(Debbie Jospin, Myung Lee, Stu Loeser, Terry Russell, Shirley Sagawa, Jim Scheibel, Gene Sofer, Barry Stevens, Steve Waldman)

Date: November 27, 1996

As you may recall, the Reauthorization Group met for most of the day last Tuesday to begin to resolve the issues surrounding reauthorization of the national service acts. On Friday, we sent you a memo outlining the "big picture" considerations - streamlining some or all of our funding pools. (The text of that memo is included at the end of this document.)

This memo reviews the other topics the Group discussed last Tuesday, highlighting decisions that were made and outlining options for issues that remain undecided.

The Reauthorization Group met again yesterday. Shortly after the Thanksgiving holiday, we will present you with a memo outlining the results of this second day-long meeting.

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ISSUES ON WHICH THE REAUTHORIZATION GROUP IS PUTTING FORWARD OPTIONS FOR YOUR DECISION

INCOME DISREGARD

THE REAUTHORIZATION GROUP HAS NOT COME TO AGREEMENT ON THIS ISSUE.

DISCUSSION: The Domestic Volunteer Service Act has an "income disregard" provision which allows the VISTA living allowance to be disregarded when calculating eligibility for public benefits. Under the National and Community Service Act, a Member's living allowance is calculated as "earned income" for purposes of determining eligibility for any assistance provided under the Social Security Act (ex. Aid to Families with Dependent Children, Social Security Income, Social Security Disability Income).

AmeriCorps State and National programs have repeatedly asked that we amend the National and Community Service Act to allow for an income disregard. They argue that the calculation of the living allowance as income discourages or prohibits "welfare" recipients from participating in AmeriCorps programs and thereby hinders the programs from recruiting a diverse pool of Members. Additionally, and perhaps more importantly, Aid to Families with Dependent Children is provided to families and if an individual is deemed ineligible to receive that assistance, she may also lose child care and health insurance for her children. While AmeriCorps programs would pick up the child care costs, health care would not be provided to the Members' children.

Some of the Group argue that AmeriCorps Members should not be able to supplement their living allowance with any additional income, including public assistance. However, all agree that if we raise this issue with Congress to ask for a change for the AmeriCorps State and National programs, Congress may do the opposite of what the field is seeking and eliminate the income disregard provision for the VISTA Members. Because jurisdictional issues would make any change politically unlikely, **the Reauthorization Group is leaning towards recommending to leave the current system as is.**

TERMS OF SERVICE

THE REAUTHORIZATION GROUP HAS NOT COME TO AGREEMENT ON THIS ISSUE.

DISCUSSION: Currently, the two statutes dictate different lengths of time that an individual may serve as a participant in a particular stream of AmeriCorps service while receiving Federal benefits - living allowance, health care, child care. For example, the Domestic Volunteer Service Act permits an individual to serve as a VISTA for a total of 5 years. The National and Community Service Act, however, restricts individuals to only 2 terms of service as an AmeriCorps State/National Member. A term of service can be part-time, full-time or reduced part-time (ex. Summer programs). Similarly, the statute also restricts individuals who wish to serve with NCCC to two terms.

In all cases, an AmeriCorps Member - whether VISTA, State/National, or NCCC - may only receive education awards for the first two terms of service.

Several issues arise with regard to a Member's "term of service" and Federal benefits, including education awards.

Because a "term of service" is defined in the statute as being full-time, part-time or reduced-part time, a Member that has served in a summer program (reduced part-time) has "used up" one term of service for the purposes of Federal benefits and education award.

Staff agrees a system should be in place that is explicit about the total benefits permitted under each program and is consistent regarding limits on earned stipends, education awards, and other benefits.

Some staff argue that corpsmembers should be allowed to serve up to a total of two full-time-equivalent programs to eliminate our all-too-common "parity programs." This would allow for (for instance) two years of part-time service in a school with a full-time summer program for the students in between. More important, it would address the inequality of the "expanded opportunity" for a corpsmember who serves in a summer program and then a year in a part-time program. She would then be nudged out of the national service program having earned less than one full-time education award. This seems inconsistent with our mission of expanding educational opportunity, particularly because many feel the full education award is already too low.

Other staff argue against this, pointing out that (for instance) this would allow an individual to serve in a summer program every year between her sixteenth and twenty-fourth birthdays. In such a situation, it would be difficult not to develop a "jobs" mentality about national service. In addition, it would be inconsistent with the Corporation's mission of expanding educational opportunity if the same individual were permitted to serve for an extended period of time (while taking opportunities that would otherwise go to various individuals). Moreover, staff who hold this opinion argue that while we have had significant complaints from corpsmembers who were not aware of the limitations on benefits, most stem from poor communication in the early days of AmeriCorps that have now improved.

As a whole, the Group advocates a review of this issue, including administrative burdens on programs (e.g. record keeping) and Corporation staff (e.g. the National Service Trust).

RECOMMENDATIONS WHICH THE REAUTHORIZATION GROUP IS PUTTING FORWARD TO YOU FOR APPROVAL

AMERICORPS FIXED GRANTS AND MATCHING

WE ADVISE: **The Group recommends that the Corporation codify it current "fixed average/fixed grant" approach.** (For the next grant cycle, AmeriCorps State programs are required to meet a fixed average cost per Member with a cap on the maximum cost per Member for any individual program. National Direct programs have a fixed cap on cost per Member rather than a fixed average.) **In addition, the Group suggests the match requirements should be eliminated.**

DISCUSSION: Eliminating the match requirement may cause some to argue that we are retreating on our commitment to private sector support or keeping track of where the program funds are coming from. In reality, we are simplifying the system and reducing Washington-based micromanagement significantly. The set Corporation average cost-per-member, even at the current level, is low enough that grantees have to find other resources to operate the programs.

Liberalization of the structure would greatly enhance programs' fund raising potential, particularly if we were to make the Corporation's grant approximately the size of the AmeriCorps Members' stipend and benefits without requiring that Corporation dollars be used for those purposes. Grantees could have private sources fund what they (the private sources) are most likely to want to support - corpsmembers' stipends - than what they often have to now (administrative assistance and overhead).

The Group agrees that if we do keep the match requirements, the statute should be amended to require programs to match a percentage of our grant rather than a percentage of the program cost. This would bring us towards more accurate accounting and away from "total available resources" considerations.

The Group suggests Senior programs and VISTA should have a "challenge" grant to encourage a "match."

EDUCATION AWARDS

WE ADVISE: **The Group recommends we keep the education award amount at $4,725 but endeavor to make it "non-taxable"; amend the statute to expand the definition of "qualified student loans"; eliminate the cash stipend option for both AmeriCorps*NCCC and AmeriCorps*VISTA members; and continue to prohibit transferability of education awards for AmeriCorps members. If education awards become available for RSVPs, these and only these awards could be transferable.**

DISCUSSION: Retaining the current education award amount would prevent strong opposition from Veteran's groups and criticism that we're raising the cost per member.

At the same time, treating the education award like other non-taxable federal "awards" (e.g. Peace Corps readjustment stipend and Veteran's benefits) would represent a significant increase in the real amount awarded to national service participants without any increase in our cost-per-member calculations.

Because of the current statute's definition of "qualified student loans", some AmeriCorps Members were unable to use their education awards to repay loans that were clearly part of their approved financial aid package but were not made, insured, or guaranteed by the federal government. For example, a student loan made by the State of Alaska to a resident of Alaska is not a "qualified student loan" under the current definition. The Group agreed that the definition of student loans eligible for repayment should be slightly expanded, and has asked staff to research how to do so.

Currently, cash post-service benefit is available as an alternative to the education award for AmeriCorps*VISTA Members but not for participants in AmeriCorps grants programs. (The NCCC has authorization for cash awards but has opted not to offer them). Although the cash alternative benefits some who might otherwise not utilize an education award, staff is concerned about equity and consistency across programs.

The Group believes that responsibility and opportunity for one's self are fundamental tenets of the President's vision of national service, and the education awards should only be used by the individual who earned them.

However, if service as an RSVP is to qualify as an "approved national service position" (perhaps in certain demonstration programs), RSVPs who serve enough hours should earn education awards. Because all RSVPs are necessarily 55 or older, as a group they should be allowed to transfer the education award in relatives' (children, grandchildren, etc.,) names. (Payment directly to schools, approved lending institutions, etc. would be retained.)

MINIMUM HOURS OF SERVICE

WE ADVISE: **The Group feels strongly that the current requirements for AmeriCorps State/National and NCCC Members to serve at least 1700 hours for a full-time education award and at least 900 hours for a part-time education award be retained. The Group advises against changing the minimum hours required, and for bringing AmeriCorps*VISTA members under the same standard.**

DISCUSSION: The "1700 hours minimum" requirement was derived at in order to ensure that Members serve at least 35-40 hours per week during the 9 - 12 months of their program year. (Ex. In a 12 month program, a Member will provide an average of 38 hours per week with some "cushion" of approximately one month built in for illness, personal leave, etc.) Programs at the local levels require this degree of flexibility in design to determine the length of their program year because certain – e.g. environmental – programs are better suited to complete their program year in 9 months rather than 12 months. Requiring a number of hours greater than the 1700 hours would increase Member attrition and limit local control in program design.

Corporation regulations currently require programs to ensure that at least 80 percent of the aggregate number of service hours performed by Members (at least 1360 hours per Member) are on direct service activities. **To increase the number of direct service hours performed without decreasing the essential training and education provided to Members**, the Groups recommends that the 80/20 rule be changed to 85/15 (at least 1445 hours per Member) when our Regulations are re-written.

The Group considered an alternative fix – to **eliminate the reference to hours and replace with VISTA-type language about being on-call 24 hours a day**. This would get the programs out of the business of counting hours. However, without the minimum number of required service hours, programs might get more lax. Programs funded under the Commission on National and Community Service did not have minimum number of required service hours. Our experience shows that in situations where minimum number of service hours aren't required, programs often serve much less than 1700 hours. The 24 hours a day rule would also prohibit AmeriCorps members who need to take part-time jobs to help their families afford basic necessities from doing so. Experience shows that many will take extra jobs anyway. In fact, the Group recommends that for the reasons stated above (as well as for consistency), the Domestic Volunteer Service Act should be amended to require AmeriCorps*VISTA members to serve at least 1700 hours of service.

The statute should be amended to ensure that AmeriCorps Members are exempted from the Fair Labor Standards Act and similar State laws. Some programs are currently required, under State law, to treat Members as "employees" and to pay overtime, comp time and minimum wage.

COUNTING LIVING ALLOWANCE MONTHLY

WE ADVISE: **The Group agrees that the statute should be amended to designate an amount of living allowance distributed to an AmeriCorps*State or *National Member is based on a monthly basis rather than an annual basis in order to eliminate the disparities between different programs. AmeriCorps VISTA Members' living allowance should remain as is.**

DISCUSSION: Under the current statute, all full-time Members receive a statutorily determined minimum amount of living allowance per year. Because programs are permitted to determine the length of the program year and to distribute the total yearly amount over that length of time, Members may receive different amounts per month depending on the program design. (Ex. Based on the full-time living allowance provided to Members this year -- $7,945 – a Member serving in a 10 month program will receive $794.50 per month while a Member serving in a 12 month program will receive only $662 per month.) For the sake of retaining parity among programs, the Group recommends moving to a monthly scale.

DIRECT BENEFIT FOR FOR-PROFIT ORGANIZATIONS

WE ADVISE: **The Group suggests allowing AmeriCorps programs and Members to provide direct benefit to for-profit organizations under certain circumstances as described by the Corporation.**

DISCUSSION: The statute prohibits AmeriCorps State and National programs and Members from providing direct benefit to for-profit organizations. This prohibition becomes an issue with programs that work with partner organizations or host sites that are technically "for-profit" but are not really making any profit, such as home-based child care agencies, small family-owned farms, and micro-enterprise communities. Because staff believes the direct benefit in those situations go not to the "entity" but to those being actually served by the entity – the child being cared for is receiving the direct benefit from the AmeriCorps Member/program rather than the child care agency itself – we do not believe our programs are currently violating this prohibition. However, some may disagree with our interpretation of the law. Thus, we believe it would be beneficial to have specific statutory authority that allows the Corporation to permit programs to provide benefit to certain for-profit organizations. The Corporation, of course, would limit this as it sees fit.

FUND RAISING

WE ADVISE: **Allow grantees' staff to spend a certain amount of "AmeriCorps time" to raise funds from the private sector.**

DISCUSSION: Office of Management and Budget regulations do not permit federal funds to be used in raising funds for the grantee organization. This issue is a problem as we expect our programs to raise more private sector dollars. Staff recommends that we seek an exemption from this OMB regulation to allow program staff to raise funds. The restrictions on Members raising funds should be maintained.

DISABILITY FUNDS

WE ADVISE: **Broaden language in statute to include AmeriCorps State formula grantees and AmeriCorps VISTA projects and to ensure that programs make reasonable accommodations for leveraged volunteers as well as Members.**

DISCUSSION: The statute currently requires the Corporation to make disability funds available only to AmeriCorps State and AmeriCorps National Direct programs. The statute should be amended to include AmeriCorps State formula programs and AmeriCorps VISTA projects. Additionally, the language should be broadened to include volunteers generated by Members as well as the Members.

PAPERWORK REDUCTION ACT

WE ADVISE: **Amend the statute to reflect that the requirements of the Paperwork Reduction Act do not apply for the purposes of collecting statutorily required evaluation information from those who receive assistance from the Corporation.**

DISCUSSION: The timelines set forth in the Paper Work Reduction Act makes it difficult, if not impossible, for the Corporation to carry out certain evaluation requirements set forth by Congress (ex. Survey on Member demographics). Staff recommends that we seek an exemption from the Paper Work Reduction Act for the limited purposes of gathering information from grantees in order to meet Congressional requirements.

SENIORS PROGRAMS

WE ADVISE: **All Seniors programs should be required to re-compete every six years. We should lower the age of eligibility for participation in Senior Companions and Foster Grandparents from 60 to 55 years of age to match the eligibility requirements of Retired Senior Volunteers Program. General language which authorizes the Corporation to expand the different models of senior programs should be incorporated into the statute. The Trust should be amended to permit the Corporation to allow for limited transferability of education awards in cases where the recipients of the education award are older Americans serving in "approved national service positions" as RSVPs. We should delete statutory language that requires the Corporation to adjust any stipend or allowance provided to Foster Grand Parents and Senior Companions. We should also delete the**

provision maintaining a cap on evaluation funds at two and a half percent of all program administration funds. In addition, we should delete language giving State Units on Aging preferential treatment with regard to Retired Senior Volunteer Program projects.

DISCUSSION: To further infuse the Senior programs with outcome-based goals and overall quality – particularly in times of limited resources – we recommend having all Senior Programs re-compete for funds every six years.

In 1993, the age requirement for participation in RSVP was lowered from 60 to 55, with a preference given to the placement of volunteers aged 60 and over. The purpose of the change was to expand opportunities for volunteer service to younger retirees, to meet the growing interest of this age group in participation, and to enable projects to respond to needs in communities that could benefit by a younger cohort of seniors. A similar change is now needed for Senior Companions and Foster Grandparents.

Regarding the Education Awards, some staff are concerned that this may be seen by the Veterans community as being more than what is being offered under the GI Bill, because educational benefits provided under the GI Bill are not transferable. Other staff feel Veterans are much less likely to challenge Senior programs than AmeriCorps.

The Domestic Volunteer Service Act requires the Corporation to pay no less than $2.45 an hour to Foster Grand Parents and Senior Companions, and to adjust that amount, accounting for inflation, once prior to December 31, 1997. We recommend that this language be deleted.

Since Administrative funds for Senior programs are capped at 18% of total DVSA funding, we feel that with the 2 ½ percent cap, there are not enough funds to properly evaluate Senior Corps programs. There is some concern that some would oppose dropping this language because in times of program cutbacks, program money should not be diverted to evaluation. This could be somewhat mitigated by stating more clearly that Evaluation can be performed on all national service programs, not just AmeriCorps*National and State.

Under current law, State Units on Aging are (1) given preference for sponsorship of RSVP projects and (2) are afforded a 45 day review and recommendation period for RSVP grants. The Group feels that this section should be deleted especially because, as sponsors of Senior Corps programs, State Units on Aging could potentially face conflict of interest problems in having this kind of review and recommendation authority.

There is a concern that this amendment may pose problems on the Hill. However, OMB (implicitly, HHS)-approval may give us more leverage.

AMERICORPS*NCCC

WE ADVISE: **The Group suggests allowing the Corporation to limit the lower-boundary-age of AmeriCorps*NCCC members, eliminating the cash-out option, and empowering the Corporation CEO to make appointments to the NCCC Advisory Board while adding flexibility for more relevant board members. The Group also suggests cleaning up irrelevant and unnecessary, or language.**

DISCUSSION: The Group agrees that it should be the Corporation CEO, not the NCCC National Director, who should make the appointments to the Advisory Board. We also recommend adding individuals representative of "non-profit organizations and organizations with expertise in disaster relief" as recommended (but not required) Board Members to highlight the NCCC's disaster relief efforts and increasing public-private partnerships.

Unlike AmeriCorps*State and National, the NCCC's age limits are statutorily set at 16-24. Based on experience - particularly with labor laws and minors - we recommend giving the Corporation the discretion to limit participation to individuals 18 and above.

As discussed in the Education Awards section, the Group recommends eliminating the NCCC cash-out option, which it no longer offers in practice anyway.

The Group recommends exempting NCCC staff from the Fair Labor Standards Act relating to overtime. By treating the NCCC as an "organized camp" as defined in 29 U.SC. §213(a)(3), the NCCC would be allowed to operate a 10-month program and still qualify as an organized camp. We recommend replacing inexplicable NCCC language with Division C (AmeriCorps grants) language requiring that applicant "has received a high school diploma or its equivalent, agrees to obtain a high school diploma or its equivalent, and the individual has not dropped out of an elementary or secondary school to enroll in the program." We would delete the section specifying creation of a liaison office at Defense that was already eliminated in the FY 1996 DoD Authorization Act.

LEARN AND SERVE AMERICA: HIGHER EDUCATION

WE ADVISE: **The Group recommends mentioning <u>both</u> community-service and the service learning as the purposes of the program. The Groups also recommends clarifying that some projects operate in several communities across the country as well as the communities immediately around Institutions of Higher Education. In addition, the Group recommends clarifying that grants can be used to strengthen the service and service-learning infrastructure and build capacity within and across institutions of higher education as well as for direct service and service learning projects.**

DISCUSSION: As mentioned in the Modified Block Grant section at the end of this memo (and in the Group's November 22 memo to you), we recommend consideration of a plan in which most Learn and Serve America Higher Education functions are placed under individual State Commissions. This section addresses considerations about Higher Education that should be addressed no matter how the program is revised.

The Group recommends all of the above to address a debates about the goals and focus of Learn and Serve America: Higher Education. The Group feels that issues such as focus on community service versus service learning should be addressed in the Corporation's regulations, not its legislation. The above adjustments allow us to focus (or re-focus) the program as we see fit.

The Group also recommends eliminating over-prescriptive requirements about prioritizing applications, and proposes to make administrative caps consistent throughout Learn and Serve. The Group advises the Corporation to address concerns about funding allocation within L&S (between K-12 and HE) by encouraging cross-program collaboration, including with AmeriCorps and Seniors, but, again, feels this need not be codified.

AMERICORPS VISTA STRUCTURE

WE ADVISE: **Reform the way that VISTA funds are distributed.**

DISCUSSION: Depending on the streamlining of fund distribution adopted, one or the other of these strategies could be adopted.

VISTA funds could be distributed much the same way that State and National funds are distributed. For example, following the current State and National structure, one-third of VISTA funds should be distributed to State Commissions through a formula basis, another third should be distributed to State Commissions through a national competition, and the last third should be granted at the national level by the Corporation.

Or, if the Corporation moves toward the modified block-grant scenario outlined above, states would receive about the same proportion of VISTA slots as the respective states currently receive to implement projects as they see fit.

LANGUAGE CHANGES

WE ADVISE: **The official names for all Corporation streams of service should be codified in the statutes.**

DISCUSSION: Universal changes should be made throughout the two statutes to ensure that the word "AmeriCorps" is codified. Other relevant changes to match language with practice (e.g. NCCC *camps* to *campuses*) should be made throughout. All of these changes should be made in light of the Board's recent instruction to develop one name for national service.

TRUST FUND

WE ADVISE: **Amend statute to add language that would allow the Corporation to use Trust money to operate the National Service Scholars program.**

PART-TIME MEMBERS

WE ADVISE: **Eliminate the three-year part-time term of service.**

DISCUSSION: Based on experience, the Group feels that the statute should be amended to eliminate the three-year part-time option. However, the amendment should include a grandfather clause for existing three-year part-time Members.

AGE REQUIREMENT

WE ADVISE: **Lower the eligible age limit from 17 to 16 for all AmeriCorps State and National programs while giving programs the option to limit participation to individuals 17 or older.**

DISCUSSION: We recommend that the age limit be lowered to 16 so that the grantees may have the discretion to design programs that include 16 year old individuals as Members.

GRANT APPLICATION INFORMATION

WE ADVISE: **Delete statutory section that outlines in detail the specific types of information required in the grant applications for AmeriCorps State and National programs.**

DISCUSSION: The statute currently delineates the specific types of information that the Corporation may require in an application submitted for AmeriCorps State and National grants. To give the Corporation and the programs as much flexibility as possible, and to eliminate any unnecessary burdens upon the programs, staff recommends that we delete this section.

WORK STUDY

WE ADVISE: **The Group recommends codifying Corporation policy that individuals cannot "double-dip" by counting service for which they earn Work-Study stipends toward their 1700 hour AmeriCorps requirement.**

TIME LIMITS ON VISTA PROJECTS

WE ADVISE: **Repeal the statutory provision stipulating that assistance cannot be denied to any project solely on the basis of the number of years the project has already received DVSA funding for its VISTA project.**

DISCUSSION: Current lack of a time limit on VISTA funding to projects makes it difficult for new projects to receive VISTA assistance, especially during times of reduced budgets.

UNIVERSITY YEAR FOR VISTA

WE ADVISE: **Repeal the authorization of University Year for VISTA, a full-time stipended program for students enrolled in higher education institutions.**

DISCUSSION: This program has not been funded since FY 1994. We recommend that this section be repealed because (1) Learn and Serve authorization contains similar provisions and (2) all higher education activity should be under the same umbrella.

THE "BIG PICTURE" MEMO ALREADY GIVEN TO YOU ABOUT STREAMLINING FUNDING POOLS

WHERE WE ARE NOW

Since 1994, the Corporation has been supporting regular national service programs through 11 distinct administrative mechanisms.

Arguments for the current system include:
- It works - we see the proof in quality service everywhere;
- Because the Congress holds the Corporation – not the State Commissions – accountable for its programs, through one way or another we need to have some authority to demand quality; and
- The Corporation is the only entity that has access to information about all the programs it supports;

On the other hand, the current system:
- Engenders duplication;
- Prevents grantees from spending their money in the best possible manner - or from getting enough; and
- Hinders cross program coordination.

Thus, any significant revisions should be considered in light of the following questions:
- Can quality be retained?
- Is there sufficient accountability?
- Do the changes make the set-up administratively more efficient?
- Do the changes promote inter-program coordination?

In this paper, we address two possible reform scenarios: restructuring of the AmeriCorps Grants programs and restructuring of all Corporation-funded national service programs.

SCENARIO I - REFORMING AMERICORPS GRANTS

The Corporation could combine the State "competitive" and "formula" into one pool of funds and eliminate the "competitive" pool. Because the quality of programs may decline if States are not required to compete for funds, quality standards would be included in the formula. The quality criteria could be defined by the Corporation with input from State Commissions, while application of the standard might be judged by an outside entity. National Direct programs would maintain status quo.

Relevant considerations include:

- Could states handle the additional responsibility? How could they be helped to improve their capacities?
- Should additional authority be given only to State Commissions that demonstrate quality (e.g. they "earn" it)? What would happen if a great state turns bad?
- When we define quality, do we focus on Commission quality? Program quality? Both?
- How long would it take to make a transition?
- Would an outside evaluator add value to the process? Who would evaluate the evaluator?
- What would we do if the outside evaluator said all of a state's programs are of low quality? Would we not fund any?
- What would we do if the outside evaluator said a State Commission was of low quality? Would we not give it money to put into the otherwise okay programs?

During this restructuring, we could also consider adjusting the AmeriCorps*State: AmeriCorps*National funding ratio (currently 2/3:1/3), allowing more funds for the National programs. Relevant considerations include:

- If the Corporation wants to increase our focus on building partnerships with national nonprofit organizations such as Habitat, Boys and Girls Clubs, Big Brothers / Big Sisters, faith-based groups and the like, we might desire proportionally larger amounts of funding for these groups.
- Expanding National Directs keeps the Corporation in the business of setting national priorities.
- National Direct makes it easier for large groups to apply for national service support, because they do it once, not 50 times.
- Expanding National Directs keep the Federal Role clear but well-defined.
- State responsibilities shouldn't outpace available resources. Expanding National Direct minimizes added burdens on states.

SCENARIO II - "MOST DEVOLVED"

Most Corporation program funds (AmeriCorps Grants, AmeriCorps*VISTA, Learn and Serve America K-12[*], RSVP, FGP and SCP) would be distributed to State Commissions under a formula grant based on population, quality, capacity, and other criteria. Only the responsibility

[*] (In states where the state Constitution requires a separation between the governor's office and the State Education Agency, the statutory language will provide for an "opt out" provision that recognizes the state's constitutional proscriptions.)

for funding AmeriCorps National Direct, AmeriCorps*NCCC, AmeriCorps*VISTA Demonstrations, and at least some of Learn and Serve America Higher Education would be retained by the Corporation, although consultation with states would increase. The statute would specify that a certain percentage of funds would be for Senior Corps, Learn and Serve K-12, and full-time stipended programs (AmeriCorps State, and AmeriCorps*VISTA). There would be a phase-in period to assure that capacity grows with increased responsibility. At the same time, there would be a phase-out of State Offices. At the conclusion of the phase-in period, the State Commissions would be free to administer the DVSA programs in a manner determined by each State Commission as long as the set amount of funds are distributed to each stream of service.

Considerations include all of those stated above for Scenario I, and:

- How do we ensure greater coordination between the different streams of service within a state? Would it reduce the potential for "best practice" sharing or other inter-state enrichment?
- How do we handle program identity?
- What new resources would the State Commissions need for this? Would the resources come from the closing state offices? From the Corporation? Both? How do we ensure that Senior Corps administrative funds wouldn't be raided?
- What would the Corporation do if a Commission were to fail in performing its duties? For example, who would take over?
- How should Learn and Service America Higher Education be funded? Does cross-program collaboration argue for devolution? Could both be done - single-state programs to states while multi-state programs to build the field stay at the Corporation?
- Would the Corporation have less ability to shape programs around national initiatives like America Reads?

Myung

Memo to Reauthorization Group

From: Stu Loeser

Date: Wednesday, November 27, 1996

Attached please find a copy of the first "longer" reauthorization memo as given to Harris.

Memorandum to Harris Wofford

From: **The Reauthorization Group**
(Debbie Jospin, Myung Lee, Stu Loeser, Terry Russell, Shirley Sagawa, Jim Scheibel, Gene Sofer, Barry Stevens, Steve Waldman)

Date: November 27, 1996

As you may recall, the Reauthorization Group met for most of the day last Tuesday to begin to resolve the issues surrounding reauthorization of the national service acts. On Friday, we sent you a memo outlining the "big picture" considerations - streamlining some or all of our funding pools. (The text of that memo is included at the end of this document.)

This memo reviews the other topics the Group discussed last Tuesday, highlighting decisions that were made and outlining options for issues that remain undecided.

The Reauthorization Group met again yesterday. Shortly after the Thanksgiving holiday, we will present you with a memo outlining the results of this second day-long meeting.

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ISSUES ON WHICH THE REAUTHORIZATION GROUP IS PUTTING FORWARD OPTIONS FOR YOUR DECISION

INCOME DISREGARD

THE REAUTHORIZATION GROUP HAS NOT COME TO AGREEMENT ON THIS ISSUE.

DISCUSSION: The Domestic Volunteer Service Act has an "income disregard" provision which allows the VISTA living allowance to be disregarded when calculating eligibility for public benefits. Under the National and Community Service Act, a Member's living allowance is calculated as "earned income" for purposes of determining eligibility for any assistance provided under the Social Security Act (ex. Aid to Families with Dependent Children, Social Security Income, Social Security Disability Income).

AmeriCorps State and National programs have repeatedly asked that we amend the National and Community Service Act to allow for an income disregard. They argue that the calculation of the living allowance as income discourages or prohibits "welfare" recipients from participating in AmeriCorps programs and thereby hinders the programs from recruiting a diverse pool of Members. Additionally, and perhaps more importantly, Aid to Families with Dependent Children is provided to families and if an individual is deemed ineligible to receive that assistance, she may also lose child care and health insurance for her children. While AmeriCorps programs would pick up the child care costs, health care would not be provided to the Members' children.

Some of the Group argue vociferously that AmeriCorps Members should not receive public assistance. However, we agree that if we raise this issue with Congress to ask for a change for the AmeriCorps State and National programs, Congress may do the opposite of what the field is seeking and eliminate the income disregard provision for the VISTA Members. Because jurisdictional issues would make any change politically unlikely, most members of the Reauthorization Group are **leaning towards recommending to leave the current system as is.**

TERMS OF SERVICE

THE REAUTHORIZATION GROUP HAS NOT COME TO AGREEMENT ON THIS ISSUE.

DISCUSSION: Currently, the two statutes dictate different lengths of time that an individual may serve as a participant in a particular stream of AmeriCorps service while receiving Federal benefits - living allowance, health care, child care. For example, the Domestic Volunteer Service Act permits an individual to serve as a VISTA for a total of 5 years. The National and Community Service Act, however, restricts individuals to only 2 terms of service as an AmeriCorps State/National Member. A term of service can be part-time, full-time or reduced part-time (ex. Summer programs). Similarly, the statute also restricts individuals who wish to serve with NCCC to two terms.

In all cases, an AmeriCorps Member - whether VISTA, State/National, or NCCC - may only receive education awards for the first two terms of service.

Several issues arise with regard to a Member's "term of service" and Federal benefits, including education awards.

Because a "term of service" is defined in the statute as being full-time, part-time or reduced-part time, a Member that has served in a summer program (reduced part-time) has "used up" one term of service for the purposes of Federal benefits and education award.

Specifically regarding education awards, some staff argue that corpsmembers should be allowed to serve up to a total of two full-time-equivalent programs to eliminate our all-too-common "parity programs." This would allow for (for instance) two years of part-time service in a school with a full-time summer program for the students in between. More important, it would address the inequality of the "expanded opportunity" for a corpsmember who serves in a summer program and then a year in a part-time program. She would then be nudged out of the national service program having earned less than one full-time education award. This seems inconsistent with our mission of expanding educational opportunity, particularly because many feel the full education award is already too low.

Other staff argue against this, pointing out that (for instance) this would allow an individual to serve in a summer program every year between her sixteenth and twenty-fourth birthdays. In such a situation, it would be difficult not to develop a "jobs" mentality about national service. In addition, it would be inconsistent with the Corporation's mission of expanding educational opportunity if the same individual were permitted to serve for an extended period of time (while taking opportunities that would otherwise go to various individuals). Moreover, staff who hold this opinion argue that while we have had significant complaints from corpsmembers who were not aware of the limitations on benefits, most stem from poor communication in the early days of AmeriCorps that have now improved.

As a whole, the Group advocates a review of this issue, including administrative burdens on programs (e.g. record keeping) and Corporation staff (e.g. the National Service Trust).

AMERICORPS FIXED GRANTS AND MATCH

ISSUES: **The Group recommends that the Corporation codify it current "fixed average/fixed grant" approach. The Group is undecided whether match requirements should be eliminated.**

DISCUSSION: For the next grant cycle, AmeriCorps State programs are required to meet a fixed average cost per Member with a cap on the maximum cost per Member for any individual program. National Direct programs have a fixed cap on cost per Member rather than a fixed average. The Group notes that this system may need adjustment when any newly-streamlined State Commission structure is implemented.

Eliminating the match requirement may cause some to argue that we are retreating on our commitment to private sector support or keeping track of where the program funds are coming from. In reality, we are simplifying the system and reducing Washington-based micromanagement significantly. The set Corporation average cost-per-member, even at the current level, is low enough that grantees have to find other resources to operate the programs.

Liberalization of the structure would greatly enhance programs' fund raising potential, particularly if we were to make the Corporation's grant approximately the size of the AmeriCorps Members' stipend and benefits, without requiring that Corporation dollars be used for those purposes. Grantees could have private sources fund what they (the private sources) are most likely to want to support - corpsmembers' stipends - than what they often have to now (administrative assistance and overhead).

The Group agrees that if we do keep the match requirements, the statute should be amended to require programs to match a percentage of our grant rather than a percentage of the program cost. This would bring us towards more accurate accounting and away from "total available resources" considerations.

The Group suggests Senior programs and VISTA should have a "challenge" grant to encourage a "match."

RECOMMENDATIONS WHICH THE REAUTHORIZATION GROUP IS PUTTING FORWARD TO YOU FOR APPROVAL

EDUCATION AWARDS

WE ADVISE: **The Group recommends we keep the education award amount at $4,725 but endeavor to make it "non-taxable"; amend the statute to expand the definition of "qualified student loans"; eliminate the cash stipend option for both AmeriCorps*NCCC and AmeriCorps*VISTA members; and continue to prohibit transferability of education awards for AmeriCorps members. If education awards become available for RSVPs, these and only these awards could be transferable.**

DISCUSSION: Retaining the current education award amount would prevent strong opposition from Veteran's groups and criticism that we're raising the cost per member.

At the same time, treating the education award like other non-taxable federal "awards" (e.g. Peace Corps readjustment stipend and Veteran's benefits) would represent a significant increase in the real amount awarded to national service participants without any increase in our cost-per-member calculations.

Because of the current statute's definition of "qualified student loans", some AmeriCorps Members were unable to use their education awards to repay loans that were clearly part of their approved financial aid package but were not made, insured, or guaranteed by the federal government. For example, a student loan made by the State of Alaska to a resident of Alaska is not a "qualified student loan" under the current definition. The

Group agreed that the definition of student loans eligible for repayment should be slightly expanded, and has asked staff to research how to do so.

Currently, cash post-service benefit is available as an alternative to the education award for AmeriCorps*VISTA Members but not for participants in AmeriCorps grants programs. (The NCCC has authorization for cash awards but has opted not to offer them). Although the cash alternative benefits some who might otherwise not utilize an education award, staff is concerned about equity and consistency across programs.

The Group believes that responsibility and opportunity for one's self are fundamental tenets of the President's vision of national service, and the education awards should only be used by the individual who earned them.

However, if service as an RSVP is to qualify as an "approved national service position" (perhaps in certain demonstration programs), RSVPs who serve enough hours should earn education awards. Because all RSVPs are necessarily 55 or older, as a group they should be allowed to transfer the education award in relatives' (children, grandchildren, etc.,) names. (Payment directly to schools, approved lending institutions, etc. would be retained.)

MINIMUM HOURS OF SERVICE

WE ADVISE: **The Group feels strongly that the current requirements for AmeriCorps State/National and NCCC Members to serve at least 1700 hours for a full-time education award and at least 900 hours for a part-time education award be retained. The Group advises against changing the minimum hours required, and for bringing AmeriCorps*VISTA members under the same standard.**

DISCUSSION: The "1700 hours minimum" requirement was derived at in order to ensure that Members serve at least 35-40 hours per week during the 9 - 12 months of their program year. (Ex. In a 12 month program, a Member will provide an average of 38 hours per week with some "cushion" of approximately one month built in for illness, personal leave, etc.) Programs at the local levels require this degree of flexibility in design to determine the length of their program year because certain – e.g. environmental – programs are better suited to complete their program year in 9 months rather than 12 months. Requiring a number of hours greater than the 1700 hours would increase Member attrition and limit local control in program design.

Corporation regulations currently require programs to ensure that at least 80 percent of the aggregate number of service hours performed by Members (at least 1360 hours per Member) are on direct service activities. **To increase the number of direct service hours performed without decreasing the essential training and education provided to Members, the Group recommends that the 80/20 rule be changed to 85/15 (at least 1445 hours per Member) when our Regulations are re-written.**

The Group considered an alternative fix – to **eliminate the reference to hours and replace with VISTA-type language about being on-call 24 hours a day**. This would get the programs out of the business of counting hours. However, without the minimum number of required service hours, programs might get more lax. Programs funded under the Commission on National and Community Service did not have minimum number of required service hours. Our experience shows that in situations where minimum number of service hours aren't required, programs often serve much less than 1700 hours. The 24 hours a day rule would also prohibit AmeriCorps members who need to take part-time jobs to help their families afford basic necessities from doing so. Experience shows that many will take extra jobs anyway. In fact, the Group recommends that for the reasons stated above (as well as for consistency), the Domestic Volunteer Service Act should be amended to require AmeriCorps*VISTA members to serve at least 1700 hours of service.

The statute should be amended to ensure that AmeriCorps Members are exempted from the Fair Labor Standards Act and similar State laws. Some programs are currently required, under State law, to treat Members as "employees" and to pay overtime, comp time and minimum wage.

COUNTING LIVING ALLOWANCE MONTHLY

WE ADVISE: **The Group agrees that the statute should be amended to designate an amount of living allowance distributed to an AmeriCorps*State or *National Member is based on a monthly basis rather than an annual basis in order to eliminate the disparities between different programs. AmeriCorps VISTA Members' living allowance should remain as is.**

DISCUSSION: Under the current statute, all full-time Members receive a statutorily determined minimum amount of living allowance per year. Because programs are permitted to determine the length of the program year and to distribute the total yearly amount over that length of time, Members may receive different amounts per month depending on the program design. (Ex. Based on the full-time living allowance provided to Members this year – $7,945 – a Member serving in a 10 month program will receive $794.50 per month while a Member serving in a 12 month program will receive only $662 per month.) For the sake of retaining parity among programs, the Group recommends moving to a monthly scale.

DIRECT BENEFIT FOR FOR-PROFIT ORGANIZATIONS

WE ADVISE: **The Group suggests allowing AmeriCorps programs and Members to provide direct benefit to for-profit organizations under certain circumstances as described by the Corporation.**

DISCUSSION: The statute prohibits AmeriCorps State and National programs and Members from providing direct benefit to for-profit organizations. This prohibition becomes an issue with programs that work with partner organizations or host sites that are technically "for-profit" but are not really making any profit, such as home-based child care agencies, small family-owned farms, and micro-enterprise communities. Because staff believes the direct benefit in those situations go not to the "entity" but to those being actually served by the entity – the child being cared for is receiving the direct benefit from the AmeriCorps Member/program rather than the child care agency itself – we do not believe our programs are currently violating this prohibition. However, some may disagree with our interpretation of the law. Thus, we believe it would be beneficial to have specific statutory authority that allows the Corporation to permit programs to provide benefit to certain for-profit organizations. The Corporation, of course, would limit this as it sees fit.

FUND RAISING

WE ADVISE: **Allow grantees' staff to spend a certain amount of "AmeriCorps time" to raise funds from the private sector.**

DISCUSSION: Office of Management and Budget regulations do not permit federal funds to be used in raising funds for the grantee organization. This issue is a problem as we expect our programs to raise more private sector dollars. Staff recommends that we seek an exemption from this OMB regulation to allow program staff to raise funds. The restrictions on Members raising funds should be maintained.

DISABILITY FUNDS

WE ADVISE: **Broaden language in statute to include AmeriCorps State formula grantees and AmeriCorps VISTA projects and to ensure that programs make reasonable accommodations for leveraged volunteers as well as Members.**

DISCUSSION: The statute currently requires the Corporation to make disability funds available only to AmeriCorps State and AmeriCorps National Direct programs. The statute should be amended to include AmeriCorps State formula programs and AmeriCorps VISTA projects. Additionally, the language should be broadened to include volunteers generated by Members as well as the Members.

PAPERWORK REDUCTION ACT

WE ADVISE: **Amend the statute to reflect that the requirements of the Paperwork Reduction Act do not apply for the purposes of collecting statutorily required evaluation information from those who receive assistance from the Corporation.**

DISCUSSION: The timelines set forth in the Paper Work Reduction Act makes it difficult, if not impossible, for the Corporation to carry out certain evaluation requirements set forth by Congress (ex. Survey on Member demographics). Staff recommends that we seek an exemption from the Paper Work Reduction Act for the limited purposes of gathering information from grantees in order to meet Congressional requirements.

SENIORS PROGRAMS

WE ADVISE: **All Seniors programs should be required to re-compete every six years. We should lower the age of eligibility for participation in Senior Companions and Foster Grandparents from 60 to 55 years of age to match the eligibility requirements of Retired Senior Volunteers Program. General language which authorizes the Corporation to expand the different models of senior programs should be incorporated into the statute. The Trust should be amended to permit the Corporation to allow for limited transferability of education awards in cases where the recipients of the education award are older Americans serving in "approved national service positions" as RSVPs. We should delete statutory language that requires the Corporation to adjust any stipend or allowance provided to Foster**

Grand Parents and Senior Companions. We should also delete the provision maintaining a cap on evaluation funds at two and a half percent of all program administration funds. In addition, we should delete language giving State Units on Aging preferential treatment with regard to Retired Senior Volunteer Program projects.

DISCUSSION: To further infuse the Senior programs with outcome-based goals and overall quality – particularly in times of limited resources – we recommend having all Senior Programs re-compete for funds every six years.

In 1993, the age requirement for participation in RSVP was lowered from 60 to 55, with a preference given to the placement of volunteers aged 60 and over. The purpose of the change was to expand opportunities for volunteer service to younger retirees, to meet the growing interest of this age group in participation, and to enable projects to respond to needs in communities that could benefit by a younger cohort of seniors. A similar change is now needed for Senior Companions and Foster Grandparents.

Regarding the Education Awards, some staff are concerned that this may be seen by the Veterans community as being more than what is being offered under the GI Bill, because educational benefits provided under the GI Bill are not transferable. Other staff feel Veterans are much less likely to challenge Senior programs than AmeriCorps.

The Domestic Volunteer Service Act requires the Corporation to pay no less than $2.45 an hour to Foster Grand Parents and Senior Companions, and to adjust that amount, accounting for inflation, once prior to December 31, 1997. We recommend that this language be deleted.

Since Administrative funds for Senior programs are capped at 18% of total DVSA funding, we feel that with the 2 ½ percent cap, there are not enough funds to properly evaluate Senior Corps programs. There is some concern that some would oppose dropping this language because in times of program cutbacks, program money should not be diverted to evaluation. This could be somewhat mitigated by stating more clearly that the Evaluation funds authorized under a separate subtitle of the National and Community Service Trust Act can be performed on all national service programs, not just AmeriCorps*National and State.

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Under current law, State Units on Aging are (1) given preference for sponsorship of RSVP projects and (2) are afforded a 45 day review and recommendation period for RSVP grants. The Group feels that this section should be deleted because, as sponsors of Senior Corps programs, State Units on Aging could potentially face conflict of interest problems in having this kind of review and recommendation authority. There is a concern that this amendment may pose problems on the Hill. However, OMB (implicitly, HHS)-approval may give us more leverage.

AMERICORPS*NCCC

WE ADVISE: **The Group suggests allowing the Corporation to limit the lower-boundary-age of AmeriCorps*NCCC members, eliminating the cash-out option, and empowering the Corporation CEO to make appointments to the NCCC Advisory Board while adding flexibility for more relevant board members. The Group also suggests cleaning up irrelevant and unnecessary language.**

DISCUSSION:

Unlike AmeriCorps*State and National, the NCCC's age limits are statutorily set at 16-24. Based on experience - particularly with labor laws and minors - we recommend giving the Corporation the discretion to limit participation to individuals 18 and above.

The Group agrees that it should be the Corporation CEO, not the NCCC National Director, who should make the appointments to the Advisory Board. We also recommend adding individuals representative of "non-profit organizations and organizations with expertise in disaster relief" as recommended (but not required) Board Members to highlight the NCCC's disaster relief efforts and increasing public-private partnerships.

As discussed in the Education Awards section, the Group recommends eliminating the NCCC cash-out option, which it no longer offers in practice anyway.

The Group recommends exempting NCCC staff from the Fair Labor Standards Act relating to overtime. By treating the NCCC as an "organized camp" as defined in 29 U.SC. §213(a)(3), the NCCC would be allowed to operate a 10-month program and still qualify as an organized camp. We recommend replacing inexplicable NCCC language with Division C (AmeriCorps grants) language requiring that applicant "has received a high school diploma or its equivalent, agrees to obtain a high school diploma or its equivalent, and the individual has not dropped out of an elementary or secondary school to enroll in the program." We would delete the section specifying creation of a liaison office at Defense that was already eliminated in the FY 1996 DoD Authorization Act.

LEARN AND SERVE AMERICA: HIGHER EDUCATION

WE ADVISE: **The Group recommends mentioning both community-service and the service learning as the purposes of the program. The Group also recommends clarifying that some projects operate in several communities across the country as well as the communities immediately around colleges and universities. In addition, the Group recommends clarifying that grants can be used to strengthen the service and service-learning infrastructure and build capacity within and across institutions of higher education as well as for direct service and service learning projects.**

DISCUSSION: As mentioned in the Modified Block Grant section at the end of this memo (and in the Group's November 22 memo to you), we recommend consideration of a plan in which most Learn and Serve America Higher Education functions are placed under individual State Commissions. This section addresses considerations about Higher Education that should be addressed no matter how the program is revised.

The Group recommends all of the above to address a debates about the goals and focus of Learn and Serve America: Higher Education. The Group feels that issues such as focus on community service versus service learning should be addressed in the Corporation's regulations, not its legislation. The above adjustments allow us to focus (or re-focus) the program as we see fit.

The Group also recommends eliminating over-prescriptive requirements about prioritizing applications, and proposes to make administrative caps consistent throughout Learn and Serve. The Group advises the Corporation to address concerns about funding allocation within L&S (between K-12 and HE) by encouraging cross-program collaboration, including with AmeriCorps and Seniors, but, again, feels this need not be codified.

LANGUAGE CHANGES

WE ADVISE: **The official names for all Corporation streams of service should be codified in the statutes.**

DISCUSSION: Universal changes should be made throughout the two statutes to ensure that the word "AmeriCorps" is codified. Other relevant changes to match language with practice (e.g. NCCC *camps* to *campuses*) should be made throughout. All of these changes should be made in light of the Board's recent instruction to develop one name for national service.

TRUST FUND

WE ADVISE: **Amend statute to add language that would allow the Corporation to use Trust money to operate the National Service Scholars program.**

PART-TIME MEMBERS

WE ADVISE: **Eliminate the three-year part-time term of service.**

DISCUSSION: Based on experience, the Group feels that the statute should be amended to eliminate the three-year part-time option. However, the amendment should include a grandfather clause for existing three-year part-time Members.

AGE REQUIREMENT

WE ADVISE: **Lower the eligible age limit from 17 to 16 for all AmeriCorps State and National programs while giving programs the option to limit participation to individuals 17 or older.**

DISCUSSION: We recommend that the age limit be lowered to 16 so that the grantees may have the discretion to design programs that include 16 year old individuals as Members.

GRANT APPLICATION INFORMATION

WE ADVISE: **Delete statutory section that outlines in detail the specific types of information required in the grant applications for AmeriCorps State and National programs.**

DISCUSSION: The statute currently delineates the specific types of information that the Corporation may require in an application submitted for AmeriCorps State and National grants. To give the Corporation and the programs as much flexibility as possible, and to eliminate any unnecessary burdens upon the programs, staff recommends that we delete this section.

Work Study

WE ADVISE: **The Group recommends codifying Corporation policy that individuals cannot "double-dip" by counting service for which they earn Work-Study stipends toward their 1700 hour AmeriCorps requirement.**

Time Limits on VISTA Projects

WE ADVISE: **Repeal the statutory provision stipulating that assistance cannot be denied to any project solely on the basis of the number of years the project has already received DVSA funding for its VISTA project.**

DISCUSSION: Current lack of a time limit on VISTA funding to projects makes it difficult for new projects to receive VISTA assistance, especially during times of reduced budgets.

University Year for VISTA

WE ADVISE: **Repeal the authorization of University Year for VISTA, a full-time stipended program for students enrolled in higher education institutions.**

DISCUSSION: This program has not been funded since FY 1994. We recommend that this section be repealed because (1) Learn and Serve authorization contains similar provisions and (2) all higher education activity should be under the same umbrella.

THE "BIG PICTURE" MEMO ALREADY GIVEN TO YOU ABOUT STREAMLINING FUNDING POOLS

WHERE WE ARE NOW

Since 1994, the Corporation has been supporting regular national service programs through 11 distinct administrative mechanisms.

Arguments for the current system include:

- It works - we see the proof in quality service everywhere;
- Because the Congress holds the Corporation – not the State Commissions – accountable for its programs, through one way or another we need to have some authority to demand quality; and
- The Corporation is the only entity that has access to information about all the programs it supports;

On the other hand, the current system:
- Engenders duplication;
- Prevents grantees from spending their money in the best possible manner - or from getting enough; and
- Hinders cross program coordination.

Thus, any significant revisions should be considered in light of the following questions:
- Can quality be retained?
- Is there sufficient accountability?
- Do the changes make the set-up administratively more efficient?
- Do the changes promote inter-program coordination?

In this paper, we address two possible reform scenarios: restructuring of the AmeriCorps Grants programs and restructuring of all Corporation-funded national service programs.

SCENARIO I - REFORMING AMERICORPS GRANTS

The Corporation could combine the State "competitive" and "formula" into one pool of funds and eliminate the "competitive" pool. Because the quality of programs may decline if States are not required to compete for funds, quality standards would be included in the formula. The quality criteria could be defined by the Corporation with input from State Commissions, while application of the standard might be judged by an outside entity. National Direct programs would maintain status quo.

Relevant considerations include:
- Could states handle the additional responsibility? How could they be helped to improve their capacities?
- Should additional authority be given only to State Commissions that demonstrate quality (e.g. they "earn" it)? What would happen if a great state turns bad?
- When we define quality, do we focus on Commission quality? Program quality? Both?
- How long would it take to make a transition?
- Would an outside evaluator add value to the process? Who would evaluate the evaluator?
- What would we do if the outside evaluator said all of a state's programs are of low quality? Would we not fund any?
- What would we do if the outside evaluator said a State Commission was of low quality? Would we not give it money to put into the otherwise okay programs?

During this restructuring, we could also consider adjusting the AmeriCorps*State: AmeriCorps*National funding ratio (currently 2/3:1/3), allowing more funds for the National programs. Relevant considerations include:

- If the Corporation wants to increase our focus on building partnerships with national nonprofit organizations such as Habitat, Boys and Girls Clubs, Big Brothers / Big Sisters, faith-based groups and the like, we might desire proportionally larger amounts of funding for these groups.
- Expanding National Directs keeps the Corporation in the business of setting national priorities.
- National Direct makes it easier for large groups to apply for national service support, because they do it once, not 50 times.
- Expanding National Directs keep the Federal Role clear but well-defined.
- State responsibilities shouldn't outpace available resources. Expanding National Direct minimizes added burdens on states.

SCENARIO II - "MOST DEVOLVED"

Most Corporation program funds (AmeriCorps Grants, AmeriCorps*VISTA, Learn and Serve America K-12*, RSVP, FGP and SCP) would be distributed to State Commissions under a formula grant based on population, quality, capacity, and other criteria. Only the responsibility for funding AmeriCorps National Direct, AmeriCorps*NCCC, AmeriCorps*VISTA Demonstrations, and at least some of Learn and Serve America Higher Education would be retained by the Corporation, although consultation with states would increase. The statute would specify that a certain percentage of funds would be for Senior Corps, Learn and Serve K-12, and full-time stipended programs (AmeriCorps State, and AmeriCorps*VISTA). There would be a phase-in period to assure that capacity grows with increased responsibility. At the same time, there would be a phase-out of State Offices. At the conclusion of the phase-in period, the State Commissions would be free to administer the DVSA programs in a manner determined by each State Commission as long as the set amount of funds are distributed to each stream of service.

Considerations include all of those stated above for Scenario I, and:

- How do we ensure greater coordination between the different streams of service within a state? Would it reduce the potential for "best practice" sharing or other inter-state enrichment?
- How do we handle program identity?
- What new resources would the State Commissions need for this? Would the resources come from the closing state offices? From the Corporation? Both? How do we ensure that Senior Corps administrative funds wouldn't be raided?

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- What would the Corporation do if a Commission were to fail in performing its duties? For example, who would take over?
- How should Learn and Service America Higher Education be funded? Does cross-program collaboration argue for devolution? Could both be done - single-state programs to states while multi-state programs to build the field stay at the Corporation?
- Would the Corporation have less ability to shape programs around national initiatives like America Reads?