

FOIA MARKER

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Memo

To: Shirley Sagawa
Terry Russell
Gene Sofer
Tracy Gray

FROM: 
David Rymph

DATE: July 8, 1996

SUBJ: Revised Response to Kassebaum

Attached is a revised piece on total cost per FTE as it related to certain common features of AmeriCorps programs. Shirley suggested that I drop the totals and only refer to cost differences, such as "rural programs cost xxx dollars more than urban." I've tried that approach here which means dropping the bar graphs. I'm not sure how successful this way is compared to the previous version.

Let me know what you think and I'll put this in final.

Attachment

Program Characteristics and Total Cost per FTE

In the material that follows, the cost implications of several common features of national service programs are reviewed. The data reported here are based on 392 operating (that is, those enrolling members), AmeriCorps*State and National programs funded with FY 1995 appropriations. Programs sponsored by federal agencies have been excluded.

Both total cost and cost to the Corporation are considered. The data used to calculate "total cost per FTE" come from the approved budgets of all 1995 programs. By "total cost" is meant the planned expenditures reported as part of the grant award, using resources provided by both the Corporation and the grantee sponsoring the program. The cost estimates do not include the Education Award or Corporation for National Service overhead as these expenses are handled through separate channels and are not part of the grant award. "Total cost" is the amount planned to be expended to operate the program. Corporation cost refers only to the funds provided to the program by the Corporation for National Service.

An "FTE" refers to the full-time equivalent of an AmeriCorps member who serves at least 1,700 hours in one year of service. It takes two, halftime participants to make one FTE and four, quarter-time members. "Total cost per FTE" becomes the total of planned expenditures (using all sources of funds) divided by the number of FTE in the program (allowing for the different levels of part-time participation). "Corporation cost per FTE" is the amount of funds granted by the Corporation to the program divided by the number of FTE in the program.

Rural-Urban Differences

- * In terms of total cost per FTE, Urban programs are, on the average, \$1,148 more than rural programs. The Corporation, however, spends only \$ 282 per FTE more in urban programs than in rural. Most of the programs are urban, 171 or 44 percent. Rural programs number 79 or 20 percent. An in-between category "Both" has 111 programs or 28 percent.

Residential and Non-residential Programs

- * There are two fully residential AmeriCorps programs (apart from the National Civilian Community Corps), with 130 planned FTE. Their total cost per FTE is \$4,600 higher than the average, non-residential program and the Corporation sustains all of that difference, paying \$ 4,700 per FTE more.
- * Five partially residential programs (residential for only part of the year or in only some operating sites) plan to enroll 412 FTE. While the total cost per FTE in these programs is \$ 8,000 more than the non-residential programs, the Corporation pays \$2,500 less per FTE. In other words, the partially residential programs are more costly overall, but not to the Corporation.

Traditional Youth Corps

- * The thirty, traditional Youth Corps included in the AmeriCorps portfolio of programs have a planned enrollment of 3,005 FTE. While these Youth Corps are higher in total cost per FTE than the other programs, by \$2,400 per FTE, the Corporation cost per FTE is \$200 lower in the Youth Corps programs.

Program Priorities

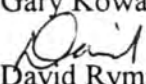
- * Each program must, in its grant application, identify which of four, legislated program priorities it intends to serve -- education, human needs, public safety, and the environment. Some programs choose only one, a few mark all four, and many choose at least two priorities.
- * Programs with an Education priority have the lowest total cost per FTE -- \$ 1,800 per FTE less than other programs -- and programs working in the environment have the highest total cost per FTE -- \$ 1,800 more than the rest. The total cost per FTE in Human needs programs is \$ 800 more than programs not serving in the Human Needs priority area. Having a public safety priority adds nothing to the total cost per FTE.
- * While education programs are less costly overall, the Corporation elects to pay \$ 200 more per FTE than in programs with no education priority. On the other hand, in environmental programs, the Corporation pays \$ 250 less per FTE. The Corporation contribution to the support of human needs programs is also lower, \$ 800 less per FTE, than programs not serving human needs. In public safety, the Corporation cost per FTE is \$ 400 higher than non-public safety programs.

Other Factors Show Little Influence on Cost

- Programs that place members in geographically dispersed work sites cost the same overall as those programs concentrated in space and the Corporation supports each type at the same rate.
- The same is true for programs using individual placements for members instead of teams.
- There are thirty-nine programs sponsored by organizations existing to run only national service programs. By this is meant that the programs' sponsoring organizations do not have reasons for being larger than or outside a national service agenda. While the total cost per FTE in the "national service only " programs is \$ 400 above other programs, the Corporation gives them \$ 200 per FTE less.
- Grant review scores in 1995, the scores given by the peer review panels to the grant applications, showed no relationship to cost.

- Several programs have a strong or exclusive preference for at-risk youth --low income, school dropouts, minorities. This preference costs \$ 900 more per FTE than programs lacking this emphasis, but the Corporation only pays \$ 100 of that difference.

MEMO

TO: Gary Kowalczyk
FROM: 
David Rymph
DATE: July 2, 1996
SUBJ: CNS Cost per FTE by State

Stimulated by our conversation this morning, I came back to my office and ran the State averages. They are shown in the attached table where I include total FTE for each state and the estimated average CNS cost per FTE in 1995. Some summary findings are:

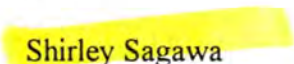
- * The average costs range from a low of \$ 8,156 in Minnesota to \$ 15,300 in Alaska. This is a range of \$ 7,144.
- * The average of the State averages is \$ 12,300.
- * The five highest States are

AK	15314.32
RI	14623.27
NH	14410.96
NM	14308.89
LA	14285.32.

- * The five lowest States are

MN	8151.57
NE	9092.22
OR	9351.01
MT	9359.83
MA	10171.58

Attachment

cc: 
Shirley Sagawa
Terry Russell
Tracy Gray
Gene Sofer
Steven Waldman

Estimated Avg. CNS Cost per FTE by State, 1995
 AmeriCorps*State Programs (N=325)

	FTE	CNS Share of Total Cost per FTE
	Sum	Mean
STATE	4320.25	13713.43
AK	89.50	15314.32
AL	147.00	10804.98
AR	47.50	13055.68
AZ	98.50	12610.25
CA	1174.25	14107.27
CO	96.00	11805.35
CT	247.00	13262.46
DC	17.50	13545.43
DE	40.00	12951.73
FL	258.00	14040.18
GA	295.00	12908.76
HI	46.50	12497.03
IA	101.50	11912.67
ID	23.00	12471.22
IL	286.00	12431.26
IN	158.50	11733.56
KS	119.00	13366.77
KY	192.50	12765.04
LA	152.50	14285.32
MA	557.50	10171.58
MD	442.50	13538.44
ME	42.00	14098.86
MI	262.00	11740.03
MN	371.00	8151.57
MO	189.25	13166.46
MS	55.50	12262.77
MT	146.50	9359.83
NC	264.33	10614.67
NE	40.00	9092.22
NH	75.50	14410.96
NJ	413.42	11718.72
NM	41.50	14308.89
NV	27.50	13111.26
NY	811.50	11821.88
OH	234.50	14041.00
OK	66.00	11984.14
OR	125.75	9351.01
PA	316.00	12785.72
PR	91.00	12921.75
RI	145.50	14623.27
SC	88.00	12184.99
SD	12.00	13090.51
TN	244.83	12149.17
TX	898.50	11168.00
UT	59.50	11362.62
VA	95.00	10561.73
VT	22.50	13067.42
WA	627.75	10707.95
WI	150.50	11933.34
WV	55.33	11622.78
WY	51.75	10723.39

Memo to Reauthorization Group from Myung and Stu

Friday, November 22, 1996

Attached is a copy of the charts and brief memo as faxed to Harris.

Thank you for your feedback - stay tuned for the first of the longer memos.

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 22, 1996

We have prepared this memorandum in advance of our meeting with you on Monday. The purpose of this document – and the meeting – is to review the “big picture” for reauthorization of the national service acts.

The major issue and related considerations we hope to address on Monday are if we should focus our most significant reform efforts on streamlining just the AmeriCorps grants program, or try to use this opportunity to streamline all of the Corporation’s programs.

Attached are two charts. The first illustrates how we currently operate; the second how we would operate in the significantly devolved manner described below in Option II.

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"

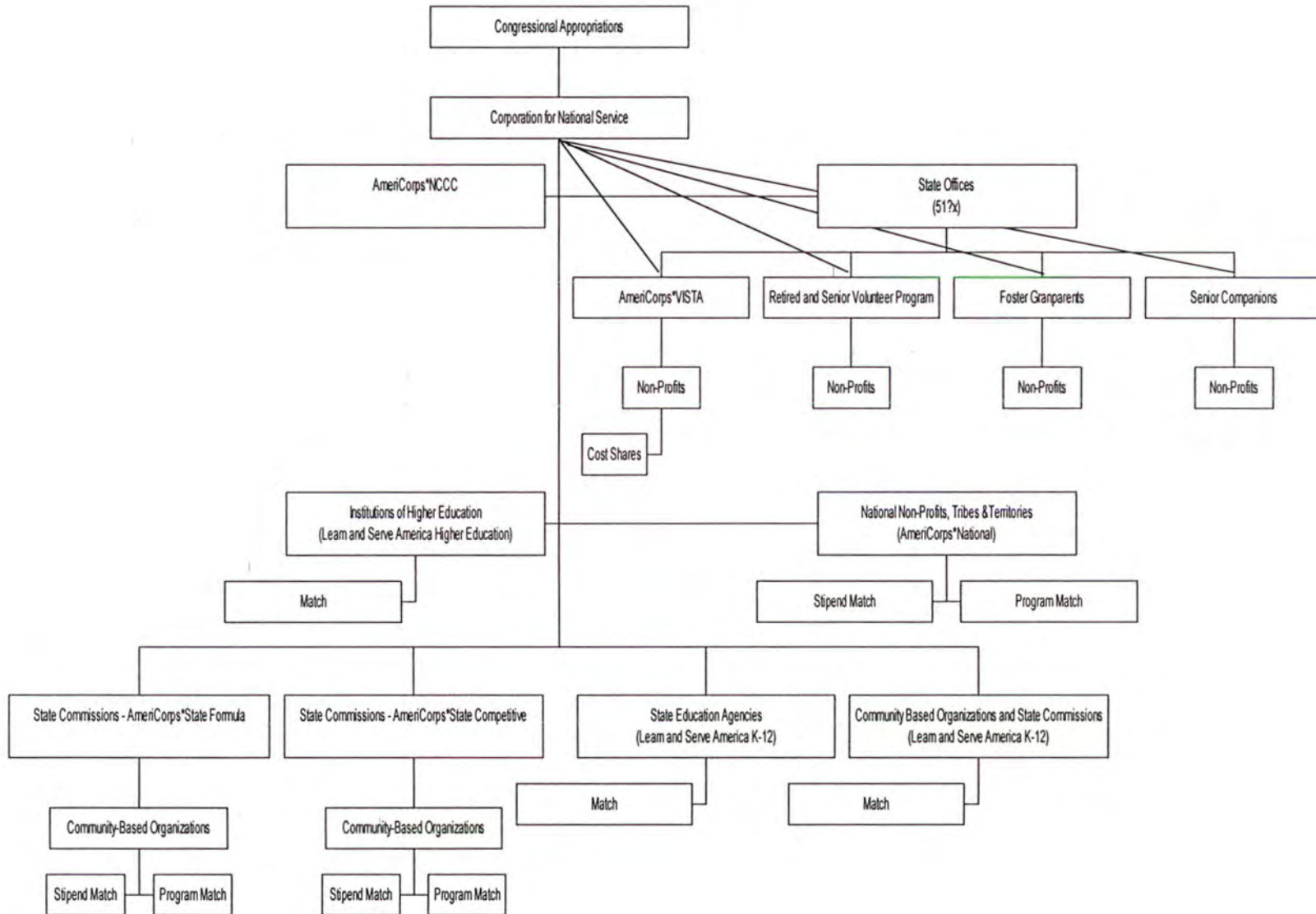
Most Corporation program funds (AmeriCorps Grants, AmeriCorps*VISTA, Learn and Serve America K-12*, RSVP, FGP and SCP) would be distributed to State Commissions under a formula grant based on population, quality, capacity, and other criteria. Only the responsibility for funding AmeriCorps National Direct,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

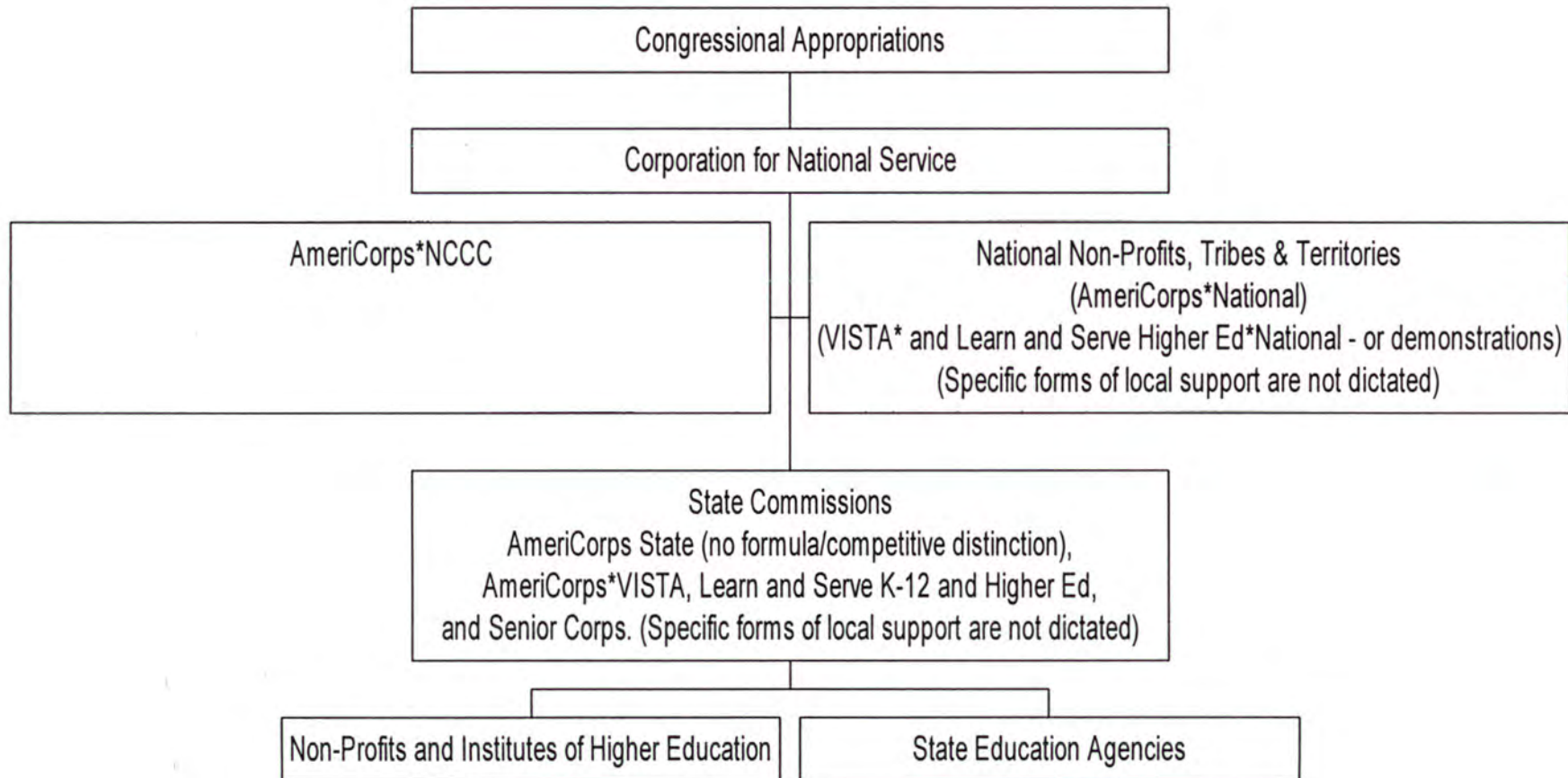
- How do we ensure greater coordination between the different streams of service within a state? Would it reduce the potential for "best practice" sharing or other inter-state enrichment?
- How do we handle program identity?
- What new resources would the State Commissions need for this? Would the resources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

* (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.)

Status Quo



“OPTION II”



Shirley Sagawa

**Cost Analysis of
1995 AmeriCorps*State and National Non-Profit Programs**

David Rymph, Director
Office of Policy Research
June 20, 1996

DRAFT - FOR INTERNAL USE ONLY

METHODS

DRAFT

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.

In creating the integrated data base for this study, the first step 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 programs. 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.

Summary of Assumptions and Limitations:

1. The cost estimates in this analysis are based on approved budgets for programs funded in FY 1995.
2. The enrollment data represent planned enrollment and not actual enrollment.
3. The analysis is based on available data and estimates may differ from data available through other Corporation sources.
- 4.. The basis for analysis is 392 operational programs, either state or national non-profit. Federal agencies are excluded.

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FINDINGS

CONFIDENTIAL

General Characteristics of AmeriCorps*State and National Programs in 1995

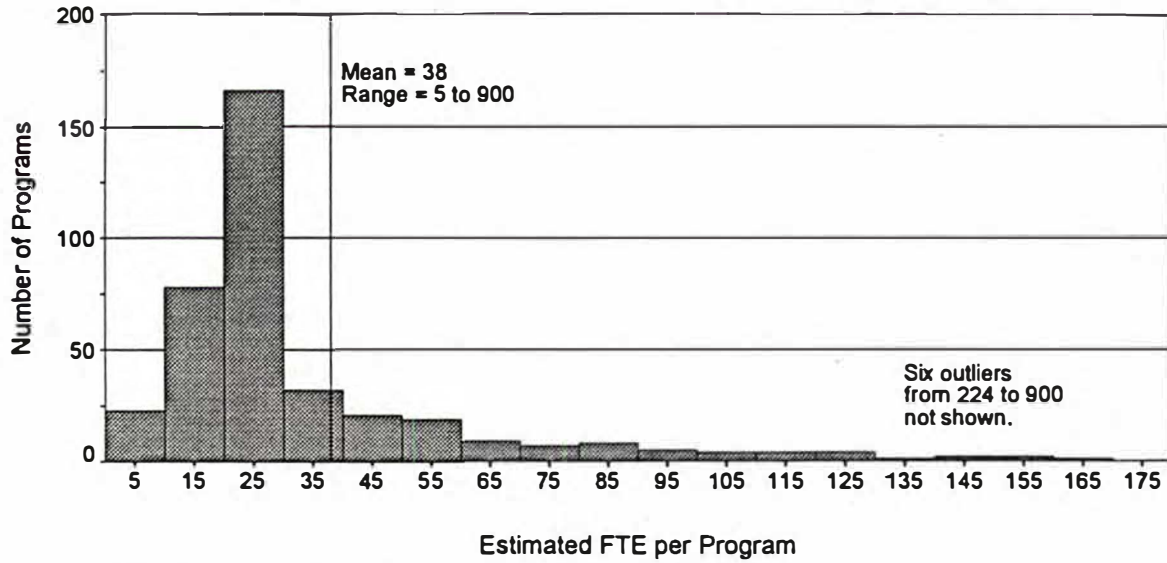
- * The Corporation provided funds to 392 operating AmeriCorps*State and National Non-Profit programs in 1995. These programs enrolled 18,679 members, the average number of members per program was three, and the program size ranged from five members to 900 members. See Chart 1 on the next page.¹
- * 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 twenty members.
- * There were 348 state programs with an average enrollment of 38.8. The median size was twenty-seven members and programs ranged from a low of five to 414 members.
- * The number of FTE enrolled in national non-profits averaged ninety with a median of fifty-six. 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 programs, members receive a stipend, but it is paid in 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 392 operating programs funded in Fiscal Year 1995, excluding federal agencies. This cost estimate does not include the Ed Award or Corporation overhead. See Chart 2 on the next page.

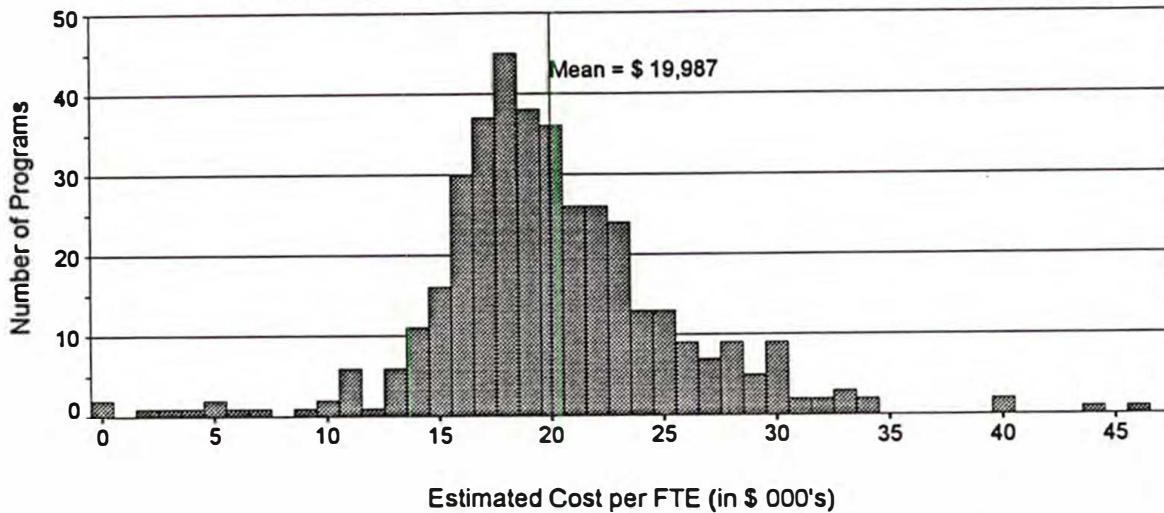
¹ Chart 1 has six outliers that are not displayed to make the graph easier to display. In this case and for the other charts, the extreme cases are listed in the appendix.

Chart 1. Estimated FTE per Program, 1995
 AmeriCorps*State and National Non-profit Programs (N=392)



All operating programs except federal agencies.

Chart 2. Estimated Total Cost per FTE, 1995
 AmeriCorps*State and National Non-profit Programs (N=392)



Cost estimates do not include Ed Award and Corporation overhead.

All operating programs except federal agencies.

ED AWARD

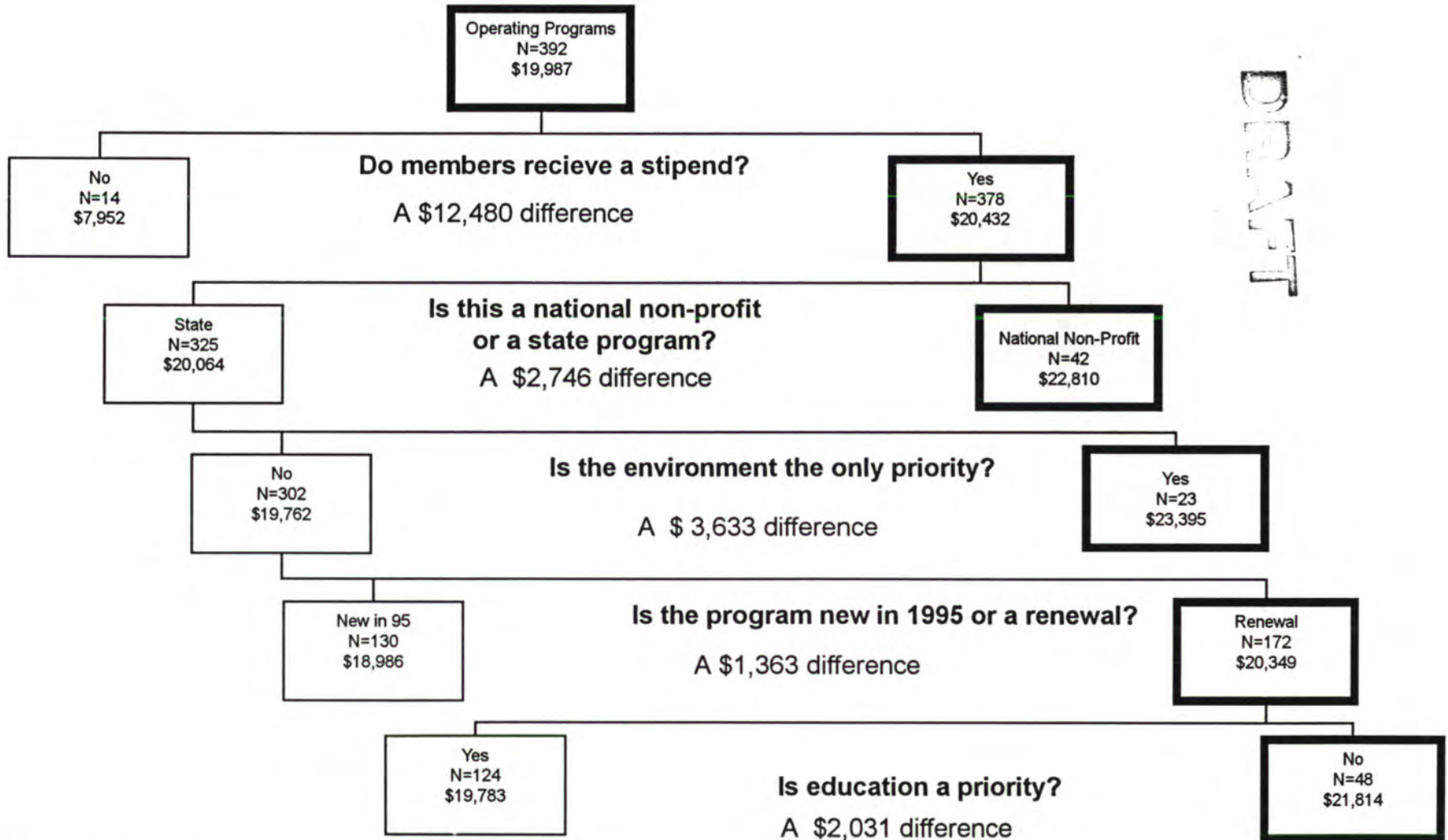
- * Five program factors had a significant effect on total cost per FTE.
 - (1) The most important factor was the payment of a stipend to members. The total cost per FTE in programs paying a stipend was \$20,432 and only \$7,952 in programs without stipends.
 - (2) The second most influential factor was whether the program was funded through the national direct competition or through the states. National non-profits cost \$22,810 per FTE, \$2,746 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, cost \$2,031 per FTE less than programs with no education priority.

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

Cost to the Corporation per FTE

- * In 392 operating programs, which excludes federal agencies, the cost to the Corporation per FTE was \$12,371. This cost estimate does not include the Ed Award or Corporation overhead. See Chart 3a on page 6a (following page 6).
- * Three factors had a significant influence on these costs. Their general 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.

Chart 3. Program Factors Associated with Total Cost per FTE in AmeriCorps*State and National Non-Profit Programs, 1995 (1) (2)

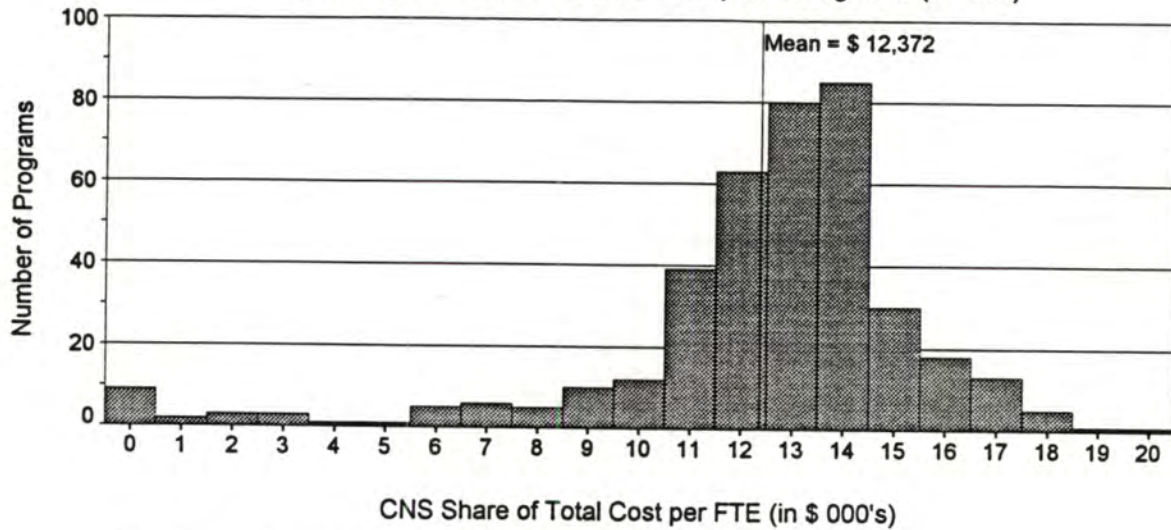


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(1) Excludes federal agencies.

(2) Cost estimates do not include Ed Award or CNS overhead.

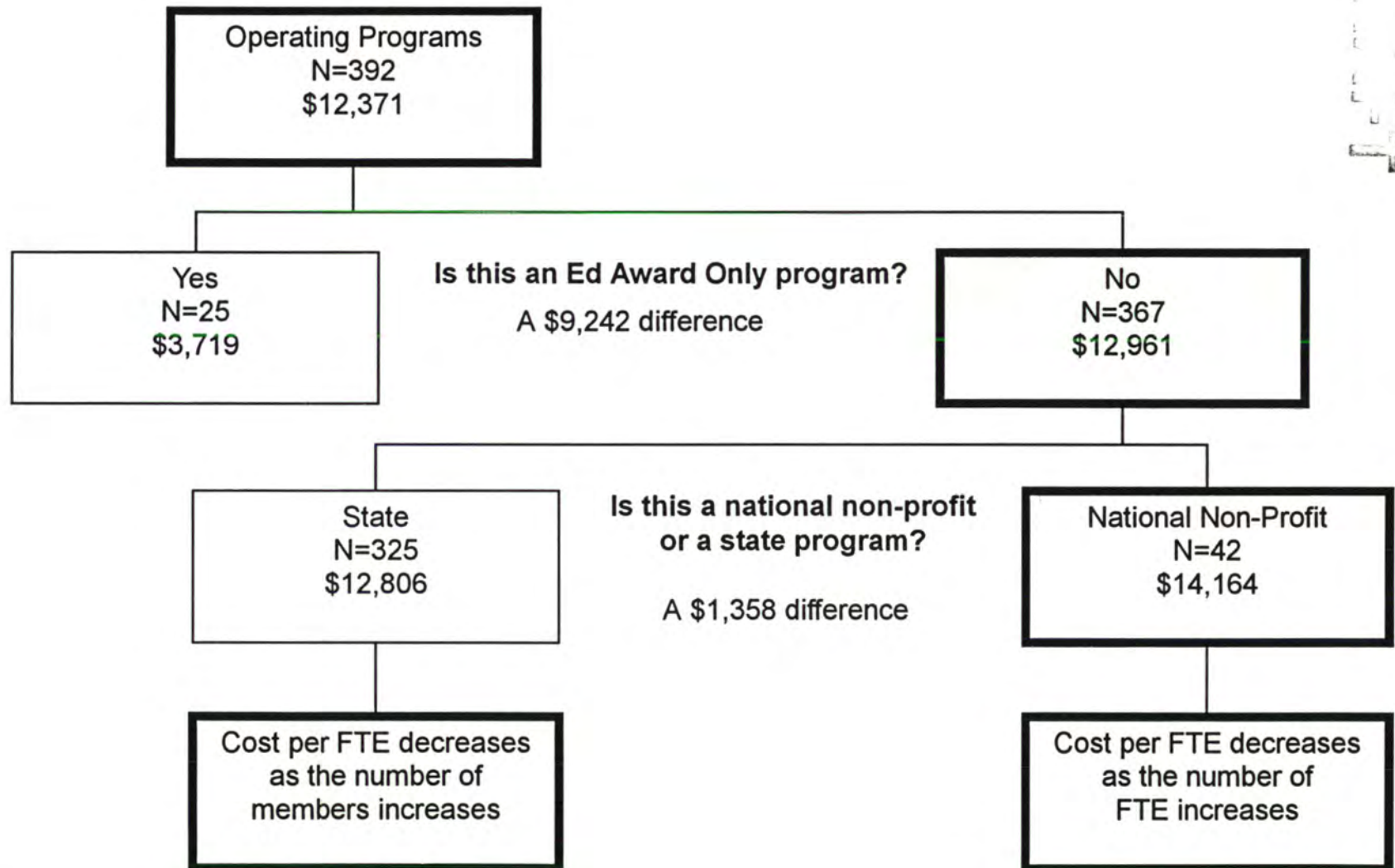
Chart 3a. Estimated Corporation Cost per FTE, 1995.
 AmeriCorps*State and National Non-profit Programs (N=392)



Cost estimates do not include Ed Award and Corporation overhead.

All operating programs except federal agencies.

Chart 4. Program Factors Associated with Corporation Cost per FTE in AmeriCorps*State and National Non-Profit Programs, 1995 (1)(2)



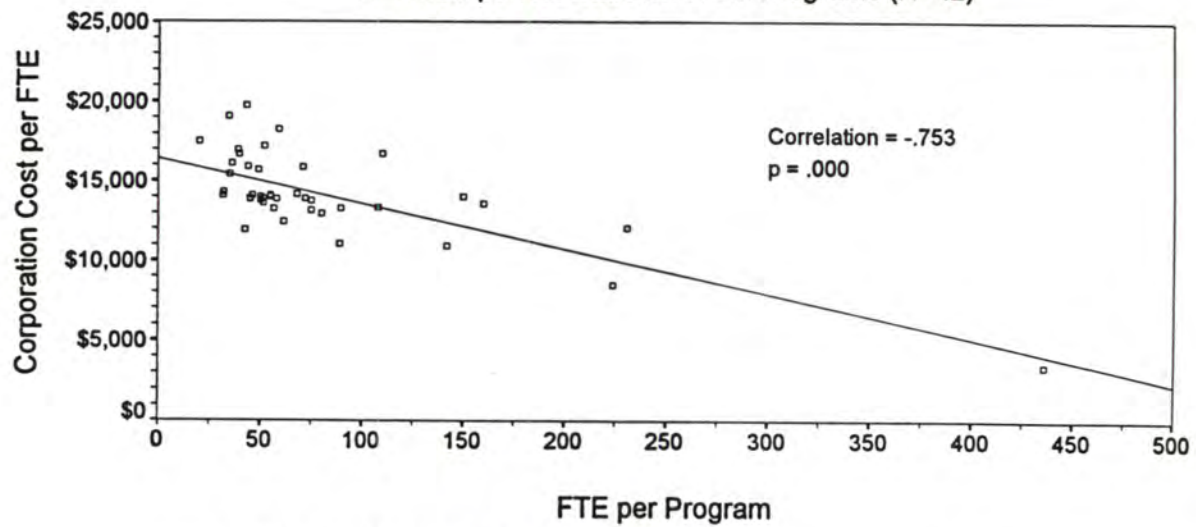
(1) Excludes federal agencies

(2) Cost estimates do not include Ed Award or CNS overhead.

- (3) The third factor was the size of the program, although it did take 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 Chart 5 below and Chart 6 on the next page.

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

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

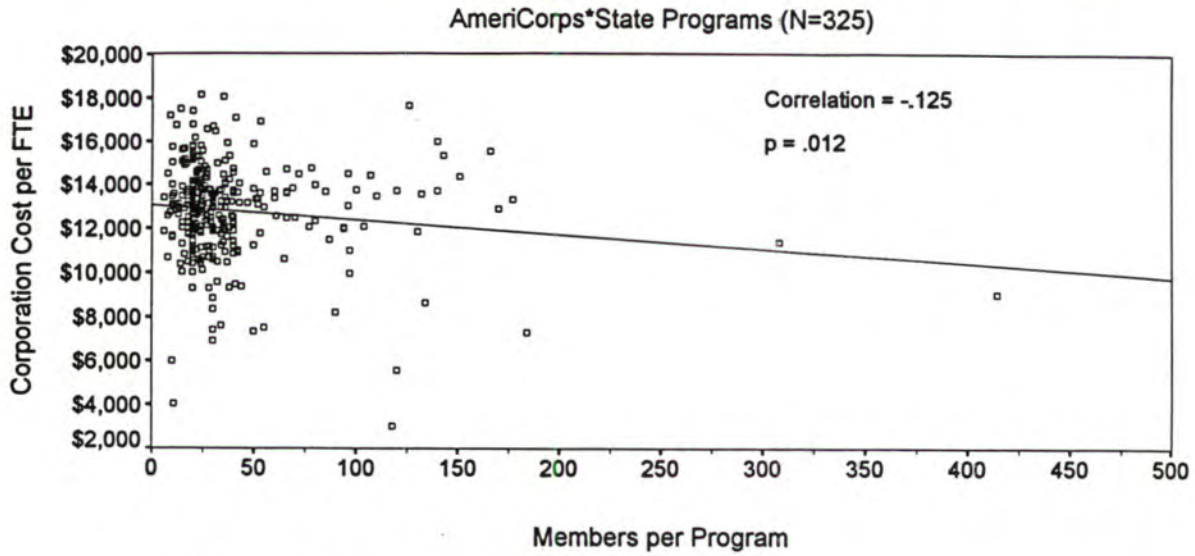


Cost estimates do not include Ed Award and CNS overhead.
Ed Award Only programs are not included.

The Corporation's Share of Cost per FTE

- * The Corporation's share of the cost per FTE is expressed as a percentage of the total cost per FTE. The average portion of total cost paid by the Corporation was 65 percent in the 367 programs that pay members a stipend and excluding the Ed Award Only programs. The range was 17 percent to 83 percent. See Chart 7 on page 9.
- * There is a highly significant and negative correlation between number of FTE and the Corporation share of costs. This relationship holds true when using number of members instead of FTE. As the size of the programs increases in both FTE and members, the percentage of total cost that the Corporation pays declines. This is shown in Charts 8 and 9 on page 10. There is no relationship between total cost per FTE and program size.

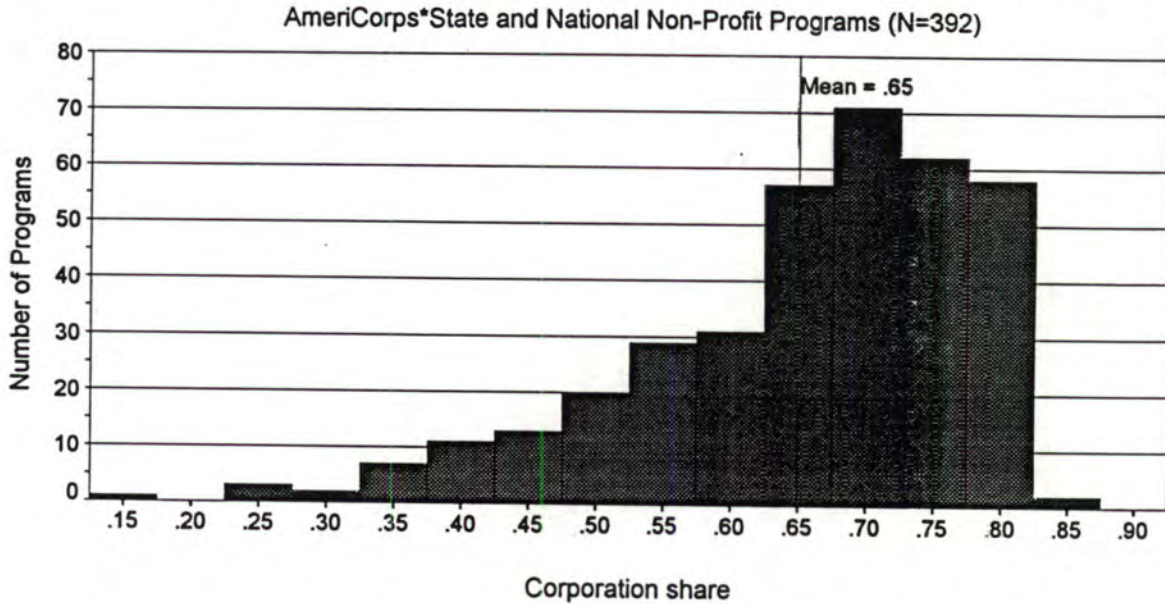
Chart 6. Number of Members and Estimated Corporation Cost per FTE, 1995



Cost estimates do not include Ed Award and CNS overhead.

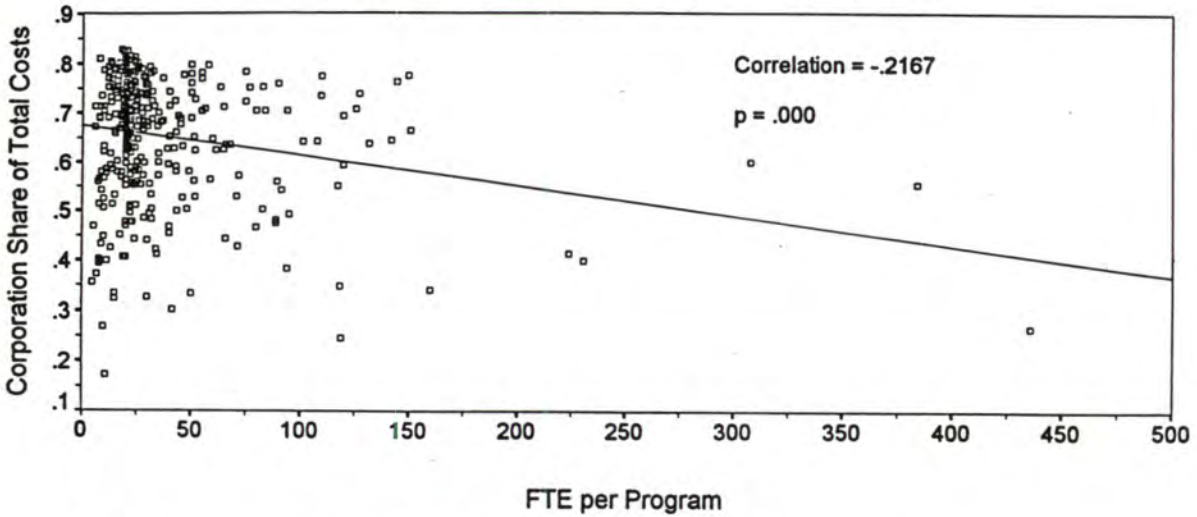
Ed Award Only programs are not included.

Chart 7. Estimated CNS Share of Cost per FTE and No. of Programs, 1995



Cost estimates do not include Ed Award and CNS overhead.

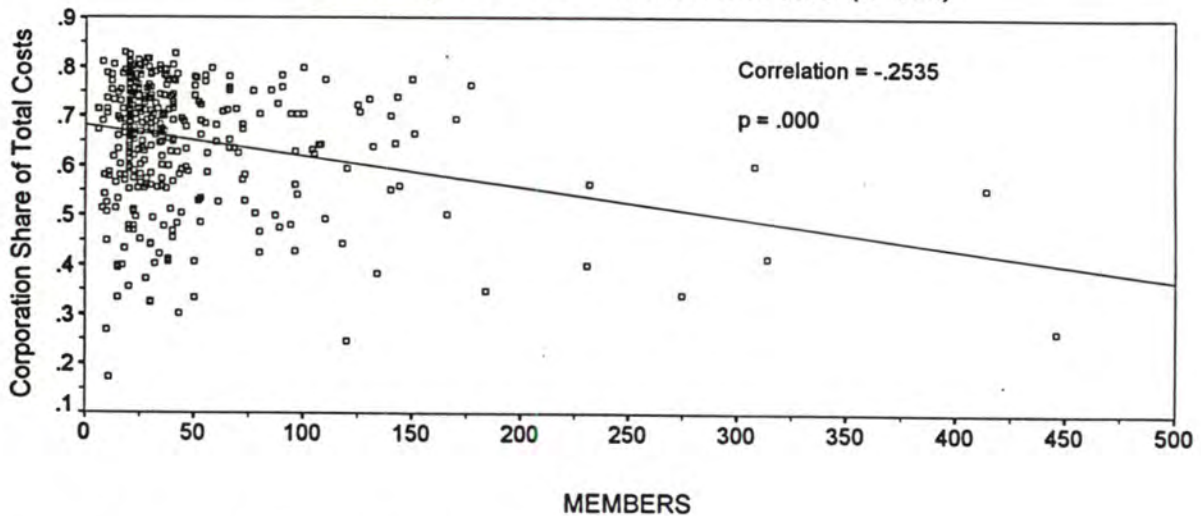
Chart 8. Number of FTE and Estimated CNS Share of Total Costs
AmeriCorps*State and National Non-Profits (N=367)



Cost estimates do not include Ed Award and CNS overhead.

Ed Award Only programs are not included.

Chart 9. No. of Members and Estimated CNS Share of Total Costs
AmeriCorps*State and National Non-Profits (N=367)



Cost estimates do not include Ed Award and CNS overhead.

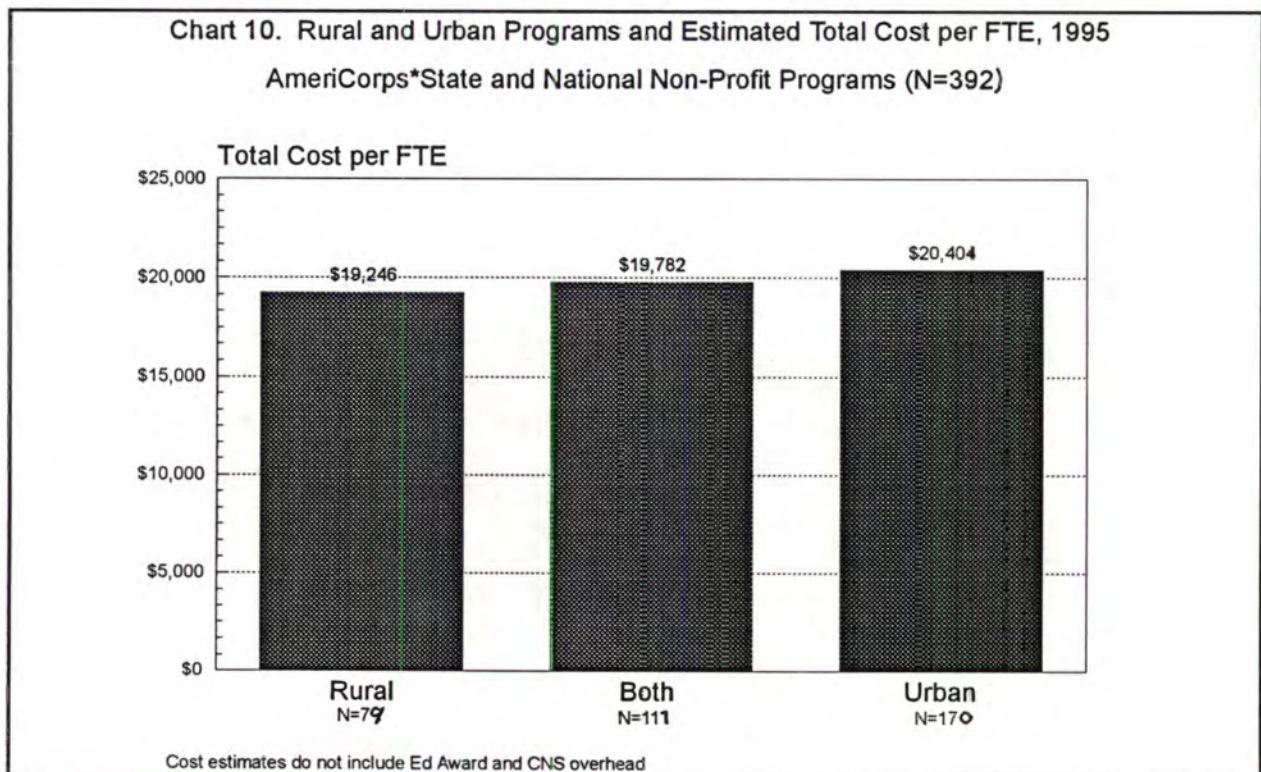
Ed Award Only programs are not included.

Program Characteristics and Total Cost per FTE

Few program characteristics have a highly significant influence on total cost per FTE in AmeriCorps*State and National Non-Profit programs. In the material that follows, the cost implications of several common features of national service programs are reviewed. The data reported here are based on 392 operating programs (that is, those enrolling members) in AmeriCorps*State and National Non-profit programs. Programs sponsored by federal agencies have been excluded. Also, the cost estimates do not include the Education Award or Corporation for National Service overhead.

Rural-Urban Differences

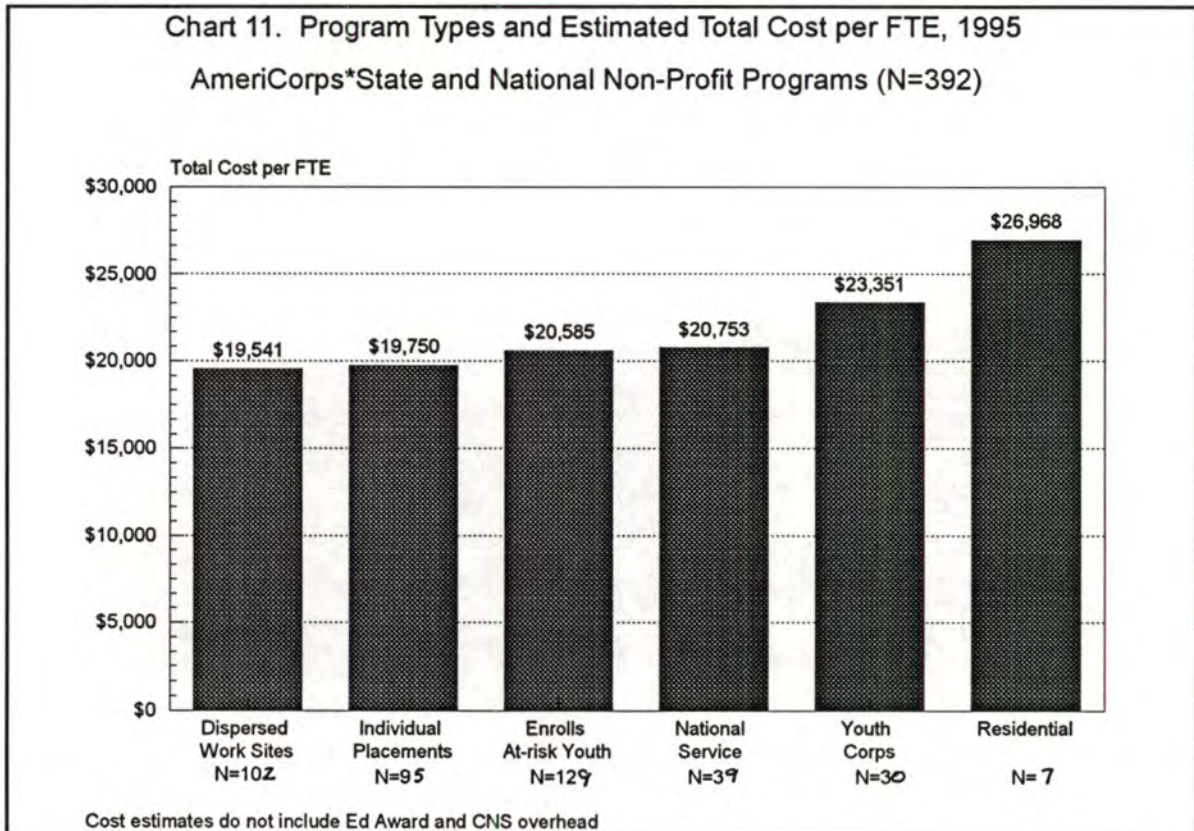
- * Urban programs cost, on the average, \$1,148 more than rural programs. These data come from the Grants Data Base. The grant application forms include a category labeled "Both" and its cost falls between rural and urban. See Chart 10 on the next page.
- * Neither urban nor rural programs differ very much from the average total cost per FTE which is \$ 19,987.
- * Many programs are urban, 171 or 44 percent. Rural programs number 79 or 20 percent. The in-between "Both" constitutes 111 programs or 28 percent.



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Other Program Types and Total Cost per FTE

- * Most features of programs present in the available data bases proved not to be significantly related to total cost per FTE when more influential factors were considered. Still, as shown in the chart below, certain findings are evident.

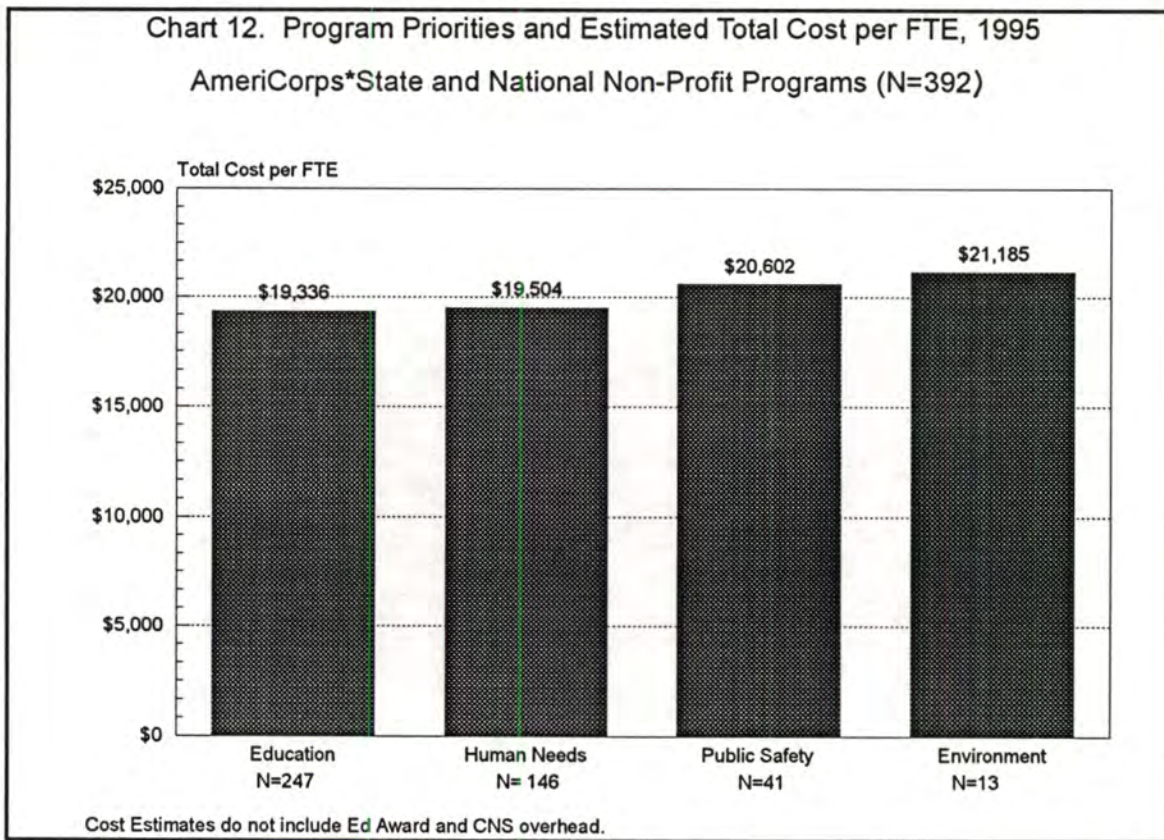


- * **Residential programs**, those which are either partially residential or fully residential, are more costly than most AmeriCorps programs. These seven programs are \$6,981 above the average and, while this is a substantial difference, the small number of residential programs diminishes their influence on costs when all programs are considered.
- * The thirty, traditional **Youth Corps** included in the AmeriCorps portfolio of programs are also much higher in total cost per FTE than the average program, by \$3,364.
- * Four other factors show little variation from the average cost. Programs that place members in **geographically dispersed work sites** are no more or less expensive than the average program. The same is true for programs using **individual placements** for members instead of teams and those enrolling **at-risk youth**. Also, falling into this

grouping close to the average cost are those thirty-nine programs sponsored by organizations existing to run **only national service programs**. By this is meant that the programs' sponsoring organizations do not have reasons for being larger than or outside a national service agenda.

Program Priorities

- * Each program must, in its grant application, identify which of four program priorities it intends to serve -- education, human needs, public safety, and the environment. Some programs choose only one, a few mark all four, and many choose at least two priorities.



- * The chart above shows the average total cost per FTE for each priority area. (Note that since a program may choose more than one priority, its costs may go into determining the average for more than one priority area.) **Education** and **environment** define the ends of the continuum, but there is little substantive difference among the four.

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. These 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.

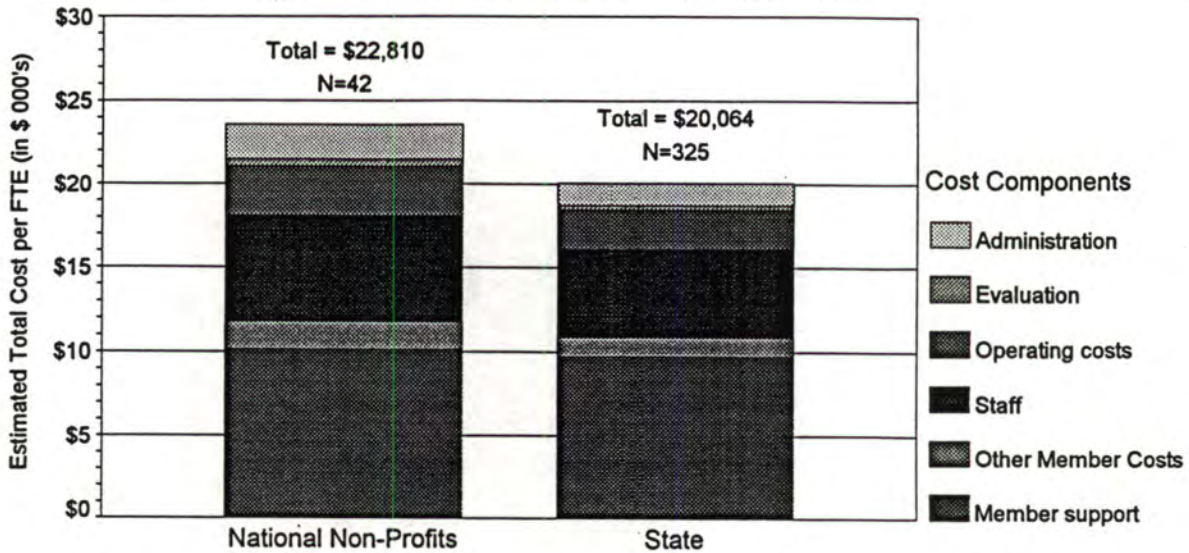
National Non-Profits and State Programs

- * 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 the 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

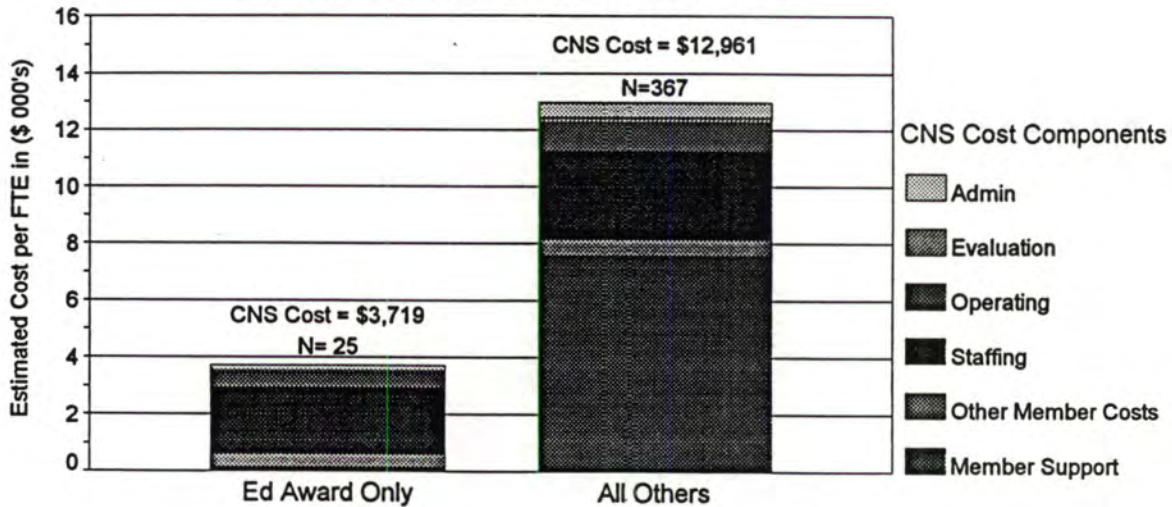
- * Programs with only an environmental priority spend significantly more than other programs in these areas: other member support, staffing and operating costs.
- * Interestingly, the Corporation invests significantly less for member support and for administration in environmental programs than in other types of programs.
- * The Corporation spends \$667 less per FTE in exclusively environmental programs than in other types.

Chart 13. Estimated Cost Components, 1995
 AmeriCorps*State and National Non-Profit Programs (N=392)



Cost estimates do not include Ed Award and CNS overhead.

Chart 14. Estimated CNS Cost in Ed Award and Other Programs, 1995
 AmeriCorps*State and National Non-Profits (N=392)



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

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Grants New in 1995 and Renewals

- * Renewals spent more on other member costs and staffing, enough to make them significantly more costly than new programs.
- * While the Corporation paid for a 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, a \$2,031 per FTE difference, than the forty-eight 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 selected characteristics held in common. Cost comparisons could then be made among similar programs.

In one case, Memphis City Schools, a marginal program, was examined by looking at how it compared in 1995 with the funded budget levels 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.

In 1995 Memphis City Schools was the most expensive program to the Corporation in its comparison group. Their 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, however, that the 1996 request level is still higher than the median level of the twenty-five benchmark programs for last year and the median level for this group will be lower this year. Finding that a low rated program was among the most costly when compared to similar programs should be an important factor in determining whether it gets refunded.

This brief example 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.

<u>Program</u>	<u>Total Cost per FTE</u>	<u>CNS Cost per FTE</u>
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 increases.
 - When looking at total cost per FTE, program size in FTEs or members is not an important factor. When focusing on Corporation cost per FTE, however, program size is highly related. Simply stated, the larger the program, the less the Corporation contributes. Not only does the Corporation's cost per FTE decline as program size increases, but the percentage of total costs carried by the Corporation declines as well.
 - + One possible explanation is that the size of a program is related to the size and resources of its 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.
 - + This suggests that, if the federal share for AmeriCorps*State and National Non-Profit programs drops, the smaller programs that are more dependent on the Corporation for funding will be most affected.
- * 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. It says that their influence may not emerge until other, more significant factors, are considered. Once these stronger factors are considered the significance of the remaining variables is difficult to identify.
- * Few program characteristics have a highly significant influence on total cost per FTE in AmeriCorps*State and National Non-Profit programs. Still, there are some cost implications seen in some cases.
 - + Rural programs cost less than urban programs.
 - + Youth Corps, at \$23,351 total cost per FTE, and residential programs, at \$26,969 total cost per FTE, are more costly than most AmeriCorps programs.
 - + The majority of programs report that education is one of their priorities and, of the four priority areas, these education programs are the least expensive per FTE, at \$19,336. Programs with an environmental priority are the most costly, \$21,185, but there is not much difference among the four priorities.
- * 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 with 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.

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

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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

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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

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VARIABLES USED IN AMERICORPS*STATE AND NATIONAL COST ANALYSIS

Source	Variable	Values
Office of Recruitment	Youth Corps	Is program a traditional youth corps?

SECRET

OUTLIERS

Chart 1. Estimated FTE per Program, 1995.

PROGRAM	STATE	FTE
Teach for America		900.00
National Council of the Churches of Chri		436.00
Employment Security Department	WA	384.25
City Year - Boston	MA	308.00
City Year, Inc.		231.00
Woodrow Wilson National Fellowship Found		224.00

Chart 2. Estimated Total Cost per FTE, 1995.

PROGRAM	STATE	TOTALFTE
Legal Services Corp/Nat'l Assoc for Publ		46245.83
CA Conservation Corps/CCC ACorps	CA	43511.35
YouthBuild USA, Inc.		39801.84
Corporation for Public Management	MA	39603.38

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

	FTE	CNS COST PER FTE
a. High FTE Programs		
National Council of the Churches of Chri	436.00	3416.49
City Year, Inc.	231.00	12121.21
Woodrow Wilson National Fellowship Found	224.00	8495.54
YouthBuild USA, Inc.	160.00	13587.46
Arkansas Dept. of Human Services/Divisio	150.00	14056.47
Habitat for Humanity International, Inc.	142.00	10951.42
b. High CNS Cost per FTE Programs		
Magic ME America	43.00	19767.44
Legal Services Corp/Nat'l Assoc for Publ	34.50	19082.12
New York University	59.00	18241.15

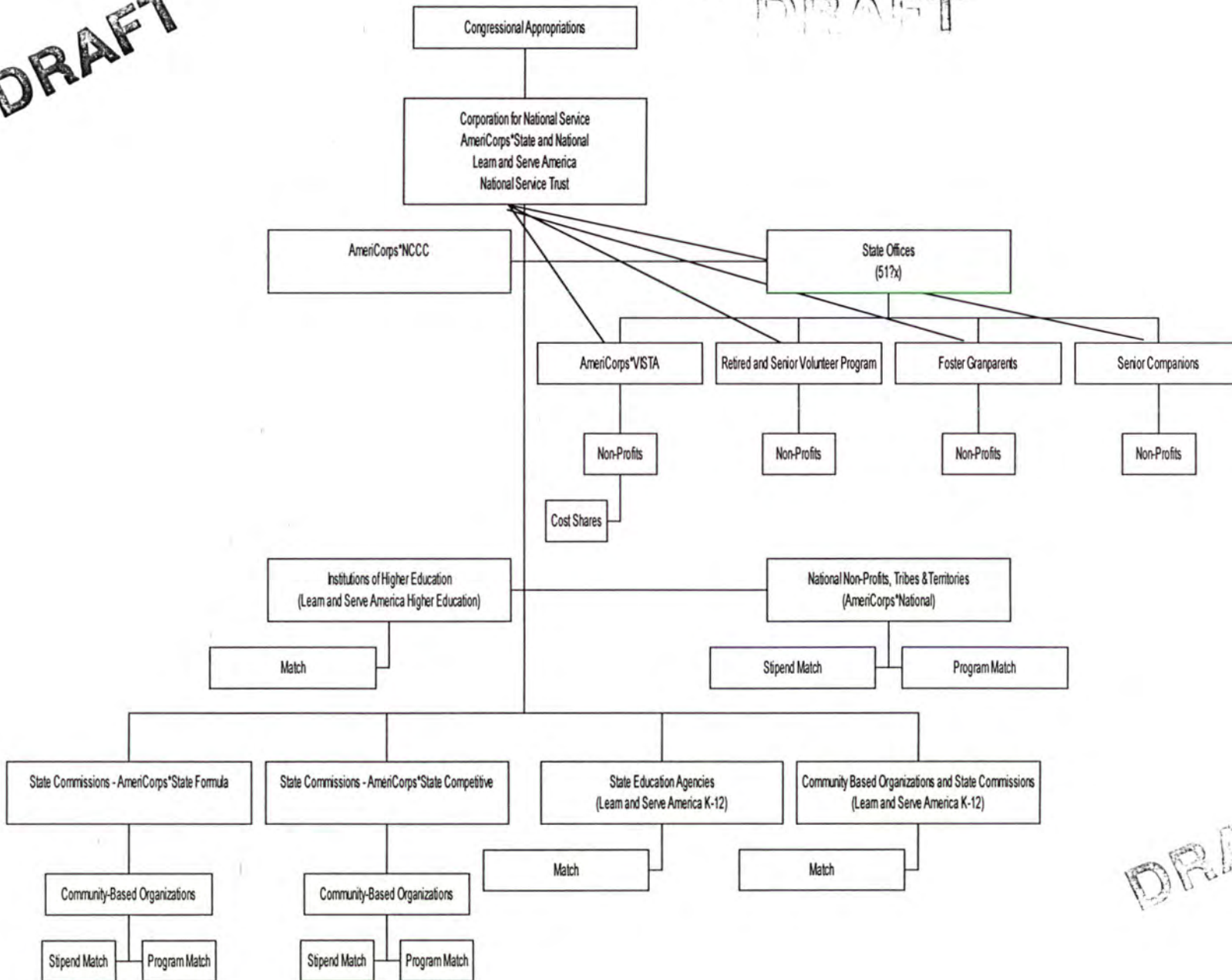
Chart 6. Number of Members and Estimated Corporation Cost per FTE, 1995.

	STATE	MEMBERS	CNS COST PER FTE
a. High FTE Programs			
Employment Security Department	WA	414.00	9008.88
City Year - Boston	MA	308.00	11398.42
b. High Cost per FTE Programs			
Volunteer Center of San Francisco	CA	24.00	18140.71
Memphis City Schools	TN	35.00	18025.53
East Bay Conservation Corps	CA	126.00	17628.57

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Status Quo

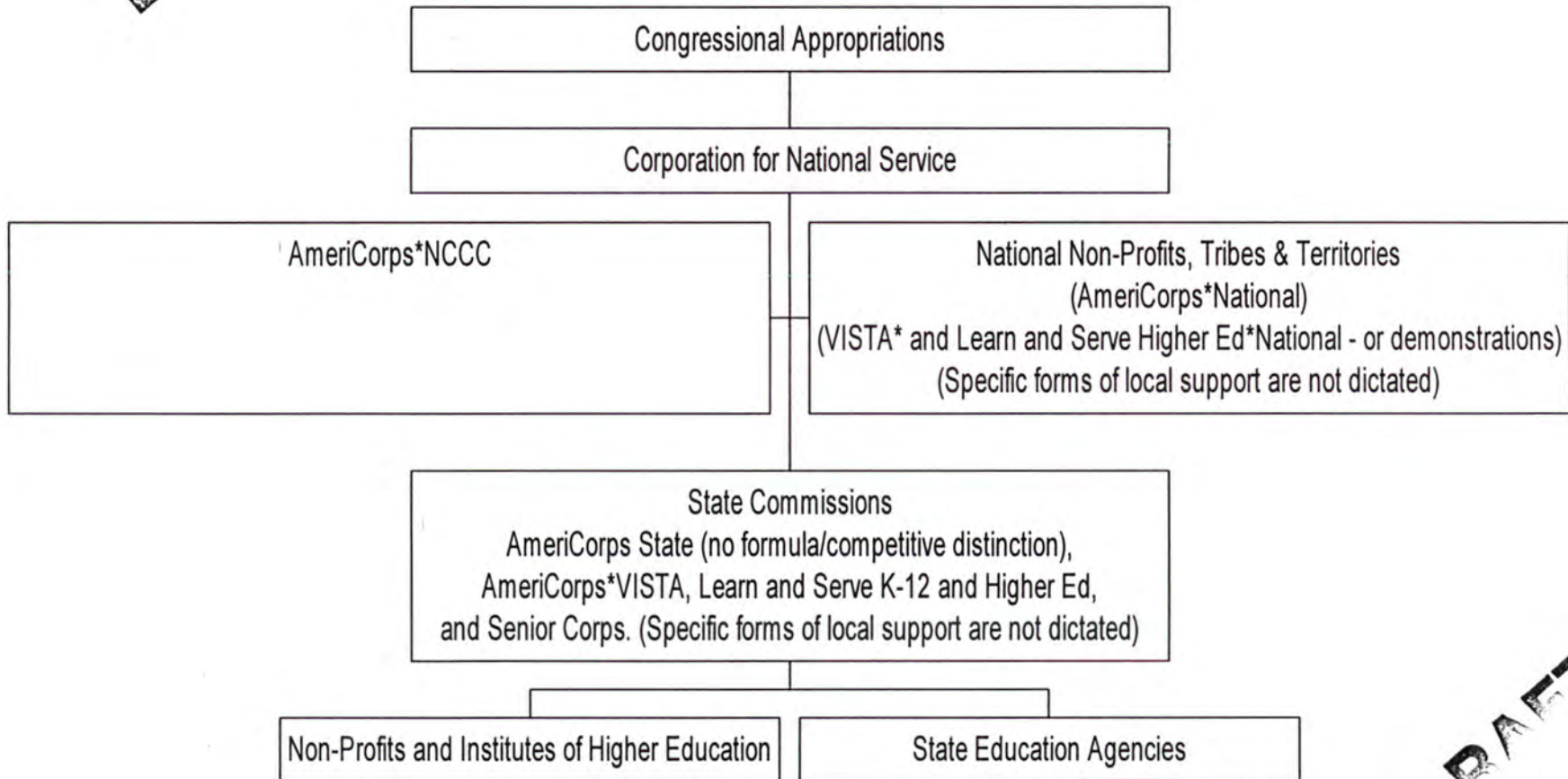
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“Most Devolved”



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MEMORANDUM TO TERRY RUSSELL

FROM: Myung J. Lee

RE: Remaining Issues

DATE: March 1, 1996

The following is a list of issues that remain from the staff meetings on reauthorization. Most items require further study by staff or discussion and decision by senior staff. For each issue remaining, I have noted whether legislative action needs to be taken. There are three categories:

- No change in statute: No changes need be made to the statute.
- Change in statute may be necessary: Because of the flexibility in the actual language of the statute, the Corporation has the option of accomplishing these changes through internal policy making processes rather than through legislative actions.
- Change in statute is necessary: To make these changes, the statute must be amended.

Higher Education

- **Distribution of Funds**

No change in statute. Staff should review the possibility of allocating L&S: Higher Ed funds between programs and infrastructure building activities such as researching the impact of service-learning on academics. (see p. 4 of attached Memorandum)

- **Collaboration between Higher Ed and K-12 programs**

No change in statute. Staff should study ways to promote collaboration between Higher Ed and K-12 programs without revising funding allocations. (see p. 4 of attached Memorandum)

AmeriCorps* State and National

- **Match Requirements**

Change in statute may be necessary. Staff concluded that match requirements should be progressively increased with each year of funding. Staff Members should review and make specific recommendations on how to proceed. (see p.5 of attached Memorandum)

- **State Commission/AmeriCorps*National Relationship**

Change in statute may be necessary. Staff recommends that this issue be discussed with AmeriCorps*National grantees and State Commissions. Corporation should provide a clear guidance on this issue. (see p. 5 of attached Memorandum)

- **Statutorily-Required Grant Application Information**

Change in statute may be necessary. Some staff wanted to delete statutory language relating to grant application requirements. Program staff should be consulted on this issue. (see p. 5 of attached Memorandum)

- **Direct Benefit to For-Profit Organizations**

Change in statute may be necessary. Senior staff should determine whether AmeriCorps Members should be permitted to assist a for-profit business in its efforts to raise volunteerism in the workplace – e.g. an AmeriCorps Member placed as a volunteer coordinator with IBM? (see p. 5 of attached Memorandum)

- **"Volunteer Generation" as a Grant Application Requirement**

Change in statute may be necessary. Senior staff should determine whether "volunteer generation" should be included in the statute as a criterion to be applied in evaluating grant applications. The current language does not list "volunteer generation" among the criteria to be used to evaluate grant applications but does authorize the application of "such other criteria as the Corporation considers to be appropriate." (see p. 6 of attached Memorandum)

National Service Trust

- **Cash Benefit Option**

Change in statutes may be necessary. Staff should 1) explore more fully the ways in which the Corporation should assist Members in their post-service transition; 2) evaluate the incentives of both the education award and cash alternative post-service benefit options; and 3) determine whether changes need to be made for consistency across all three AmeriCorps programs. A tasks force should be created to study the issue of alternative post-service benefits across program lines. Gary Kowalczyk volunteered to do an option paper on this topic.(see p. 7, 8, and 16 of attached Memorandum)

Related Issues for Study:

- To what extent does the education award increase the number of individuals who pursue further education?
- What are the characteristics (especially income) of NCCC Members and VISTAs who opt for the post-service cash stipend rather than the education award?

National Civilian Community Corps

- **Resource-Generating Activities**

Change in statute is necessary. NCCC staff members have requested that the statute be amended to give them authority to engage in a particular type of resource-generating activity. Specifically, the NCCC staff would like the authority to market certain items (e.g. Team/Crew Leader Tool Kit) and to use the earned profits toward program activities. (See p. 9 of attached Memorandum. See also the attached memoranda from the NCCC staff)

Administrative Provisions

- **Income Disregard**

Change in statute is necessary. Senior staff should determine whether AmeriCorps*National and State Members' benefits should continue to count as earned income for purposes of determining eligibility for assistance provided under the Social Security Act, such as AFDC, SSI, SSDI and Medicaid benefits. (see p. 11 of attached Memorandum)

Corporation for National Service

- **Assistant Directors for DVSA Programs**

Change in statute is necessary. Staff should discuss with the Assistant Directors the possibility of deleting the provision that a Managing Director of the Corporation "shall" appoint Assistant Directors for VISTA, RSVP, FGP and SCP before recommending a course of action to senior staff. (see p. 12 of attached Memorandum)

- **Field Structure - State Program Offices**

Change in statutes may be necessary. Staff recommends that State Program Office employees be consulted on the issue of whether the field structure of State Program Offices should be maintained. (see p. 12 of attached Memorandum)

Investment for Quality and Innovation

- **Functional Activities**

Change in statutes may be necessary. Staff members responsible for functional areas (recruitment, evaluation, reviews, training) are to review both the DVSA and the NCSA to ensure parity and inclusiveness in authority for functional activities. (see p. 12 of attached Memorandum)

Federal Agencies

- **How Federal Agencies Should Be Involved with AmeriCorps**

Change in statute is not necessary. Staff should reach a conclusion on how federal agencies will continue to be a part of AmeriCorps. (see p. 13 of attached Memorandum)

Related Issue: What amount of current AmeriCorps programs' matching funds are being derived from federal sources? Tracy Gray volunteered to obtain this information.

Domestic Volunteers Service Act

- **Purpose Clauses**

Change in statute may be necessary. Senior staff should determine whether the "purpose" clause for each of the Senior Corps programs should be updated and strengthened. (see p. 14 of attached Memorandum)

- **State Units on Aging**

Change in statute is necessary. Senior Staff should review and decide whether statutorily mandated preferential treatment of State Units on Aging with regard to RSVP should continue. (see p. 14 of attached Memorandum)

- **Volunteerism Policy**

Change in statute is necessary. Senior Staff should determine whether DVSA's "volunteerism policy" should be incorporated into NCSA and all references to youth and young adults in NCSA be eliminated. (see p. 14 of attached Memorandum)

- **NCSA Priority Areas and the DVSA**

Change in statute is necessary. Senior Staff should determine whether DVSA should emphasize the Corporation's four program priority areas -- education, public safety, human needs, and the environment. (see p. 16 of attached Memorandum)

- **Special Volunteer Programs**

Change in statute may be necessary. The authorized uses of NCSA's Division H funds should be researched before deleting DVSA's authorization of Special Volunteer Programs. (see p. 16 of attached Memorandum)

100-201/1000000

MEMORANDUM FOR SHIRLEY SAGAWA

FROM: Terry Russell
Myung J. Lee
Julie Wang

DATE: March 11, 1996

RE: Summary of Reauthorization Meetings

During September, October, and November of 1995, various staff members participated in meetings held to discuss the reauthorization of the National Community Service Act of 1990 (NCSA), as amended, and the Domestic Volunteer Service Act of 1973 (DVSA), as amended. While the staff members spent some time discussing the trust fund and the general administration of the Corporation, most meetings focused on Corporation-funded programs: AmeriCorps* National; AmeriCorps*State; AmeriCorps*NCCC; AmeriCorps*VISTA; Learn & Serve Higher Ed; Learn & Serve K-12; and National Senior Service Corps.

Prior to each meeting, appropriate staff members reviewed pertinent sections of the law and prepared and distributed a list of issues and recommended statutory and/or policy changes to be discussed. During the meetings, the designated facilitator followed the outline set forth in the prepared document. Any issues not outlined in the memorandum were raised at the end of each meeting. The Office of General Counsel was responsible for taking minutes at these meetings.

Presented below are summaries of staff recommendations and brief descriptions of the issues discussed at these meetings. This memorandum includes only those issues that require your attention and further discussion, signal a substantive change from our current practice, or require amendments to the NCSA or the DVSA. Most of the technical or minor changes are not discussed in this memorandum. Copies of the minutes in their entirety and other relevant documents are available from the Office of General Counsel.

I. NATIONAL AND COMMUNITY SERVICE ACT OF 1990 (NCSA), AS AMENDED

A. Division A - DEFINITIONS

No meetings were held to discuss this particular section. The Office of General Counsel will review this section and circulate any suggested changes to relevant staff members. As changes are made throughout the NCSA, this section will be amended as necessary.

B. Division B - SCHOOL-BASED AND COMMUNITY-BASED SERVICE-LEARNING PROGRAMS

1. Part I - Serve America Programs (Learn & Serve K-12)

• **Formula Allotments**

Staff Recommendation: Maintain 1) a combination of formula and competitive grants and 2) the current State Educational Agencies (SEAs) formula allocation of 75% of the remaining L&S America K-12 (K-12) funds after the 3% set aside for Tribes and Territories.

Staff Recommendation: Amend the statute to give SEAs the authority to grant 10% of their formula allotment funds to community-based programs.

Currently, SEAs are only permitted to subgrant their grant funds to school-based programs.

Staff Recommendation: Amend the statute to increase funds available for capacity building to 25%.

Currently, the statute allows only 10-15% of funds granted or distributed to SEAs or Indian Tribes, under competitive or formula basis, to be used for capacity building activities.

• **T/TA**

Staff Recommendation: Amend the legislation so that funds allocated to L&S programs include T/TA funds.

Learn and Serve programs do not have any funds allocated for training and technical assistance. The staff recommended that such funds be made available in this Division.

• **Match Requirement**

Staff Recommendation: Amend the legislation so that the programs must match a percentage of the Corporation's grant rather than the total cost of the program.

Section 12529 of the statute states that "the Federal share ... may not exceed -- % of the total cost of the program".

- **Formula Issues**

Staff Recommendation: No change in the statute is needed.

The staff discussed whether the Corporation should continue using the current formula for distributing funds to each SEA or competitively distribute funds to the SEAs. After much discussion, the staff decided to keep the formula as is: # of school-age youth in the State, plus the # of Title I students in that State.

- **Program Structure for Indian Tribes**

Staff Recommendation: Amend statute so that Tribes can receive both community-based and school-based programs.

Currently, Tribes are only eligible to apply for school-based programs.

Part II: Higher Education Innovative Programs for Community Service

- **Service-Learning**

Staff Recommendation: Change the title of Division B, Part II to "Learn and Serve America: Higher Education" from "Higher Education Innovative Programs for Community Service."

- **Service-Learning**

Staff Recommendation: Insert the words "service-learning" in sections dealing with Higher Education programs. In some cases, "community service programs" should be changed to "service-learning programs."

These changes are recommended to reflect the service-learning aspect of the Higher Education programs.

- **Administrative Costs**

Staff Recommendation: Add a new section capping the administrative cost to 5% of the amount of assistance provided.

- **Grants to State Commissions**

Staff Recommendation: Amend statute so that state commissions may be eligible to apply for Higher Education funds.

The staff proposed that, in addition to institutions of higher education and public and private non-profits, state commissions be allowed to apply for higher education dollars to develop consortium programs within states. The specifics regarding funding criteria, suggested funding levels, and relationships with existing consortia would be addressed in the regulations and application guidelines.

Issues Requiring Further Action:

- **Distribution of Funds**

Staff Recommendation: No change in the statute is needed but the Corporation should review the possibility of changing the way program funds are distributed.

The staff agreed that it may be preferable to set aside 50% of Higher Education funds for broad issues affecting higher education. The current policy encourages funding numerous smaller programs. This tends to spread demonstrable outcomes very thin and substantially dilutes our influence. Funds from this set-aside could be used for studying the impact of service-learning on academics and researching other potential benefits.

- **Funding allocation**

Staff Recommendation: No change in the statute is needed but the staff should study ways to promote collaboration between Higher Ed and K-12 programs without revising funding allocations.

Higher Ed staff had recommended that the statute be amended to increase the allocation reserved for Higher Ed programs. Currently, the statute stipulates that not more than 25% of Learn & Serve funds be made available to Higher Ed programs. K-12 staff felt that, since they serve a larger group (enrollment in grades K-12 is compulsory), funding should not be reallocated. K-12 staff argued that the early years are the best to teach the ethic of service. When ways to promote collaboration between the two L&S programs are found, both programs may be asked to fund joint or cross-cutting programs.

C. Division C - NATIONAL SERVICE TRUST PROGRAM

1. *Part I - Investment in National Service §§12571 - 12576*

- **Training and Technical Assistance Funds**

Staff Recommendation: Make amendments to the NCSA so that training and technical assistance funds are available for programs under Divisions B, C, & H.

- **Administrative Costs**

Staff Recommendation: Take no action at this time.

The issues discussed were as follows: 1) Is the 5% cap on administrative costs appropriate; and 2) Should administrative costs be distributed between state commissions and their grantees? On both issues, the staff decided not to take any action as part of the reauthorization process.

- **Grants to Federal Agencies**

Staff Recommendation: No change in the statute is needed.

The staff reached no agreement on whether we should continue our current practice of making grants to federal agencies. However, the group did conclude that

since the statute is permissive rather than directive on this matter, there is no need to change the language in the statute.

Issues Requiring Further Action:

- **Match Requirements**

General consensus: Match requirements should be progressively increased. Staff Members should review and make specific recommendations on how to proceed.

The staff debated various scenarios surrounding an increase in and the types of funds that could/should be counted toward programs' matching funds but adopted no specific recommendations.

2. *Part II - Application and Approval Process §§12581 - 12585*

- **Disability Funds**

Staff Recommendation: Amend statute to make disability funds available to all programs. Formula grantees currently cannot receive disability funds.

Issues Requiring Further Action:

- **State Commission/AmeriCorps*National Relationship**

Staff Recommendation: Discuss with AmeriCorps*National grantees and State Commissions.

The statute currently states that programs not funded through a State "shall include an assurance [that they have] consult[ed] with and coordinate[d] activities with the State Commission for the State in which the program operates." After debating this section at length, the staff suggested that the Corporation explore this issue further with AmeriCorps*National grantees and State Commissions.

- **Statutorily-Required Grant Application Information**

Staff Recommendation: Consult with program staff on this issue.

The statute currently sets forth the types of information that must be included in grant applications. The group reached no consensus as to whether this language relating to grant application requirements should be deleted from the statute.

- **Direct Benefit to For-Profit Organizations**

Staff Recommendation: No statutory changes need to be made concerning this issue.

The issue of whether AmeriCorps programs may provide direct benefit to entities "organized for profit" was raised with regard to certain types of human service organizations (e.g. child care centers) that are technically organized for profit but whose missions are similar to those of non-profit entities. Currently, the Corporation permits AmeriCorps Members to be placed at child care centers, even if such centers are

incorporated as for-profit entities, because the direct benefit is to the children.

Related Issue: Gary Kowalczyk raised the issue of whether AmeriCorps Members can assist a for-profit business in its effort to raise volunteerism in the workplace -- e.g. an ACM placed as a volunteer coordinator with IBM?

- **"Volunteer Generation" as a Grant Application Requirement**

Staff Recommendation: Raise this issue with Senior Staff.

Staff members raised the question of whether "volunteer generation" should be included in the statute as a criterion to be applied in evaluating grant applications. The current language does not list "volunteer generation" among the criteria to be used to evaluate grant applications but does authorize the application of "such other criteria as the Corporation considers to be appropriate."

Part III - National Service Participants §§ 12591 - 12595

- **AmeriCorps Leaders**

Staff Recommendation: Amend the statute to allow AmeriCorps Leaders to be considered as federal employees for the purpose of federal workers compensation and tort claims coverage. Language is to be written by the Office of General Counsel.

- **Part-Time AmeriCorps Members**

Staff Recommendation: Amend the statute to prohibit enrollment of three-year part-time AmeriCorps Members.

- **Work-Study Compensation**

Staff Recommendation: Amend the statute to clarify that ACMs are not permitted to receive both a living allowance and work-study compensation for the same service.

- **Number of Terms of Service and Provision of Member Benefits**

Staff Recommendation: Make no changes to this section of the statute.

The statute prohibits the use of federal funds by programs to provide a living allowance, health care, and child care benefits to an individual for a third or subsequent term of service in a national service position. Some staff members wanted to amend the statute so that if an individual wished to serve four (4) part-time terms, they would be permitted to do so. This group believed that the living allowance and benefits should be capped by the dollar amount -- 2 full-time equivalent terms of service -- rather than the number of service terms. Others disagreed, arguing that such a change would damage the Corporation's position that the living allowance and benefits are not provided as compensation for services but as a means for survival while an individual serves the country. After much discussion, the staff decided not to make changes to this section.

D. Division D - NATIONAL SERVICE TRUST AND PROVISION OF NATIONAL SERVICE EDUCATION AWARDS

- **Qualified Student Loans**

Staff Recommendation: Expand the statutory 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. The staff agreed that the definition of student loans eligible for repayment should be slightly expanded.

- **Number of Education Awards Per Participant**

Staff Recommendation: Modify the statute to permit individuals to earn education awards having an aggregate value of up to two (2) full-time education awards.

Currently, the statute limits eligibility for the education award to an individual's first and second terms of service regardless of the number of service hours accrued in those terms. Staff members felt that, while the provision was designed to place a reasonable limit on the benefits earned by national service participants, the current language places participants who begin service in part-time positions (especially summer positions) at a relative disadvantage in terms of maximum benefits allowed.

- **Availability of Education Awards**

Staff Recommendation: Delete Section 12581(b) under Division C, which requires that education awards be made available first to AmeriCorps*VISTA and *NCCC Members.

In the interests of equity, all programs should be treated equally with regard to the availability of education awards for AmeriCorps Members.

Issues Requiring Further Action:

- **Cash Benefit Option**

Staff Recommendation: Before taking any action on this issue, the Corporation should 1) explore more fully the ways in which the Corporation should assist Members in their post-service transition; and 2) evaluate the incentives of both the education award and cash alternative post-service benefit options. (*Note: Different conclusions were reached by NCCC and VISTA staff on this issue -- see NCCC and VISTA sections.)

The staff discussed the fact that a cash post-service benefit is available as an alternative to the education award for AmeriCorps*VISTAs and AmeriCorps*NCCC corps members but not for AmeriCorps*National and *State Members. Although the cash alternative benefits some who might otherwise not utilize an education award and allows for some experimentation across programs, concerns about equity and consistency across programs exist. Additionally, offering a cash alternative option for all AmeriCorps Members may be more costly than offering only the education award.

Related Issues for Study:

- To what extent does the education award increase the number of individuals who pursue further education?
- What are the characteristics (especially income) of NCCC Members and VISTAs who opt for the post-service cash stipend rather than the education award?

E. Division E - CIVILIAN COMMUNITY CORPS

- **Cash Benefit Option**

Staff Recommendation: Devise a policy reflecting consistency among all Corporation-funded programs.

NCCC staff members discussed at some length whether the cash benefit option should continue to be available to NCCC Members. Some thought that the cash stipend option benefits those Members who know that they will not pursue further education in the future. Others wanted to delete this option, arguing that holding the education award in trust for up to seven (7) years gives an individual time to change his/her mind. The consensus reached was that the Corporation should devise a policy that reflects consistency across all programs of the Corporation.

- **Applicant Age Requirements**

Staff Recommendation: Amend the statute to reflect AmeriCorps*NCCC's actual practice of requiring applicants to be at least 18 years old.

The statute currently provides that individuals who are at least 16 and not more than 24 years of age are eligible to be NCCC Members.

- **Applicant Educational Requirement**

Staff Recommendation: Amend the language in this section concerning high school educational requirements to be consistent with the language used under Division C, which requires that the 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."

Division E currently states that an individual must be "a high school graduate or [has] not received a high school diploma or its equivalent" in order to qualify for NCCC.

- **Disaster Assistance and Environmental Projects**

Staff Recommendation: Modify the language in the Preamble to include more discussion of NCCC's role in assisting other agencies during disasters, as well as language concerning its involvement with environmental projects.

- **Economically Disadvantaged Youths Requirement**

Staff Recommendation: No changes to the statute regarding this issue.

The staff discussed the statutory provision that requires the Corporation to have

"at least 50% of the [NCCC] participants ... be economically disadvantaged youths." At present, less than 50% of NCCC Members are economically disadvantaged youths. No language changes were recommended because the statute only demands that this requirement be fulfilled "to the extent practicable."

- **Vocabulary**

Staff Recommendations: Change "camp" to "campus" and "superintendent" to "campus director" in the statute.

Note: One staff member noted that these changes may be viewed by some as altering the fundamental nature of NCCC. It was noted that the changes seem to indicate that NCCC is moving from what was intended to be a military-related, lower-income program to one that is more civilian-focused and comprised of Members with higher incomes and educations.

Issues Requiring Further Action:

- **Resource-Generating Activities**

NCCC staff members have requested that the statute be amended to give them authority to engage in a particular type of resource-generating activity. Specifically, the NCCC staff would like the authority to market certain items (e.g. Team/Crew Leader Tool Kit) and to use the earned profits toward program activities. This issue was not raised during the meeting and thus, there is no recommendation from the full group. Attached are memoranda from the NCCC staff that further explain this issue.

F. Division F - ADMINISTRATIVE PROVISIONS

- **VISTA and the Family and Medical Leave Act (FMLA)**

Staff Recommendation: Amend the DVSA so that VISTA Members are eligible for family and medical leave pursuant to the FMLA.

While VISTAs are currently ineligible for family and medical leave because the DVSA does not authorize such leave, AmeriCorps*State and *National Members serving their second full-time terms are eligible for such leave pursuant to the FMLA. The staff voted in favor of amending the DVSA for consistency.

- **Annual Reports**

Staff Recommendation: Amend the statute to require that 1) State annual reports contain only information pertaining to programs funded through the State Commission; and 2) National Direct grantees submit annual reports to the Corporation.

The statute currently requires States to submit an annual report concerning the use of Corporation funds provided under the NCSA and the "status" of national service programs that receive funds under the NCSA in such State. This requirement has led to some confusion concerning the State Commissions' role in reporting on activities of

National Direct grantees in their State.

- **Congressional Reporting Requirements**

Staff Recommendation: Move all Congressional reporting requirements to Division G.

- **Restrictions on the Use of Funds**

Staff Recommendation: Combine the two sections of the statute (under Division C and Division F) that address restrictions on the use of Corporation funds into one section under Division F and add stronger language to articulate Corporation prohibitions on lobbying. The combined section will apply to all programs funded under the NCSA.

- **Grant Termination**

Staff Recommendation: Simplify the grant termination process by replacing the phrase "full and fair hearing" with "an opportunity to contest the Corporation's determination through written submissions and, if deemed necessary, through a conference which may include oral presentations but may not include examination of witnesses."

Requiring the Corporation to provide the grantee with a "full and fair hearing" prior to terminating the grant, as is currently provided in the statute, has overly complicated the process of grant termination.

- **Transcripts & Recordings**

Staff Recommendation: To streamline and reduce the formality of statutory administrative conference, delete the section of the statute mandating that a transcript or recording be made of any grievance or termination hearing conducted and that it be made available for inspection by any individual.

- **Grievance Procedures - Statute of Limitations**

Staff Recommendation: Change the statute of limitations from one year to 90 days.

Except for allegations of fraud or criminal activity, the current statute of limitations on filing a grievance is up to one year after the date of the alleged occurrence. The staff felt that one year was an unusually long period of time.

- **Grievance Procedures - Remedies**

Staff Recommendation: Amend this section of the statute to limit the remedies available to the equivalent of the benefits the AmeriCorps Member would have received had he/she served out his/her complete term of service.

The statute does not currently specify the remedies available to AmeriCorps Members following a successful grievance. Under the present system, the arbitrator in a grievance hearing can determine that a Member is entitled to certain remedies that go beyond what would have been received as benefits if the Member had served out the complete term of service. The amendment to this section should limit the remedies available to those that the Member would have been entitled to under the NCSA.

- **Corporation Representatives and State Commissions**

Staff Recommendation: Amend the statute so that Corporation representatives can serve only as ex-officio nonvoting members of State Commissions and alternative administrative entities.

The statute currently allows Corporation representatives (State office employees) to serve as voting members of State Commissions if the State Commissions allow it.

- **Evaluating AmeriCorps' Impact on Other Service Fields**

Staff Recommendation: Delete the provisions requiring the Corporation to evaluate the impact of AmeriCorps programs on the recruitment efforts of VISTA, the Peace Corps, the Armed Forces and the Reserved Armed Forces.

- **Paperwork Reduction Act Requirements**

Staff Recommendation: Insert new language in the statute to reflect that the requirements of the Paperwork Reduction Act do not apply for purposes of collecting statutorily-required evaluation information from those who receive assistance under the NCSA (e.g. Members, grantees).

Issues Requiring Further Action:

- **Income Disregard**

Staff Recommendation: Consult Senior Staff on this issue.

Under the statute, Members' benefits may count as earned income for purposes of determining eligibility for assistance provided under the Social Security Act, such as AFDC, SSI, SSDI and Medicaid benefits. Staff members expressed agreement that payments made to Members under the NCSA should not affect their level of or eligibility for assistance or services provided under any federal need-based program. However, the staff decided to consult with Senior Staff before recommending statutory changes.

G. Division G - CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

- **Board of Directors - Selection**

Staff Recommendation: No statutory changes regarding qualifications of Board Members.

The staff discussed the justification behind the mandatory inclusion on the Board of a youth member "between the ages of 16 and 25 [who has] participated in a service-learning program." This requirement contrasts with the other statutory criteria used in selecting Board Members, which must be met only "to the maximum extent practicable." No changes were proposed but the staff noted that seniors may request to have an elder voice on the Board.

Issues Requiring Further Action:

- **Assistant Directors for DVSA Programs**

Staff Recommendation: Discuss with the Assistant Directors the possibility of deleting the provision that a Managing Director of the Corporation "shall" appoint Assistant Directors for VISTA, RSVP, FGP and SCP before recommending a course of action.

The primary reason for advocating a change in the number of Assistant Directors was that staff members felt that management should have the flexibility to organize the Corporation; retaining these statutory titles might make internal reorganization more difficult. While the staff did not see any problems with eliminating the three separate "assistant directors" for seniors programs, they were concerned that deleting the "VISTA assistant director" requirement would open the door to focusing Congressional attention on the role of VISTA within AmeriCorps. The staff agreed that more discussion was needed on the advantages/disadvantages to keeping this statutory language.

H. Division H - INVESTMENT FOR QUALITY AND INNOVATION

- **Evaluation, Training, TA, & Recruitment Activities**

Staff Recommendation: Incorporate into Division H the authority to conduct evaluation, training, technical assistance and recruitment activities across all programs. For example, Division H training funds should be available to both DVSA and NCSA programs.

- **Training Assistance to Peace Corps Volunteers**

Staff Recommendation: Delete statutory language allowing the Corporation to provide training assistance to Peace Corps volunteers.

Issues Requiring Further Action:

- **Functional Activities**

Staff Recommendation: Staff members responsible for functional areas (recruitment, evaluation, reviews, training) will review both the DVSA and the NCSA to ensure parity and inclusiveness in authority for functional activities.

For example, the DVSA has a floor of 1.5% on the amount VISTA can spend on Member placement activities. The DVSA also stipulates that program evaluation costs for Senior Corps programs cannot come from budget authority for program costs. The staff felt that such exclusive targets or limitations should be removed to allow more flexibility and better coordination across programs.

I. FEDERAL PARTNERSHIPS

- **How Federal Agencies Should Be Involved with AmeriCorps**

No Consensus

The issues surrounding federal partnerships were raised at two separate meetings:

during the discussion of Division C and during a separate meeting devoted partly to federal partnerships. At both meetings, the staff agreed that federal agencies should continue to be a part of AmeriCorps but reached no consensus on how this involvement should proceed. Some believed that the Corporation should continue making grants to federal agencies. Others disagreed.

Related Issue: What amount of current AmeriCorps programs' matching funds are being derived from federal sources? Tracy Gray volunteered to obtain this information.

II. DOMESTIC VOLUNTEER SERVICE ACT OF 1973 (DVSA), AS AMENDED

A. NATIONAL SENIOR SERVICE CORPS

- **Age Eligibility**

Staff Recommendation: Lower the age of eligibility for participation in SCP and FGP from 60 to 55 years of age to match the age eligibility requirements of RSVP.

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 SCP and FGP.

- **Evaluation Funds**

Staff Recommendation: Delete the statutory provision maintaining a cap on evaluation funds at 2½ percent of all program administration funds.

Since administration funds are capped at 18% of total DVSA funding, the staff felt that, with the 2½ percent cap, there were not enough funds to properly evaluate Senior Corps programs. While staff members proposed that the limiting language be dropped from the statute, they were concerned that the National Senior Service Corps Directors Associations would oppose dropping this language. The Associations' position would be that, in these times of program cutbacks, program money should not be diverted to evaluation. In the end, the staff recommended that, unless we get authority to draw funds from other sources to support evaluation, the 2½ percent cap be deleted.

- **Senior Representation on State Commissions**

Staff Recommendation: Strengthen current NCSA language requiring that an individual with experience in promoting volunteer service by older Americans be included on State Commissions and make no changes to existing law that would diminish the role of senior service representation on State Commission boards.

- **National Youth Service Day**

Staff Recommendation: Change the language in the statute to reflect that "National Youth Service Day" is now "National Day of Service."

Issues Requiring Further Action:

- **Purpose Clauses**

Staff Recommendation: Table the issue of updating and strengthening the "purpose" clauses for each of the Senior Corps programs for further consideration by Senior Staff.

Senior Corps staff raised this issue, the rationale being that the current purpose clauses were first developed over twenty years ago and inadequately describe the programs as they have evolved. Some staff members attending the meeting expressed concern over the fact that the "low-income" language was being replaced by "eligible people" in the proposed changes.

- **State Units on Aging**

Staff Recommendation: That Senior Staff review and decide the issue of whether preferential treatment of State Units on Aging with regard to RSVP should continue.

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. Staff members discussed whether this preference was still necessary. The group felt 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. However, there was concern that this amendment would present problems on the Hill. Accordingly, staff recommended that this issue be reviewed and decided by Senior Staff.

- **Volunteerism Policy**

Staff Recommendation: That the Office of General Counsel and others review and make a recommendation to Senior Staff on the issue of incorporating the DVSA's "volunteerism policy" into the NCSA and eliminating all references to youth and young adults.

Senior Corps staff made the proposal in the spirit of "streams of service" and to emphasize the importance of all of Corporation's programs. However, legal and political ramifications need to be considered and the group recommended that this issue be reviewed by the Office of General Counsel and others.

B. VOLUNTEERS IN SERVICE TO AMERICA (VISTA)

- **Statement of Purpose**

Staff Recommendations: In the program's Statement of Purpose, set forth the following: 1) the term "AmeriCorps*VISTA"; and 2) clarifying language which discusses capacity-

building, self-sufficiency, and achievement of sustainable activities as goals of each AmeriCorps*VISTA project.

Current language in the statute makes no reference to the relationship between VISTA and AmeriCorps. VISTA staff members proposed that, if "AmeriCorps" is to be officially included in reauthorization language, the term "AmeriCorps*VISTA" be set forth in the statement of purpose for the program. The group also agreed that language discussing capacity-building, self-sufficiency, and achievement of sustainable activities be included in the Statement of Purpose in order to clarify the differences between AmeriCorps*State and *National Programs and AmeriCorps*VISTA.

- **Limits on Terms of Service**

Staff Recommendation: Amend the statute to reflect the following: VISTA Members are limited to two (2) year-long, Corporation-funded terms of service but may enroll for an additional two years, provided that the sponsor, not the Corporation, takes responsibility for funding the position. As with other AmeriCorps programs, the National Trust education award will be made available for only the first two years of service.

Current language requires a minimum of one year of service for VISTAs but allows them to enroll for up to a total of five (consecutive or non-consecutive) years. The staff all agreed that the minimum requirement should remain at one year but that the maximum number of terms of service should be changed.

- **Time Limits on VISTA Projects**

Staff Recommendation: 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.

The staff discussed the fact that the current lack of a time limit on VISTA funding to projects makes it difficult for new projects to receive VISTA assistance, especially in light of anticipated budget reductions. The staff therefore recommended that this section be repealed.

- **University Year for VISTA**

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

This program has not been funded since FY 1994. The staff recommended 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.

Issues Requiring Further Action:

- **NCSA Priority Areas and the DVSA**

Staff Recommendation: Discuss with Senior Staff as to whether the DVSA should emphasize the Corporation's four program priority areas -- education, public safety,

human needs, and the environment.

The DVSA currently makes no reference to the NCSA nor the broad program priority areas of AmeriCorps. Staff debated whether the DVSA should reflect the Corporation's four program priority areas and recommended further discussion with senior staff on this issue. VISTA staff felt very strongly that no matter what happens, the low-income focus of VISTA service should be maintained and emphasized.

- **Cash Benefit Option**

Staff Recommendation: Create a task force to study the issue of alternative post-service benefits across program lines. Gary Kowalczyk volunteered to do an option paper on this topic.

There was much discussion around the issue of retaining the end-of-service stipend as an alternative to the education award. Approximately 50% of current VISTAs have chosen the stipend option; that percentage has remained fairly constant since the inception of the education award in March 1994. Because the demographic profile of VISTAs differs from that of AmeriCorps*National and *State Members, VISTA staff felt that the issue needed to be studied further.

- **Special Volunteer Programs**

Staff Recommendation: Research the authorized uses of NCSA Subtitle H funds before deleting the DVSA's authorization of Special Volunteer Programs.

The authorization for Special Volunteer Programs -- stipended and non-stipended volunteer and demonstration programs, provision of technical and financial assistance to private volunteer efforts, and literacy challenge grants -- has not been funded since FY 1994. Since virtually all of the authorities contained in this section are available to the Corporation under Subtitle H and other provisions of the NCSA, the staff proposed that this section be deleted. However, they recommended that research be conducted to ensure that NCSA Subtitle H funds can be used for these purposes before deleting the authorization for Special Volunteer Programs under the DVSA.