

Corporation for National and Community Service Minutes of the Board of Directors Meeting February 10, 2004

The Board of Directors convened in Washington, D.C. at the Corporation for National and Community Service. The following members of the Corporation's Board were present:

Stephen Goldsmith, Chair
Cynthia Burleson
Juanita Doty
Carol Kinsley
Henry Lozano
William Schambra
Alan Solomont
Donna Williams

Amy Blankson, Chris Gallagher, and Mark Gearan participated at the invitation of the Board of Directors.

OFFICIAL ACTIONS

The Board approved the minutes of the meeting held on September 23, 2003.
(Transcript, 48-49)

Chairman's Opening Remarks

Chairman Stephen Goldsmith opened the proceedings by noting that the Corporation is in a better position today than previously to meet the many challenges before it. He observed that Congress passed a historic budget but expects more accountability, fiscal control, and performance standards. He lauded the confirmation of David Eisner as the Corporation's new Chief Executive Officer. He listed some of the key issues at hand – sustainability, federal share of costs, leveraging – and said Congress has directed the Corporation to engage in rulemaking in order to arrive at reasonable compromises on those issues for moving forward. He acknowledged the difficulties experienced by grantees during the reduction in funding in 2003 and he pledged that the Corporation would listen more carefully than ever before to the concerns of its stakeholders.

The Board formally recognized the service of three departing Board members: Amy Achor Blankson, who served from 1999-2003, and Chris Gallagher, who served from 1994-2003, were on hand; Art Naperstak, who served from 1994-2003, was unable to attend due to illness. New Board Members Cynthia Boich Burleson and Henry Lozano, along with Board members Juanita Sims Doty, Carol Kinsley, William Schambra, Alan Solomont, and Donna Williams, were then sworn in by Corporation staff member Laverne Rodgers.

SUMMARY OF BOARD DISCUSSIONS

Management, Audit, and Governance Committee Report Donna Williams expressed great confidence in the financial integrity of the organization and praised the work of CEO David Eisner Chief Financial Officer Michelle Guillermin in bringing the agency to this stage. She mentioned the Inspector General and General Accounting Office reports on the National Service Trust and said a financial certification process related to the National Service Trust is in place. She noted that accountability is not only a financial matter but involves a culture change as well. She said the board has asked David and Michelle to develop a metrics dashboard for tracking financial process and progress. She cited a report on personnel matters presented by union President Kelly Daly and noted that work is continuing on resolving many issues related to the Alternative Personnel System, boosting morale, and equal

opportunity. She said the committee received a good report from the Corporation's Inspector General, Russell George, and concluded by noting that Mr. Eisner promised to have the metrics dashboard, along with a list of quick improvements, ready for review by the Board at its next meeting.

Rulemaking Committee

Alan Solomont noted that the official rulemaking process that will begin soon grows out of recommendations made last year by the Board's task force on grant management; it is designed to promote an inclusive and transparent discussion and debate by all stakeholders in national and community service on a number of key issues. The goal is to seek compromise on those issues, to build consensus, and to create a more stable environment for grantees moving forward.

Program Committee

Bill Schambra noted that the goal of grants management is to create a balance of excellent ongoing programs with new and innovative programs and groups, including more small community and faith-based organizations. He commended the work of Marlene Zakai in leading efforts to implement many of the recommendations of the Board's task force on grants management. He noted the progress being made by David Reingold, director of Research and Policy Development, in developing concrete performance measures. He emphasized the need to compare "apples with apples" when comparing various types of applicant organizations, and also expressed his belief that the Corporation needs additional funds and flexibility from Congress in order to provide adequate training to grantees and foster innovation.

Chairman Goldsmith commented that the Board's goal was to make the grants process "more coherent and more expeditious." He noted that rules are closely tied to policy, and that timing is critical. It is important, he said, that the Board both "listen and execute."

Communications Committee

Report Juanita Doty thanked representatives from various program associations and grantee organizations who attended the committee meeting for their input and emphasized the need to advance national service through all streams of service and to look at the work of the Corporation "as the work of one family." She applauded the effort to expand the scope of the Communications committee to include input from the Human Resources, Congressional Affairs, and Recruitment offices; praised the work of the Diversity Council and Human Resources to promote excellence and respect; thanked CEO Eisner for his interest in and contributions to ongoing internal and external communications and outreach; noted progress in outreach to small community and faith-based organizations; and applauded the creation of a new corporate outreach effort to build partnerships with the private sector.

Chief Executive Officer's Report

David Eisner reiterated his three core priorities for the coming year:

1. **Rebuilding trust and credibility**, by doing a better job communicating with the field and delivering on promises.
2. **Managing to accountability**, by creating a performance culture, flattening the organization, and making sure that people on the front lines have input on strategic decisions
3. **Focusing on our "customers"**, by providing better service to grantees, members, volunteers, students, and teachers.

He acknowledged the inconvenience caused to grantees and state commissions by the late issuance of the 2004 rules on cost per member and pledged to distribute 2004's historic level of grant money in a way that is fast and efficient and strengthens the program. He expressed concerns over lower

administrative and operational funding, but praised the work of CFO Michelle Guillermin and others in devising an operating plan that will enable the Corporation to meet Congress' directives and the needs of grantees and get funds to grantees with greater oversight.

He then discussed the rulemaking process, which he noted would begin within two weeks. He stated that the process would be bifurcated, with input and decisions on such issues as sustainability, match, and federal share being addressed in time for 2005, and with all other issues being resolved in final rulemaking by 2006. He further encouraged grantees and others to weigh in with their ideas from the first step of the rulemaking process so that the Corporation can give maximum consideration in drafting proposed rules. Finally, he expressed optimism at the level of funding proposed in the '05 budget, which supports capital upgrades in the National Civilian Community Corps facilities, adds \$3 million to the Learn & Serve America budget, and restores program administration funds.

Panel Discussion

The meeting concluded with a panel discussion on the future of national and community service featuring four people who have been close observers of or participants in national service for many years: Kyle Caldwell, chair of the American Association of State Service Commissions and also Executive Director of the Michigan Community Service Commission; Alan Khazei, CEO of City Year; Will Marshall III, President of the Progressive Policy Institute; and Matthew Spalding, Director of the B. Kenneth Simon Center for American Studies at the Heritage Foundation.

Mr. Goldsmith departed at this point. Vice-Chair Alan Solomont moderated the discussion.

In his presentation, Mr. Caldwell characterized service "as a strategy to delivering on other goals" – meeting community needs, developing citizens, etc. – and not as an end in itself. He articulated the importance of several key principles, including:

- Removing barriers to service and red tape
- Giving more flexibility to state service commissions
- Broadening the definition of "sustainability" and focus on sustaining a "network of service organizations"

Mr. Khazei said we are at "historic moment" in our nation's history and should use that opportunity "to take national service to the next level." He noted that after 10 years, "we know national service works," and that the foundation is in place to "grow" the concept. He said AmeriCorps is a "groundbreaking" model of public-private partnership that operates in a decentralized way. He urged the expanded use of Challenge Grants to stimulate private investment in local programs; called for differentiation in types of AmeriCorps grants that start, sustain, or grow programs; and asked to bring some program models to full scale to demonstrate effectiveness of vision in several "All-Star Cities." He also thanked the Board for the opportunity to give input on rulemaking, and urged flexibility, no time limits on receipt of funds, and an overall goal of improving the effectiveness of programs.

Mr. Marshall noted the tensions that continue to exist between notions of volunteerism and national service and urged people not to pose false choices between them. He said both are vital and can complement each other. He noted that national service uniquely tackles national needs in an organized, systematic way; is a form of service that is part of a "seamless" continuum with military service; fuses self-interest and civic responsibility in a unique "civic compact"; and represents an investment in human capital. In short, he said, it is a "new model of civic partnership." To bring national service to scale, he urged:

- Emphasis on results and evaluation of the added value that national service brings to communities
- Indefinite support of robust programs
- Focus on national programs and national priorities

- Link with outreach to faith-based organizations, including use of vouchers.

Mr. Spaulding noted that there remains significant disagreement on the value of national service. He said the goal of all government programs should be to strengthen civil society but not for government to become actively involved or to create dependence by grantees. He said reforms should focus on energizing Americans' compassion, addressing critical problems (and avoiding frivolous ones), stimulating the support of the private sector (rather than serving as a "jobs program"), placing limits on how long organizations can receive funds; and effectively measuring leveraging, recruitment, and capacity-building. He urged the citizen service movement to be largely independent of government – i.e., to follow a "Tocquevillian" vision rather than a "Progressive" one. He said that national service is one of several ways to increase philanthropy and charity, and that that goal can be accomplished in other ways.

Panelists then discussed each other's views. Mr. Marshall said national service was specifically designed as a non-bureaucratic way to attack problems that weren't being addressed by the public sector and that Mr. Spaulding was offering a false choice of either government or charity/philanthropy. Mr. Spaulding cautioned about creating dependence by large organizations on government support.

Mr. Schambra and other Board members asked follow-up questions on whether a decentralized program where individual participants used a "voucher" to select service sites would be worth exploring. Several panelists agreed it would but cautioned against its overuse and the potential problem of accountability.

Mr. Eisner noted that the vision for national service is closely tied to rulemaking, but cautioned people not to think of the debate as a choice between two models. Instead, he said the discussion should focus on "defining the best relationship" between the 75,000 AmeriCorps members funded by Congress and the 63 million Americans who volunteer each year. He pointed to the Habitat for Humanity model as one that has been especially successful, and asked people to explore the intersection between national service and volunteerism.

Although a period for public comment was scheduled, no additional questions or comments were offered. Mr. Solomont adjourned the meeting at approximately 11:25 a.m.