

**Corporation for National and Community Service
Minutes of the Board of Directors Meeting
September 23, 2003**

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
Amy Blankson
Juanita Doty
Christopher Gallagher
Arthur Naparstek
Marc Racicot
William Schambra
Alan Solomont (by telephone)
Donna Williams

Mark Gearan, Dorothy Johnson, Carol Kinsley participated at the invitation of the Board of Directors.

OFFICIAL ACTIONS

The Board approved the minutes of the meeting held on May 20, 2003. (Transcript, 10-11)

The Board approved a resolution directing the Chief Executive Officer to consult with the Board in advance of any Corporation-wide pay adjustments or cash awards, other than those that are effected by operation of law. (Transcript, 39-42)

The Board approved a resolution directing the Corporation to continue using the 2003 AmeriCorps guidelines until further notice, while giving priority consideration to professional corps programs, without prejudice to the role of faith-based and community-based organizations and the Corporation's strategic plan, and further directing the Corporation to undertake rulemaking to establish regulations on significant issues, including sustainability and the limitation on the Federal share of program costs, consistent with any applicable directives from Congress. (Transcript, 90-103).

Chairman's Opening Remarks

Mr. Goldsmith began by advising those in attendance that the Board will receive public comment before considering the draft 2004 AmeriCorps guidelines. He observed that, while state commissions and grantees face difficult challenges associated with reductions in funding, there is greater recognition in Congress and throughout the country of the good work being done by grassroots organizations under the auspices of the Corporation. He stressed the importance of demonstrating accountability at all levels to Congress to ensure full funding for the President's fiscal year 2004 budget request, which provides a historic opportunity for growth in national and community service. He promised the Board's engagement in improving management and welcomed Jim Manning as Acting Chief Executive Officer and Joyce Edwards as Acting Chief Human Capital Officer, joining Chief Financial Officer Michelle Guillermin in senior management.

Mr. Goldsmith described the tension between those who view the Corporation's role as supporting community service with an emphasis on leveraging Federal resources and those who see the Corporation as promoting national service with expanded Federal resources. He supported the Board's custom of avoid partisanship while translating directives from the President and Congress into programmatic guidelines.

Acting Chief Executive Officer's Report

Jim Manning expressed his delight at joining the Corporation and praised the work of Chief Financial Officer Michelle Guillermin in improving the Corporation's financial management. He noted that Joyce Edwards has recently joined the Corporation to lead its human capital initiative. He introduced Peter Hill as the Corporation's new Chief Information Officer. He anticipated the confirmation of David Eisner as the Corporation's Chief Executive Officer.

Mr. Manning described a new internal management improvement team, comprised of senior Corporation staff to undertake a comprehensive review of how the Corporation does business. The group will (1) examine operations and management to identify ways to improve accountability and efficiency; (2) produce an action agenda that promotes open communications and management excellence; and (3) monitor progress and full implementation of the action plan. The goal is to achieve an organization whose financial, operational, information, and human capital management practices are recognized as models for other agencies. In this process, the Corporation will seek input from the field, from the Office of Inspector General, and from outside experts.

SUMMARY OF BOARD DISCUSSIONS

Management, Audit, and Governance Committee Report

Mr. Gallagher reported on the committee's discussions the previous day with the Inspector General. Audits of state commissions are generally proceeding smoothly, with improvements noted in many states. He praised Inspector General Russell George's professionalism throughout his first year in office. He expressed the committee's support for the management improvement process initiated by Jim Manning. He invited Chief Financial Officer Michelle Guillermin to provide a presentation on the National Service Trust's financial status.

Ms. Guillermin began by reporting that Congress, in enacting the Strengthen AmeriCorps Program Act in July, established a definitive accounting methodology for the National Service Trust. This permits, within specified limits, the use of estimates in recording obligations related to AmeriCorps education awards. The Act also requires a reserve fund in the Trust to provide security in the event that the estimates are not accurate. In addition, the Corporation has put in place formal processes to safeguard against any over-commitment of funds in the Trust. These include internal controls as well as restrictions on grantees. The grantees are adapting admirably to these additional requirements. Congress has earmarked funds to assist in improving financial management, including controls relating to the Trust and information technology costs.

Mr. Gallagher referred to the Board's request for a comprehensive report on the Trust and his expectation that it would be submitted to the Board shortly. He praised Ms. Guillermin's work as crucial to restoring trust with the Corporation's many stakeholders. He also noted the Board's positive reception for Joyce Edwards, the incoming human capital officer.

Ms. Edwards addressed the Board, describing her 30 year career as a human resources professional, most recently at the Office of Personnel Management. She emphasized the need to develop a performance management system that serves employees and managers, and to address workload and workforce issues, as well as diversity. She committed to an HR office that is service-oriented and that promotes a culture of communication at all levels. Ms. Edwards stated that she intends to proceed with a balanced approach, reflecting both strategic and tactical considerations, using OPM's model Human Capital Standards for Success.

Mr. Goldsmith urged Ms. Edwards to bring clarity to the various personnel systems and procedures so that employees have a better understanding of what is expected of them. He encouraged the continued consultation with the Corporation's union and minority employees.

Mr. Naparstek stressed the importance of recruitment and retention of high-quality employees.

Mr. Gallagher closed his report by describing the competing principles of accountability for taxpayer dollars and devolution to states and other stakeholders for their creative programming. He praised the Corporation's balancing of these principles and urged continued progress in incorporating process and accountability into the programs.

Mr. Goldsmith thanked Mr. Gallagher for his dedicated service as his second and final term as a Board member comes to a close.

Communications Committee Report

Ms. Juanita Doty reported on a very productive meeting with leaders of the associations affiliated with Senior Corps, AmeriCorps, and Learn and Serve America programs.

Ms. Barbara Taylor, the Corporation's new director of Public Affairs and executive director of the President's Council on Service and Civic Participation, described the new President's Volunteer Service awards, which are designed to create a culture of service and citizenship. They are given on an annual basis to youth, adults, and families and groups, as identified by certifying organizations such as nonprofits, schools, and government agencies. More than 700 organizations have signed up thus far.

Ms. Doty noted that plans are underway for the annual Martin Luther King, Jr. Day of Service in January. Ms. Doty is leading efforts to promote the grant program among faith-based and community organizations. She acknowledged the work of David Caprara, director of AmeriCorps VISTA, in this effort.

Ms. Doty gave a legislative update, noting that the Administration continues to work for full funding of the President's 2004 request.

Ms. Doty urged Board members to interact with grantees, by participating at grantee meetings, conferences and in other ways.

Mr. Gearan emphasized the importance of increasing Board member outreach as a way to improve relationships with grantees.

Ms. Doty closed by reporting on her participation in a Family Strengthening Initiative Conference in Philadelphia, sponsored by HHS's Administration for Children and Families and AmeriCorps VISTA.

Planning, Evaluation, and Research Committee Report

William Schambra reflected on the goals of accountability and grassroots flexibility. He described the committee's efforts to promote accountability processes that were useful rather than burdensome for grassroots organizations. Done properly,

accountability standards could help organizations demonstrate results and convince other funders to provide support. He indicated that programs were making good progress in developing performance measures.

Consideration of Draft 2004 AmeriCorps guidelines

Mike McKay, Deputy Director of AmeriCorps, and Gretchen Van der Veer, Director of the Office of Leadership Development and Training, presented the Board with feedback received from the annual AmeriCorps grantee meeting of more than 350 representatives. The issues of sustainability and match requirements are of greatest concern to grantees. Grantees would like sustainability to be defined in more than strictly fiscal terms, encompassing capacity-building, replicability, strengthening communities, strategic partnerships. Grantees are concerned that the match requirements in the draft guidelines would punish success. Grantees recommend that match requirements be applied on an aggregate, or state-wide, basis. Other issues raised by grantees include:

- Required external evaluations.
- Fund-raising activities by AmeriCorps members.
- Definition of three-state requirement for National Direct programs.
- Considering attrition rates in 2002 and 2003 as indicators of grantee performance.
- Definition of community-based organizations.
- Role of professional corps programs.
- Planning grants with State competitive funding.
- Clarity around expectations vs. requirements.
- Whether draft guidelines reflect Corporation's vision and mission.
- Potential reduction in training and technical assistance.
- Role of peer reviewers in grant selection process.

Public Comment on the Draft 2004 AmeriCorps Guidelines

Sally Prouty, National Association of Service and Conservation Corps

Ms. Prouty expressed concern that the draft guidelines appear to devalue environmental programs that give opportunities to disadvantaged youth. In addition, not all of the service and conservation corps lend themselves to generating volunteers. Finally, 60 percent of those enrolling in such corps are people of color.

Board Consideration of Draft 2004 AmeriCorps Guidelines

Alan Solomont urged the Corporation to undertake more deliberations to ensure that the guidelines reflect the agency's vision and mission. He urged the Board to maintain the current guidelines to allow further discussion with all stakeholders.

Dottie Johnson stated that the issues of sustainability and match are critical to the long-term viability of the programs, and that there may be additional, creative approaches

that may serve the programs better, while at the same time recognizing the concerns of Congress.

Carol Kinsley urged greater consideration of other ways to address the tension between Congressional directives and the Corporation's vision and mission.

Mr. Naparstek spoke in favor of maintaining the current guidelines while establishing a mechanism to obtain maximum input from key stakeholders in the field and in Congress.

Mr. Goldsmith summarized the concerns of the Board in the following points: (1) maintain the 2003 guidelines for some period of time; (2) establish a more formal process to collect feedback and information; and (3) respect the interests of Congress in how we manage the Corporation's public resources.

Mr. Gallagher offered a resolution directing the Corporation to continue using the 2003 AmeriCorps guidelines until further notice with the following additional qualifications: (1) the Corporation will give priority consideration to applications submitted by professional corps programs; and (2) the Corporation will undertake rulemaking to establish regulations on sustainability and the limitation on the Federal share of program costs, consistent with any applicable directives from Congress.

At Alan Solomont's suggestion, the resolution was amended to include "significant issues" including but not limited to sustainability and the limitation on the Federal share of program costs. Ms. Johnson urged the Corporation to implement the recommendation of the Board grants task force to make permanent many of the provisions in the guidelines that currently change from year to year. At William Schambra's suggestion, the resolution was further amended to clarify that the resolution in no way diminishes the Corporation's commitment to reach out to smaller and grassroots faith-based groups.

Closing Remarks and Adjournment

Mr. Goldsmith recognized the service of Chris Gallagher, Amy Blankson, and Art Naparstek, whose terms as Board members are coming to an end.

Ms. Doty reinforced the Board's direction to staff to reach out and improve communication with the field before taking actions.

Brad Lewis, a Learn and Serve America staff member, thanked Ms. Blankson for her efforts to give voice to the role of youth in the service community and urged that a young person be identified to succeed Ms. Blankson on the Board.

Kelly Daly, President of the CNCS employees' union, expressed concerns regarding the Board's resolution on compensation decisions, noting that there is a perception among employees that compensation decisions are made on the basis of

personality rather than performance and that senior staff are not aware of the contributions being made by staff in the field or at lower levels at headquarters. She urged the Corporation to create a new performance measurement plan based on merit. Ms. Daly also urged in connection with the Board's resolution on grants that consideration be given to the difficulties faced by staff members in making changes to the current grant cycle.

Mr. Goldsmith requested from Mr. Manning a short report on how much time and money would be required to improve the e-grants system.

Mr. Naparstek reflected on his ten years' tenure on the Board and praised the Board's role in institutionalizing what de Tocqueville called "the habits of the heart". He drew a connection between the habits of the heart and those of the mind – how we practice citizenship, how we deal with diversity, how we handle differences, the kinds of organizations that we need to legitimize difference, pluralism, and diversity.

Mr. Goldsmith thanked Mr. Naparstek and adjourned the meeting.