

Corporation for National and Community Service Minutes of the Board of Directors Meeting September 20, 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
Dorothy Johnson
Carol Kinsley (by telephone)
William Schambra
Alan Solomont
Donna Williams
Juanita Doty participated at the invitation of the Board of Directors.

Official Actions

The Board approved the minutes of the meeting held on June 22, 2004. (Transcript, 11)

Chairman's Opening Remarks

Chairman Stephen Goldsmith opened the meeting by praising the constructive engagement by Corporation staff and grantees regarding AmeriCorps rulemaking, responding to the Board's desire to achieve more clarity in program policies and procedures, and meeting Congressional concerns concerning sustainability. The recent \$100 million increase in appropriations, fully funding the President's budget request for this fiscal year, likely expresses Congress' approval of the Corporation's commitment to dealing with the issues raised in rulemaking. Mr. Goldsmith noted that the Corporation had engaged in widespread outreach before issuing the proposed rules and this has been largely successful in communicating the rationale behind the rules.

Mr. Goldsmith lauded recent steps taken by the Corporation in the human resources area, led by Chief Executive Officer David Eisner and Chief Human Capital Officer Joyce Edwards, addressing diversity, union issues, and general employee morale – areas that had been identified as problematic in several reports and evaluations by the Inspector General and outside reviewers. The Board is pleased by the dramatic improvements while recognizing the need for continued progress.

Mr. Goldsmith praised the Corporation's recent efforts around Congressional outreach as well as the significant progress in fiscal accountability made by Chief Financial Officer Michelle Guillermin during her recently-concluded two-year tenure. He urged continued improvements in linking performance to accountability for employees and grantees alike. He complimented Mr. Eisner's leadership for the progress made since he was appointed CEO.

Mr. Goldsmith acknowledged the uncertainty relating to the status of many Board members whose terms have expired or will expire in the next several months, particularly in an election year. He expressed the Board's commitment to managing the process of transition in a responsible manner.

He closed by urging the Corporation to treat States as customers and to remain focused on improving systems like eGrants.

Chief Executive Officer's Report

David Eisner began by introducing Kathy Ott, the Corporation's new Director of Government Relations. Katherine Hoehn will continue as Director of State and Local Relations. Andrew Kleine is serving as

Acting Chief Financial Officer. Mr. Eisner announced that Joyce Edwards had agreed to extend her service at the Corporation beyond her original one-year commitment.

Mr. Eisner reported on his visit to Florida in the aftermath of Hurricanes Charley and Frances, where he was briefed by Governor Jeb Bush and by FEMA on the deployment of more than 600 national service participants. The participants are providing direct service, such as tarping, distributing goods, and providing services to displaced persons, as well as mobilizing and coordinating thousands of volunteers.

Since the last Board meeting, the Corporation has approved Homeland Security, Challenge, and Next Generation grants; and finalized AmeriCorps grant selections. The agency is now working on the fiscal year 2006 budget based on a logic model, reviewing how best to allocate volunteer service years (VSYS) in the Senior Corps to achieve maximum impact, and planning improvements to the delivery of training and technical assistance. Challenges ahead include improving electronic systems such as eGrants and the Web-Based Reporting System (WBRS) and otherwise increasing efficiency. He recognized the hard work that staff is devoting to these challenges.

SUMMARY OF BOARD DISCUSSIONS

Management, Audit, and Governance Committee Report Donna Williams reported that as the Corporation closes out fiscal year 2004, financial and grant processes are on track. The Corporation is planning to conduct one additional selection process for AmeriCorps professional corps programs. A successful professional corps process would put the Corporation over the 75,000 AmeriCorps member mark, slightly under a target of 40 percent of members in Education Award programs, and slightly over the targeted over-all cost per FTE. 90 percent of grants have been awarded.

For fiscal year 2005, the House appropriations committee mark for NCSA programs was \$70 million below the President's \$642 million request. The House figure would support 70,000 AmeriCorps members. The Senate appropriations committee has not acted yet on the 2005 budget for NCSA programs. For DVSA programs, both House and Senate committees have completed their mark-ups, approving levels well below the President's \$375 million request and the President's goal of supporting 600,000 senior volunteers.

Special volunteers programs, supporting homeland security, did not fare well in the DVSA committees. A long-term continuing resolution is expected for the first part of fiscal year 2005, with a large omnibus appropriations bill expected to be passed in early 2005.

For fiscal year 2006, the Corporation has submitted a budget to OMB, following an internal process that included all offices and emphasized performance. The Corporation used a logic model analysis to link funding requests to strategic goals.

Three major management improvement projects are underway. First, the Corporation has initiated a business process review to improve efficiency in grant-making, the National Service Trust, procurement, and VISTA and NCCC payroll. Second, the Congress has directed the National Academy of Public Administration to evaluate the Corporation. Third, the Office of Inspector General has begun an evaluation of the Corporation's programs. In addition, the Corporation is undertaking benchmarking surveys in the areas of customer service and human capital. The Corporation continues to make progress in developing a management dashboard and Board metrics. The Inspector General is concluding work on the fiscal year 2004 financial statement audit.

Program Committee

William Schambra reported that the Corporation has achieved impressive results in implementing recommendations from last year's Board task force on grantmaking, and commended Marlene Zakai for her leadership in this area. Senior Corps is focusing on baby boomers as a source of volunteers,

and is also collaborating with Learn & Serve America in bringing senior and students together in service projects. Learn & Serve America is working on a core competency project with grantees, identifying best practices, and is also on track to award 8,000 Presidential Freedom Scholarships. National Civilian Community Corps, with 300 Corps members deployed, is a central part of the Corporation's response to the hurricanes in Florida and elsewhere. VISTA is focusing on tying capacity-building to measurable outcomes. AmeriCorps is currently negotiating grant awards. Research and Policy Development has put together an impressive set of research projects, including a longitudinal study of AmeriCorps members that will have results in the fall.

In response to a question from Dottie Johnson, Marlene Zakai outlined the improvements to peer review and grantmaking. This included considering similar applications together, improving outreach and training of peer reviewers, strengthening management of the peer review panels, and using an outside contractor with expertise in federal grantmaking logistics.

Communications Committee Report

Juanity Doty reported on behalf of Chairman Henry Lozano who was not in attendance. Ms. Doty reported on the activities of the Office of Faith-based and Community Initiatives in the areas of children of prisoners and prisoner re-entry, and in implementing the President's executive order regarding inclusion of faith-based and other community organizations. The Office of Government Relations has been very active in improving communications with Congress. Ms. Doty praised the recruitment office's work and the diversity advisory group's progress. The Corporation has instituted a new managerial appraisal system and a leadership development initiative. Ms. Doty noted that the number of discrimination complaints filed this fiscal year has been significantly reduced compared to prior years.

Public Affairs has ably supported the President's Council on Service and Civic Participation and the President's Volunteer Service Award. More than 5,300 organizations have been recruited to sponsor the award, and more than 83,000 awards have been made. Ms. Doty highlighted one promotion featuring National Civilian Community Corps members in national magazines through an agreement with the Polo Jeans GIVE campaign. Ms. Doty also recognized a collaboration with the Alpha Kappa Alpha sorority encouraging elementary schoolchildren to write and publish stories, culminating in a national event attended by the First Lady and the Secretary of Education. Public Affairs is also supporting activities to mark the Corporation's 10th anniversary. The Corporation recently published a notice inviting applications for grants to support service activities in connection with the Martin Luther King, Jr. Day of Service.

Rulemaking Committee

Mr. Goldsmith had to leave the meeting at this point and turned the meeting over to Vice-Chair Alan Solomont. Mr. Solomont noted that the Board meeting coincided with the 10th anniversary of the signing of the National and Community Service Trust Act of 1993. He reported that the Corporation published proposed rules for AmeriCorps on August 10, 2004, and that the rules are intended to make the program stronger, more stable and predictable, and position it for continued growth. The proposed rule was published after a period of input that included views from more than 500 individuals and organizations. The public comment period closes October 12, 2004. The Corporation is holding five public meetings to solicit comments from the public, in Philadelphia, Atlanta, Portland, Denver, Chicago. In addition, three conference calls will be held. Mr. Solomont invited all stakeholders to submit comments about the proposed rule. He thanked members of the public for their thoughtful views, expressed in a positive spirit of collaboration. Mr. Solomont stressed that the Corporation seeks to resolve the issues in rulemaking with as much permanence as possible, and that the Corporation would seriously consider all comments received.

Dottie Johnson said that the material and comments being received are extremely helpful, and that

she planned to attend the public meeting in Philadelphia.

Public Comment

Betty Ruth, an RSVP Director in Athens, Georgia, member of the National Association of RSVP Board of Directors, and vice-chair of the Alabama State Commission, objected to permitting state commissions to directly operate programs funded under the Domestic Volunteer Service Act. She stated that the fact that Corporation staff office directors serve ex officio on state commissions created a potential conflict of interest. In addition, state commissions would have an unfair advantage against other organizations based on their close relationship to the Corporation. State Commission individual commissioners would also face conflicts of interest based on their personal affiliations with applicant organizations. She said that state commissions are not organizationally designed to run programs, lack sufficient community ties, and are subject to changes in Governors. She concluded by praising Mr. Eisner's public meetings in advance of rulemaking and by acknowledging the leadership of Juanita Doty among the Southeastern states.

Kelita Bak of Youth Service America expressed concern about the challenges associated with increasing matching funds for AmeriCorps grantees, as proposed in rulemaking. She requested that the Corporation share data that it considered in making this proposal.

John Gomperts of Experience Corps, expressed concern that the AmeriCorps rulemaking's focus on cost and sustainability not displace other goals, such as program quality. He expressed concern about the impact of the rules on existing programs and small community-based organizations. He pointed out that random assignment evaluations are expensive and urged that the final rule avoid overly prescriptive language in this area. He concluded by urging the importance of having the rules bring about stability.

Kelly Daly, president of the Corporation's employees' union, stated that management-union relations are good but the work environment is not. She urged Board members to talk directly to employees about their experiences.

Mr. Solomont adjourned the meeting.