

Corporation for National and Community Service Minutes of the Board of Directors Meeting June 22, 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
Henry Lozano
William Schambra
Alan Solomont
Donna Williams

Juanita Doty and Mark Gearan participated at the invitation of the Board of Directors.

Official Actions

The Board approved the minutes of the meeting held on February 10, 2004. (Transcript, 12-13)

Chairman's Opening Remarks

Chairman Stephen Goldsmith opened the proceedings by expressing the Board's sense of positive momentum throughout the service world, bolstered by additional funding from Congress at the President's budget request level that will support a record number of AmeriCorps members and Senior Corps participants. He praised the work of Chief Executive Officer David Eisner and Chief Financial Officer and Acting Chief Operating Officer Michelle Guillermin. He asked for the continuing participation of the national and community service field in meeting the challenges ahead. He noted that the Board's interest and management progress in such areas as human capital was resulting in agency-wide improvements, as reflected in a set of metrics concerning EO complaints and union grievances. He urged the Corporation to continue building effective relationships with its state offices, state commissions, and grassroots organizations, and asked the Chief Executive Officer to report, within 90 days, on unnecessary or redundant processes at the state or local level that can be removed or reduced through rulemaking or otherwise.

Mr. Goldsmith reported the Board's engagement in revising the Corporation's strategic plan and indicated that the Corporation would seek input from staff and the public before approving. Regarding AmeriCorps rulemaking, Chairman Goldsmith acknowledged that there are sincere differences of opinion. He acknowledged the issues facing the Corporation in the human capital arena. He reported that state commissions are asking for more opportunities to participate in making policies that affect them. Mr. Goldsmith concluded by affirming that the strategic plan is being taken very seriously as a roadmap for the future.

Chief Executive Officer's Report

David Eisner lauded the progress being made by the Corporation through positive reforms at the executive team and staff level, with bi-partisan support from Congress in the appropriations process and strong support from President Bush. He reported that the Corporation has fundamentally reformed the grantmaking process, in accordance with the Board's direction. Financial operations have full integrity, with greater efficiency, greater predictability, and a stronger capacity for planning. Grants are being approved on schedule, with a higher level of quality, in all programs, even with staff capacity being stretched as a result of limited administrative funding. Joyce Edwards, the Chief Human

Capital Officer, is leading the agency to adopt a new performance management policy, aided by conversion of most staff to general appointments, resulting in higher-quality job applicants and improved retention. Managers and supervisors will start under a new performance-based appraisal system on July 1. Outreach to stakeholders, including state commissions, remains a high priority, and a data working group has been formed to work with grantees to determine how the Corporation should collect and disseminate data from the field. Mr. Eisner noted that the President's 2005 budget requests the first-ever increase in the Learn and Serve America program.

Mr. Eisner recognized several staff members as well as Desiree Sayle, new deputy assistant to the President and Director of the USA Freedom Corps. Ms. Sayle addressed the Board members, thanking them for their commitment to strengthening the nation through service. On behalf of the President's Council on Service and Civic Participation, a group of 24 distinguished Americans, Ms. Sayle presented President's Volunteer Service Awards to Cynthia Burlison, Juanita Doty, Stephen Goldsmith, Dorothy Johnson, Carol Kinsley, Henry Lozano, William Schambra, Alan Solomont, Donna Williams, and Mark Gearan.

Chairman Goldsmith noted the passing of former Board member Art Naparstek, who served the Board for many years with distinction and was one of the architects of the Federal Hope VI housing program.

Summary of Board Discussions

Management, Audit, and Governance Committee Report Donna Williams reported that the majority of grant competitions are complete -- ahead of schedule -- and negotiations are now underway to finalize grant awards. The grant review process reflects several improvements, including a strengthened peer review component and a pre-certification of funds availability for each grant category. Approvals are on target to meet the President's goal of 75,000 AmeriCorps members. Based on the number of grantees that will be seeking continuation funding in the 2005 AmeriCorps cycle, projected funds for new grants are very limited.

The delay in Congressional passage of an annual budget presents a challenge, as the Corporation's operating plan was not in place until mid-way through the fiscal year. The limited amount of program administration funds has resulted in holding back in filling some staff positions and has presented a challenge in managing the increased grant activity. The Corporation is well underway to using a performance-based budgeting process to develop the 2006 budget, using a logic model. The committee also reviewed the status of changes in how the Corporation plans to support recruitment activities, as well as several studies soon to be underway on the Corporation's business and other management processes. Staff from all Corporation state offices recently attended training at headquarters for the first time in many years. Implementation of the strategic human capital plan is underway, and performance-based bonuses and pay adjustments have been completed. The Inspector General reported to the committee that equal opportunity complaints are significantly reduced this year, and that disposition of prior year outstanding matters should be completed in the next few months.

Rulemaking Committee

Chairman Goldsmith reported that, in executive session the previous day, the Board had taken steps to authorize that the AmeriCorps proposed rule be submitted to the Office of Management and Budget for approval prior to publication, public comments, and further action by the Board.

Alan Solomont thanked Dottie Johnson for her leadership on the committee and Mark Gearan for his expert assistance to the committee, as well as David Eisner and Rosie Mauk for their carrying out a process open to all stakeholders. He indicated that the Board believes that undertaking rulemaking at this time is in the best interests of the Corporation and its stakeholders. The Board has two-fold goals: to make reforms to strengthen the program and to maintain strong support for service programs in the field. The Board also intends to resolve definitely some of the differences that currently are

addressed each year during the appropriations process.

Mr. Solomont recounted the public input prior to drafting the proposed rule, including five public meetings across the country and four conference calls. In addition, the Corporation received more than 500 written submissions. The input process was universally praised for providing an opportunity all views to be considered. After the input period, the committee engaged with management concerning the crafting of the proposed rule, with the Board as a whole receiving periodic updates and having opportunities to provide input. Now that the Board has authorized release, through OMB, of the proposed rule, there will be an additional opportunity for public comment on the specific proposals. The goal is to strike the best balance between reforms that leverage Federal dollars to allow the program to continue to grow while also continuing to support the good work of current programs.

Ms. Johnson expressed thanks to the field for its input and reiterated the Board's goal of making service programs permanent in our society. Mr. Goldsmith added that the Board wants to leverage Federal funds to create the maximum number of volunteers while ensuring stability in current programs.

Program Committee

William Schambra opened his report by acknowledging Mr. Eisner's strategic leadership in appointing Marlene Zakai to head up a new office of grants operations. He observed, based on his perspective of reviewing all grant decisions, that the process is much more crisp and more timely. The Corporation has implemented many of the recommendations of the Board's grants task force of last year, including earlier involvement of senior management in the selection process, better use of technology, a much-improved peer review process, greater integration of program, fiscal, and Trust approvals. In addition, the Corporation has made great strides in comparing similar programs against each other.

Mr. Schambra reported on evaluation activities sponsored by the Corporation, including gathering benchmarking performance data and undertaking three scientifically-based program evaluations and three projects looking at volunteering and volunteer management. The volunteer studies show that charities show higher volunteer retention rates if they sponsor recognition activities, offer training in professional development to volunteers, match volunteers to organizational tasks, and use volunteers to recruit other volunteers. These findings bolster the objectives of the President's Volunteer Service award. Charities that partner with religious organizations report greater organizational benefits and larger scope of volunteer use. A report showing results of a longitudinal study of AmeriCorps members is scheduled for the fall of 2004, examining the early impacts of participation in the program. Mr. Schambra commended David Reingold, outgoing director of the Research and Policy Development, as he returns to his position at Indiana University, and welcomed Bob Grimm who is being promoted to lead the department.

Communications Committee Report

Juanity Doty praised improvements in outreach and field communications under Mr. Eisner's leadership. She noted specifically that leaders of various associations of service programs themselves have reported greater transparency and openness, so that the associations are able to turn their focus to operational matters such as training, technology, and improved programming. She reported favorably on a first-ever institute for faith-based and other community organizations held at the national conference in Kansas City, co-sponsored by the Corporation and the Points of Light Foundation, with 188 faith-based and other community organization participating. In addition, the Corporation participated in six regional conferences sponsored by the Department of Health and Human Services, reaching 1,200 faith-based and community leaders and 6,000 congregants. She noted that the President had issued an executive order in February, calling on the Corporation to increase its efforts in reaching out to faith-based and other community-based organizations, which is consistent with Board priorities. Communication is also improving with Congress, and the Corporation has recently hired Robert Thorman to be responsible for tracking correspondence, including advance

notification of grant approvals.

Ms. Doty reported that EO complaints from employees have been reduced. She praised Joyce Edwards and Jonathan Williams for their leadership in establishing a diversity advisory council to work for improvements at the Corporation.

Ms. Doty reported on progress made by the President's Council on Service and Civic Participation in promoting the President's Volunteer Service award. Thus far, the council has recruited 4,300 certifying organizations and that number is growing by approximately 150 each week. More than 54,000 awards have been distributed. The goal is to reach 200,000 awards by the end of the year. The Council is promoting youth volunteering, and intends to use National Family Volunteer Day in October to do so. The national conference in Kansas City featured 2,100 attendees; outreach included the Martin Luther King, Jr. Day of Service. Sandy Scott, Acting Director of Public Affairs, is leading efforts to mark the Corporation's 10-year anniversary. Ms. Doty concluded by previewing a cross-state training to be held by Mississippi, Alabama, Tennessee, and Georgia in August.

Although a period for public comment was scheduled, no questions or comments were offered. Mr. Goldsmith adjourned the meeting at approximately 10:30 a.m.