

**CORPORATION FOR NATIONAL AND COMMUNITY SERVICE
PERFORMANCE AND ACCOUNTABILITY REPORT
FISCAL YEAR 2001**

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MESSAGE FROM THE CEO



March 31, 2002

I am pleased to present the 2001 Performance and Accountability Report of the Corporation for National and Community Service, my first as the agency's CEO. This unified report, which consolidates various reporting requirements, demonstrates how our programs are trying to help meet critical community needs. It also shows how the management systems we have put in place ensure both the financial accountability of the agency and the quality of its AmeriCorps, Senior Corps, and Learn and Serve America programs.

Our programs provide opportunities for Americans of all ages and backgrounds to learn the habits of good citizenship and put them into practice. National service participants are answering

President Bush's call for all Americans to devote at least two years of their lives to serving others and are helping to create a culture of service, citizenship, and responsibility. While the programs of the Corporation are not the only way to achieve those goals, we believe that they fill a unique and important niche, and their inclusion in the USA Freedom Corps demonstrates the great faith that the President has placed in them.

This report highlights the accomplishments of national service participants in raising reading scores, responding to emergencies (including the September 11 terrorist attacks), instilling the ethic of service in young people, improving communities, and helping the most vulnerable members of society. Our programs assist charities and faith-based organizations to carry out their missions more effectively. In the coming year we will work closely with our nation's many worthwhile nonprofit groups, helping them not only to accomplish their missions, including providing security for our homeland, but also to recruit and manage additional volunteers. More information on the Corporation is

available on our web site, www.nationalservice.org.

The Corporation itself received an unqualified, or "clean" audit opinion for the second consecutive year. The Corporation's financial statements and the Inspector General's report are included in this report. As we have made our management more accountable, we also plan to continue our efforts to make our programs more accountable. I have established a new Department of Research and Policy Development, reporting to the CEO, to emphasize more outcome-focused and policy relevant research.

In short, we believe that the accomplishments of the past year—coupled with plans to improve our programs' accountability, cost-effectiveness, and responsiveness to local needs—place the Corporation in an excellent position to help our nation meet the great civic and social challenges that are upon us.

A handwritten signature in black ink that reads "Leslie Lenkowsky". The signature is written in a cursive, flowing style.

Leslie Lenkowsky
Chief Executive Officer

EXECUTIVE SUMMARY

This performance and accountability report presents the results achieved by the Corporation for National and Community Service (the Corporation) in fiscal 2001. Overall, it was a year that brought dramatic growth to national service programs: membership in AmeriCorps increased by more than 25 percent, the largest increase in its history. In support of the service participants and programs supported by federal funds, the Corporation continued to strengthen its program oversight and financial management systems. While no one could possibly have imagined how the year would end, the Corporation and the national service community was well positioned to respond to the events of September 11 and to move forward to answer President Bush's call to citizen service. In this executive summary, we will highlight selected performance features from these programs and activities:

- AmeriCorps: State and National, the National Civilian Community Corps, and Volunteers in Service to America (VISTA)
- National Senior Service Corps: Retired and Senior Volunteers,

Foster Grandparent Program, and Senior Companion Program

- Learn & Serve America
- Program Support: Innovation and Evaluation
- Administration and Financial Management

AMERICORPS*STATE AND NATIONAL

Enrollments reached an all time high. In program year 2000, which corresponds roughly with fiscal 2001, AmeriCorps*State and National enrolled 44,683 members. This exceeded the goal of 43,000 set for the year and represents a 26 percent increase over program year 1999.

Three of every four members earn the education award. The education award that members earn when they successfully complete a term of service is a means for them to pay off college debt or to use for current or future education costs. Almost three out of four—74.4 percent—who enroll earn the education award.

AmeriCorps members are engaged citizens. In an ongoing study of the long-term impacts of service, AmeriCorps members reported being registered to vote at a slightly higher rate than a comparable national sample (70 percent). Members also reported a higher rate of voting in a national election (54 percent) compared to a national sample (36 percent).

Well designed AmeriCorps programs improve early grade reading performance in school and in school readiness. A study of children in grades one through three, completed in 2001, found that "students participating in AmeriCorps tutoring programs improved their reading performance from pre-test to post-test more than the gain expected for the typical child at their grade level."

AMERICORPS*NATIONAL CIVILIAN COMMUNITY CORPS

The NCCC operated year-round and served every region of the country. Five campuses in Charleston, Denver, Perry Point (MD), San Diego, and Washington, D.C. were

operational in fiscal 2001 with 1,031 full time members. Its ten-month program, a year-round presence, has enabled AmeriCorps*NCCC to have members available to support local communities twelve months of the year. Most notably, NCCC was able to provide immediate support to the American Red Cross following the terrorist attacks in September 2001 because of the year-round schedule.

The NCCC specializes in disaster relief and homeland security.

Assisting victims of disaster is a primary focus area. The number of times AmeriCorps*NCCC responded to disasters increased from 19 in fiscal 2000 to 29 in fiscal 2001 and the number of members involved in disaster response increased from 244 to 565. Two hundred members supported disaster relief operations following the terrorist attacks on September 11 in New York City at Ground Zero and in Virginia at the Pentagon. The level of support extends to state disaster relief agencies and faith-based organizations like the United Methodist Committee on Flood Relief, as well as FEMA and the American Red Cross. In fiscal 2001, summer floods and storms required member services

in several states including Louisiana, Texas, West Virginia, Mississippi, and Iowa.

AMERICORPS*VISTA

AmeriCorps*VISTA works through local organizations on issues that they determine to be critical. AmeriCorps*VISTA produced 6,132 volunteer service years¹ in fiscal. In addition, more than 200 sponsoring organizations participated in cost-share arrangements. These agreements generated more than \$5.5 million in non-Corporation cash contributions to support 554 service years in addition to 5,578 federally-funded service years.

AmeriCorps*VISTA projects address the needs of those most in need. More than 80 per-cent of individuals served are estimated to live below the federal poverty level.² Approximately 1,200 projects, nearly 100 of which are faith-based organizations, are being served by nearly 6,000 AmeriCorps*VISTA members who ultimately help to make the projects sustainable beyond their term of service. Approximately 65 per-cent of AmeriCorps*VISTA projects are in small, nonprofit community or

faith-based organizations with fewer than ten staff members and an annual budget of less than \$250,000.

AmeriCorps*VISTA is actively promoting financial asset development projects. Financial asset development means a low-income individual can save money or build equity in a home. These steps are critical to helping people move permanently toward self-sufficiency. VISTA has been dedicating members to establishing Individual Development Accounts (IDA), home ownership, and automobile acquisition programs both in urban and rural communities.

NATIONAL SENIOR SERVICE CORPS: THE RETIRED AND SENIOR VOLUNTEER PROGRAM

RSVP continues as the largest volunteer program in the country for older Americans. Over 480,000 participants served in 766 grants supported by Corporation and non-Corporation funds. They provided more than 77 million hours of service to their communities through an estimated 65,000 local organizations or project sites.

¹A volunteer service year (VSY) equals one full year of service (365 days). Dividing the number of days a member serves during a fiscal year by 365 produces the VSY production. Both appropriated and non-appropriated service year production is included in this indicator.

²Aguirre International. 2000. *1999 AmeriCorps*VISTA Accomplishments*. This estimate is based on self-reports from AmeriCorps*VISTA grantees and project sponsors and therefore dependent on the accuracy and completeness of the tracking systems they maintain. In most cases, the data are not subject to audit or other, less formal reviews by independent investigators.

RSVP Projects meet the critical needs of communities in many ways. A study completed in 2001 by a research firm under contract to the Corporation reported on the service accomplishments of RSVP local projects in fiscal 2000. The study included service activities undertaken by RSVP volunteers that provide vital services: they help students stay in school; they provide the needy with food, clothing, and health services; they nurture and support homebound and hospitalized individuals; and they provide volunteer education, management consulting, and organizational support services to non-profit community organizations.

RSVP provides a wide range of services that are highly valued by community members. During fiscal 2001, a research firm under contract to the Corporation surveyed community representatives about RSVP and the services it delivers in the community through RSVP. These community representatives are familiar with the work of RSVP. The majority of study respondents rated RSVP services as important and timely. Overall, customer satisfaction among this group of respondents, who live and work in organizations and communities served by RSVP volunteers, met or exceeded expectations.

NATIONAL SENIOR SERVICE CORPS: FOSTER GRANDPARENTS

Foster Grandparents served more than 275,000 special and exceptional needs children in 2001. Over 23,000 Foster Grandparents supported by federal funds and 2,800 Foster Grandparents funded from other sources provided daily service to more than 100,000 children and youth in existing local projects supported by Corporation, state, local, and private funds.

Foster Grandparents helps children with exceptional or special needs to succeed in life. During fiscal 2001, a research firm under contract to the Corporation surveyed community representatives about the Foster Grandparent Program and the services it delivers in the community through Foster Grandparent volunteers. Respondents indicated that the services were not only important, but also responsive to community needs and they addressed needs that might have otherwise been unmet.

NATIONAL SENIOR SERVICE CORPS: SENIOR COMPANION PROGRAM

Senior Companions provided services to 44,600 frail adults weekly and to more than 61,000 annually. More than 13,100 Senior Companions served in 219 projects—178 federally

funded and 41 funded from other sources—to provide personal assistance and companionship primarily to persons who have physical, mental, or emotional impairments, predominately the frail elderly.

Senior Companions expands the in-home support for adults in need of extra support, and helped agencies serve new groups of clients. Community organizations using the services of Senior Companions were able to help additional clients, and provided additional services to present clients. By providing their direct and respite support services to clients, Senior Companions helped to free up the time of paid professional staff, thus allowing them to undertake more duties.

Senior Companions provide older, frail adults much-needed care, companionship, and support. A research firm under contract to the Corporation surveyed community representatives about Senior Companion Program grantees and the services it delivers in the community through Senior Companion volunteers. The study reported, “overall, the results of this survey reflect very positively on the services provided by Senior Companions. Respondents perceived the services provided... as being very important and responsive in terms of addressing critical needs in a timely manner.”

LEARN & SERVE AMERICA

Over a million students are in service annually through programs supported by Learn & Serve grants. The Corporation assisted 106 school and community-based projects that enrolled an estimated 1,478,210 in service-learning activities. In that same year, 62 college and university projects supported by Learn & Serve America enrolled approximately 80,000 participants (students, faculty, staff, and community members).

Participation in the President's Student Service Awards and Scholarships program continues to grow. Fiscal 2001 was the fourth year of the *President's Student Service Scholarship*. Under this program, students from the junior or senior class in high schools across the country received a \$1,000 scholarship for leadership in community service (\$500 in Corporation funds and \$500 in matching funds). The Corporation awarded 6,127 scholarships in fiscal 2001. *The President's Student Service Awards* recognized students who make a significant annual service contribution to local communities: 50 hours or more for students under 14, and 100 hours or more for older students. By the end of the fiscal year, 16,679 individuals across the country received awards.

PROGRAM SUPPORT: INNOVATION

The number of applications received by programs through the AmeriCorps Recruitment website was much higher than the modest goal set in the fiscal 2001 performance plan. The AmeriCorps Web-based Recruitment and Placement System lists service opportunities and profiles of prospective members. Applicants can find programs that match their interests and submit an electronic AmeriCorps application. From late January 2001, when it was launched, through September 2001, the system had posted over 1,100 program listings (out of 2,100 potential programs) and had processed 26,000 applications.

The Corporation increased the funds allocated to support disability-related outreach and recruitment activities across all national service programs. This was the first year that the Corporation's support of such activities extended beyond AmeriCorps. In 2000, the Corporation issued three grants totaling \$1,500,000 enabling organizations that support service days or events to include persons with disabilities. Their activities began in fiscal 2001. The Corporation awarded eight grants to support strategies for increasing participation in national service by individuals with disabilities. Most grants

covered a broad range of disabilities with one grantee focusing on cognitive disabilities and another on people with significant hearing loss.

The Corporation placed a high priority on developing partnerships with organizations sharing a commitment to serving those whom prosperity has left behind. In fiscal 2001, emphasis was placed on partnering with faith-based and small community organizations, with the goal of expanding the extensive network of such groups working with the Corporation. The Corporation brought together representatives of sixteen faith-based and small community-based organizations to discuss this Presidential initiative and to advise the Corporation on ways to improve and increase its partnerships with such organizations. One result of that conference was a decision to select a training and technical assistance provider to focus on faith-based and small community organizations. The provider will (1) offer information about resources available to such groups from the Corporation and other service and volunteer groups, (2) make available an information and referral center, and (3) offer training and technical to prospective and current faith-based and small community grantees and sponsors of Corporation programs.

PROGRAM SUPPORT: EVALUATION

The Corporation has added new performance indicators in two critical areas. One indicator will measure utilization of the education awards by AmeriCorps members; a second will focus on the number of community volunteers leveraged by national service program participants.

Quasi-experimental research continued to be an important tool for the Corporation to determine the extent of its effectiveness in improving the lives of service participants and recipients. In 2001, the largest study available in the research literature to date on the effects of tutoring was released by the agency: *AmeriCorps Tutoring and Student Reading Achievement* by Abt Associates. In addition, the Corporation completed the first of a series of continuous improvement studies on the National Civilian Community Corps campuses designed to permit NCCC managers to incorporate AmeriCorps Member feedback into the planning process for the following service year.

Another major quasi-experimental study is the Long-term Study of the Impact of Service on AmeriCorps Members. Abt Associates, under contract to the Corporation, is conducting the study, which seeks to identify the short-term and long-term

benefits that accrue to full-time members enrolled in 110 AmeriCorps*State and National programs, and three AmeriCorps*NCCC campuses. National comparison groups were used to compare members to individuals not in AmeriCorps, while controlling for interest in national service. Pre-test and post-test telephone surveys were conducted among all study participants during members' first year of AmeriCorps service (1999-2000), and a follow-up survey is scheduled to be conducted in the spring of 2002.

The baseline report, released in fiscal 2001, provides detailed information on member characteristics including their propensity to serve, demographics, attitudes related to civic engagement, life skills, and employment and educational attainment. Results of the baseline survey showed that compared with the U.S. population as a whole, on average AmeriCorps members are younger and more likely to be female, single, and persons of color. Before joining the program, members had high levels of participation in service activities. In the year before enrollment in AmeriCorps, members contributed more hours of service per month compared with national figures (17.2 hours versus 8.8 hours, respectively). During the most recent election

before baseline data collection, AmeriCorps members were much more likely to have voted (53.8 percent) compared with the nation as a whole (36.4 percent).

ADMINISTRATION AND MANAGEMENT

For the second year in a row, the Corporation has received an unqualified opinion on its financial statements. Achieving good financial standing as a steward of taxpayer funds is crucial to helping the Corporation meet a key strategic goal – developing and maintaining a sound, innovative organization that strengthens the service field. The audit opinion issued by the Office of the Inspector General and the accounting firm KPMG LLP, shows that the Corporation has demonstrated a commitment to strong management controls and a sound financial system.

A material weakness in grants management was eliminated in fiscal 2001. The Corporation's fiscal 2000 financial audit identified six areas in grant administration that needed improvement. The auditors concluded that, taken together, these weaknesses constituted a material weakness in grants management. Over the past year, the Corporation continued to make improvements in its procedures and processes including those

areas identified in the audit report. As a result, for fiscal 2001 the auditors were able to upgrade this area from a material weakness to a reportable condition.

The Corporation continued development and implementation of a new grants management system. This critical and complex project remains on schedule. The system will be web-based and incorporate all phases of grant making: applying, awarding, monitoring, reporting, and close out. Individual staff members will be able to track grant-making processes and many edit checks will be built into the system to cut down on errors in financial reporting. The system will also have a series of automatic notifications for upcoming and overdue financial and program reports. The new system will interface with *Momentum*, *WBRS*, and the Department of Health and Human Services' Payment Management System. The Corporation will begin implementing the system in April 2002.

The Corporation corrected two reportable conditions in fiscal 2001. First, the Corporation continued reconciling its Fund Balance with Treasury at the appropriation level on a monthly basis. The reconciliation work is reviewed and approved by the Director of Accounting. The aggregate unreconciled prior year (1999 and earlier) difference of \$1.1 million identified in the fiscal 2000 audit report has been reduced to less than \$160 thousand. Current year balances have been reconciled and any remaining differences from prior fiscal years will be written off during fiscal 2002 after a careful review. Second, the 2000 audit report noted that the balance of the unexpended appropriations proprietary account was approximately \$28 million less than the sum of the related budgetary accounts. Further analysis during fiscal 2001 of the budgetary account posting logic errors of the legacy accounting system has allowed the Corporation to eliminate this difference.

Fiscal 2001 was a year of growth and transition for the Corporation and the beginning of a rebirth in civic spirit and community service. The service accomplishments and the management improvements achieved this past year have laid the foundation for a major expansion in national service. To reflect the increasing importance that the Corporation places on good evaluation and research data, a new Department of Research and Policy Development, reporting directly to the CEO was recently established. This new Department will assume the continuing work and oversight of our program and management performance. The successes of the past predict that the challenges lying ahead will be met successfully and that service will become an increasingly important part of the country's heritage and of each citizen's life experience.

ORGANIZATION

The Corporation for National and Community Service was established in 1993 to engage Americans of all ages and backgrounds in community-based service. It supports a range of national and community service programs, providing opportunities for individuals to serve full- or part-time, with or without stipends, as individuals or as part of a team. The Corporation works with governor-appointed State Commissions, non-profits, faith-based groups, schools, and other civic organizations to provide opportunities for Americans of all ages to serve their communities. The Corporation operates under a five-year strategic plan, approved by the Board of Directors, that sets forth the Corporation's vision, mission, and goals.

The Corporation's three major service initiatives are AmeriCorps, the National Senior Service Corps, and Learn & Serve America.

- **AmeriCorps.** AmeriCorps, the domestic Peace Corps, engages 50,000 Americans annually in intensive, results-driven service. Most AmeriCorps members are selected by and serve with hundreds of local and national

organizations like Habitat for Humanity, the American Red Cross, and Boys and Girls Clubs. Others serve in AmeriCorps*VISTA and AmeriCorps*NCCC. After their term of service, AmeriCorps members receive education awards that help finance college or pay back student loans.

- **National Senior Service Corps.** Through the National Senior Service Corps, more than half a million Americans age fifty-five and older share their time and talents to help solve local problems. Seniors serve as Foster Grandparents, who work one-on-one with young people with special needs; as Senior Companions, who help other seniors live independently in their homes; and with the Retired and Senior Volunteer Program (RSVP), who meet a wide range of community needs.

- **Learn & Serve America.** Many schools are discovering the value of service-learning through projects that link education and service. Learn & Serve America helps support more than one million

students from kindergarten through college who are meeting community needs while improving their academic skills and learning the habits of good citizenship. In addition to providing Learn & Serve grants and scholarships for student service, the Corporation also promotes youth service through the National Service-Learning Leader Schools Program and the President's Student Service Challenge.

Together, these initiatives promote the ethic of service and help solve critical community problems in every state, many Indian tribes, and most U.S. territories.

CORPORATION STRUCTURE

At its creation, the Corporation was deliberately structured to operate differently from most Federal agencies. This is seen most clearly in the use of a corporate organization design, a flexible personnel system, a decentralized program network, and an explicit use of the private and nonprofit sectors to achieve its mission. The structure as a wholly owned government

corporation overseen by a board of directors is unusual. Indeed, it is the only such entity covered by the Government Corporation Control Act without predominantly commercial functions.

Decentralized Structure

The structure was conceived in 1993 as a means of providing more flexibility in procurement, personnel, and similar business areas than is typically accorded a Federal agency. Additionally, the corporate structure was intended to communicate a businesslike character and to make the Corporation more attractive as a partner with the private sector. Rather than implementing a centralized Federal program, the Corporation provides grant support and human resources to governor-appointed State Commissions, non-profit, faith-based, civic, and educational organizations to develop or amplify innovative approaches to community needs. This is true of each of the Corporation's major programs – AmeriCorps, Senior Corps, and Learn & Serve America.

In **AmeriCorps**, governor-appointed State Commissions on community service are responsible for working with local communities to set state priorities and determine how AmeriCorps grant funds will be used. In fact, the Corporation's primary strength is the network of non-profits and state agencies that use national resources to achieve local goals through com-

munity service. It is the State Commissions that serve as the primary vehicle for organizing and coordinating this network.

Roughly three-quarters of all AmeriCorps grant funding is administered by State Commissions. Once the commissions select which non-profits will receive grant funds, grantees recruit and select AmeriCorps members to meet community needs. The State Commissions are responsible for overseeing the programs, ensuring that AmeriCorps members follow state and Federal laws, and providing training and technical assistance to programs.

Through the **Senior Corps**, non-profit organizations, faith-based groups, and in some cases, state and local governments are responsible for managing more than 500,000 seniors who work on community problems with volunteer service. **Learn & Serve America** provides grant funding to state education agencies, schools and community organizations to augment resources for service-learning programs. These programs help more than one million students meet community needs while improving academic skills and learning the habits of good citizenship.

Each of these grant programs represents a public-private partnership in which recipient organizations must bring private resources to the table in order to receive Federal dollars. The result of this venture is hun-

dreds of thousands of Americans joining forces to address community needs in education, housing, health care, environmental protection and disaster relief.

National Partnerships

The Corporation has relationships with hundreds of national non-profit grantees such as Habitat for Humanity, the American Red Cross, the Boys and Girls Clubs of America, Big Brothers Big Sisters of America, YMCAs, City Year, and the Catholic Network of Volunteer Service. In addition to these grantee relationships, the Corporation works closely with a number of other national non-profits, like America's Promise and the Points of Light Foundation, that work to strengthen national and community service. The Corporation also receives substantial support from the corporate sector at both the national and local level. The private resources are as diverse as the sector itself; from high tech companies to cereal makers, many corporations recognize the power of a strategic alignment with national service.

ORGANIZATIONAL CHART



