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Executive Summary

The Local Initiatives Support Corporation (LISC) is the nation's largest community development intermediary, dedicated to increasing the quality of life in economically disadvantaged neighborhoods throughout the urban and rural areas where we work. The AmeriCorps members we request will support LISC's Building Sustainable Communities (BSC) Initiative in 14 of our local program areas. 165 AmeriCorps members requested will be placed at over 100 nonprofit organizations. 68% of Member Service Years (MSY) fall within the Economic Opportunity focus area; these will serve 6,739 clients with financial and employment services counseling and provide 2,938 clients with housing services, including those directed specifically to Hurricane Sandy relief. 23% of MSY will support the Capacity-Building focus area; these members will recruit, manage and train 2,810 community volunteers to provide 15,620 hours of service and work with 16 organizations to develop and help implement quality-of-life plans. 9% of MSY will support the Education/Healthy Futures focus area. Members will serve 730 youth with programs to help them achieve in school, become healthier, or both. The CNCS investment of \$1,570,989 will be matched with \$2,199,527 for a total investment of \$3,770,516.

Rationale and Approach

NEED: LISC's mission is to help residents and organizations improve the quality of life of the low-income communities they live and work in. We do this primarily through our signature Building Sustainable Communities (BSC) initiative, which is founded on the premise that the multiple and interrelated problems that low-income communities face require comprehensive and multi-sectoral solutions. Consistent with LISC's emphasis on combating economic distress in lower-income communities, most of our AmeriCorps members will be placed in agencies (host sites) dedicated to increasing incomes and employment, reducing housing cost burdens, and engaging residents to take on community economic challenges.

The BSC neighborhoods in our 14 operating sites (local LISC program areas) are areas of concentrated economic disadvantage: poverty rates are 33%, more than twice the national average; median incomes are \$31,409, about 60% of the US figure. These figures are explained, in large part, by low labor force participation. The inter-connection among community needs, the financial squeeze affecting lower income households is aggravated by severe housing cost burdens. Renters in BSC neighborhoods pay, on average, 58% of their household income in rent; owners pay 51% of income on mortgage payments. At the same time, nearly one in ten residential units is vacant, and 11% of

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homeowner properties are in foreclosure.

These prevailing financial hardships are exemplified by the clients served by LISC's Financial Opportunity Centers (FOC), as illustrated by figures from one of our centers in Chicago. In 2012, only 44% of clients had worked in three or four quarters of the preceding year, and only 24% were working at the time of program entry. About one-third of clients had negative monthly net incomes. Over 20% had no credit score because of insufficient credit history, and of those who were scored, half had a credit score below 630, which is 20 points lower than our program benchmark of "minimally adequate credit quality" below which economic penalties (such as cash deposits for utilities) are incurred. Unsurprisingly, more than 50% of households are rent-burdened by HUD's definition, as are nearly 80% of owner households.

Overall, these problems are substantially worse now, after the economic crisis, than they were before the downturn, placing even more stress on communities' ability to respond. Many institutions in low-income communities have difficulty delivering even basic levels of service. This is no more clearly apparent than in education, where youth from low-income families display persistently low academic achievement and graduation rates. Economic and fiscal pressure on human service and community development agencies undermines their ability to respond to economic and social distress.

AMERICORPS MEMBERS AS HIGHLY EFFECTIVE MEANS TO SOLVE COMMUNITY PROBLEMS: Our AmeriCorps members will carry out activities within CNCS focus areas, primarily economic opportunity, capacity-building, and education. In nearly all cases, members will be placed in host sites that work within the BSC comprehensive framework. Specifically LISC (the National LISC office, or "parent") is requesting 165 members -- 115 FT, 10 HT, 25 QT, 15 MT -- or 129.79 member service years (MSY). We adopted this mixed-slot-type program to respond to both host site organizational capacity and the needs of specific types of activities.

Our program places members in host sites to carry out activities under multiple service classifications, which respond to the areas of need outlined in the preceding section. In Economic Opportunity, financial and employment counselors will serve in FOCs to help economically disadvantaged clients with work readiness, including resume development, interviewing skills, soft skills related to appropriate workplace behavior, and strategies related to effective job search methods. In other host sites, housing counselors will educate low-and-moderate income residents on home purchase and maintenance and help struggling homeowners forestall imminent foreclosure. Affordable housing development project assistants will help host agencies develop new affordable housing, rehab existing affordable homes (often in conjunction with Neighborhood Stabilization

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Program) and increase homes' energy efficiency. In Capacity Building, community engagement members will coordinate volunteer recruitment, management and training in support of community partnerships and BSC quality-of-life plan development -- including support for neighborhoods designated as Choice or Promise Neighborhoods -- and conduct neighborhood assessment and asset mapping. Volunteer engagement and management is a linchpin of our BSC initiative, enabling communities to create the critical mass of resident involvement needed to forge strong and accountable community partnerships. In Education, youth coordinators will help lead summer and out-of-school time sports programs, and work with Chicago schools to develop one-on-one plans to help students succeed.

AmeriCorps members are especially well-suited to carry out the tasks we've proposed. By virtue of their youth, enthusiasm, and in nearly 80% of cases, their roots are in the community being served, AmeriCorps members are an excellent fit for this task. As our host sites can attest, AmeriCorps members involved in human services programs contribute qualities that go beyond the traditional measures of training and experience. Multivariate analysis conducted by Abt Associates on our previous AmeriCorps program found that supervisor ratings of "new ideas" and "energy and enthusiasm" were more important than previous education and experience in helping agencies achieve organizational and service capacity outcomes.

Members are placed in organizations that have an unmet need, and but for the AmeriCorps member, would not be able to provide the services needed to improve client and community well-being. Abt found that "81% of placement partners reported that LISC AmeriCorps members played an important or critical role in their ability to offer new or expanded services." (Abt, 2012) These new and expanded services were sustained after member departure in nearly 50% of cases. The Abt report further pointed to the ways in which this result was achieved, including member contributions to improved services quality, efficiency, and development of new or improved services delivery systems. EVIDENCE-BASED/EVIDENCE-INFORMED AND MEASURABLE COMMUNITY IMPACT: Our AmeriCorps program should be viewed in the context of LISC's overall mission and strategic, community-based approach to comprehensive community development. Based on proven demonstration projects carried out in the South Bronx in the early 1990s (Burns and Miller, 2009) and Chicago in the 200s (MDRC, 2011) our approach calls for extensive resident engagement, creation of networked partnerships of community-based non-profit agencies, development of a quality-of-life plan, and implementation of "early-action" and longer term efforts in multiple domains -- housing and other real estate, employment and income-generation, health, education, and others. Local LISC

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offices support these efforts by brokering relationships between community partnerships and major city and county institutions, such as school and health systems, housing agencies, police departments, and others. Emerging research shows that comprehensive approaches are superior to single-purpose revitalization efforts, a theory that underpins such Federal efforts as the Choice and Promise Neighborhoods Initiatives.

Our proposed AmeriCorps program supports three categories of interventions that are vital to BSC success: (1) economic opportunity through employment, financial and housing counseling services, and other efforts to reduce housing cost burdens; (2) community capacity-building to promote economic and social revitalization of poor neighborhoods; and (3) increased engagement in education programs among economically disadvantaged youth, including those aimed at reducing childhood obesity. Specific interventions to accomplish these three types of outcomes are, to varying degrees evidence-based or evidence-informed.

Category 1 interventions (68% of MSY) pursue three types of activities all of which are evidence-based. First is the delivery of multiple, but "bundled" financial and employment counseling services through LISC's Financial Opportunity Centers. The theory of change holds that people who build credit and improve their budgeting can reduce expenses and begin to accumulate savings, which in turn helps increase the economic returns-to-work. Net income that increases (or turns positive) acts as an additional spur to job-holding, retention, or transitions to better employment that further increase incomes and net savings. Research on the FOC prototype by Abt Associates for the Annie E. Casey Foundation demonstrated that clients receiving bundled services were three times more likely to achieve a 'major economic outcome' than those receiving only one service (the typical pattern in the industry). Analysis of internal performance data shows that of clients who remain attached to the program (and thus receive the full benefit of services), 56% record gains in net income, 42% increase their credit scores (including those who go from un-scored to scored), and 43% increase their net worth.

AmeriCorps members will deliver financial and employment counseling services as part of this bundled services approach. In addition to performance metrics specified by CNCS -- number of job placements and improved financial knowledge (as measured by completion and subsequent update of household budgets and balance sheets) -- outcomes will include increased credit scores, increased net income, and increased net worth -- all standard industry metrics.

Second is improvement to either housing quality or affordability through housing counseling or foreclosure prevention services, both of which have been shown to substantially improve the

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likelihood of positive housing outcomes. Homeowners who received counseling on mortgage modifications prior to, or during the foreclosure process, for example, are more likely to remain current on their mortgage and lower their payments, thus increasing their financial well-being (Urban Institute, 2011, HUD, 2012). Housing counseling outside the foreclosure context helps people make housing rent-or-purchase decisions that reduce housing expenses, increase asset accumulation, or both.

Third is support for affordable housing development in the form of new housing construction or renovation. These types of investments have been shown to contribute to improvements to neighborhood quality as captured by price signals in the residential housing market (Ellen, 2010, Galster, 2009) and to the economic well-being of low-income residents through stabilized housing (HUD, 2012) and reduced rent burdens for occupants as compared to comparable housing units available in the market (Newman 2008, Walker, 2009).

Category 2 interventions (23% MSY) constitute nearly all of the remaining MSY, and consist of member efforts to recruit and manage volunteers. According to our BSC theory of change, resident mobilization and engagement in the areas of community planning, implementation of "early action projects" participation in community governance, and support for on-going project implementation increases resident financial, volunteer, and social support for the community partnership. Strengthened community partnerships, in turn, attract external support, deliver more effective programs, and improve accountability to the community.

These interventions are evidence-informed, in part because of the difficulty of designing high-quality impact research in the settings where community engagement is most often practiced. Nevertheless, a body of qualitative research points the importance of resident engagement to the pursuit of comprehensive initiatives (Chaskin, 2010, Kubish et al, 2011) as well as to the outcomes of targeted programs of neighborhood improvement, such as commercial district revitalization (Walker, 2009).

Category 3 interventions pertain to youth outcomes achieved through counseling and sports and other summer programs. The literature on youth out-of-school time contributions to positive youth outcomes is vast, but it's worth calling special attention to the mushrooming literature on the role of physical activity in reducing youth obesity (Robert Wood Johnson Foundation, 2011).

Each of these interventions is accompanied by a set of performance targets and metrics (as more fully described in our performance measurement summary). Output and outcome targets are provided for one year and detailed in the Executive Summary. It is important to note that members

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associated with our proposed New York operating site will assist 1,000 individuals and families with housing rehabilitation services related to Hurricane Sandy. Targets for each operating site are set through an application process, in which host site staff and operating site administrators agree on targets that are subsequently negotiated with the parent. At the onset of service, individual member targets are agreed upon between the member and host site. Members report their goal attainment monthly to both operating site and host sites. Every six months, operating sites aggregate performance data and report them to the parent through the America Learns system.

In LISC's last year of program operations (2011-2012) we reported to CNCS on 24 applicant-identified metrics, of which all but five were exceeded, in some cases, by substantial amounts. For example, we planned to deliver housing and foreclosure counseling to 3,200 clients over the last two of the three program years, but actually reached 6,600 clients. The five goals not met were primarily related to member attrition. The program experienced member attrition for a variety of reasons that are commonly encountered by AmeriCorps grantees: dissatisfaction with the stipend amount, members who find and accept jobs during their term of service, and member aptitude and commitment to the demands of community service. Our internal review found that member attrition rates were correlated with the types of services performed; e.g., in one service classification, members were often frustrated by the unrewarding tasks related to their service. Our program has been redesigned to exclude this and similar assignments.

MEMBER RECRUITMENT: Recruitment plans incorporate the strategies and techniques that have worked well in the past to enlist talented and committed members who are representative of the diverse communities within which we work. Service description, outreach, and recruitment are a joint responsibility of the parent, operating site, and host site. This multi-level approach enables us to advise host sites on optimal member recruitment and selection practices while allowing them the flexibility to satisfy local needs.

To enlist host site participation, the parent issues a competitive RFP, which contains a service description template that must be completed by the host. This description outlines the type of service to be performed, allowable and prohibited activities, brands the opportunity as national service, seeks members that meet CNCS eligibility requirements, and contains inclusive language aimed at attracting underrepresented populations. Subject to parent review for compliance, the operating site and the host site will tailor the description to reflect the local community and detail any specific skill and experience needs of the host site.

Parent and operating site staff review and accept the description as part of the host site selection

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process. The descriptions are posted locally and nationally with national non-profit professional websites, local websites and associations, affordable housing developments, vocational schools, community colleges, organizations seeking positions for their clientele and employment development agencies. Because the host site is best-positioned to know whether an applicant fits their organizational culture and service requirements, we accord the host considerable latitude in selecting members, consistent with parent and operating site review and approval (The Abt evaluation found that "[LISC] partners appreciated being able to recruit and select their own members, rather than being assigned a member.") Indeed, 75-80% of prospective AmeriCorps members are identified by the host site and are from the community to be served.

Because host agencies serve disadvantaged and minority communities and conduct outreach in those same communities (as well as among previous program beneficiaries), we obtain a diverse member pool. Figures from the last full program year are typical of LISC AmeriCorps experience: 37% of members were African-American, 39% White, 11% Asian, Pacific Islander, or Native American, and 11% were Other (multi-racial or those declining to specify). 16% of members were Hispanic (any race).

MEMBER TRAINING: The parent, operating sites, and host sites take on complementary responsibilities for orienting and training members. The parent provides training primarily intended to prepare members for future work in the nonprofit field and to learn some of the relationship skills needed to work effectively with community members. The operating sites hold monthly meetings among the local complement of members to discuss issues tied to their service and arrange, where possible, further trainings on service-related topics. Host sites provide the operational training members need to do their work effectively from day-to-day.

All three actors are involved in the initial member orientation. Prior to actual enrollment, recruited members are directed to the LISC AmeriCorps webpage for program information and enrollment packages that outline the benefits of AmeriCorps service. Upon enrollment, each operating site hosts a one and one half day orientation to program benefits, rights, responsibilities, and allowable/prohibited activities. Members also receive a hard copy of the personnel policies and procedures manual (member handbook). This orientation is conducted by site administrators and parent staff.

On the second day, members are joined by their immediate supervisors from the host site to learn about the tools they will use to set final goals to measure and report on community outputs and outcomes. This time doubles as an opportunity for members and supervisors to explore work styles and how they may shape their relationship throughout the service term.

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Subsequently, host site supervisors are expected to further orient the member to the organization's history and mission, organization staff, the community being served, and details of the member's service activities. We expect our host site partners to treat members like "first year agency employees" and empower them to take on their roles.

Throughout the term of service, the parent offers three types of training. First is a national Leadership Conference for all 1700- and 900-hour members. The core curriculum covers cultural competence, conflict resolution, community organizing, and team building. Members have opportunities to learn about comprehensive community-building, network with other members, hear from alumni, and participate in a swearing-in ceremony. The philosophy of the conference curriculum is to help members move from "doing for" to "doing with," and to meeting people where they are not where the member "wants them to be." Post-conference surveys indicate that more than 80% of members feel at least satisfactorily equipped for the demands of service.

Second, the parent will host at least six on-line skill development sessions throughout the service year. Together with operating and host sites (and new this year), the parent will conduct a needs assessment to identify topics of paramount importance and engage consultants to develop the curriculum and teach the sessions. Examples of prior topics covered include: understanding non-profits and the roles of board and staff; history and future of comprehensive community development; volunteer recruitment, retention, and management techniques; grant writing; and effective communication.

Third is creation of a national Affinity Group for each service classification. Based on our successful peer-learning networks in Chicago, these newly-created affinity groups will enable members to share best practices and innovative ideas with their counterparts in other operating sites.

Locally, each operating site administrator organizes monthly meetings of the local member cohort, hosted on a rotating basis by members at each host site. These meetings are extremely important venues for building a local esprit de corps and enabling members to reflect on their service and safely share their challenges and successes with one another.

Finally, host sites are strongly encouraged to provide in-house training and to identify external training to better equip members to serve successfully. The parent supports this effort by sharing assessment materials with sites, to enable them to prepare specially-tailored member enrichment training plans.

We believe that shared commitment to service is an integral part of a member's development, and that this commitment is best supported through successful member experiences and ample

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opportunities to share reflections with other members. In this way, members recognize themselves and each other as part of a cohort of people committed to the values of community service.

MEMBER SUPERVISION: Each host site designates a day-to-day supervisor responsible for managing each member's service, including appropriate feedback on work performance, follow-up on assignments, constructive criticism, and management of timesheet submission and monthly reporting. Supervisors are responsible for performance appraisals at mid-term (if applicable) and term-end.

We recognize that high-quality direction and supervision is essential to member performance and satisfaction. We strongly encourage supervisors to ensure that members are treated as ordinary staff where appropriate, including adequate workspace and participation in departmental and organizational meetings. In the application process, prospective host sites describe how the members will be supervised, which is subsequently formalized in a Placement Site Agreement. Host sites select supervisors for both their knowledge on the service to be performed and their ability to coach a member through his or her service term. We provide an orientation for each host site supervisor, covering compliance, prohibited/allowable activities, human resource management, personnel policies/procedures for members, and other topics important to high-quality supervision. We provide supervisors with a handbook as well. This orientation is done by parent staff in person, for new sites, or through a conference call and webcast for the more experienced sites. To help train our own operating site administrators, they are expected to participate in the orientation session.

Throughout the recruitment process and the service year, we help supervisors attract and retain quality candidates. We train site supervisors in member timekeeping and monthly reporting, which also helps to prevent and detect prohibited activities. Host supervisors are regularly invited to attend all LISC trainings throughout the year. Operating site staff are expected to check in with host site staff monthly: they are primarily responsible for supervising the supervisors.

MEMBER EXPERIENCE: We make every effort to ensure that all members understand, at the onset of service, that they are part of a national service movement. We want to foster a sense of "team" or "we" at the very beginning of service. At the onset we provide members with an AmeriCorps sign and request that they post it at their workspace. We provide each member with gear --T-shirt, hat, and sweatshirt -- that displays the LISC AmeriCorps logo.

We continue to build member affiliation with their own cohort and the AmeriCorps experience through all of the methods of training outlined above. All of these offer members opportunities to reflect on their experience which reinforces the core value of community service. As important, the

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program is designed to provide each member with a meaningful service experience -- one that may lead him or her to successful employment post-service, preferably in the field of comprehensive community development.

Our program's monthly meetings provide opportunities for peer sharing, amongst other things, enabling members to surface and resolve problems in a safe environment. Time is typically reserved for members to reflect on and discuss their service as more than a mere set of activities, but as the expression of core values of community service as a lifelong commitment. We encourage and budget for members to participate in State Commission events and national days of service. State Commission staff is routinely invited to participate at local operating site member events.

The program recognizes member work and achievement by spotlighting it in local LISC and placement site communications, featuring their stories in the LISC AmeriCorps e-newsletter 'Spotlight on Service,' FaceBook, and Twitter. The parent highlights members' work by publishing an annual 'Profiles' booklet, in which members are free to voice their reasons for serving, their accomplishments, and their goals for the coming year. Member achievement is formally recognized with a Close-of-Service ceremony (graduation) that celebrates the year's milestones, awards certificates of completion, and recognizes member contributions.

VOLUNTEER GENERATION: Volunteerism is an integral part of community-building efforts, and particularly important in the early stages of quality-of-life planning and implementation of early-action projects. Our overall theory of change holds that community volunteerism, through block associations, crime watches, etc. and other efforts mobilizes resources critical to effective design and implementation of comprehensive change efforts. The Abt Associates evaluation found that "in addition to increasing overall volunteer levels and contributions, AmeriCorps members were able to successfully recruit from the organizations' targeted neighborhoods. This is important because it indicates that the members functioned in a manner that allowed their partners' bonds with the communities and neighborhoods in which they work to be strengthened" (Abt Associates, 2012).

Approximately 23% of our program design calls for host sites to increase volunteer engagement substantially and to implement effective volunteer management practices. At these sites, members are tasked to recruit episodic and long-term volunteers to work actively on resident-identified community priorities. However, we encourage all members to recruit volunteers as part of their service. As part of the on-line training series, the parent will all provide members with formalized training on volunteer recruitment, retention and recognition strategies. Because each host site confronts issues specific to their community, volunteer roles are custom-tailored accordingly.

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However, LISC will work with host sites to identify specific volunteer roles and the effective practices to be implemented, and reinforce boundaries between allowable and prohibited volunteer activities.

ORGANIZATIONAL COMMITMENT TO AMERICORPS IDENTIFICATION: LISC specifically brands our program as the "LISC AmeriCorps" program. We have created a logo for all of our communication outlets where the logo is prominently displayed. In our contracts with members and host sites we request that they also identify as part of the AmeriCorps service network. We encourage members and host sites to include the designation when a member's service is highlighted in the press. As noted, we provide members with a set of gear during service as a way to further identify as an AmeriCorps program and our members.

Organizational Capability

ORGANIZATIONAL BACKGROUND AND STAFFING: LISC was founded in 1979 to act as a national community development intermediary, channeling investment into economically disadvantaged neighborhoods in several major US cities. By 2012, LISC had established offices in 30 cities and established a rural development program operating in 39 states. In 2011 alone, LISC made almost \$1 billion in loans and grants to support projects and programs in areas as diverse as affordable housing, commercial revitalization, community planning, education, health, and employment. In 2007, LISC announced its Building Sustainable Communities (BSC) initiative intended to pursue comprehensive community-based change in specially-designated target neighborhoods. AmeriCorps is one of several integrated strategies designed to help communities organize for change and carry out the programs and projects that can make this a reality.

The AmeriCorps program is managed nationally, but supported by on-the-ground staff throughout our field network. Nationally, the program will be administered by a team of 4 FTEs located in our NYC headquarters. The Program Director exercises overall programmatic and fiscal direction, designs the training curriculum, and manages human resources. She possesses 17 years experience at LISC (4 years as the Program Director) and holds an MBA from Rutgers. Her Program Officer provides technical assistance to sites and members. He has four years of experience at LISC, all with the AmeriCorps program. National LISC manages the My AmeriCorps Portal for enrollments and exits and provides all financial oversight for the grant; the parent does not sub-grant funds. Budgeted Program Assistant positions and intern positions are currently vacant, pending the outcome of this 2013 funding request. The program will seek candidates that have experience and commitment to the field of community development as well as possessing at least a two year degree. Prior national service experience will be a plus.

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Parent senior program staff possess the training and experience needed to run an effective and well-managed program. Parent staff provide local administrators with ongoing technical assistance and training. For example, prior to the start of the grant we require their participation in a series of training modules we call 'Back to Basics,' which underscores CNCS compliance and our program design elements. The parent provides program updates and '101' e-mails (e.g. Service Descriptions 101, Competitive Selection 101, etc.) that detail operational concerns and protocols as well as impending compliance deadlines. The parent also performs three risk assessments throughout the course of the service year and schedules regular and frequent 'checks-ins' with operating site administrators. The results of the risk assessment tools and the check-ins dictate how the parent prioritizes compliance site visits.

Locally, our site administrators are employed at an Assistant Program Officer-level or higher. The administrator is responsible for local member recruitment and management, monthly meeting coordination, promoting opportunities for encouraging reflection and continued civic engagement, as well as compliance requirements (in conjunction with the parent). The local office commits to provide a minimum of 20% of one staff persons' time to the program. Most of these administrators (10 of 14) have performed this role under prior LISC AmeriCorps awards.

In 2010, LISC commissioned Abt Associates to conduct a third-party evaluation of our AmeriCorps program. Completed in 2012 -- on-time and on-budget -- this evaluation contract was managed by LISC's Director of Research and Assessment, a researcher with 30 years experience in designing, conducting, and managing social science, policy, and evaluation research projects. While a senior researcher at the Urban Institute, he successfully completed more than \$6 million of federally funded research.

LISC has a strong track record in managing an array of local, state, and federal government contracts, prominently including the HUD Section 4 Technical Assistance Program, USDA Rural Community Development Initiative, USDA Technical and Supervisory Assistance, Community Development Financial Initiative (Treasury Department), HUD HOME program, and the Department of Justice's Byrne Grants program. LISC was a recipient of CNCS AmeriCorps funding for 18 years and is a current, initial grantee from the Social Innovation Fund.

The AmeriCorps Program Director reports to the Vice President for National Programs. The LISC National Board of Directors has been unwavering in its support of the program since its inception as board approval to enter into a contract with CNCS must be secured each year.

The LISC AmeriCorps program is viewed internally and externally as an integrated strategy to

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achieve increased community outputs and outcomes. It works closely with other departments - - Accounting, Finance, Human Resources, Legal, and the Office of Grants and Contracts Management (overseeing approximately \$70M in private and government funding for 2012).

For 18 years, the LISC AmeriCorps program has maintained an excellent track record of successful program delivery as evidenced by member accomplishments. In our 18 year history, LISC's members provided housing counseling that has led to a new home purchase or averted foreclosure to nearly 2,000 clients, assisted with new construction or renovation of 8,305 units of affordable housing, and recruited more than 94,606 volunteers to contribute nearly 520,000 hours of service to their communities. In only the past three years, our AmeriCorps members have provided 4,123 clients with employment training services leading to 1,355 people placed in jobs.

We consistently submit GPRs and FFRs on time. We reply to service description audits, and other CNCS requests, in a timely manner and are open to advice given to improve our policies and processes. With LISC's most recently completed A-133 Audit (2011), the "Finding No. 2010-1: Failure to File Enrollment Forms Timely" was considered corrected by KPMG.

SUSTAINABILITY: According to the Abt Associates evaluation, new or expanded programs are sustained nearly 50% of the time. This is because we have put a number of elements in place to help make this happen: (1) our application process includes a review of host site capacity to successfully carry out activities involving the AmeriCorps member, including community support and sources of financing; (2) long-standing funding relationships between LISC and host sites enable us to select host sites judiciously and support complementary activities carried out by the same organization; (3) host site participation in the BSC initiative, which emphasizes community partnerships and extensive resident engagement, has proven valuable in helping community-based organizations attract support from external funders; (4) member recruitment from the same areas served by host sites solidifies support from the community for host site programs; and (5) selection of service activities that respond to community needs are recognized by funders as doing so effectively.

For its part, LISC raises funds at both the national and local level to support all operations and programs, including our AmeriCorps program. Our local programs (operating sites) are obliged to raise the majority of their own operating funds and funds needed to support local lending and program activities. To do so, they develop extensive relationships with local funders -- relationships that are often leveraged to generate additional funding for community-based organizations. At the national level, funders that support LISC's mission include individual donors, major foundations, retailers, corporate foundations, all levels of government, and earned income, especially from LISC

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tax syndication affiliates. Federal support enables LISC to solicit and leverage contributions from our local partners to fund the program. In 2012 alone, 500 LISC donors contributed some \$42 million to fund national and local operations across all of our program areas.

COMPLIANCE AND ACCOUNTABILITY: The LISC AmeriCorps program has consistently maintained and demonstrated compliance with program requirements throughout 18 years of program administration by building in elements at the parent and operating site levels to safeguard program integrity.

At the operating site level, staff are required to visit host sites prior to member placement, then at least once again during the service term. A third visit may occur when parent staff visit in-person. Operating sites must communicate with host sites frequently via phone and e-mail, on average once a month, to head off issues related to personnel and ensure that members are not engaged in prohibited activities. Monthly member reports and monthly meetings are additional ways to verify that members are carrying out only permissible activities. Finally, we encourage host site supervisors to contact local and national administrators if they have questions about the legality of a planned activity.

We further ensure compliance by requiring: (1) members to sign a Member Agreement of Participation, which outlines the responsibilities of service, grievance procedures, benefits, and program requirements, including prohibited/ allowable activities; (2) host sites to sign a Placement Site Agreement detailing similar provisions, as well as the responsibilities for supervision of the member; (3) each host site awarded a 1700 or 900 hour member to sign a Grant Agreement to document the monetary value of the AmeriCorps member to their organization. All three agreements are vetted annually by the parent Program Director, in conjunction with LISC's Legal department, to ensure that they reference all applicable CNCS and Federal laws and regulations. Further (4) we approve host site service descriptions prior to member selection; (5) provide participants (members and site supervisors) with written materials explaining allowable activities and by requiring attendance at the orientation where prohibited/allowable activities are discussed; and (6) conduct site visits and check-ins to ensure that member activities are within the confines of the regulations.

We monitor sites throughout each service year, including a compliance audit at the beginning of the year, a "desk audit" about mid-way through, and a final audit at year's end. In addition to ensuring program compliance, these audits give program staff an insight into technical assistance and other support needs. Audits are supplemented by annual site visits from the parent, though the parent will visit more frequently those sites in need of added oversight.

If our training and monitoring processes detect non-compliance, we take the necessary measures

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to become compliant. We inform our CNCS Program Officer of the breach and seek additional guidance as needed. If the member and/or partner is known to have willfully violated contractual agreements, the placement will be terminated and/or the member discharged from service with an "unsatisfactory service" recommendation. These sanctions are rare, however, because due diligence on the front-end usually prevents problems from arising later on.

DEMONSTRATED COMPLIANCE, ENROLLMENT & RETENTION: The only identified area of weakness related to service descriptions. CNCS counseled us through service description audits to be more specific on member activities. To address this, as noted, we will utilize a service description template for all members. We reported in our most recent Grantee Progress Report that our enrollment rate was 98.8%. This 1.2% gap between actual and perfect enrollment at 100% largely pertains to short-term members, who sometimes back out of their initial service commitment to accept a higher-paid summer intern position. Our most recent retention rate was 85.2%. It is important to note that some of our attrition might be considered a successful outcome, insofar as some members (seven in the last program year) resigned to accept full-time employment in the non-profit field, an important goal of our overall program. In total, our operating sites reported that 105 members were offered and accepted employment in the field after the end of their term of service, a 49% employment rate. As our retention figure implies, some 15% of members exited the program prior to the end of their term of service. Our analysis of attrition cases finds that there are two basic reasons for attrition in our program. The first is withdrawal of members recruited from economically disadvantaged communities, who subsequently find that their service creates unexpected economic hardship for them. This may occur because they must forego certain public benefits as they begin to earn their AmeriCorps stipend, they incur a liability for child support, or they may have regarded service as tantamount to a second job, which they find they can't sustain. To reduce attrition from this source, we will expand our guidance to prospective members to highlight the financial aspects of AmeriCorps service.

The second source of attrition stems from idealistic members' unrealistic expectations about what service "should be," which sometimes collide with the real life challenges associated with the nonprofit organizational environment and that of struggling communities. To combat attrition due to disappointed idealism, and to bolster host supervisory skills throughout our program, we plan to create a virtual supervisors' affinity group.

CONSULTATION WITH STATE COMMISSIONS: The parent and operating sites enjoy open communication with the State Commissions (SC). The parent contacted each operating sites' SC and

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completed the requested consultation form. Because our design designates placement sites only after our application -- and many states request this -- we instead provided a summary of our process and a list of prior host sites supported. If our application is successful, we intend to deepen our relationships and collaboration efforts by: (1) contacting each SC over the summer to inform them of our national award and the associated awards we plan to make to the operating and host sites in their state; (2) inviting an SC representative to meet the local member corps at orientation; and (3) requesting the dates for the "Kick-Off" events to encourage local operating sites to attend these events with their member corps. We have budgeted for "Kick-Off" events to offset any nominal costs associated for members to attend.

OPERATING SITES AND MEMBER SERVICE SITES: LISC proposes to operate in 14 areas: Boston, Chicago, Greater Cincinnati and Northern Kentucky, Duluth, Michigan Statewide (Kalamazoo/Flint), Mid-South Delta (serving communities in Mississippi, Louisiana, and Arkansas), Milwaukee, New York City, Newark, Peoria, Philadelphia, Rhode Island, San Diego, and Toledo. 12 of these 14 sites have prior experience as a LISC AmeriCorps operating site.

To select sites, LISC field offices must express interest in participating in the program: the parent does not designate sites on its own. Sites must respond to a parent request for proposal modeled on the CNCS NOFO. Operating sites are chosen based on need, whether activities are aligned to address the need, demonstrated financial fitness (resources to meet match requirements and provide member development activities), and ability to manage relationships with placement sites and provide adequate support to members. We also look at factors related to recruitment and retention, attainment of goals, timeliness of response to requests for information and the ability to thoughtfully assess opportunities for program improvement. Overall, we try to fund programs that reflect the demographic and geographic diversity emphasized by the regulations, such as communities of color, economically disadvantaged participants, Veterans, and those aged 65 and older.

This host sites where AmeriCorps members will be placed are not yet known. In March, operating sites will begin the formal RFP process to identify host sites. The RFP developed by the parent outlines the service opportunity, incorporates CNCS compliance elements, and acts as another mechanism to educate host sites on allowable and prohibited activities. Operating sites score the applications. Priority consideration is given to host sites that propose activities that provide for a quality member experience, offer prospects for sustainability beyond the member's service term, demonstrate that a sound leadership and supervisory structure is in place, and offers evidence that the project being proposed has community support meets an unmet need. Additional consideration is provided for past

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performance. Host sites must meet a minimum score of 75 out of 100 to be considered.

Cost Effectiveness and Budget Adequacy

COST EFFECTIVENESS: LISC is requesting AmeriCorps program funding in the amount of \$1,570,989 to support 165 slots, (129.79 MSY), yielding a total cost per MSY of \$12,104, which is under the CNCS maximum of \$13,300. The parent proposes to match the anticipated CNCS grant with \$2,199,527, bringing the overall program total to \$3,770,516. The match is cash. While our host sites and national office personnel (human resources, legal, executive leadership) provide in-kind services directly to the members and program operations, those contributions are not included in our matching total. The grantee side of the budget exceeds the minimum shares for operating and member supports costs, exceeds the match requirement for a program of our tenure, and is above the 50% overall share mandated for programs in their 10+ year of funding. The proposed budget represents a matching ratio of \$1 federal funds to \$1.40 parent investment.

Nationally and locally, LISC raises its \$107 million operating budget from a variety of sources, including corporations, private philanthropies, government agencies, private donors, and other sources. In 2012, we classified 76 donors as "large contributors" of \$100,000 or more. Seven of these donors contributed more than \$1 million, including the MacArthur Foundation, Caterpillar Foundation, JPMorgan Chase, Hall Family Foundation, the NFL Youth Football Fund and the United Way of Greater Cincinnati.

LISC is an initial grantee of the CNCS Social Innovation Fund (SIF) and has been awarded \$16.8M since 2010. LISC was an initial grantee for AmeriCorps funding and had received an award for 18 consecutive years. Over the past five years, CNCS-AmeriCorps awarded LISC \$6.98M, including \$843,169 in ARRA funding. LISC's 2012 operating budget for 2013 is \$108.6 million. If funded, the AmeriCorps amount of \$1.57 million would represent 1.45% of the operating budget and the entire project (including the match) would represent 3.47%. Our expected SIF award for FY2014 will amount to \$4.2 million, which combined with an AmeriCorps amount of \$1.57 million, if awarded, comes to \$5.77 million, or just over 5% of our expected operating budget for the year. There are no State Commission funding requests.

The \$12,104 per MSY represents a decrease in cost per MSY from our previously funded grant. Nevertheless, the average MSY cost may be higher than some other programs, a cost justified by the design of the program. First, most of our member corps will be placed in major cities where the cost of living is extremely high; therefore, LISC has traditionally provided members with a higher living stipend than supportable from the AmeriCorps funding and minimum required match. Second, in an

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effort to attract and retain a diverse member corps, we pay a stipend closer to a living wage. Our program absorbs the additional match needed to support the larger stipend. Third, we invest heavily in training members, as described more fully above. Exit surveys indicate that the level and types of trainings offered help members perform services and prepare them for a career post-service; in the last year of program operations, 49% of our corps was successful in finding and securing employment in the non-profit field. Fourth, certain unique circumstances lead to a higher per MSY cost. For example, about 10% of our corps is located in Michigan, which requires that we pay unemployment insurance.

We do not require our operating sites to identify exact match sources at the time of our internal RFP. Instead, operating sites pledge to underwrite the match based on sources they identify locally. Once the CNCS award is made, the parent formalizes the commitment in a grant letter and collects information on the exact sources of funding quarterly. The match typically comes from local operating budgets, funded by donors who have recognized the value of the service of the members. In our program history, LISC has met CNCS required matching criteria and has not experienced an inability to raise the required match for our program. If operating sites encounter difficulties in meeting the match, LISC uses its national unrestricted pool to cover the expenses, thus guaranteeing the local match.

We believe that our program is a cost effective approach to addressing community needs. Although cost-effectiveness comparisons with other programs are not available, our own analysis shows that AmeriCorps members deliver value relative to cost that enables societal recapture of the CNCS subsidy amount in a relatively short period of time.

This return on social investment is best exemplified by selected FOC financial counseling outcomes compared to the cost of the annual member stipend. As noted above, each MSY costs the government \$12,104. Each member employed as a financial counselor can be expected to serve about 80 clients per year, who on average experience gains in annual net income of about \$2,500 after completion of the FOC services package (This net income gain results from a combination of increased earnings, reduced expenses, cost savings resulting from better credit, and other factors.) If one-third of this benefit is attributable to the AmeriCorps member (who provides one of the three FOC services to any given client), then the annual gain per member, per client, is about \$800. Multiplied over 80 clients, the total value of this benefit is \$64,000, or approximately five times the AmeriCorps investment.

BUDGET ADEQUACY: The funding request for 129.79 MSYs yields cost per MSY of \$12,104. Based on 18 years of prior effective program budgeting and management, we feel the budget contains all the elements necessary to attract and retain a member corps that reflects our program design and can

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sufficiently support program operations. When the narrative and budget are compared side by side, these budgeted costs are sufficient to support our proposed program activities and prepare members to undertake their service assignments. In the development of the budget we clearly state all elements of our program design discussed in the narrative.

Our direct services budget -- 57% of the budget -- pays for direct member support in the form of stipends for living allowances and benefits, including FICA, health care, workers compensation, and unemployment insurance (Michigan only). As outlined in our budget, these amounts are linked to the allocation of member slot types. And these hours, in turn, and based on our past 18 years' experience in the program, support the program outputs and outcomes as specified in the proposal narrative and performance measures.

Our program operating expenses, including training and other support costs that benefit members and ensure program compliance, amount to 26% of the budget total. These funds cover salaries and fringe for staff monitoring compliance and program delivery, including director, program officer and two program assistants, both of whom spend time on efforts to ensure program compliance, as well as operating site program staff, who are the front line of program administration. To ensure that staff and members are fully trained, as outlined in an earlier section, the LISC AmeriCorps budget makes adequate provision for member and staff travel, member training, handbooks, trainer fees, webinar expenses, and local orientations. The program budgets for the cost of criminal history checks and FBI checks for all covered individuals budgeted for on the grant.

We have taken steps to ensure a cost-effective program. For example, in budgeting for our national conference, we employ many strategies to keep costs well below that of other conferences. We ensure not to exceed the budgeted consultant daily per-diems for curriculum design and delivery. LISC (national) has a hotel consolidator and a travel agent that the parent is able to take advantage of to coordinate member travel costs. These allow us to secure free meeting space for the conference, typically one hotel sponsored meal, free AV costs, no-booking fees, and reduced cost on airport to hotel shuttle services. Further, and in accordance with AmeriCorps program requirements, we have budgeted for conduct of a third party evaluation, as more fully described in the next section.

Finally, we have calculated the administration expenses using our Federally Approved Indirect Cost Rate.

Evaluation Summary or Plan

In January 2012, LISC completed an external evaluation and filed a copy with CNCS. If awarded, the program will commission a new evaluation. The LISC Research and Assessment department will

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assist in developing the scope of work, assembling the request for proposals, developing selection criteria and managing the competition for research contract award, managing the research contract, and reviewing and approving the quality of research products. We expect to contract with a research firm with experience in the content area to be evaluated and an understanding of the nonprofit sector and community service. We anticipate that this would require resources over the three year grant period and have budgeted for one year.

Our previous third-party evaluation focused on the contributions that members make to organizational capacity. Our next evaluation will select a program area for analysis -- services provided by financial and employment counselors -- to determine whether members' activities contribute to client financial outcomes, as measured by credit scores, net income, net worth, employment placement, and job retention. A more detailed plan can be submitted to CNCS upon request.

Amendment Justification

n/a

Clarification Summary

n/a

Continuation Changes

n/a