

July 2010

PERFORMANCE
MEASUREMENT

Better Alignment to
Strategic Goals and
Data Verification
Needed at the
Corporation for
National and
Community Service



GAO

Accountability * Integrity * Reliability

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Abbreviations

ASN	AmeriCorps State and National
CNCS	Corporation for National and Community Service
IG	Office of the Inspector General

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United States Government Accountability Office
Washington, DC 20548

July 28, 2010

Congressional Committees

The Corporation for National and Community Service (CNCS) promotes volunteering and civic engagement through a variety of federally funded programs, such as AmeriCorps. In 2009, Congress passed the Serve America Act (Pub. L. No. 111-13), which made substantial changes to CNCS' mission. The Act authorized an increase in the number of service opportunities administered by CNCS, from 88,000 in 2010 to 250,000 by 2017; created new programs; and directed CNCS to focus more on evaluating its programs' performance to ensure cost-effectiveness and the effective use of volunteers, among other factors. To assist the Congress in its oversight role, GAO reviewed: (1) To what extent do the corporation's current performance measures align with the corporation's strategic goals? (2) To what extent do the corporation's performance measures provide a reliable way to assess progress in achieving the corporation's strategic goals? and (3) What progress has the corporation made in developing new performance measures for each of its national service programs?

We briefed your staff on the results of our analysis on June 25, 2010, and this report formally conveys the information provided during that briefing. See appendix I for the briefing slides. In summary, we reported the following findings:

- The performance measures CNCS currently uses are poorly aligned with its three strategic goals because they do not reflect the four characteristics GAO has identified for sound sets of performance measures. Specifically, the current performance measures (1) do not demonstrate results, (2) are not limited to the vital few measures, (3) do not respond to multiple priorities, and (4) are not linked to the responsible programs. For example, with regard to demonstrating results, CNCS' performance measures require that data be collected on the number of clients served, rather than the collective results of the service provided. In addition, promising practices in measuring performance focus on outcomes, such as benefits to Congress and the American taxpayer, but CNCS' current performance measures instead track outputs, the direct product of program activities, not outcomes. Further, although the number of performance measures has increased over the past decade, the 13 performance measures CNCS currently uses do not cover all of the strategic goals. Moreover, the current performance measures do not

respond to multiple priorities in that they do not consider key factors such as cost-effectiveness and quality of service. Instead, they are focused on measuring outputs such as the number of participants and recipients served. Finally, it is not clear which program or programs are responsible for achieving the results.

- Weaknesses in CNCS' processes for verifying performance data raise concerns about the reliability of the self-reported data CNCS receives from grantees. CNCS relies heavily on self-reported performance data from its grantees, but it conducts limited reviews of those data. Senior CNCS officials raised concerns with its processes for ensuring the reliability of performance data in several areas. For example, according to senior officials, the guidance CNCS provides grantees on reporting performance data does not provide instructions for uniformly verifying or validating those data; the protocols CNCS uses during monitoring visits do not include steps to systematically verify and validate grantees' performance data; and CNCS' compliance officers are not required to test the accuracy of performance data submitted by grantees, including grantees assessed as high risk. In addition, recent audits have identified concerns about the reliability of CNCS' grantee performance data.
- CNCS is developing a new 5 year strategic plan with performance measures that focus on measuring the results for its programs. CNCS officials are planning to finalize and approve the new strategic plan, including new performance measures, in October 2010. In the interim, the AmeriCorps State and National (ASN) program has begun pilot testing new performance measures with some grantees, but the results from this pilot will not be available until 2011. These new performance measures focus more on outcomes, such as the number of students with improved academic performance who received mentoring or other services from ASN participants and the number of youth whom ASN members served who demonstrated a decrease in substance abuse, arrest, or gang involvement. CNCS officials are planning to incorporate outcome-based performance measures, similar to those being tested, into the new 5 year strategic plan.

Although CNCS is making progress developing new performance measures as part of the new 5 year strategic plan, officials will face several challenges in developing its new 5 year plan—a period of great expansion for the corporation. For example, CNCS must develop performance measures that accommodate the differences among its programs and focus on outcomes so that they can be used to better inform strategic decision making.

-
- First, given the breadth of activities undertaken by CNCS' grantees and sponsoring organizations, it will be challenging for the corporation to determine the most important areas for achievement through service and create strategic goals that effectively reflect them.
 - Second, in addition to CNCS' five major programs, the Serve America Act creates a number of new programs for the corporation to implement and oversee over the next 5 years. It will be challenging to evaluate and distill the differences among existing and those new programs into a few vital CNCS performance measures that focus on outcomes and can be used to better inform strategic decision making.
 - Third, the Serve America Act authorizes a near-tripling of new service opportunities over the period covered by the new strategic plan. It has been a challenge for the corporation to ensure it has an effective and uniform system to verify and validate data submitted by grantees with its current membership caseload, and it could have three times as many by 2017. CNCS will not be able to reliably assess its own performance in meeting its goals if the data submitted by its grantees and sponsoring organizations are not accurate.

Accordingly, as CNCS continues to make progress developing new performance measures, we recommend that the Chief Executive Officer of CNCS

- determine the most important areas for service and create strategic goals that effectively reflect them; and
- create an effective and uniform system to verify and validate performance data submitted by grantees.

To answer the first research objective, we examined the strategic goals and performance measures CNCS is currently using in its 2006-2010 Strategic Plan. We analyzed these goals and performance measures using an assessment guide we developed in 1998 and have used to assess strategic plans in a number of federal agencies;¹ we did not analyze the measures used by individual programs at CNCS. We also met with relevant agency officials to discuss performance measures and strategic goals and initiatives, and reviewed relevant CNCS documentation. To answer the

¹ GAO, *Agencies' Annual Performance Plans under the Results Act: An Assessment Guide to Facilitate Congressional Decision making*, GAO/GGD/AIMD-10.1.18 (Washington, D.C.: February 1998).

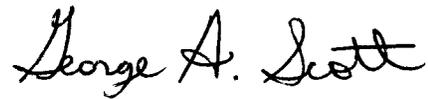
second objective, we reviewed relevant reports by the Office of the Inspector General (IG) and held discussions with IG officials. In addition, we met with oversight and monitoring officials and program directors to discuss the processes used by CNCS to verify the accuracy and reliability of performance data and we reviewed CNCS' monitoring protocols. We did not test the rigor of the processes used by CNCS or test the data submitted by grantees for accuracy and reliability. Finally, to respond to the third research objective, we interviewed CNCS management officials and reviewed documentation pertaining to the development of the new strategic plan and performance measures which are being developed in response to the Serve America Act.

We conducted this performance audit from December 2009 to July 2010, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We provided a draft of this report to officials at CNCS for review and comment. In its comments, CNCS officials agreed with our findings and said that the corporation is committed to developing a strategic plan that will align with the intent of the Serve America Act, the administration's priorities, and input from stakeholders. The strategic planning process will include the development of appropriate performance measures. Officials also noted that it is in the process of improving its strategy for validating program outcomes and cost effectiveness. CNCS comments are reproduced in appendix II.

We are sending copies of this report to the Corporation for National and Community Service, appropriate congressional committees, and other interested parties. In addition, the report will be available at no charge on

GAO's Web site at <http://www.gao.gov>. Please contact me at (202) 512-7215 if you have any questions about this report. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.



George A. Scott
Director, Education, Workforce and
Income Security Issues

List of Congressional Committees

The Honorable Daniel K. Inouye
Chairman

The Honorable Thad Cochran
Ranking Member
Committee on Appropriations
United States Senate

The Honorable Tom Harkin
Chairman

The Honorable Michael B. Enzi
Ranking Member
Senate Committee on Health, Education,
Labor, and Pensions
United States Senate

The Honorable David R. Obey
Chairman

The Honorable Jerry Lewis
Ranking Member
Committee on Appropriations
House of Representatives

The Honorable George Miller
Chairman

The Honorable John P. Kline
Ranking Member
Committee on Education and Labor
House of Representatives



Performance Measurement

**Better Alignment to Strategic Goals and Data
Verification Needed at the Corporation for
National and Community Service**

Briefing Overview



Performance Management at The Corporation for National and Community Service (CNCS)

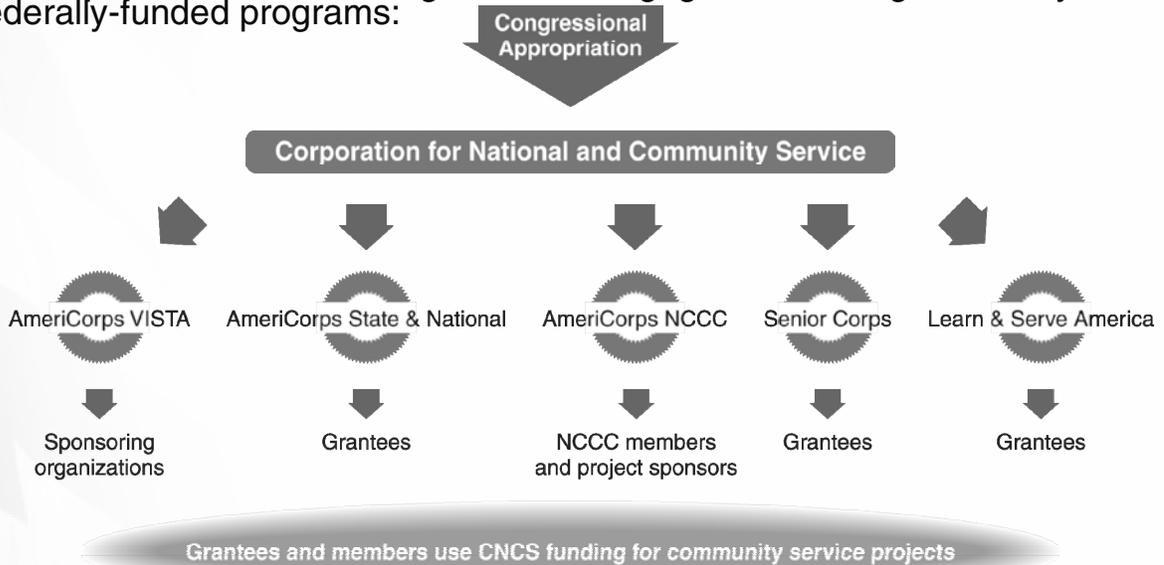
- Background
 - Research Objectives
 - Summary of Findings
 - Scope and Methodology
 - Findings
 - Conclusions and Recommendations
-

Background



CNCS Promotes Civic Engagement

CNCS promotes volunteering and civic engagement through a variety of federally-funded programs:



Background



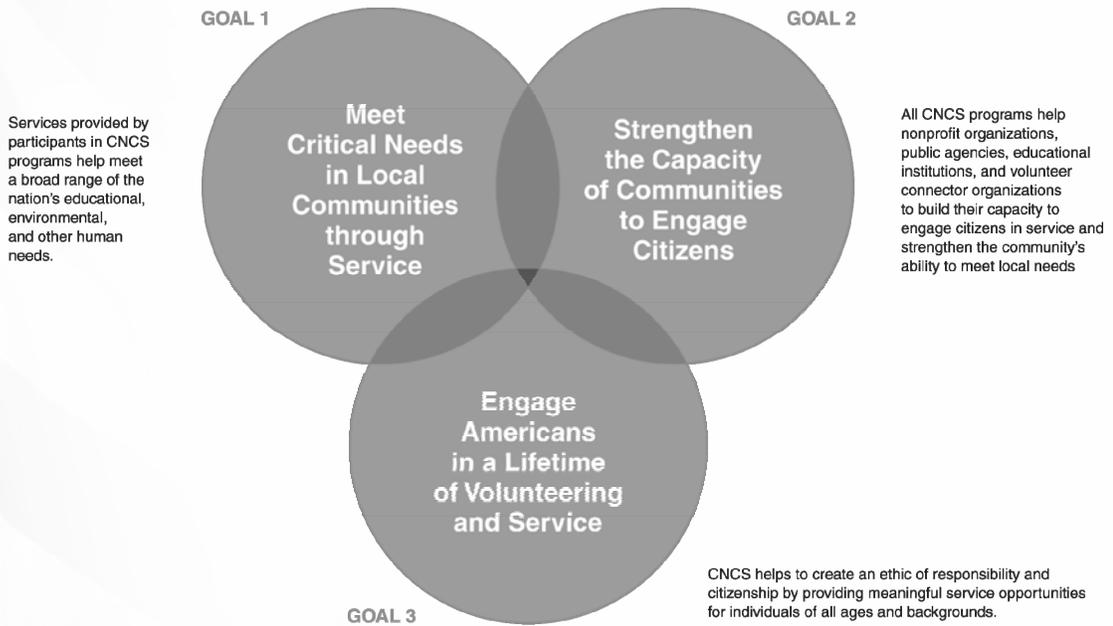
CNCS Administers Five Main Programs to Promote Community Service

Five programs accounted for two-thirds of the \$1.1 billion CNCS budget in FY 2010:

- **AmeriCorps State and National** – is the largest CNCS program, and provides grants to nonprofit, public, and other organizations to engage Americans of all backgrounds to volunteer to address community needs.
- **AmeriCorps National Civilian Community Corps (NCCC)** – a residential, team-based program providing leadership and service opportunities for young people that addresses national and community needs in all 50 states.
- **AmeriCorps Volunteers in Service to America (VISTA)** – provides full-time volunteers to community organizations to help create and expand antipoverty programs.
- **Learn and Serve America** – awards grants to engage students in service-learning activities that link academic achievement and community service.
- **Senior Corps** – helps fund a network of about 1,200 organizations sponsoring over 1,300 projects that tap the experience, skills, and talents of Americans 55 and older to meet community needs.

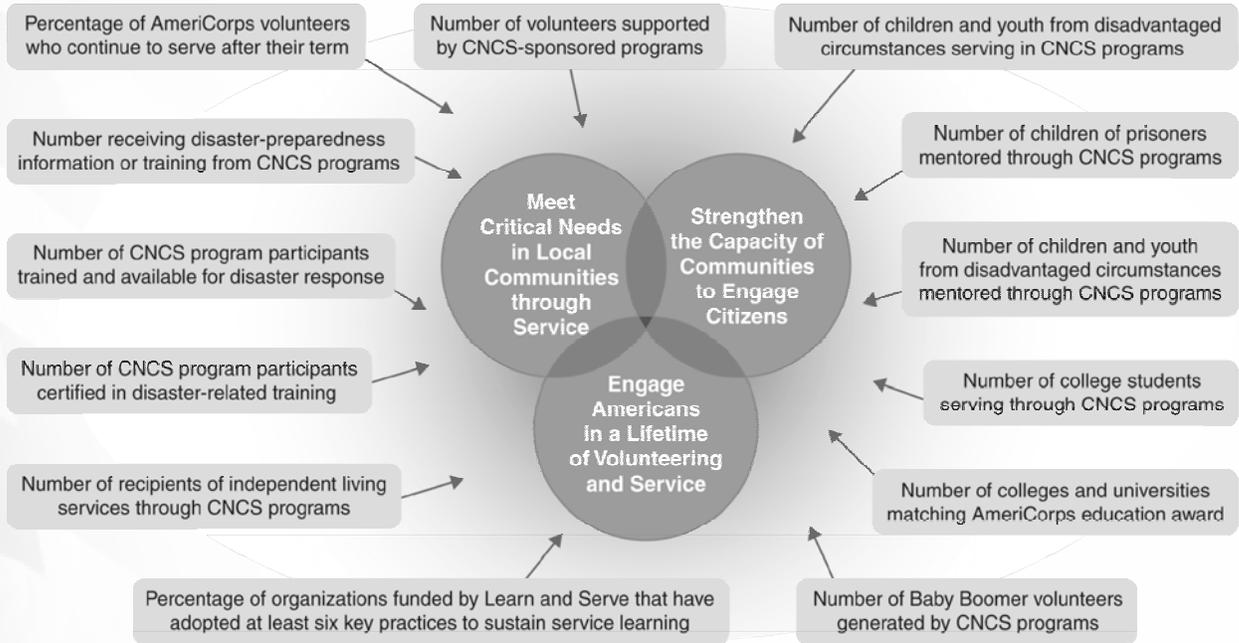
Background

CNCS Measures the Performance of Its Programs toward Three Strategic Goals



Background

CNCS Currently Uses 13 Individual Performance Measures



Background



The Serve America Act Reauthorized and Expanded the Mission and Operation of CNCS

The Serve America Act (Pub. L. No. 111-13) made substantial changes to CNCS programs, including:

- Dramatically expanding service opportunities by authorizing an increase in the number of AmeriCorps members by 184 percent, from 88,000 in 2010 to 250,000 by 2017.
- Creating new programs, including Semester of Service and Youth Engagement Zones, that CNCS must implement and oversee.
- Focusing CNCS more on performance evaluation of programs that includes cost-effectiveness and the effective use of volunteers, among other factors.

Research objectives



What GAO Reviewed

In light of the new programs authorized for CNCS by the Serve America Act, and the additional emphasis on performance evaluation, GAO reviewed:

- (1) To what extent do CNCS' current performance measures align with its strategic goals?
- (2) To what extent do CNCS' performance measures provide a reliable way to assess progress in achieving its strategic goals?
- (3) What progress has CNCS made in developing new performance measures for each of its national service programs?



Summary of Findings

- The performance measures CNCS currently uses are aligned poorly with its three strategic goals.
 - Weaknesses in CNCS' processes for verifying performance data raise concerns about the reliability of the self-reported data CNCS receives from grantees.
 - CNCS is developing a new strategic plan with performance measures that focus on measuring the results of its programs.
-

Scope and Methodology



Scope and Methodology

To answer our research objectives, we

- examined the strategic goals and performance measures currently in place at CNCS and analyzed these goals and performance measures using an assessment guide we developed in 1997 and have used to assess strategic plans in a number of federal agencies;¹ we did not analyze the measures used by individual programs at CNCS;
- met with relevant agency officials to discuss performance measures and strategic goals and initiatives, and reviewed relevant CNCS documentation;
- met with oversight and monitoring officials and program directors to discuss the processes used by CNCS to verify the accuracy and reliability of performance data and reviewed CNCS' monitoring protocols. We did not test the rigor of the processes used by CNCS nor the data submitted by grantees for accuracy and reliability;

¹ GAO, *Agencies' Annual Performance Plans under the Results Act: An Assessment Guide to Facilitate Congressional Decisionmaking*, GAO/GGD/AIMD-10.1.18 (Washington, D.C.: February 1998).

Scope and Methodology



Scope and Methodology (cont.)

-
- interviewed CNCS management officials and reviewed documentation pertaining to the development of the new strategic plan and performance measures which are being developed in response to the Serve America Act;
 - reviewed relevant work by the CNCS Office of the Inspector General (IG) and met with key IG officials to discuss this work; and
 - conducted this performance audit from December 2009 to July 2010, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
-



Objective 1: Alignment

The Performance Measures Used by CNCS Align Poorly with its Three Strategic Goals

- The performance measures used by CNCS align poorly with its three strategic goals because the measures do not reflect the four characteristics GAO has identified for sound sets of performance measures:
 - 1) **Demonstrate Results**
 - 2) **Limited to the Vital Few Measures**
 - 3) **Respond to Multiple Priorities**
 - 4) **Link to Responsible Programs**
- Promising practices in measuring performance focus on **outcomes**, such as benefits to Congress and the American taxpayer. Instead, CNCS' current performance measures track **outputs** – the direct product of program activities – based on resources used by programs (inputs) to fulfill program goals.



Objective 1: Alignment

CNCS Performance Measures Do Not Demonstrate Results

- **DEMONSTRATE RESULTS** – performance measures should tell each organizational level how well it is achieving its goals.
- This characteristic is not present because 12 of the 13 performance measures focus on tracking numbers – or outputs – rather than results, or outcomes.
 - For example, CNCS’ performance measures require that data be collected on the number of clients served, rather than the collective results of the service provided.
 - Only one performance measure, “Percentage of AmeriCorps volunteers who continue to serve after their term,” focuses on demonstrating results toward meeting one of CNCS’ strategic goals.



Objective 1: Alignment

CNCS Performance Measures Are Not Limited to a Vital Few Measures

- LIMITED TO A VITAL FEW MEASURES – the number of performance measures for each goal should be limited and should cover key performance dimensions.
- This characteristic is not present. Although the number of individual performance measures has increased over the past decade in an attempt to better measure performance, the 13 performance measures CNCS currently uses still do not cover all of the strategic goals.
 - None of the measures currently used by CNCS measure the quality of service provided.
 - None measure the extent to which volunteers have met the needs of their communities – one of CNCS’ three strategic goals.



Objective 1: Alignment

CNCS Performance Measures Do Not Respond to Multiple Priorities or Link to Responsible Programs

- **RESPOND TO MULTIPLE PRIORITIES** – performance measures should strike a balance among quality, cost, customer satisfaction, stakeholder concerns, and other factors.
- This characteristic is not present because the 13 individual performance measures do not strike a balance among key factors.
 - For example, CNCS’ current performance measures do not consider such factors as cost-effectiveness and quality of service. Instead, they are focused on measuring outputs, such as the number of participants and recipients served.
- **LINK TO RESPONSIBLE PROGRAMS** – performance measures should be linked directly to the offices responsible for making programs work.
- This characteristic is not present because it is not clear which programs are responsible for achieving the performance measure results.
 - For example, only a few individual performance measures, such as the “Number of Organizations funded with Learn and Serve grants,” are clearly connected to individual programs.



Objective 2: Reliability

Weaknesses in CNCS' Processes for Verifying Performance Data Raise Concerns about the Reliability of Those Data

- CNCS relies heavily on self-reported performance data from its grantees, but it conducts limited reviews of those data.
- Senior CNCS officials identified areas of concern with CNCS' processes for ensuring the reliability of performance data:
 - The guidance CNCS provides grantees on reporting performance data does not provide instructions for uniformly verifying or validating those data.
 - The protocols CNCS uses during monitoring visits do not include steps to systematically verify and validate grantees' performance data.
 - CNCS' compliance officers are not required to test the accuracy of performance data submitted by grantees, including grantees assessed as high-risk.



Objective 2: Reliability

Recent IG Audits Have Identified Concerns about the Reliability of CNCS Performance Data

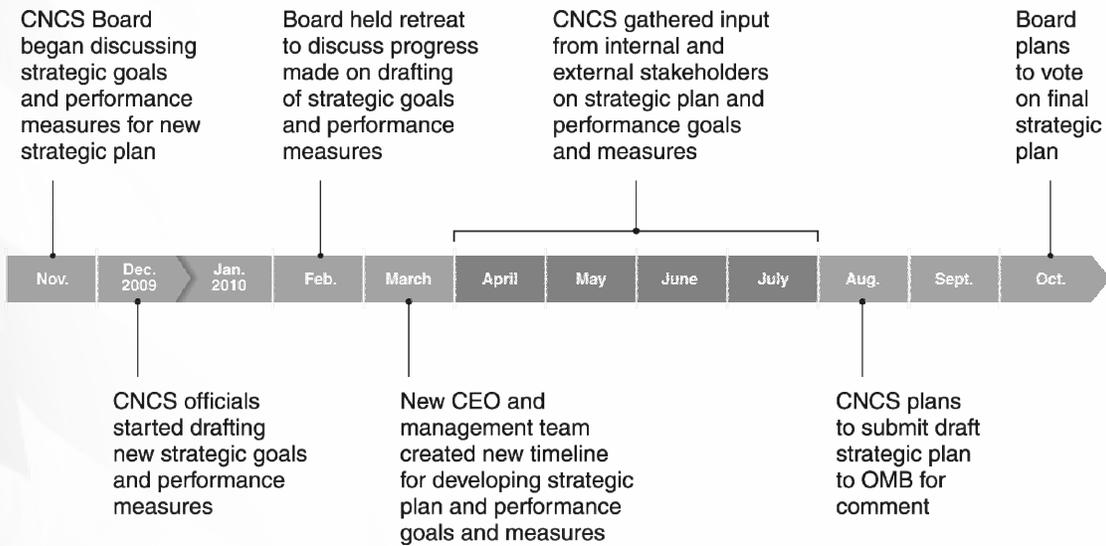
- Recent IG audits have also raised concerns about the reliability of grantee performance data. For example:
 - A 2009 compliance study of one CNCS grantee found that it did not ensure that volunteers accurately reported hours of service or require its members to timely submit their member contracts, forms, and timesheets. Further, the grantee did not accurately report volunteers' hours of service to CNCS. Thus, it is difficult to track the actual number of hours served by students serving in the program—a key performance measure.
 - A 2008 investigation of another grantee found that a mentoring program did not maintain records of the hours of tutoring, as required in AmeriCorps grant contracts. Without records of the amount of tutoring that took place, it is difficult to determine how many disadvantaged children actually received mentoring through tutoring.



Objective 3: Progress on creating new performance measures

CNCS Is Making Progress Developing Outcome-based Performance Measures

The CNCS Board of Directors is working with CNCS management officials to develop a new 5 year strategic plan, for FY 2011–2015:



Objective 3: Progress on creating new performance measures



CNCS Is Currently Pilot Testing New Performance Measures with One Program

- The AmeriCorps State and National (ASN) program has begun pilot testing new performance measures with some grantees, but results from this testing will not be available until 2011.
- These new performance measures focus more on outcomes. For example, CNCS is asking grantees to measure the
 - number of students with improved academic performance who receive mentoring or other services from ASN participants,
 - number of youth whom ASN members serve who demonstrate a decrease in substance abuse, arrest, or gang involvement.
- According to a senior ASN official, the pilot will be deemed successful if grantees can design new projects or adapt current projects to deploy participants in pursuit of these new performance measures and collect the data necessary to determine whether grantees have met their goals.
- CNCS officials are planning to incorporate outcome-based performance measures, similar to those being tested, into the new strategic plan.



Conclusions

Although CNCS is making progress developing new performance measures as part of its new 5 year strategic plan, as the corporation moves forward, officials face several challenges, including:

- determining the most important areas for achievement through service, and creating strategic goals that effectively reflect them,
- evaluating and distilling the differences among CNCS programs into a few vital CNCS-wide performance measures that focus on outcomes and can be used to better inform strategic decision making, and
- working with grantees and monitoring staff to create an effective and uniform system to verify and validate performance data submitted by grantees.

What GAO Recommends

As CNCS continues to make progress developing new performance measures as part of the new 5 year strategic plan, we recommend that the Chief Executive Officer of CNCS:

- Determine the most important areas for service and create strategic goals that effectively reflect them.
- Create an effective and uniform system to verify and validate performance data submitted by grantees.



GAO on the Web

Web site: <http://www.gao.gov/>

Contact

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Appendix II: Comments from the Corporation for National & Community Service



July 21, 2010

Mr. George A. Scott, Director
Education, Workforce, and
Income Security Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Scott:

Thank you for the opportunity to comment on the Government Accountability Office's (GAO) draft report on the Corporation's 2006 – 2010 strategic plan (GAO-10-886). GAO's review found that most of the performance measures in the Corporation's 2006 strategic plan did not align well with its strategic goals and that the process used to validate grantee reported data could be improved. The Corporation agrees and is committed to developing and implementing a strategic plan and verifiable performance measures for 2011 – 2015 that focus on the results and outcomes achieved by its programs.

To that end, over the past eight months the Corporation's Board of Directors has worked extensively on developing the content for the 2011 – 2015 Strategic Plan. Board Members have been very clear about the concepts and ideas that need to be prominently reflected in the strategic plan to align with the intent of the Serve America Act, the Administration's priorities, and input from stakeholders throughout the national service field. With the confirmation of the Corporation's Chief Executive Officer (CEO) in February 2010 this process was accelerated with the hiring of a Chief Strategy Officer (CSO) and establishment of new Strategy Office. The CEO established the role of the CSO in order to bring more focused energy to strategy formation and performance management. As the CSO, I am leading the strategic planning process which includes the development of those vital few performance measures that will gauge the agency's success in achieving the strategic outcomes specified in the strategic plan.

The foundation for the strategic plan is the four guiding principles outlined by the CEO:

- ***Service as a solution:*** Identifying where service has an important role to play, targeting resources to tackle those issues, and better demonstrating impact.
- ***Expanding opportunities to serve:*** Connecting with citizens from all communities, backgrounds, and perspectives; providing easily accessible service opportunities to fit their needs; and engaging them in a lifetime of service.

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**Appendix II: Comments from the Corporation
for National & Community Service**

- **Building enduring capacity:** Enabling individuals, organizations and communities to become more effective at addressing pressing challenges and better able to use service as a lasting solution.
- **Embracing innovation:** Investing in models that work, finding new ways of doing business, and serving as a source of ideas for local communities.

In addition, the plan will more tightly align the Corporation's evaluation activities with its strategy. The Corporation is in the process of restructuring its evaluation team and developing a long term evaluation strategy to validate program outcomes and cost effectiveness.

In June, the Corporation began seeking public input on the strategic plan through public meetings, web based technology, and public conference calls. Through each vehicle, we look to connect with and engage diverse communities. Throughout the process – developing, implementing, and evaluating results of the strategic plan – the Corporation will continue to engage the public and other stakeholders. We look forward to keeping you informed on our continued progress and efforts to adopt the best practices of a performance-driven agency.

Sincerely,



Heather Peeler,
Chief Strategy Officer

cc: Patrick Corvington, Chief Executive Officer
James Siegal, Chief of Staff
William Anderson, Chief Financial Officer

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

George A. Scott, 202-512-7215, scottg@gao.gov

Staff Acknowledgments

In addition to the individual named above, other GAO staff who made key contributions to this report are Bill Keller, Assistant Director; Jill Yost, Analyst-in-Charge; Nick Larson; Luann Moy; Elizabeth Curda; Jim Rebbe; and James Bennett.

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