



PROPOSAL TO

The 2010 National Volunteer Assembly

Presented by:
Committee/Advisory Group/Sponsors
March, 2010

CORE TEAM MEMBERS:

- Dave Schrader, Orientation Coordinator, Greater LA AT
- Alan Levine, Chair, Greater LA AT
- José Ruiz-Salas, Sending Coordinator for Sierra San Joaquin Area Team
- Scott Hume, Director of Volunteer Development (staff)

OTHERS CONSULTED:

AFS Groups – Orange County LA Area Team

- Kathy Schultz, AT Sending Coordinator & Orientations Coordinator (Sending)
- Sandy Jurkowski, AT Chair,
- Bundy Kinder, SW Regional Council Representative
- Sandra Stradling, AT Treasurer

AFS Volunteer Development and Field Finance Staff, polled by Scott Hume

Members of the 2007 Co-Support Working Group

- Jane Howard, Massachusetts Bay AT
- Dave Rowley, One World AT

Other individuals:

- Parto Bassari, Greater LA Treasurer
- Linda Van Kuren, SoCal Mountains and Deserts

PART 1: MOTION SUMMARY AND ACTION REQUEST

MOTION

Resolution: Resolved, that the co-support payment policy should be changed as soon as feasible from a flat fee structure to a percentage (%) of the average program/transfer fees.

This would require the National Council to change the co-support payment policy from a flat dollar amount to a percentage of program and transfer fees. Once a percentage approach is in place, the co-support payment automatically adjusts without the need for any further motions to the National Council.

Note: we recommend implementing this in the simplest possible way to avoid accounting complications.

- For sent students, we propose that the co-support payment should be a percentage of the average program fee for each of the program durations (summer, semester, year).
- For hosted students, we propose that the co-support percentage should be based on the average transfer fee for that students program (i.e., semester, year).

ACTION DESIRED FROM NATIONAL VOLUNTEER ASSEMBLY

Debate and vote for this resolution. What may need to be clear is what this proposal is not asking for. It is not asking for the NVA to determine the specific percentage amount of the co-support payment. Passing the resolution will require the National Council to set a percentage goal based on the average fees for the various programs. Staff will need to do a detailed financial impact analysis to decide when exactly the percentage approach goes into effect, but no later than the Fall of 2012 cycle, if not earlier.

BACKGROUND OF MOTION

AFS-USA has not changed the amount of co-support money for hosted and sent students since co-support payments were first allocated to teams in 1997. These amounts have stayed the same for 13 years:

- Year Program (Hosting) = \$215
- Semester Program (Hosting) = \$190
- Year Program (Sending) = \$115
- Semester Program (Sending) = \$95
- Summer Program (Sending) = \$50

Side note: Had the \$215 hosted student co-support payment from 1997 been adjusted for inflation using the Consumer Price Index (CPI), Area Teams and Unaffiliated Chapters would

have received \$290/hosted student in 2010. In the information below, there are CPI-adjusted examples for all the programs. Further note: prior to formation of Area Teams, local units received no money from AFS for support or orientations.

In the intervening years since 1997, all costs to support students have increased dramatically (meals, overnight bed fees, vans, gas). Many teams have reacted by cutting back events to a bare minimum. Overnight orientation events have turned into one day events, or fewer extra-curricular events are held during the year to benefit the students, or the students now pay for things that were provided in earlier years. Other teams have continued with the same high quality orientations, but do so by “borrowing” the money from other funds, e.g. unspent money on sending orientations may be used for hosting orientations.

Yet, over the same time interval, AFS-USA has covered its increased costs with regular program fee increases, which have been used for things other than co-support payment increases. None of that additional income has been used to increase Area Team or Unaffiliated Chapter co-support payments.

This proposal seeks to rectify that problem.

Rather than pick a new (and higher) flat co-support fee for each category (e.g., \$300 for hosted year program students), then have to adjust that number later as costs go up, this Resolution drives AFS-USA to move to a %-of-fee approach, which would automatically increase the co-support payments to Area Teams and Unaffiliated Chapters as the transfer prices AFS-USA receives from its partners (for hosting) or the program fees (for sending) are changed to reflect costs, inflation, etc.

One other piece of background information: These concerns are not new. A co-support Working Group committee comprised of Liz Carosella, Sue Cook, Marsha Cork, Jane Howard, Dale Hultengren, Margaret Johnson, Damian Pisanelli, David Rowley and Robin Weber made the following recommendations in the Fall of 2007, which were not implemented:

- “Recommendation 3. **During the annual budgeting process of AFS-USA, a review of the co-support payment amounts should take place and an increase given based on either the CPI (Consumer Price Index) or a COLA (Cost of Living Adjustment) - to be determined by finance.**”
- “Recommendation 6. The hosting co-support payment per participant beginning with the NH 2008-09 should be: YP-235.00 per student, SM-135.00 per participant.”
- One other recommendation had to do with sending co-support: “Recommendation 5. AFS-USA Area Teams should receive the same co-support payment for each sent student regardless of program length. (i.e. YP, SEM, SUM) The sending co-support payment per participant beginning with the SH 2009 program cycle should be \$75.00. “

Despite these recommendations, no CPI or COLA adjustments have been subsequently made, nor were the suggestions to increase absolute dollar amounts enacted.

WHAT ARE THE BIGGEST ADVANTAGES TO THE PROPOSED MOTION? WHY SHOULD THE NVA APPROVE THIS MOTION? PLEASE BE SPECIFIC – ADVANTAGES TO THE NATIONAL ORGANIZATION, TO AREA TEAMS/UNAFFILIATED CHAPTERS AND LOCAL CHAPTERS, AND TO INDIVIDUAL VOLUNTEERS SHOULD BE HIGHLIGHTED.

- National Organization – students and families can see that program fee money is spent on the students directly. This helps answer “what did we get for the money?”
- Area Teams and Unaffiliated Chapters - would be assured of adequate funding to do a better job of supporting students, providing richer and memorable experiences.
- Individual Volunteers – increases morale to see more money spent directly on the students as opposed to overhead activities, reduces stress from very, very constrained budgets, or the need to do as many fundraisers, or provide more money out of pocket. As one Area Team volunteer said when reviewing this proposal: “Individual Volunteers are being asked to donate more and more to make ends meet. Often they will open their home for orientations, bring extra food, etc. This can lead to burn-out since everyone is feeling a tightening of the belt.”
- Fundraising. Allows us to focus fundraising on money for scholarships for sending students, vs. supporting hosted students. Most area teams/unaffiliated chapters have cut back over the years on fund-raising; expecting them to raise significant amounts of money to support hosted students is not realistic.

WHAT ARE THE BIGGEST DISADVANTAGES TO THE PROPOSED MOTION? PLEASE BE SPECIFIC – DISADVANTAGES TO THE NATIONAL ORGANIZATION, TO AREA TEAMS AND UNAFFILIATED CHAPTERS, AND TO INDIVIDUAL VOLUNTEERS SHOULD BE HIGHLIGHTED.

- We don't see any downsides for the Area Teams, Unaffiliated Chapters, or Individual Volunteers
- Increasing the co-support payments teams receive will mean budget reductions in other parts of the organization, possibly including staffing levels, staff or volunteer travel, training resources, marketing materials, etc. Or – program fees will need to increase.
- National Council will need to take into account that a sliver of any future program fee increase must go to Area Teams/Unaffiliated Chapters for support. The proposal adds an additional consideration to the annual budget process.
- Teams which do not currently spend all of their co-support funds would have even more unspent funds at the end of the year.

WHAT ARE THE TWO OR THREE BIGGEST CONCERNS THAT HAVE ARISEN REGARDING THE PROPOSED MOTION AND HOW IT MIGHT AFFECT AFS-USA? HOW COULD THOSE CONCERNS BE ADDRESSED/ RESOLVED?

- Computing the Base, to answer “percent (%) of what”? For hosted students, we recommend that the percentage be a portion of the average transfer fee as the Base. For

sending programs, we suggest that the Base be a % of the average program fee by type of program (Summer, Semester, Year).

- Impacts to current Budgets and Financial Planning. Some re-budgeting and re-allocation of money / re-planning may be required. Every \$10 the hosting co-support payment is increased would mean approximately \$25,000 for the organization in increased co-support payments.
- This proposal, if enacted, would supply the equivalent of \$215/hosted student in inflation-adjusted terms to Area Teams each year (and other amounts for the other programs, hosting and sending). Some teams do not feel like this is sufficient (see the Greater LA Example at the end of this proposal), while other teams we polled seem to feel that current funding is adequate. In the Implementation plan below, we are also requesting that a study be done in the next year to determine what Area Teams and Unaffiliated Chapters are doing and how much they are spending so that adjustments, if necessary, can be made to the percentage to ensure that Teams have the funds they need to do quality support.
- Volunteers in some areas may prefer the money for increased co-support payments instead be used on meeting other organizational priorities and needs, such as volunteer development and training or participant and host family recruitment efforts.

WHAT ARE THE TWO OR THREE BIGGEST CONCERNS THAT HAVE ARISEN REGARDING THE PROPOSED MOTION AND HOW IT MIGHT AFFECT THE AREA TEAMS, UNAFFILIATED CHAPTERS, AND/OR INDIVIDUAL VOLUNTEERS? HOW COULD THOSE CONCERNS BE ADDRESSED/ RESOLVED?

- How to spend all those extra dollars won't be a problem! We believe this proposal will increase volunteer morale.
- The intention is to see co-support payments keep up with cost increases in student orientations and support. This may have the unintended consequence of reducing volunteers' motivation to raise money or in-kind contributions.

ADDITIONAL COMMENTS

We would like also to see a survey made of the existing support costs and needs across Area Teams and Unaffiliated Chapters. This could highlight what teams are doing, and what they need to do a quality job of orientations and support, in dollar terms, and then that could be converted into a new percentage goal. From the people we have talked to, we have the impression that the dollars for sending support are roughly adequate and that the funding problem is direr for some teams for hosting support costs, but rather than pre-judge this we'd like to see some data. Also, some teams are not spending the co-support payments they currently receive. It would be useful to know what they are doing to keep expenses down, whether they are more successfully doing fund-raising etc.

We don't have to design the survey now, but the questions might include:

- What is your team's actual per student cost for arrival orientation, fall orientation, mid-year orientation, etc?

- What would it cost in your area for orientation option A or orientation option B? (Useful to assess regional differences for the same types of orientations.)
- What are your AT's travel costs for hosted student support? Orientation costs? Food costs? Other support?
- If you were to improve certain parts of your orientations or your support of hosted AFS students, what would you anticipate the incremental cost increase to be per student?
- What percent of your co-support payments do you currently use each year?
- What would you do with the extra funds if you received x dollars more per hosted student? y dollars more?
- How much of the money spent on hosted students is raised through local fund-raising?

COST IMPLICATIONS OF IMPLEMENTING THE MOTION:

Clear Summary of any costs to AFS-USA or to Area Teams, and Unaffiliated Chapters , associated with the motion

- Immediate impact is modest and there is no change in co-support dollar amounts until fees or program fees change. The dollar amount is simply translated into a percentage.
- For example, if the \$215 per hosted year program student is divided by the average transfer price of \$4377 as of August 2010, that's 4.912%. If next year the average transfer price changes because of renegotiations with country partners and is \$4425, then multiplying by 4.912% yields \$217.36 per hosted year student, an increase of \$2.36 per student.
- In each cycle, as transfer prices (for hosted students) and sending fees (for outbound students) change, then a portion of those fee increases (based on the percentage) will, if this resolution is enacted, go to the Area Teams and Unaffiliated Chapters to help them keep up with inflation.
- All costs for this come out of the AFS-USA budget.

PART 2: IMPLEMENTATION PLAN

DESCRIPTION OF IMPLEMENTATION PLAN AND TIMELINE

Action	Timeframe for Completion
<ul style="list-style-type: none">• Compute the Base Percentage for each program and apply this approach starting in the Fall of 2010.	Immediately. By June 30, 2010, AFS Finance
<ul style="list-style-type: none">• The Volunteer Structure Committee should research the actual costs associated with student support, then make a formal recommendation to the National Council regarding the appropriate future percentages for co-support by program, and thereby give the National Council some benchmarks by which to base the percentages.	Quarterly updates to National Council on progress, with a final recommendation no later than May 2011.
<ul style="list-style-type: none">• AFS Finance creates an Impact Analysis on budgets and Implementation Plan for any recommended changes in the percentages	By Fall Arrival cycle, no later than 2012.

PART 4: CONCLUSION

Change the Co-Support payment for students to a percentage of the transfer price (for Hosted) or program fee (for sent students) structure, as opposed to a flat dollar amount. Enact this as soon as possible. Commission the Volunteer Structure Committee to take a deeper look at what Area Teams and Unaffiliated Chapters are spending and what's needed for quality support, and within the year, revisit the base percentage.

SUPPORTING INFORMATION

1. According to a calculator provided online by the Bureau of Labor Statistics, who compiles the Consumer Price index, See <http://data.bls.gov/cgi-bin/cpicalc.pl> . Here are the CPI-adjusted amounts for the various programs, if they had been adjusted for 2010:

- Year Program (Hosting) = \$215 (1997) - \$290 (2010)
- Semester Program (Hosting) = \$190 – (1997) - \$256 (2010)
- Year Program (Sending) = \$115 (1997) - \$155 (2010)
- Semester Program (Sending) = \$95 (1997) - \$128 (2010)
- Summer Program (Sending) = \$50 (1997) - \$68 (2010)

2. An Example from Greater LA

"Student Support" activities are in two buckets for Hosted Students:

1. Official required orientations

- a. Arrival (this can be more costly for Area Teams who are not near the city of arrival). We have local volunteers pick up the kids one by one as they arrive at LAX, keep them overnight (at no cost) and bring them to a volunteer's home for a day of orientation, followed each day by a picnic in the courtyard with the parents and local volunteers. AFS LA buys the food and drinks for the students' lunch and hosts the pizza dinner for everyone.
- b. Fall (post-arrival) - LA does a Friday to Sunday weekend for the students at a youth hostel, followed by a picnic on Sunday with volunteers and families. Cost is for two overnights for the students and a couple of counselors in bunk rooms, plus food, plus the drinks and paperware for the picnic.
- c. Winter (mid-year) - just a day event now, at a local church. 10 years ago we used to do an overnight but can't afford it
- d. Spring (pre-return) - half day event at a volunteer's beach place. Low cost.
- e. End of Stay - we usually rent vans and drive to San Diego, leave Saturday, come back early on Monday. Two overnights at a youth hostel has been cut to one now because of budget. Kids sleep on a volunteer's living room floor the last night (not too great, but the bus arrives at 4am).

2. Extracurriculars

- a. We try to have a local Saturday outing each month – something local, at very modest cost, but increasingly, the students have to pay.
- b. Optional big trips - camping for a week in Yosemite (costly to students - an extra \$600, run by San Marino High School) and a week to the Grand Canyon (ditto - \$400, run by a local AFS volunteer). We do walkathons to help with fundraising for these things.
- c. Bottom line: no dollars are spent for the student extracurriculars now.

Cost Comparisons for 2000-2001 vs. 2009-2010 (projected)

2009-2010 Actual to Date (in bold) and Projections (in italics)

HOSTED STUDENTS	Total	Per Student	# Stu
Arrival Orientation	\$359.28	\$29.94	13
Six Week Fall (Post-Arrival) Orientation	\$1,542.33	\$102.82	13
Winter (Mid-Year) Orientation	\$141.02	\$10.85	13
Spring (Pre-Return) Orientation	\$125.19	\$9.63	13
End of Stay	<i>\$1,567.1</i> 3	\$120.55	13
Hosted Students - Total	<i>\$3,734.9</i> 5	\$287.30	

Note that the per student project is close to the \$290 adjusted-for-inflation figure.

2000-2001 Actuals

HOSTED STUDENTS	Total	Per Student	# Stu
Arrival Orientation	\$264.70	\$14.71	18
Six Week Fall (Post-Arrival) Orientation	\$1,047.22	\$58.18	18
Winter (Mid-Year) Orientation	\$117.04	\$7.80	15
Spring (Pre-Return) Orientation	\$253.07	\$15.82	16
End of Stay	<i>\$1,767.1</i> 8	\$110.45	16
Hosted Students - Total	\$3,449.21	\$206.96	

Note that this per student amount was close to the \$215 co-support fee, back in 2000-2001.