

PEACE CORPS

Congressional Presentation

Fiscal Year 1970

May, 1969

PEACE CORPS CONGRESSIONAL PRESENTATION

FISCAL YEAR 1970

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PEACE CORPS  
WASHINGTON

May 9, 1969

OFFICE OF  
THE DIRECTOR

Members of Congress:

Agencies of Government customarily use their annual presentations to the Congress as an occasion to justify the discharge of their duties. I have chosen simply to set out with minimum rhetoric in the pages which follow the facts and figures of the Peace Corps which underline our request for an appropriation of 101.1 million dollars for Fiscal Year 1970.

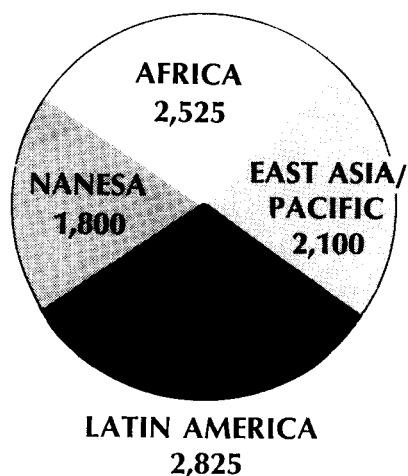
I have chosen to do so principally because my tenure as Director is measured in days, not weeks or months. By the time of my appearance before your committees I will have visited Volunteers in several countries and better acquainted myself with the Peace Corps as it exists today. Moreover, in the intervening days, with the help of Volunteers, staff, alumni and friends of the Peace Corps, I hope to prepare suggestions and recommendations for you.

Sincerely,

Joseph H. Blatchford

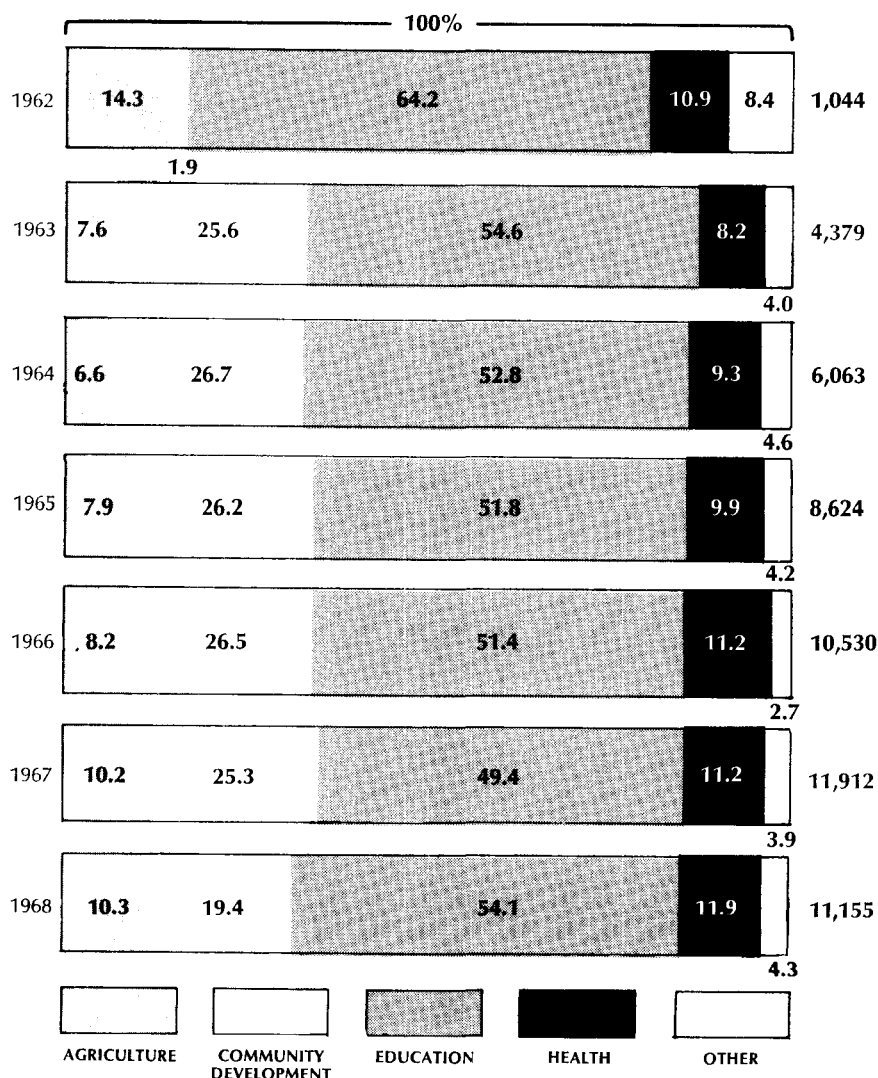
# PEACE CORPS STATISTICS

The work of the Peace Corps will never be told in statistics alone. But the numbers do provide a basic index of the scope of its operations. By October, 1968 — early in the eighth full year of Peace Corps history — more than 36,000 Volunteers had gone overseas. Also, the number of former Volunteers surpassed the number of current Volunteers. Here is a breakdown of Volunteers by region of service and by type of program.



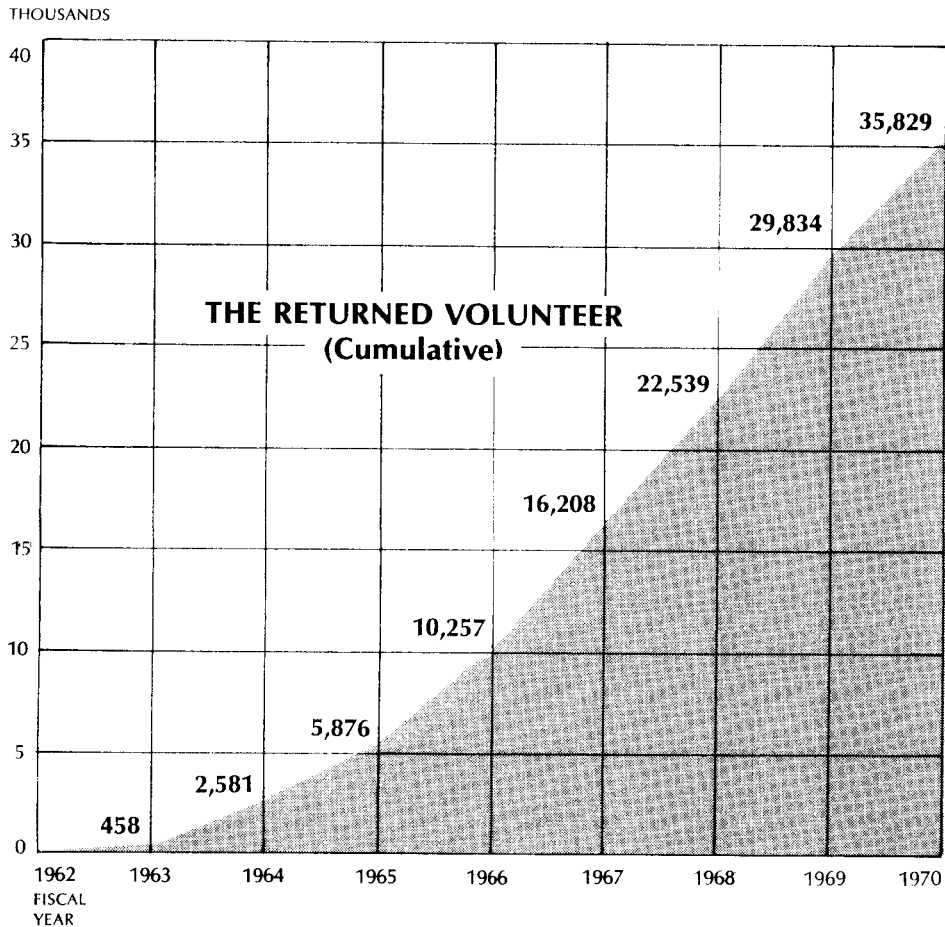
**WHERE THEY ARE HEADED** is depicted in the chart above which projects the number of Volunteers overseas as of June 30, 1970. Latin America continues to absorb the most Volunteers. A more detailed representation of Peace Corps work in the four major regions is contained on the following pages.

**WHAT VOLUNTEERS ARE DOING** by type of program is charted at right. Education continues to be the task of almost half of the Volunteers. (Figures as of June 30, 1968.)



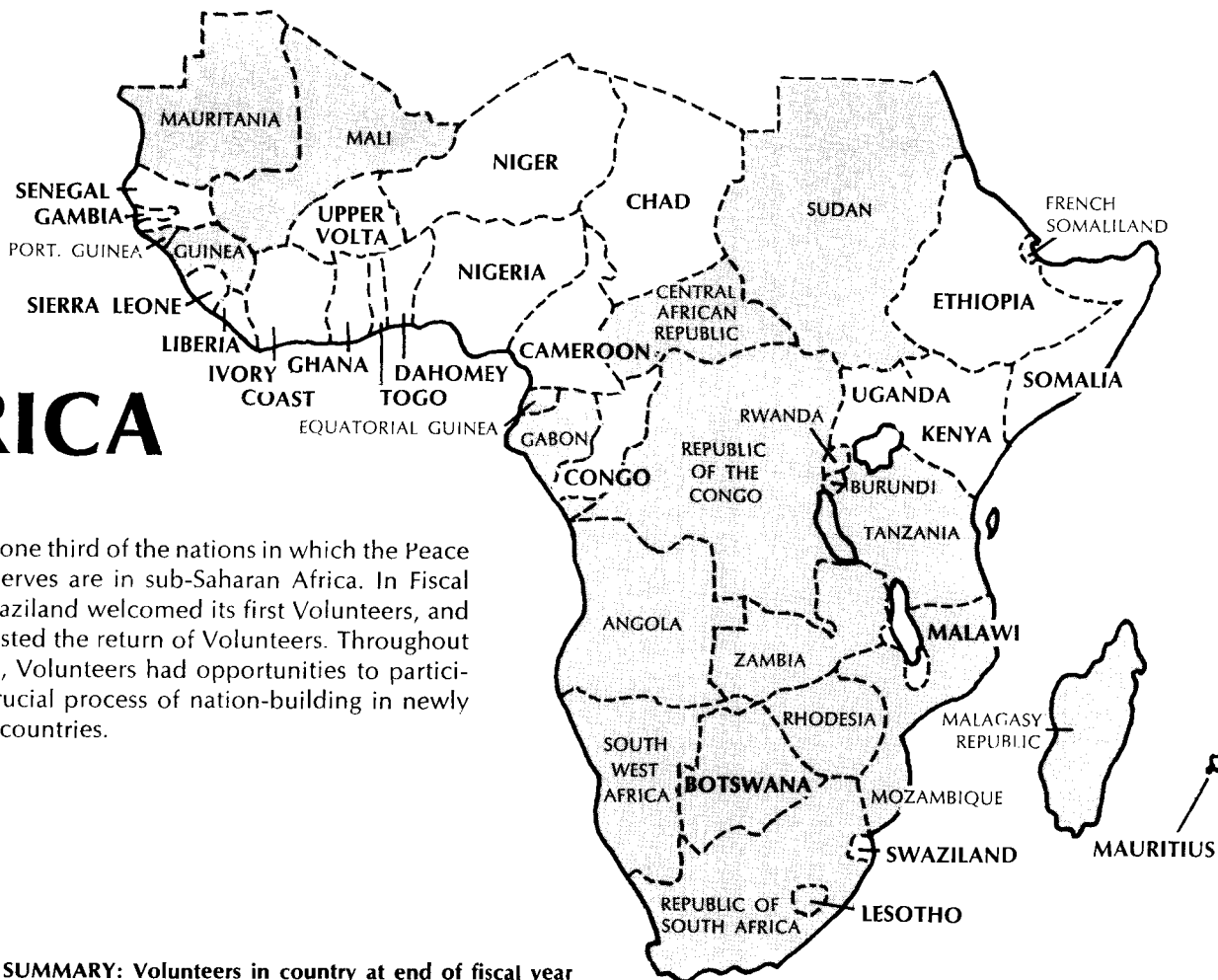
# THE RETURNED VOLUNTEER

**B**y the end of Fiscal Year 1969, more than 29,000 Volunteers will have returned to this country. One-third of those who return go back to school, mainly for advanced degrees. Of those who go to work, about a third teach, primarily in the hard-to-staff ghetto schools. Many others go into some form of public service work, including agencies with the Federal, state and local governments.



# AFRICA

More than one third of the nations in which the Peace Corps serves are in sub-Saharan Africa. In Fiscal Year 1969 Swaziland welcomed its first Volunteers, and Guinea requested the return of Volunteers. Throughout the continent, Volunteers had opportunities to participate in the crucial process of nation-building in newly independent countries.



**NINE YEAR SUMMARY: Volunteers in country at end of fiscal year**

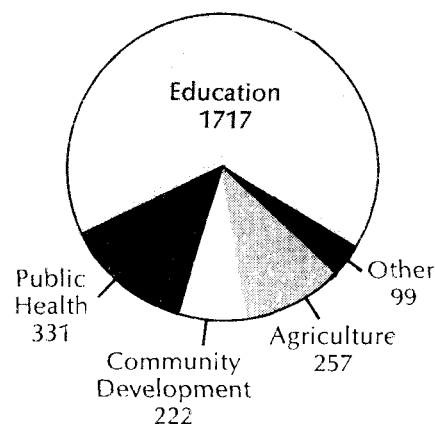
	1962	1963	1964	1965	1966	1967	1968	(now Sched- uled) 1969	Est. 1970
Ghana	51	129	136	110	111	208	242	172	175
Nigeria	109	258	508	634	719	719	248	103	50
Sierra Leone	37	120	159	150	233	236	273	259	225
Tanzania Tanganyika }	35	26	125	326	366	290	143	11	—
Cameroon	39	88	103	118	77	61	17	65	65
Ethiopia	278	402	565	566	432	389	431	420	420
Gabon	41	70	35	49	71	—	—	—	—
Ivory Coast	49	51	55	63	71	80	106	75	75
Liberia	132	272	335	399	317	299	327	265	265
Niger	16	12	43	48	129	156	77	70	70
Malawi Nyasaland }	42	97	230	231	153	123	139	125	125
Senegal	34	62	51	55	75	119	125	105	105
Somali Rep.	35	58	80	96	73	68	85	85	85
Togo	44	59	56	49	109	102	90	115	115
Guinea	52	95	81	—	—	—	20	20	20
Kenya	129	197	229	253	281	275	275	275	275
Uganda	35	56	118	121	104	65	65	65	65
Botswana	56	50	70	65	65	65	65	65	65
Chad	30	38	44	40	40	40	40	40	40
Mauritania	11	—	—	—	—	—	—	—	—
Gambia	16	14	10	10	10	10	10	10	10
Upper Volta	44	51	55	55	55	55	55	55	55
Lesotho	66	58	60	60	60	60	60	60	60
Dahomey	26	34	35	35	35	35	35	35	35
Swaziland	—	45	40	40	40	40	40	40	40
Congo	—	—	50	50	50	50	50	50	50
Mauritius	—	—	35	35	35	35	35	35	35
Totals	232	1,243	2,093	3,010	3,421	3,427	2,924	2,626	2,525

NOTE: Projections for June 30, 1970, are based on a worldwide position. Regional and country totals, established within the worldwide framework, are based on currently known requirements and projections of June 30, 1969 in-country strength. The actual number of Volunteers in each country on June 30, 1970 may vary from these projections as Volunteer allocations for each country are made at a later date on the basis of firm host country requests and worldwide comparisons of programs.

## WHAT THE VOLUNTEERS WILL BE DOING IN AFRICA: 1970

Keeping in tune with the needs in a rapidly changing region of the world, the Peace Corps will continue to diversify its programs with a special emphasis on rural work through agriculture, public health and community development projects. Education, however, will remain the major Peace Corps effort.

## WHAT THE VOLUNTEERS ARE DOING: 1969





# LATIN AMERICA

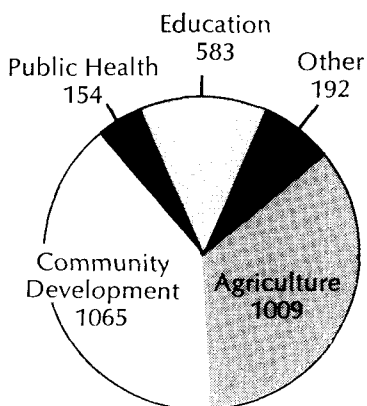
**B**y number of Volunteers, this is the largest of the Peace Corps regions. More than 13,000 Volunteers have served or are serving in Central and South America in eight years. The programs function in 20 nations. The major emphasis is almost evenly divided between agriculture and community development, which aims at creating a sense of identity and purpose among the people the Peace Corps serves and promoting self help as a desirable and practical method for the improvement of men and communities.

**WHAT VOLUNTEERS WILL BE DOING IN LATIN AMERICA: 1970**  
Agriculture and Community development comprise the major thrust with education emerging as the third major program area.

**NINE YEAR SUMMARY: Volunteers in country at end of fiscal year**

	1962	1963	1964	1965	1966	1967	1968	(now Sched- uled) 1969	Est. 1970
Brazil	43	168	210	548	639	601	580	420	425
Chile	63	99	106	294	397	392	254	203	160
Colombia	103	229	561	544	506	522	576	516	400
El Salvador	25	21	49	55	51	105	119	101	105
Jamaica	38	32	62	77	70	101	117	68	130
Eastern Caribbean Islands	15	14	17	5	45	89	124	140	110
Venezuela	23	83	117	265	292	352	262	179	190
Bolivia	35	112	126	220	266	303	219	239	185
British Honduras	33	18	49	33	42	45	37	55	55
Costa Rica	26	65	61	107	154	98	87	70	70
Dominican Republic	144	171	85	101	140	161	119	95	95
Ecuador	156	236	309	211	255	247	221	195	195
Guatemala	27	105	83	69	140	151	73	65	65
Honduras	27	46	103	107	174	167	132	135	135
Panama	28	76	133	196	171	174	133	140	140
Peru	285	293	379	301	349	283	174	200	200
Uruguay	18	4	48	65	31	13	10	10	10
Guyana						44	51	44	55
Paraguay						35	56	69	65
Nicaragua								35	35
<b>Totals</b>	<b>345</b>	<b>1,484</b>	<b>2,276</b>	<b>3,214</b>	<b>3,439</b>	<b>4,034</b>	<b>3,715</b>	<b>3,003</b>	<b>2,825</b>

**WHAT THE VOLUNTEERS ARE DOING: 1969**



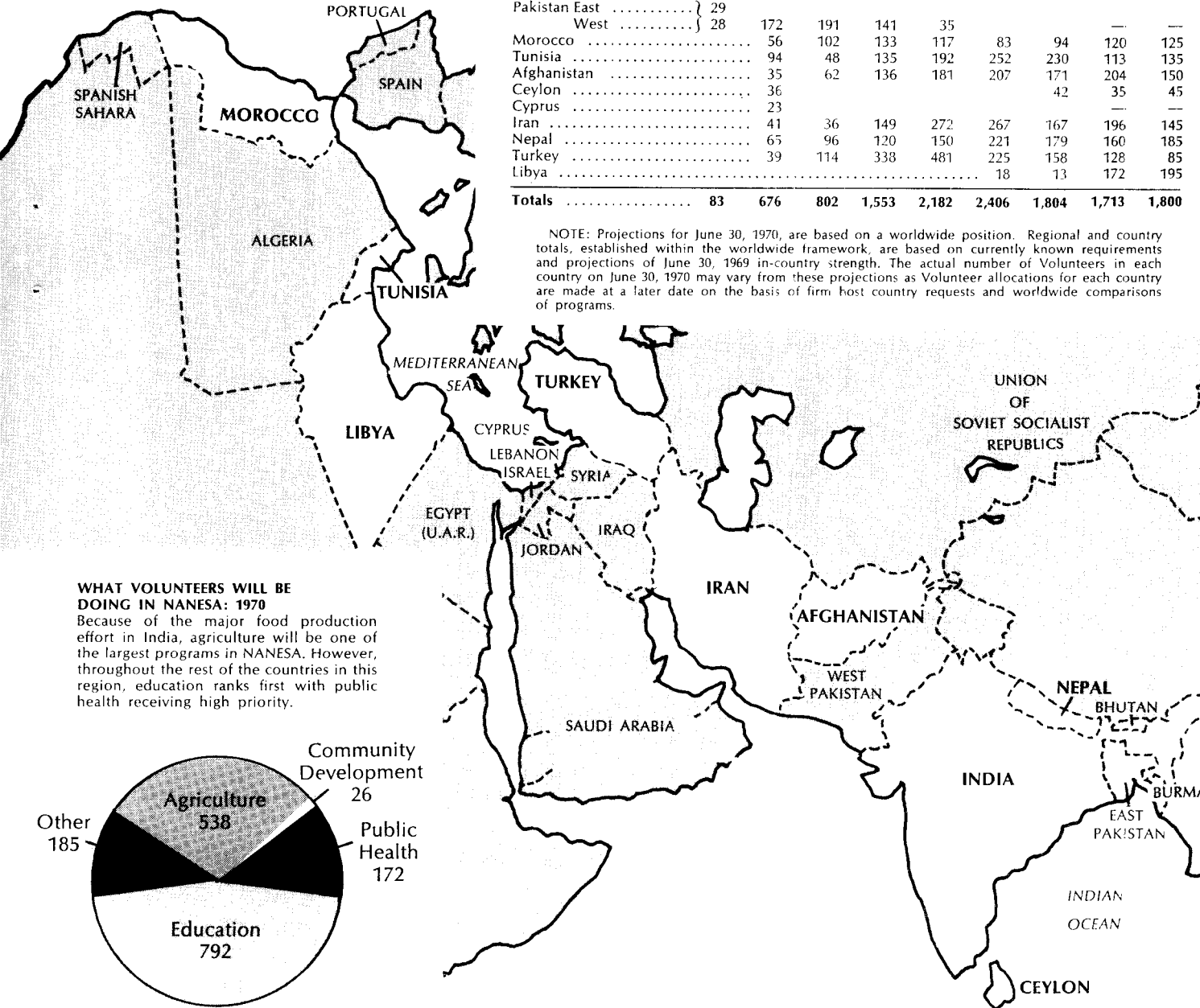
NOTE: Projections for June 30, 1970, are based on a worldwide position. Regional and country totals, established within the worldwide framework, are based on currently known requirements and projections of June 30, 1969 in-country strength. The actual number of Volunteers in each country on June 30, 1970 may vary from these projections as Volunteer allocations for each country are made at a later date on the basis of firm host country requests and worldwide comparisons of programs.

# NINE YEAR SUMMARY: Volunteers in country at end of fiscal year

ATLANTIC  
OCEAN

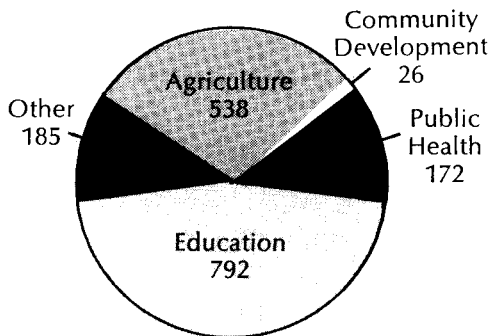
	1962	1963	1964	1965	1966	1967	1968	(now Sched- uled) 1969	Est. 1970
India .....	26	115	153	401	754	1,133	750	585	735
Pakistan East .....	29								
West .....	28	172	191	141	35				
Morocco .....	56	102	133	117	83	94	120	125	
Tunisia .....	94	48	135	192	252	230	113	135	
Afghanistan .....	35	62	136	181	207	171	204	150	
Ceylon .....	36					42	35	45	
Cyprus .....	23								
Iran .....	41	36	149	272	267	167	196	145	
Nepal .....	65	96	120	150	221	179	160	185	
Turkey .....	39	114	338	481	225	158	128	85	
Libya .....						18	13	172	195
Totals .....	83	676	802	1,553	2,182	2,406	1,804	1,713	1,800

NOTE: Projections for June 30, 1970, are based on a worldwide position. Regional and country totals, established within the worldwide framework, are based on currently known requirements and projections of June 30, 1969 in-country strength. The actual number of Volunteers in each country on June 30, 1970 may vary from these projections as Volunteer allocations for each country are made at a later date on the basis of firm host country requests and worldwide comparisons of programs.



## WHAT VOLUNTEERS WILL BE DOING IN NANESA: 1970

Because of the major food production effort in India, agriculture will be one of the largest programs in NANESA. However, throughout the rest of the countries in this region, education ranks first with public health receiving high priority.



## WHAT THE VOLUNTEERS ARE DOING: 1969

# NORTH AFRICA/ NEAR EAST/ SOUTH ASIA

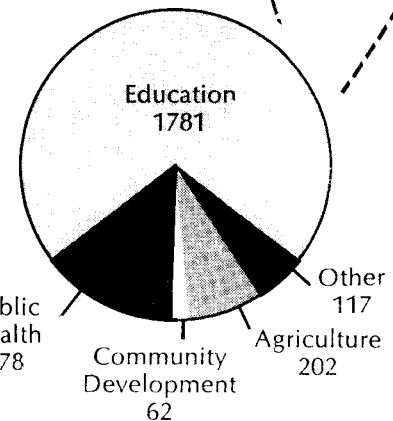
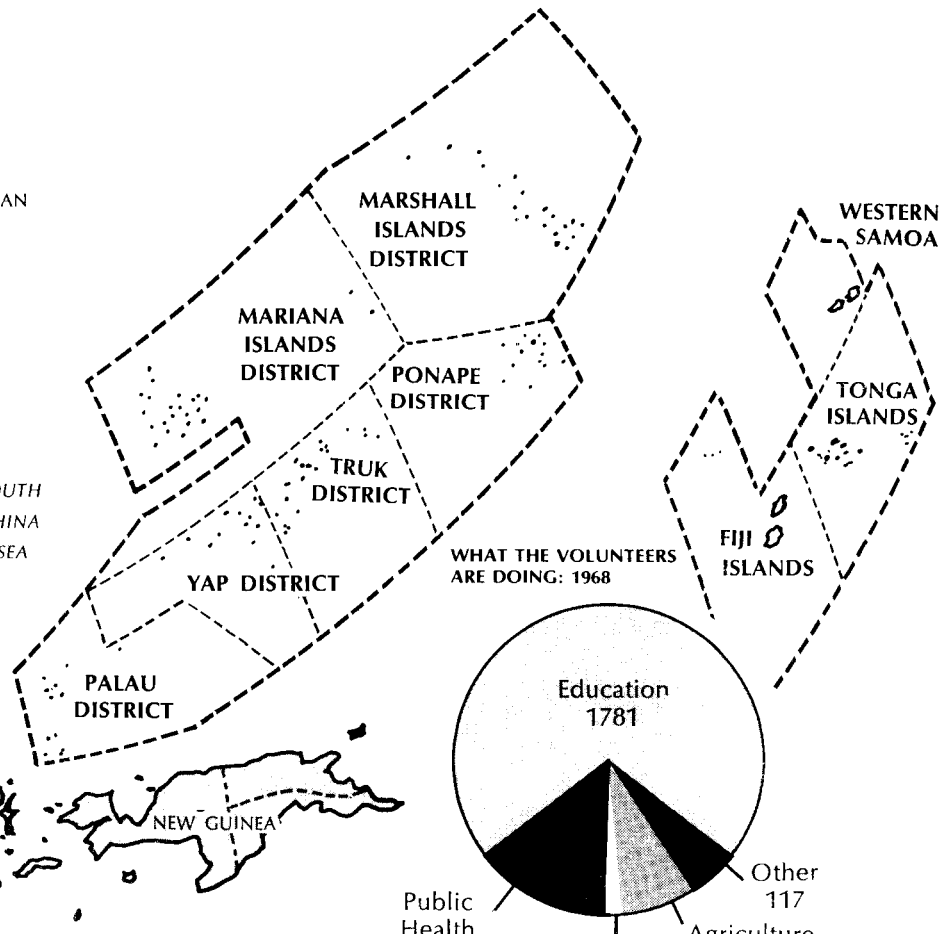
From the Atlantic to the Bay of Bengal, Volunteers serving in the nine nations of the NANESA region are engaged in a diverse series of programs ranging from rural development in Morocco to tubewell construction in India. In addition to their labors on food production and nutrition problems on the India sub-continent, Volunteers also promote family planning education at the request of the Indian government.



# NINE YEAR SUMMARY: Volunteers in country at end of fiscal year

	1962	1963	1964	1965	1966	1967	1968	(now Sched- uled) 1969	Est. 1970
Malaysia				378	561	583	495	490	505
Malaya	67	169	206					—	—
Sabah/Sarawak		91	124					—	—
Philippines	272	472	286	227	571	601	720	714	500
Thailand	45	227	245	242	356	321	228	328	300
Indonesia		17	31					—	—
Korea						92	310	264	190
Micronesia					448		625	355	300
Western Samoa							129	115	80
Tonga							114	118	80
Fiji							51	156	145
Totals	384	976	892	847	1,488	2,045	2,672	2,540	2,100

NOTE: Projections for June 30, 1970, are based on a worldwide position. Regional and country totals, established within the worldwide framework, are based on currently known requirements and projections of June 30, 1969 in-country strength. The actual number of Volunteers in each country on June 30, 1970 may vary from these projections as Volunteer allocations for each country are made at a later date on the basis of firm host country requests and worldwide comparisons of programs.



## EAST ASIA/PACIFIC

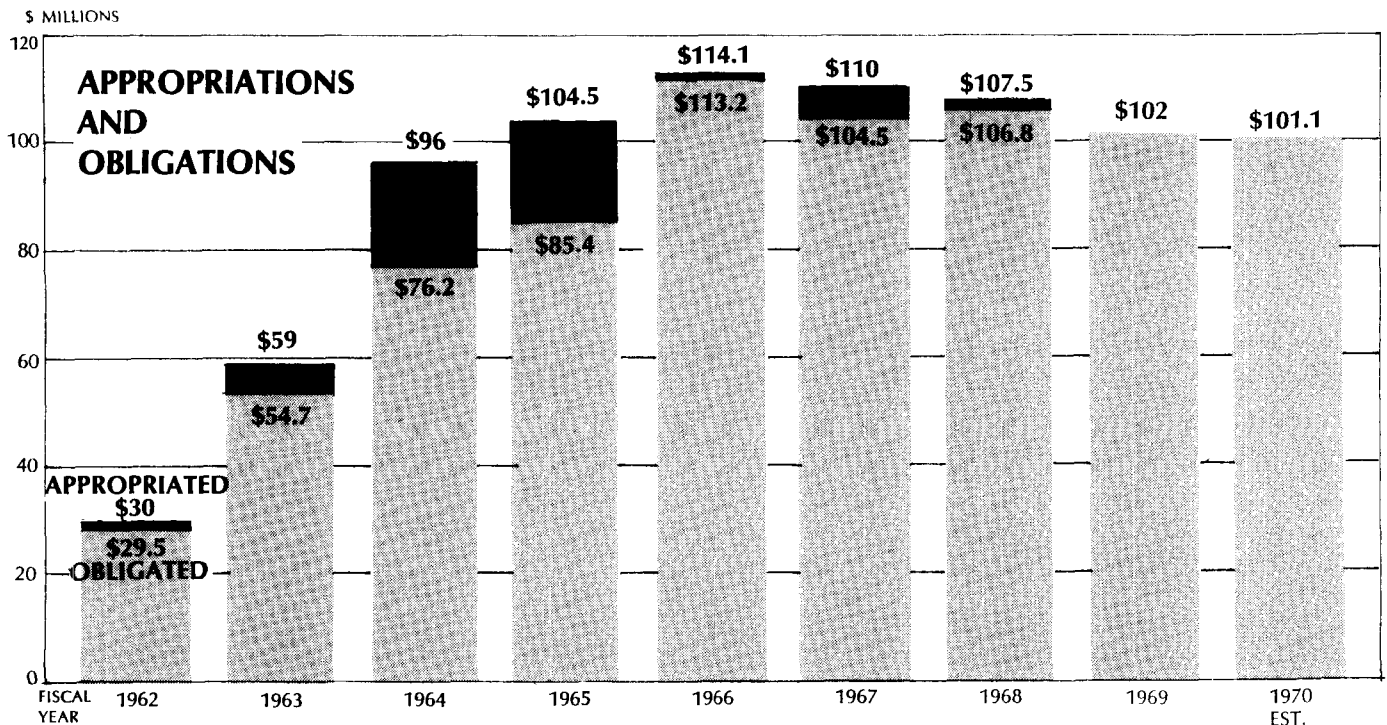
The Pacific basin is the scene of a rapidly expanding Peace Corps presence. Volunteers are participating in education, health, and, to an increasing degree, agriculture programs in the eight host nations of the region.

### WHAT THE VOLUNTEERS WILL BE DOING IN EAST ASIA/PACIFIC: 1970

While education is the prime concern for Volunteers in East Asia/Pacific, the public health program continues its rapid rate of growth.

# THE COST

**B**etween the end of Program Year 1962 (the Peace Corps' first full year) and 1970, total strength will have grown from 2,816 Volunteers and trainees to 12,000 Volunteers and trainees, while the total number of countries will have grown from 17 to more than 60. In the same period, appropriations have increased from \$30 million to \$102 million in FY 1969 and \$101.1 million requested for FY 1970. The slow rate of growth in the budget can be traced to a constant effort to reduce costs and improve efficiency, particularly in the significant areas of training, administration of overseas programs, and size of Washington headquarters staff.



**RECEIVED AND SPENT:** Of \$107.5 million appropriated by the Congress for Fiscal Year 1968, the Peace Corps obligated \$106.8 million. The estimates for Fiscal Years 1969 and 1970 are \$102 million and \$101.1 million respectively. Administrative expenses, which accounted for 33 per cent of Peace Corps costs in 1962, are 30 per cent in both 1969 and 1970.

## READJUSTMENT ALLOWANCES

\$10.5 MILLION  
(10%)

This diagram illustrates the distribution of the Peace Corps FY 1970 budget among the major functions supported by these funds. Overseas program costs of \$33.7 million are the largest single category.

**TOTAL \$101.1 MILLION**

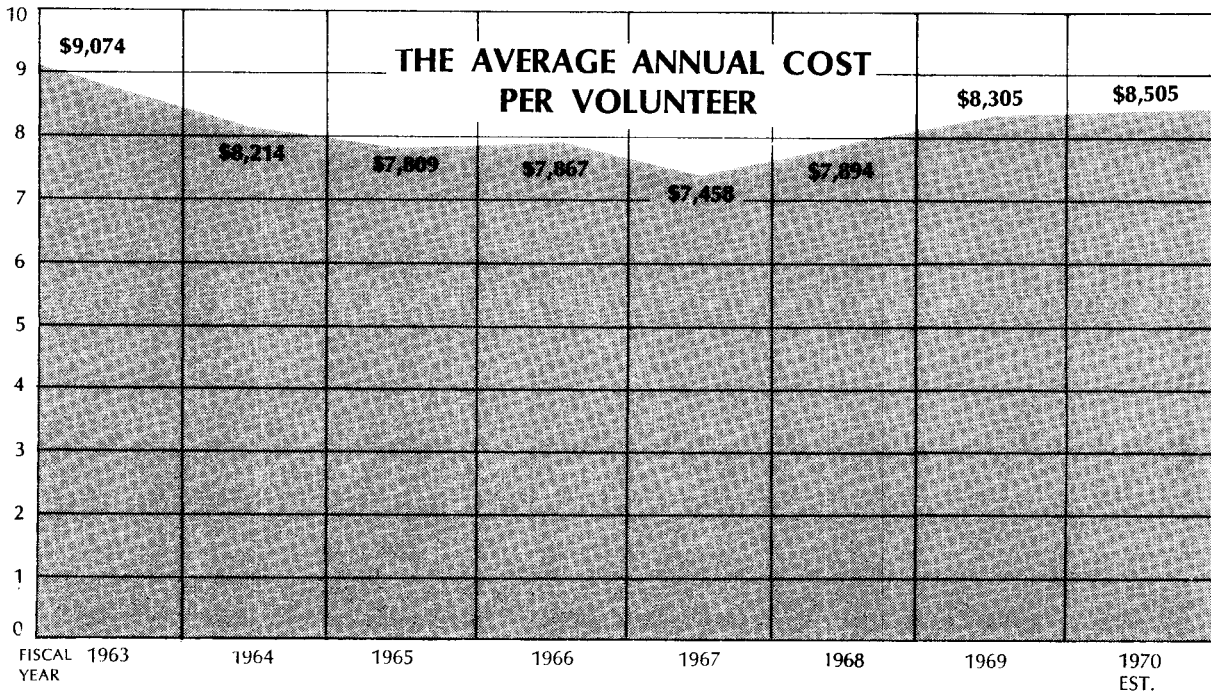
**MISCELLANEOUS**  
\$ .5 MILLION  
(1%)

**OVERSEAS PROGRAM COSTS**  
\$33.7 MILLION  
(33%)

**ADMINISTRATIVE EXPENSES**  
\$30.6 MILLION  
(30%)

**TRAINING**  
\$25.9 MILLION  
(26%)

\$ THOUSANDS



The trend in the cost per Volunteer is mainly a function of the trend in the size of the Peace Corps. So long as the total number of Volunteers and trainees is increasing, an "economy of scale" occurs and the average cost per Volunteer can be expected to decline from year to year. This was the case through FY 1967. However, when the number of Volunteers and trainees is progressively lower each year, the trend reverses itself and the cost begins to rise — as is the case in FY 1968, 1969 and 1970. In addition, several other factors have produced an increase in the per Volunteer cost. These include higher health care costs due to the use of direct-hire physicians rather than Public Health Service Physicians, continual Federal salary increases and the increased cost of certain mandatory payments to other agencies.

## THE BUDGET FOR FY 1970

The Peace Corps budget request for FY 1970 is a true departure from the past. For the first time in our history, we are submitting a budget which is less than our current appropriation.

This situation has been produced by several changes:

First, the Peace Corps has scaled down its estimated 1969 training input from a previous plan of 8,500 to 7,000. Similarly the 1970 input is now projected at 7,500, whereas in past years, budget estimates were based on training inputs ranging from 9,200 up to 11,000. The revised programs of 7,000 and 7,500 more accurately represent Peace Corps overseas program requirements, as well as our desire to recruit for quality - not quantity - and to invest in those candidates who seem best qualified to become good Volunteers.

Secondly, this revision of training inputs produces a "follow-on" effect of lowering the numbers of Volunteers overseas in the following fiscal year. Therefore, instead of future Volunteer strengths overseas of 11,000 or 12,000 as in the past, the FY 1969 and 1970 figures will be about 10,450 and 9,432 respectively.

Thirdly, the Peace Corps continues to make economies wherever possible in its operations. Our principal cost reduction efforts are described on the following pages of this Presentation. They include certain major savings, such as our change in dental policy, reducing the number of vehicles overseas, the greater use of in-country training, and reductions in physicians and other U.S. staff assigned overseas. The lower estimates in FY 1969 and 1970 for these purposes have enabled us to get greater mileage from our appropriation.

### ANALYSIS OF PROGRAM AND REQUIREMENTS

The Major Program and Fiscal Data  
for FY 1968-70 are as Follows:

	<u>FY 1968</u> <u>Actual</u>	<u>FY 1969</u> <u>Estimate</u>	<u>FY 1970</u> <u>Estimate</u>
1. <u>Program Year Trainee Input</u>			
Regular contract	3,474	2,970	2,650
Training centers	1,302	1,350	1,400
Contract/In-country	1,927	1,980	2,650
Complete In-country	690	600	700
Advance programs	<u>72</u>	<u>100</u>	<u>100</u>
	7,465	7,000	7,500

	<u>FY 1968</u> <u>Actual</u>	<u>FY 1969</u> <u>Estimate</u>	<u>FY 1970</u> <u>Estimate</u>
2. <u>End Strengths at End</u> <u>Program Year (August 31)</u>			
Volunteers	9,135	9,400	8,735
Trainees	<u>4,057</u>	<u>3,000</u>	<u>3,265</u>
	13,192	12,400	12,000
3. <u>Average Volunteer Strength</u> <u>Overseas (Man-years)</u>	11,784	10,450	9,432
4. <u>Funds (Obligations in \$millions)*</u>			
Training and pre-training costs	\$ 26.8	\$ 22.6	\$ 25.9
Overseas costs (transportation, allowances, medical care, etc.)	38.4	36.8	33.7
Readjustment allowance	12.5	11.7	10.5
Miscellaneous	<u>0.6</u>	<u>0.6</u>	<u>0.5</u>
Total Volunteer and Project Costs	\$ 78.2	\$ 71.7	\$ 70.5
Administrative Expenses			
Washington	14.0	14.7	14.8
Overseas	<u>14.6</u>	<u>15.6</u>	<u>15.8</u>
	28.6	30.3	30.6
TOTAL Appropriation	\$106.8	\$102.0	\$101.1

\* Totals may not add due to rounding

The principal dollar changes between FY 1969 and FY 1970 are these:

	<u>\$ in millions</u>
FY 1969 Appropriation	\$102.0
Increase of 500 trainees from 7,000 in 1969 to 7,500 in 1970	+1.8
Change in training costs to provide improved language and technical training	+1.3
Decrease in overseas costs and readjustment allowance due to reduction in Volunteer strength	-4.3
Administrative expenses	+0.3
FY 1970 Estimate	\$101.1

## ADMINISTRATIVE EXPENSES

Funding requirements for Administrative Expenses deserve and receive close attention from the Committees of the Congress and from the Peace Corps. One convenient method which has been used in the past to assess these requirements has been a comparison of the percentage of Administrative Expenses to the total appropriation. However, this method is misleading and, indeed, inaccurate since the percentage is really largely determined by changes occurring in Program costs. To illustrate this, here is the recent trend in the Administrative percentage:

	<u>Percentage of Total Obligations</u>
FY 1968	27%
FY 1969	30%
FY 1970	30%

The rising percentage is produced as the amount of program funds declines from \$78.2 million in FY 1968 to \$71.7 million in FY 1969 and \$70.5 million in FY 1970. This decline has in part been achieved by various major cost reductions in the program area over recent years (i.e. discontinuing home leave after completion of training; reducing the numbers of physicians overseas; reducing vehicle procurement, etc.) as well as by lower training inputs and Volunteer strength overseas. Program funds respond directly to these fluctuations in inputs and overseas strength, whereas Administrative costs are, in the main, determined by the number of Washington and overseas staff, and by the number of host countries with Peace Corps programs. While the Peace Corps has made cuts in staff because of the reduction in Volunteers overseas, these cuts have been offset by the need for additional staff for new countries plus the increase each year in Federal salaries. So Administrative costs respond to changes made in staffing levels, changes in the number of new countries, and the impact of the continuing series of Federal pay raises. If, for example, the amount of program funds remained constant at the FY 1968 figure of \$78.2 million (instead of going down to \$71.7 million in 1969 and \$70.5 million in 1970), the percentage of Administrative Expenses would show little change except for the effect of the Federal pay raise between FY's 1968 and 1969:

	<u>Admin Percentage with Program Funds Held Constant</u>
FY 1968	27%
FY 1969	28%
FY 1970	28%

FY 1970 Administrative Expenses are estimated to be \$30.6 million. Only two increases of any substance are included. Aside from these, all other costs are estimated at below the FY 1969 level:

New Programs in Four Countries	\$+241
Shared Administrative Support from Department of State	\$+100

In addition, the staffing numbers which determine the funds required have been held at or below FY 1969:

	Administrative Expenses Permanent Full-time Personnel	
	<u>Washington</u>	<u>Overseas</u>
June 30, 1969	660	350
New countries in FY 1970		+ 8
Reductions in FY 1970		-13
June 30, 1970	660	345

Through such measures as a continuous review of all personnel requirements, travel orders, and supply and equipment purchasing, the Peace Corps attempts to hold Administrative Expenses to the very minimum consistent with our operating needs.

#### Summary

The present appropriation of \$102 million is the lowest dollar level approved for the Peace Corps since the "build-up" days of FY 1964. The Peace Corps is pleased to be able to present a request which is even lower for FY 1970. We have based our predictions on program requirements for Volunteers and reduced staffing levels both in Washington and overseas. These funds will support an average Volunteer strength overseas of 9,432 in FY 1970. This is 20% less than the 11,784 Volunteers overseas during FY 1968.

More than mere measurements of size, the important aspect is the quality of our Volunteers and of their work. The Peace Corps is not a "numbers game". It is a "people game" aimed at directly helping the people of developing nations. The Congress' approval of our program each year reaffirms your confidence in us, your interest in helping our efforts to flourish, and your desire to provide this opportunity for service to thousands of Americans.

HOST COUNTRY CONTRIBUTIONS BY REGION  
(In thousands of dollars)

	<u>ACTUAL</u>					<u>ESTIMATED</u>	
	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
AFRICA	\$1,832	\$2,718	\$2,906	\$2,380	\$1,885	\$1,901	\$1,645
EAST ASIA & PACIFIC	492	251	453	489	516	499	459
LATIN AMERICA	232	172	191	180	219	247	245
NANESA	234	315	431	525	345	931	979
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
TOTAL	\$2,790	\$3,456	\$3,981	\$3,574	\$2,965	\$3,578	\$3,328



## COST REDUCTION

The following information on cost reduction actions reflects the Peace Corps' continuing efforts to conduct our programs at the lowest reasonable costs. It also shows that every major aspect of our operations — training, personnel, travel, research, vehicles, medical care — receives attention not only from a program standpoint, but in terms of cost as well. Managers in the Peace Corps realize that attention to costs is an important and essential part of their responsibilities. As a result of their efforts, we are able to report these cost-saving actions totalling \$2.3 million in FY 1969 and \$4.1 million in FY 1970.

## COST REDUCTION ACHIEVEMENT

	<u>FY 1969</u>	<u>FY 1970</u>
<u>Pre-training background investigations</u> <u>of applicants</u>	<u>\$161,000</u>	<u>\$172,500</u>

In spite of continuing cost increases caused by annual Federal pay raises, the Civil Service Commission and Peace Corps have endeavored to hold down the cost of background investigations performed by the Commission by limiting the investigating period to a maximum of five years in most cases. In this manner, an estimated savings of \$20 per examination has been realized.

<u>Pre-training dental expenses</u>	<u>\$189,600</u>	<u>\$447,500</u>
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Effective January 1, 1969, applicants who have been invited to Peace Corps training programs are responsible for obtaining and paying for pre-training dental exams and whatever treatment is necessary for them to meet dental standards for entry into training. Placing this responsibility on the invitee produces savings in costs that would, under previous policy, have been paid by the Peace Corps. A certificate of dental acceptability must be signed before an invitee can begin training.

<u>Increased utilization of in-country training</u> <u>and Peace Corps training centers</u>	<u>\$139,000</u>	<u>\$444,000</u>
------------------------------------------------------------------------------------------------	------------------	------------------

The Peace Corps attempts to reduce training costs while maintaining or improving the quality of training have resulted in a greater number of projects being trained wholly or partially in the host country or at Peace Corps training camps. During FY 1968, approximately 55% of the training input had training at such sites. The current estimate for FY 1969 indicates that approximately 58% of the trainees will receive such training. This 3% increase will result in savings of \$139,000. The percentage of trainees who will undergo training at those sites in FY 1970 is estimated at 64%, and the associated savings is estimated to be \$444,000.

<u>Volunteer overseas travel</u>	<u>\$108,000</u>	<u>\$108,000</u>
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Increased use of charter aircraft has been made in FY 1969 to transport Volunteers to the host countries. Compared with FY 1968, there has been an increase in savings over regular commercial rates of \$95,000. Also, when groups are too small to require a charter, travel costs have been reduced by taking advantage of lower-cost group fares. Compared with FY 1968, there is a further savings in FY 1969 of \$13,000. These same savings are expected to continue in FY 1970.

	<u>FY 1969</u>	<u>FY 1970</u>
<u>Reduction in number of overseas physicians</u>	<u>\$125,000</u>	<u>\$512,000</u>

The total number of Peace Corps physicians providing health care for Volunteers overseas has been cut from an average of 136 in FY 1968 to 90 in FY 1970 — a reduction of 46 positions. Thirty of these have been made as part of the Balance of Payments personnel review initiated in FY 1968. Sixteen other positions have been identified by the Peace Corps with resulting savings for part of FY 1969 and for the full year in FY 1970.

<u>Medical kits</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>
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By obtaining plastic containers and eliminating metal containers, a savings of \$5 per kit has been realized.

<u>Vehicle procurement</u>	<u>\$225,000</u>	<u>\$225,000</u>
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Over the last two years, particular emphasis has been given to tightening up our vehicle program. This has included such actions as reducing the number of vehicles wherever possible and greater utilization of vehicles provided by the host countries. This effort has enabled us to reduce the numbers of vehicles to be purchased in FY's 1969 and 1970.

<u>Professional Support</u>	<u>\$103,000</u>	<u>\$ 92,000</u>
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Technical support for the efforts of the Volunteers is a continuing need of the Peace Corps. In prior years the bulk of such support has been provided by contracting with companies or individuals to obtain the necessary talent and institutional report. However, the cost of obtaining this support through contracting has proven costly as compared to the alternative of directly hiring individuals with the necessary skills. Thus, commencing in FY 1967, the Peace Corps initiated a program to replace contract personnel with direct-hire personnel in the technical support area. The cost of direct-hire personnel was \$24,858 per man year during FY 1968 and for contracted personnel was \$47,800, or a difference of \$22,942 per man-year. It is anticipated that savings based on utilizing direct-hire personnel will reduce these costs by approximately \$103,000 in FY 1969 and \$ 92,000 in FY 1970.

<u>Limitation on civilian personnel</u>	<u>\$450,000</u>	<u>\$600,000</u>
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Section 201 of Public Law 90-364 prescribes limitations on the number of civilian personnel in the executive branch. These limitations became effective on July 1, 1968. The resulting savings in FY 1969 personnel costs has been \$450,000. Of this amount, \$300,000 was identified to the Congress during the review of the FY 1969 budget

FY 1969      FY 1970

request and the Administrative expenses limitation was reduced by that amount. The additional \$150,000 has accrued as the fiscal year has progressed. The full year effect of these savings is estimated to be \$600,000 in FY 1970.

Reduction of personnel overseas                      \$ 600,000      \$ 1,275,000

As part of the actions taken to improve the nation's balance of payments position, the Peace Corps, during the last half of FY 1968, began a reduction in the numbers of U.S. personnel overseas in host countries. This reduction of about 9%, from 544 to 493, was achieved by March 31, 1969.

Savings in GSA procurement costs                      \$ 11,800      \$ 17,000

In FY 1969, reductions have been made in administrative costs paid to GSA for purchases of vehicles used at overseas posts. These reductions continue in FY 1970 and future years.

Printing                                                      \$ 10,000      \$ 10,000

Reduced requirements for recruiting brochures have permitted a reduction of \$10,000 in printing costs.

Use of Volunteer personnel                              \$ 1,700      \$ 4,000

In FY 1969, Volunteer teenagers from the Washington area have contributed their time on week-ends to performing clerical duties in the Office of Public Affairs. The services of these students, working without compensation, saves funds which would have otherwise been needed for Peace Corps employees performing these jobs.

Elimination of Chicago Recruiting Office rental                      \$ 7,800

In FY 1970, the Chicago Recruiting Office will be moved into space provided by GSA with a consequent savings in rental costs.

Recruiting travel                                              \$ 84,000      \$ 84,000

Introduction of a system of area recruiting representatives who operate under the direction of the regional recruiting offices has resulted in a strengthened regional staff and reduced the need for travel both in the field and in Peace Corps/Washington.

Staff language training                                      \$ 5,000      \$ 5,000

Increased use of Peace Corps training centers for staff language training has produced a reduction in tuitions of \$5,000 in FY 1969 and FY 1970.

	<u>FY 1969</u>	<u>FY 1970</u>
<u>Reduction of card processing equipment</u>	\$ <u>9,000</u>	\$ <u>12,000</u>

Improved utilization of tape methods to process accounting and personnel management reports has resulted in the elimination of leased card processing electronic accounting machine equipment.

<u>Overtime</u>	\$ <u>12,000</u>	\$ <u>12,000</u>
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Excluding the impact of the Federal Pay Raise which became effective in July of 1968, overtime costs for Peace Corps/Washington offices are estimated to be \$12,000 lower than in FY 1968. The success in controlling overtime is illustrated by the 54 % reduction which has taken place in these costs — from \$391,000 in FY 1966 to \$180,000 in FY's 1969 and 1970.

	<u>FY 1969</u>	<u>FY 1970</u>
TOTAL COST REDUCTIONS	\$2,259,000	\$4,053,000

SUMMARY OF OBLIGATIONS BY ACTIVITY

Fiscal Years  
(In millions of dollars)

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u> <u>Est.</u>	<u>1970</u> <u>Est.</u>
Volunteer & Project Costs	\$ 19.7	39.3	58.4	65.6	89.6	79.8	78.2	71.7	70.5
	%(66.7)	(71.9)	(76.7)	(76.8)	(79.1)	(76.4)	(73.2)	(70.3)	(69.7)
Administrative Expenses	\$ 9.8	15.4	17.8	19.8	23.6	24.7	28.6	30.3	30.6
	%(33.3)	(28.1)	(23.3)	(23.2)	(20.9)	(23.6)	(26.8)	(29.7)	(30.3)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ 29.5	54.7	76.2	85.4	113.2	104.5	106.8	102.0	101.1

VOLUNTEER AND PROJECT COSTS

	<u>Obligations</u> <u>(In Thousands of Dollars)</u>		
	<u>1968</u>	<u>1969</u>	<u>1970</u>
I. Pre-Training	\$ 3,662	\$ 3,756	\$ 4,023
II. Training	23,098	18,811	21,832
III. Volunteer Costs	38,372	36,826	33,677
IV. Readjustment Allowance	12,518	11,677	10,488
V. Research	326	400	300
VI. Title III Activities	80	80	80
VII. School Partnership Program	171	150	100
	<hr/>	<hr/>	<hr/>
Grand Total	\$78,227	\$71,700	\$70,500

Volunteer and Project Costs

	Obligations		
	1968 Actual (\$000)	1969 Estimate (\$000)	1970 Estimate (\$000)
<u>I. PRE-TRAINING</u>			
A. Background Investigations	\$ 3,519	\$ 3,623	\$ 3,881
B. Health Examinations	<u>143</u>	<u>133</u>	<u>142</u>
SUBTOTAL	\$ 3,662	\$ 3,756	\$ 4,023
<u>II. TRAINING</u>			
A. Regular Complete	(20,998)	(16,993)	(19,915)
1. Contract	9,856	7,814	7,950
2. Training Centers	4,695	3,457	3,858
3. Complete In-Host Country	1,002	1,285	1,321
4. Contract & In-Host Country	5,445	4,437	6,786
B. Advance Training	304	275	290
C. Support Related Requirements	(1,796)	(1,543)	(1,627)
1. Medical Support	502	286	306
2. Language Informant Service	258	300	300
3. Trainee Travel	<u>1,036</u>	<u>957</u>	<u>1,021</u>
SUBTOTAL	\$23,098	\$18,811	\$21,832
<u>III. VOLUNTEER COSTS</u>			
A. International Travel	\$ 7,889	\$ 8,153	\$ 7,389
B. Allowances	(16,868)	(15,623)	(14,070)
1. Living	13,067	11,736	10,595
2. Settling-In	594	738	634
3. Leave	2,286	2,257	2,037
4. Clothing	921	892	804
First Year	(559)	(615)	(529)
Second Year	(362)	(277)	(275)
C. Health Care	(5,425)	(4,911)	(4,610)
1. USPHS Physicians	3,233	1,730	104
2. Direct Hire Physicians	---	1,237	2,752
3. Supplies & Services	2,192	1,944	1,754
D. In-Country Travel	1,328	1,202	1,085
E. Supplies & Equipment	710	731	660
F. Support Related Requirements	(3,609)	(3,672)	(3,456)
1. Vehicle Procurement	210	396	396
2. Vehicle Shipment	51	100	100
3. Bureau of Employee Compensation	387	513	555
4. Miscellaneous Costs	2,961	2,663	2,405
G. Professional Support	<u>2,543</u>	<u>2,534</u>	<u>2,407</u>
SUBTOTAL	\$38,372	\$36,826	\$33,677
<u>IV. READJUSTMENT ALLOWANCE</u>	<u>\$12,518</u>	<u>\$11,677</u>	<u>\$10,488</u>
<u>V. RESEARCH</u>	<u>\$ 326</u>	<u>\$ 400</u>	<u>\$ 300</u>
<u>VI. TITLE III ACTIVITIES</u>	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 80</u>
<u>VII. SCHOOL PARTNERSHIP PROGRAM</u>	<u>\$ 171</u>	<u>\$ 150</u>	<u>\$ 100</u>
GRAND TOTAL	\$78,227	\$71,700	\$70,500



Volunteer and Project Costs

	Unit Costs (In Dollars)		
	1968 Actual	1969 Estimate	1970 Estimate
<u>I. PRE-TRAINING</u>			
A. Background Investigations (per investigations)	\$ 426	\$ 450	\$ 450
B. Health Examinations (per examination)	19	19	19
<u>II. TRAINING</u>			
A. Regular Complete			
1. Contract (per trainee)	2,744	2,830	3,000
2. Training Centers (per trainee)	2,553	2,600	2,800
3. Complete In-Host Country (per trainee)	1,950	2,000	2,145
4. Contract & In-Host Country (per trainee)	2,413	2,525	2,655
B. Advance Training (per trainee)	2,698	2,750	2,900
C. Support Related Requirements			
1. Medical Support (trainee input)	66	41	41
2. Trainee Travel (per trip)	137	137	137
<u>III. VOLUNTEER COSTS</u>			
A. International Travel (per trip)	632	632	632
B. Allowances			
1. Living (Per Vol. Man-Year)	1,109	1,123	1,123
2. Settling-In (per Successful trainee)	107	120	120
3. Leave (per Vol. Man-Year)	194	216	216
4. Clothing			
First year (per successful trainee)	100	100	100
Second year (per Volunteer 1 year overseas)	50	50	50
C. Health Care			
1. USPHS Physicians (per physician Man-Year)	23,772	25,820	26,100
2. Direct-Hire Physicians (per physician Man-Year)	---	31,720	32,000
3. Supplies and Services (per Vol. Man-Year)	186	186	186
D. In-Country Travel (per Vol. Man-Year)	113	115	115
E. Supplies and Equipment (per Vol. Man-Year)	60	70	70
F. Support Related Requirements			
1. Vehicle Procurement (per vehicle)	3,165	3,165	3,165
2. Vehicle Shipment (per vehicle)	800	800	800
3. Miscellaneous Costs (per Vol. Man-Year)	251	255	255
G. Professional Support			
1. COR's (per COR Man-Year)	47,800	48,900	44,800
2. PTR's (per PTR Man-Year)	24,858	26,000	26,300
<u>IV. READJUSTMENT ALLOWANCE</u>	940	941	941

## I. PRE-TRAINING

### A. Background Investigations

Background Investigations are conducted by the Civil Service Commission for the Peace Corps. An investigation is initiated when a prospective Volunteer accepts an invitation to a training program. The Peace Corps reimburses the Civil Service Commission for these costs at a rate based upon the Commission's total investigative workload.

#### Basis for the Computation and Total Costs:

FY 1968 - 8,261 investigations were completed in FY 1968 at a cost of \$426 each. Total obligations were \$3,519,000.

FY 1969 - Present estimates call for 8,050 investigations to be initiated during FY 1969 at a cost of \$450 each. The obligation requirement is \$3,623,000.

FY 1970 - The FY 1970 estimate is based on 8,625 investigations at \$450 each for a total obligation of \$3,881,000.

### B. Health Examinations

Health examinations are required of all individuals prior to entrance into training programs. They are performed at Government facilities or by private physicians.

#### 1. Unit Costs:

Average of \$19 in FY 1968 and held constant for FY 1969 and 1970.

#### 2. Basis of the Computation and Total Costs:

FY 1968 - 7,565 examinations. Total cost of \$143,000.

FY 1969 - Estimated 6,983 examinations. Total cost of \$133,000.

FY 1970 - Estimated 7,456 examinations. Total cost of \$142,000.

## II TRAINING

### A. Regular Complete

The Peace Corps conducts three training cycles, Fall, Spring and Summer, during the course of a Program Year, which runs from September 1 through August 31. These cycles have been established to correlate with the ending of college and university semesters to facilitate recruitment among graduates of such institutions -- the primary source of Peace Corps Volunteers. Training programs are conducted for approximately 12 to 14 weeks followed by immediate in-country assignment of the Volunteers. The programs are conducted in four ways; by commercial contract at the contractor's sites, at Peace Corps training centers, in the host country and by a combination of commercial contract and in-country.

The average direct cost of training in FY 1966 was \$2,794 per trainee. Through more effective management controls and the greater utilization of in-house and in-country training, the Peace Corps, despite inflationary trends, succeeded in reducing the average cost to \$2,551 in FY 1968. However, current and projected training programs encompass an increasing number of small projects requiring relatively greater technical and linguistic competence. Thus, a greater emphasis is being directed towards the quality of training. This emphasis, which is primarily in the area of material development, methodology and length of training is resulting in increased training costs. The improvement is planned to be implemented over a two-year period. The average cost in FY 1969 is estimated at \$2,625 and the FY 1970 estimate is \$2,758.

#### 1. Contract

In Program Year 1966 the average cost per contract trainee was \$2,912. In 1967 and 1968, the Peace Corps succeeded in reducing this average to \$2,744 per trainee. Consistent with the increased emphasis on quality discussed above, the FY 1969 and 1970 estimates are \$2,830 and \$3,000 per trainee, respectively.

##### a. Basis of the Computation:

FY 1968 - Actual contracts were entered into for 3,592 trainees. This included contracts for 739 trainees to enter training after August 31, 1968.

FY 1969 - Planning provides for 2,231 trainees in program year 1969 and 500 trainees to enter training after August 31, 1969, for a total of 2,731.

FY 1970 - An estimated 2,150 trainees will receive all of their training at colleges and universities in the United States during program year 1970, and an additional 500 will enter training after August 31, 1970. The total fiscal year input is estimated at 2,650.

b. Total Costs:

FY 1968 - \$9,856,000

FY 1969 - \$7,814,000

FY 1970 - \$7,950,000

## 2. Training Centers

The Peace Corps operates three training centers. They are located in Puerto Rico and the Virgin Islands and at Escondido, California. Under optimal conditions they have a combined capacity of 1,500 trainees a year.

### Basis of the Computation and Estimated Costs

Obligations for training programs initiated at Peace Corps training centers during a program year (September 1 through August 31) involve more than one fiscal year's funds. The following table summarizes and correlates the program year trainee inputs and fiscal year obligation requirements.

<u>Program Year</u>	<u>Trainee Input</u>	<u>Fiscal Year</u>	<u>Cost Per Trainee</u>	<u>Obligations (\$000)</u>		<u>Total Funds</u>
				<u>For current Year Training Input</u>	<u>For other Years' Input</u>	
1968	1,302	1968	\$2,553	\$2,901	\$1,794	\$4,695
1969	1,350	1969	2,600	1,832	1,625	3,457
1970	1,400	1970	2,800	2,132	1,726	3,858

### 3. In-Country Training

Training in host countries was begun on a significant scale in 1967. Our experience has demonstrated that where conditions are suitable, training in host countries can produce better training at a lower cost. In-country training takes two forms: training done completely in-country under the direction of the Peace Corps, and training conducted partly in the United States under contract with additional training overseas under the direction of the Peace Corps country staff. Both forms are of approximately 12 weeks duration, the latter varying in terms of time spent in the United States and in-country.

#### a. Basis of Computation and Total Cost:

Total obligations for both complete in-country and contract and in-country training projects initiated during a program year (September 1 through August 31) involve more than one fiscal year's authorization. Complete in-country training is funded as a direct cost by the Peace Corps and these funds, by statute, must be obligated against the fiscal year in which they are required. In the case of contract and in-country training projects, contractual leadtimes are such that contracts must be entered into prior to the end of the fiscal year for some projects which begin in the following fiscal year. The table included below summarizes and correlates the program year trainee input and fiscal year obligation requirements.

#### Summary of In-Country Training

<u>Complete</u>						
Program Year	Training Input	Fiscal Year	Cost Per Trainee	<u>Obligations (\$000)</u>		
				For current Year	For other Years'	Total Funds
				<u>Training Input</u>	<u>Input</u>	
1967	386	1967	\$2,010	\$315	\$ --	\$ 315
1968	690	1968	1,950	541	461	1,002
1969	600	1969	2,000	480	805	1,285
1970	700	1970	2,145	601	720	1,321
<u>Contract and In-Country</u>						
1967	892	1967	\$2,607	\$2,042	\$ --	\$2,042
1968	1,927	1968	2,413	3,803	1,642	5,445
1969	1,980	1969	2,525	2,885	1,552	4,437
1970	2,650	1970	2,655	4,900	1,886	6,786

## B. Advance Training

The Peace Corps, in an effort to provide skilled manpower for heavily technically oriented programs in such areas as health and agriculture, conducts advance training projects. Selected trainees have their formal academic training augmented under Peace Corps auspices during their junior and senior year and receive summer training. Upon graduation they receive training for a specific project before commencing their in-country assignment. In prior years, the Peace Corps included seniors who received training during their last semester in this category. Such trainees are now being included under the regular training input.

### Basis of Computation and Total Cost

- FY 1968 - During program year 1968, 72 trainees were involved in advance training programs at an average cost of \$2,698 each, for total obligations of \$194,000. An additional \$110,000 was obligated to complete special training programs, such as PC/VISTA, which were initiated in prior years.
- FY 1969 - The 1969 program calls for 100 trainees at an average cost of \$2,750, or total obligations of \$275,000.
- FY 1970 - An estimated 100 trainees will enter advance training in 1970 at total cost of \$290,000.

### C. Support Related Requirements

This category includes medical supplies and services provided for training conducted at universities, the training centers and in-country training, transportation of foreign nationals to and from training sites to serve as language instructors; and travel of trainees to and from training sites.

#### 1. Medical Support

All trainees receive medical care during training, as well as immunizations prior to going overseas. In FY 1968 and prior, the Peace Corps also paid for dental work necessary to bring all trainees to Peace Corps dental standards. However, beginning on January 1, 1969, all trainees must meet Peace Corps dental standards prior to entering training or have the necessary work performed during training at their own expense. This change in policy results in the reduced funding requirements listed below.

FY 1968 - \$502,000

FY 1969 - \$286,000

FY 1970 - \$306,000

#### 2. Language Informant Service

FY 1968 - Actual obligations for language informant travel totaled \$258,000

FY 1969 - Estimated obligations for FY 1969 are \$300,000

FY 1970 - Estimated obligations are \$300,000.

#### 3. Trainee Travel

Obligations are incurred for trainee travel in the month of entry into training. Prior to the spring cycle of program year 1967 which began in February, 1967, trainees received a period of home leave, generally of 8 days, after completing training. This practice was discontinued on January 1, 1967. This action reduced the average cost from \$212 in 1966 to \$187 in 1967. With home leave cancellation effective during all of FY 1968, a further reduction to \$137 per trip was realized. Experience to date indicates that this level is being maintained.

FY 1968 - 7,565 trainees at \$137 per trip for a total cost of \$1,036,000

FY 1969 - 6,983 trips at an average of \$137 per trip or \$957,000.

FY 1970 - Total requirements are estimated to be \$1,021,000 for 7,456 trips at \$137 per trip.



Summary of New Trainee Input

<u>Trainee Entrees</u> (Program Year)	<u>1968</u>	<u>1969</u>	<u>1970</u>
Contract	3,474	2,970	2,650
Training Centers	1,302	1,350	1,400
Complete In-Host Country	690	600	700
Contract & In-Host Country	<u>1,927</u>	<u>1,980</u>	<u>2,650</u>
Sub-Total Regular Complete	7,393	6,900	7,400
Advance Training	<u>72</u>	<u>100</u>	<u>100</u>
TOTAL	7,465	7,000	7,500

Funding Provisions as Required  
in the Fiscal Year

Contract	3,592	2,731	2,650
Training Centers	1,302	1,350	1,400
Complete In-Host Country	690	600	700
Contract & In-Host Country	<u>2,533</u>	<u>1,789</u>	<u>2,650</u>
Sub-Total Regular Complete	8,117	6,470	7,400
Advance Training	<u>72</u>	<u>100</u>	<u>100</u>
TOTAL	8,189	6,570	7,500

### III. Volunteer Costs

All costs related to supporting Volunteers overseas are included in this section. The costs of travel of the Volunteers to and from the host countries, their allowances, health care, and a large variety of other operational in-country support are provided from these funds.

#### A. International Travel

The costs of travel and per diem of the Volunteers and the transportation of their personal effects to and from the host country. Also included are funds for transporting trainees receiving training in the host countries.

##### Basis of Computation and Total Costs:

FY 1968 - Funds were obligated for 12,484 trips in FY 1968 - 6,921 returnees and 5,563 assignments. Total obligations were \$7,889,000 for an average cost of \$632 per trip.

FY 1969 - Funds are provided for 12,901 trips - 6,258 assignments and 6,643 returns - at \$632 per trip or \$8,153,000.

FY 1970 - Funds will be required for an estimated 5,286 Volunteers and in-country trainees who will be assigned during the fiscal year. Returnees are estimated at 6,405. The total of 11,691 trips at a unit cost of \$632 per trip will result in total obligations of \$7,389,000.

## B. Allowances of Volunteers

### 1. Living Allowance

A living allowance is provided each volunteer to cover day-to-day living expenses, including subsistence. The specific allowance varies with local conditions and living costs. During FY 1968, the average monthly allowance was \$92 per month or \$1,109 per Volunteer per year.

#### Basis of the Computation and Total Costs:

FY 1968 - An average of 11,784 Volunteers received living allowances in each month in the fiscal year. The total cost was \$13,067,000.

FY 1969 - Based on 10,450 Volunteer man-years and an estimated average cost of \$1,123 per man-year, the total cost is \$11,736,000.

FY 1970 - Based on 9,432 Volunteer man-years and an average cost of \$1,123 the total estimate is \$10,595,000.

### 2. Settling-In Allowance

A one-time settling-in allowance is provided each Volunteer upon arriving overseas for the purpose of buying items incidental to getting settled, such as household furnishings and supplies. The allowance varies with local conditions and living costs. The average allowance provided in FY 1968 was \$107.

#### Basis of the Computation and Total Costs:

FY 1968 - 5,540 Volunteers received a settling-in allowance during FY 1968. The average allowance was \$107 for total obligations of \$594,000.

FY 1969 - 6,150 Volunteers are expected to receive a settling-in allowance during FY 1969 at an average cost of \$120 each, resulting in obligations of \$738,000.

FY 1970 - Obligations for FY 1970 are estimated at \$634,000, based on 5,286 Volunteers receiving a settling-in allowance averaging \$120 per Volunteer.

### 3. Leave Allowance

During a Volunteer's tour of service overseas (21 to 24 months), he is entitled to take 45 days leave, which is divided generally into 30 days during the first year and 15 days during the second year of service. The leave allowance was \$7.50 per day during FY 1968, and was increased to \$9.00 per day in FY 1969.

#### Basis of the Computation and Total Costs:

FY 1968 - Actual obligations for 11,784 man-years were \$2,286,000.

FY 1969 - An estimated 10,450 man-years at \$216 per man-year = \$2,257,000.

FY 1970 - An estimated 9,432 man-years at \$216 per man-year = \$2,037,000.

### 4. Clothing Allowance

An allowance is provided to all Volunteers to enable them to purchase articles of clothing suitable to the country and climate of assignment. Generally each Volunteer receives \$85 upon the successful completion of training and a footlocker in lieu of \$15 clothing allowance bringing the total to \$100 for each Volunteer assigned overseas. After one year overseas each Volunteer generally receives an additional \$50 in clothing allowance.

#### Basis of the Computation and Total Costs:

FY 1968 - Total obligations were \$921,000. This consisted of \$559,000 for the 5,591 Volunteers who completed training and \$362,000 for the 7,239 Volunteers who completed their first year overseas.

FY 1969 - The total estimate is \$892,000, consisting of \$615,000 for 6,150 Volunteers who are expected to complete training and \$277,000 for 5,540 Volunteers who will complete their first year overseas.

FY 1970 - The total obligation estimate is \$804,000; \$529,000 is for 5,286 Volunteers expected to complete training, and \$275,000 for 5,507 Volunteers who will complete their first year overseas.

## C. Health Care

The Peace Corps provides care to all of its Volunteers. An overseas staff of physicians is maintained, along with the necessary dispensary and medical facilities and supplies and equipment to meet this requirement. During FY 1968 and prior the services of physicians were obtained through the United States Public Health Service on a reimbursable basis. However, as a result of changes to the Selective Service Laws, the Peace Corps is replacing those physicians detailed from the USPHS with direct-hire physicians as they complete their tour.

### 1. Physicians

- FY 1968 - The average number of physicians overseas during the fiscal year was 136. Obligations for their salaries, benefits, travel, supplies, etc., were \$3,233,000, or an average cost per physician of \$23,772.
- FY 1969 - An average of 106 physicians will be overseas during FY 1969. Of these, 67 will be detailed from the USPHS and 39 will be directly hired by the Peace Corps. The average cost for the USPHS physicians is estimated at \$25,820 each, for a total obligation of \$1,730,000. The average cost for the direct hire physician is estimated at \$31,720 each or a total of \$1,237,000. Thus, total obligations for physicians is estimated at \$2,967,000.
- FY 1970 - An average of 90 physicians overseas is estimated for 1970. Four will be serving on detail from the Public Health Service at an average cost of \$26,100, 86 will be hired directly by the Peace Corps and their average cost is estimated at \$32,000. The resulting total requirement is \$2,856,000.

## 2. Supplies and Services

Requirements for medical supplies and services are in proportion to the average number of Volunteers overseas during the year.

- FY 1968 - Obligations were incurred for an average of 11,784 Volunteers overseas during the fiscal year (Volunteer man-years). The average or unit cost per man-year was \$186 for a total actual obligation of \$2,192,000.
- FY 1969 - Experience thus far in 1969 indicates that the average cost per man-year of \$186 is being maintained. Based on an estimated 10,450 Volunteer man-years, obligations of \$1,944,000 will be required.
- FY 1970 - The 1969 cost of \$186 per Volunteer man year has been projected through FY 1970. At an estimated 9,432 man-years, obligations are expected to be \$1,754,000.

#### D. In-Country Travel

Those travel and per diem costs incident to the performance of Peace Corps Volunteer service overseas:

##### Basis of the Computation and Total Costs:

- FY 1968 - The average number of Volunteers overseas was 11,784. Actual obligations were \$1,328,000, an average of \$113 per man-year.
- FY 1969 - The unit cost per man-year has been increased in 1969 to \$115 reflecting increases in travel costs. This average cost will be required for 10,450 man-years for a total cost of ~~\$1,213,000~~. *\$1,203,000*
- FY 1970 - The unit cost of \$115 per man-year is projected for 9,432 man-years. Total requirement -- \$1,085,000.

#### E. Volunteer Supplies and Equipment

Supplies and equipment used by Volunteers in programs in which they are working. These include bicycles, textbooks, hand tools, medical instruments, and demonstration kits.

##### 1. Unit Costs:

Actual 1967 experience was \$105 per Volunteer man-year. Close review of new programs as they are approved and careful control of expenditures has reduced this average to \$60 in 1968. However, an increase is projected for FY 1969 and 1970 on the basis of experience to date with price increases and equipment requirements for a relative increase in technical projects.

##### 2. Basis of the Computation and Total Costs:

- FY 1968 - Actual obligations for 11,784 man-years @ \$60 per man-year = \$710,000.
- FY 1969 - Estimated cost of \$70 per man-year for 10,450 man-years -- ~~\$739,000~~. *\$ 731,000*
- FY 1970 - Estimated cost of \$70 per man-year for 9,432 man-years -- \$660,000.

## F. Support-Related Requirements

These requirements represent an aggregate of items ranging from the procurement of program-utilized vehicles to the printing of the Volunteer Magazine. Important among them are the following:

### 1. Vehicle Procurement

FY 1968 - Actual purchase of 88 program vehicles at a cost of \$210,000.

FY 1969 - Purchase of 125 program vehicles at an estimated cost of \$3,165 each, or total obligations of \$396,000.

FY 1970 - Purchase of 125 program vehicles at a unit cost of \$3,165. Total obligations \$396,000.

### 2. Vehicle Shipment

Funding for the shipment of new vehicles overseas is as follows:

FY 1968 - \$ 51,000

FY 1969 - \$100,000

FY 1970 - \$100,000

### 3. Bureau of Employee Compensation

Annual required payments to Department of Labor under Federal Employees Compensation Act.

FY 1968 - \$387,000

FY 1969 - \$513,000

FY 1970 - \$555,000



#### 4. Miscellaneous Costs

These costs cover a variety of small requirements for the support of the Volunteer on the job. They include rental of Volunteer housing when not included in the living allowance, Volunteer language testing, printing and reproduction, reimbursement for lost property, etc. In the aggregate, they represent a recognizable factor when based upon the average number of Volunteers serving overseas.

##### Basis of the Computation and Total Cost:

FY 1968 - Based on 11,784 average number of Volunteers overseas, the average cost per man-year was \$251 for a total of \$2,961,000.

FY 1969 - The projected cost per man-year for FY 1969 is \$255, based on experience to date. Thus FY 1969 obligations for 10,450 man years are estimated at \$2,663,000.

FY 1970 - Based on 9,432 Volunteer man-years at an average cost of \$255, the FY 1970 funding requirement is ~~\$2,407,000~~. *\$2,405,000*

#### G. Professional Support

Various Peace Corps programs require specialized professional and technical support. In the past, these technical support services were provided to the extent possible through contractual arrangements with institutions in the United States which sent Contractor's Overseas Representatives (COR's) to work with Volunteers for a period of approximately two years. This support included institutional backstopping in the form of materials and resources as well as the COR personnel. As the demand for technical personnel has increased, we have sought to provide technically qualified personnel by hiring them directly for the Peace Corps overseas staff. These Program Technical Representatives (PTR's) are performing, at a lower cost, the duties formerly done by contract personnel. Where specialized needs exist, the Peace Corps is continuing to contract with institutions when such arrangements can be made to our benefit.

G. Professional Support (cont'd)

FY 1968 - (1) COR's - Contracts were signed to provide 9 man-years of COR service at an average man-year cost of \$47,800 for total obligations of \$430,000.

(2) PTR's - The average number on board for FY 1968 was 85 at an average cost of \$24,858 per man-year. This includes all costs of salary, orientation and language training, housing, travel, allowances, and related costs such as supplies, equipment and office space. Total obligations for PTR's were \$2,113,000.

FY 1969 - (1) COR's - Contracting for COR's is expected to be limited to the extension of current contracts for approximately 4.5 man-years. The cost per man-year is estimated at \$48,900, or total obligations of \$220,000.

(2) PTR's - An average strength of 89 PTR's is projected for FY 1969. The average cost is estimated at \$26,000 per man-year. Obligation requirements total \$2,314,000.

FY 1970 - (1) COR's - The estimate includes 5 man-years of COR services at a cost of \$44,800 per man-year. The total funding requirement is \$224,000.

(2) PTR's - 83 man-years are projected for FY 1970 at a cost of \$26,300 per man year. Total obligations are estimated at \$2,183,000.

IV. Readjustment Allowance

Volunteers and trainees receive \$75 for each month of satisfactory service. These funds are placed in a deposit account for payment upon completion of service. The average cost in FY 1968 for 13,823 Trainee and Volunteer man-years was approximately \$940 including associated payments under the Federal Insurance Contribution Act (FICA). As the result of an increase in the FICA rate the annual cost is expected to average \$941 in FY 1969 and 1970. The total obligations for each year are shown below.

FY 1968 - \$12,518,000  
FY 1969 - ~~\$11,146,000~~ \$11,677,000  
FY 1970 - \$10,488,000

## V. Research

The objective of Peace Corps research programs is to encourage support and disseminate applied research that will help the Peace Corps to carry out its operations. This research includes studies for improving the recruitment, selection, training and overseas performance of Volunteers.

The funds requested are for research conducted under contract with colleges, universities and private organizations, as well as the in-house projects done by the Peace Corps research staff. Over the last several years, greater emphasis has been placed on increasing our in-house research activities. The FY 1969 and 1970 estimates are \$400,000 and \$300,000 respectively and reflect this greater use of in-house personnel and the careful and selective review of research projects to be initiated.

## VI. Encouragement of Volunteer Service Programs (Title III)

Title III of the Peace Corps Act, as amended, provides for encouraging and assisting the development of Volunteer programs in other countries. The Division of National Voluntary Services of the Peace Corps is responsible for implementing Title III and conducts their activities as follows:

1. Bilaterally, through the exchange of information with countries who have Volunteer programs or who indicate interest in developing such programs.
2. Multilaterally, through coordinating the U.S.'s participation in the International Secretariat for Volunteer Services. Peace Corps support of this organization is limited to the detail of two staff members who serve on the staff of ISVS and work with the 4 to 6 professional staff personnel provided by other ISVS Council members.

	<u>Total Costs</u>		
	<u>NVSP</u>	<u>ISVS*</u>	<u>Total</u>
FY 1968	\$44,000	\$36,000	\$80,000
FY 1969	40,000	40,000	80,000
FY 1970	40,000	40,000	80,000

## VII. School Partnership Program

This program is designed to involve Volunteers overseas in the kind of self-help community effort necessary for effective community development, and to enable American school children to make meaningful contributions to the development of other countries' educational resources.

Funds are budgeted for the salaries, travel, supplies, and equipment of the personnel involved in the administration of this program. The reductions in fundings indicated below reflect more efficient management procedures and reduced personnel requirements.

FY 1968	-	\$171,000
FY 1969	-	150,000
FY 1970	-	100,000

\*Figures are solely personnel costs for ISVS

FY 1970 Budget

Administrative Expenses

(Dollars in thousands)\*

	<u>PC/Washington</u>			<u>Overseas Costs</u>			<u>Total</u>		
	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>
A. Personnel and related costs	\$10,948	\$11,540	\$11,572	\$ 8,786	\$ 9,554	\$ 9,589	\$19,734	\$21,094	\$21,161
B. Administrative support operations	3,095	3,209	3,228	2,361	2,497	2,611	5,457	5,706	5,839
C. Administrative support - Dept. of State	---	---		3,425	3,500	3,600	3,425	3,500	3,600
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL	\$14,045	\$14,749	\$ 14,800	\$14,574	\$ 15,551	\$ 15,800	\$28,619	\$30,300	\$ 30,600

\* Totals may not add due to rounding

# ADMINISTRATIVE EXPENSES

(Dollars In Thousands) 1/

	PC/Washington			Overseas Costs			Total		
	FY 1968	FY 1969	FY 1970	FY 1968	FY 1969	FY 1970	FY 1968	FY 1969	FY 1970
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Personnel and Related Costs</u>									
Personnel Compensation									
Permanent Employees - U.S.	\$ 6,309	\$ 6,874	\$ 6,901	\$ 4,544	\$ 4,785	\$ 4,791	\$10,853	\$11,659	\$11,692
Foreign Nationals	---	---	---	409	529	565	409	529	565
Temporary and Part-time Employees	1,771	1,900	1,900	106	100	100	1,877	2,000	2,000
Reimbursable Details	359	120	120	83	97	100	442	217	220
Overtime	183	180	180	15	15	15	198	195	195
Terminal Leave	17	20	20	55	55	55	72	75	75
Personnel Benefits									
Retirement, Life & Health Insurance	545	621	626	333	359	359	878	980	985
Education Allowances				144	190	198	144	190	198
Quarters Allowances				255	250	250	255	250	250
Background Investigations	179	225	225	--	--	--	179	225	225
Medical & Dental Examinations	--	--	--	36	40	40	36	40	40
Language Training and Testing	1	--	--	105	100	100	106	100	100
Travel & Transportation of Personal Effects for Staff & Dependents to & From Overseas posts	--	--	--	1,413	1,576	1,528	1,413	1,576	1,528
Residential Rents				525	633	651	525	633	651
Operational Travel	1,584	1,600	1,600	763	825	837	2,347	2,425	2,437
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
SUB-TOTAL - personnel costs	\$10,948	\$11,540	\$11,572	\$ 8,786	\$ 9,554	\$ 9,589	\$19,734	\$21,094	\$21,161

## ADMINISTRATIVE EXPENSES (cont'd)

(Dollars In Thousands) 1/

	PC/Washington			Overseas Costs			Total		
	FY 1968	FY 1969	FY 1970	FY 1968	FY 1969	FY 1970	FY 1968	FY 1969	FY 1970
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Administrative Support Operations</u>									
PC/W Comm's (telephone, telegraph, cable)	\$ 509	\$ 545	552	\$	\$	\$	\$ 509	545	552
PC/W Postage Fees	450	500	500				450	500	500
PC/W Office Rents	57	60	60				57	60	60
PC/W Computer Services and Equipment Rentals	294	281	282				294	281	282
Overseas Office Rents, Comm's & Utilities	---	---	---	636	671	724	636	671	724
Printing	510	500	500	16	17	17	526	517	517
Building Alterations & Repairs	53	50	50	111	115	115	164	165	165
Entertainment - PC/W	*	5	5	---	---	---	*	5	5
Overseas Representation Allowance				4	5	5	4	5	5
Vehicle Maintenance & Repair	1	1	1	64	70	70	65	71	71
Defense Contract Audit Agency Services	72	80	80				72	80	80
Security Services From AID	85	92	94				85	92	94
Recruiting Advertising	96	123	130				96	123	130
Contract Mailing Services	164	170	170				164	170	170
Miscellaneous Services from Other Agencies	55	62	64	2	12	12	58	74	76
Placement Tests	29	30	30	---	---	---	29	30	30
Miscellaneous Contractual Services	420	400	400	252	252	252	672	652	652
Supplies & Materials	153	160	160	550	570	599	703	730	759
Equipment	100	100	100	382	389	416	482	489	516
Maintenance and Repair of Equipment	25	25	25	34	36	36	59	61	61
Transportation of Supplies & Equipment	8	10	10	58	60	60	65	70	70
Moving Services	14	15	15	---	---	---	14	15	15
Vehicle Procurement	---	---	---	219	240	240	219	240	240
Shipment of Government Vehicles				30	60	60	30	60	60
Payments to Bureau of Employees Compensation				1	---	5	1	---	5
Claims				3	---	---	3	---	---
<hr/>									
SUB-TOTAL, Administrative Support	\$3,095	\$3,209	\$3,228	\$2,361	\$2,497	\$2,611	\$5,457	\$5,706	\$5,839
<u>Administrative Support - Dept. of State</u>									
Shared administrative support				<u>3,425</u>	<u>3,500</u>	<u>3,600</u>	<u>3,425</u>	<u>3,500</u>	<u>3,600</u>
<hr/>									
TOTAL - Administrative Expenses Limitation	\$14,045	\$14,749	\$14,800	\$14,574	\$15,551	\$15,800	\$28,619	\$30,300	\$30,600
Transfer to GSA (PBS)		-49						-49	
		\$14,700						\$30,251	
<hr/>									
<u>Distribution by Function</u>									
Recruitment	2,605	2,550	2,562				2,605	2,550	2,562
Selection	1,722	1,895	1,900				1,722	1,895	1,900
Other Washington Operations	9,718	10,304	10,338				9,718	10,304	10,338
Overseas Operations				<u>14,574</u>	<u>15,551</u>	<u>15,800</u>	<u>14,574</u>	<u>15,551</u>	<u>15,800</u>
<hr/>									
TOTAL	\$14,045	\$14,749	\$14,800	\$14,574	\$15,551	\$15,800	\$28,619	\$30,300	\$30,600

1/ Totals may not add due to rounding

\* Less than \$500

## ADMINISTRATIVE EXPENSES

These costs cover administrative expenses for Peace Corps Headquarters in Washington and overseas administrative operations in each host country. In total, these funds constitute a limitation contained in each year's appropriation act. The FY 1969 amount of \$30,300,000 includes \$800,000 related to the most recent Federal pay raise which became effective in July 1968, in accordance with the Postal Revenue and Federal Salary Act of 1967 (P.L. 90-206, December 16, 1967). The Peace Corps has taken action to absorb these costs within the total availability of the appropriation. Therefore, no supplemental request will be necessary for FY 1969. However, authority to increase the limitation from \$29,500,000 to \$30,300,000 in order to cover the pay raise within the existing appropriation will be separately requested in the Government-wide FY 1969 supplemental appropriation request for the pay raise.

The FY 1970 estimate of \$30,600,000 is \$300,000 above the FY 1969 total of \$30,300,000. Of this increase, \$241,000 is to provide funds for four new country programs in FY 1970 -- from the present 59 to 63. An additional \$100,000 increase is for the Peace Corps' portion of the Shared Administrative Support program operated by the Department of State. Aside from these two items, administrative costs in total are estimated at below the FY 1969 level.

The following table illustrates the historical trend of administrative expenses as a percentage of the total appropriation:

<u>Fiscal Year</u>	<u>Percentage of Total Obligations</u>
1962-1967 (average)	25.4
1968	26.8
1969 (est.)	29.7
1970 (est.)	30.3

As explained elsewhere in this Presentation, the "increase" in percentage of Administrative Expenses is not really produced by rising Administrative costs, but rather is the result of declining Program costs which reached a peak of \$89.6 million in FY 1966, and are estimated at \$71.7 million in FY 1969 and \$70.5 million in FY 1970.



## ADMINISTRATIVE PERSONNEL

Direct personnel costs such as salaries, benefits, operational travel, and other related expense requirements are by far the most significant element of Administrative Expenses and account for approximately 69% of all costs.

A summary of administrative personnel follows:

	Permanent full-time personnel Employment at end-of-year						(est.)	(est.)
	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
<u>Overseas posts</u>								
U.S.	165	234	263	308	355	349	350	345
Foreign Nationals	<u>142</u>	<u>122</u>	<u>97</u>	<u>120</u>	<u>144</u>	<u>171</u>	<u>100</u>	<u>100</u>
Subtotal	307	356	360	428	499	520	450	445
<u>Washington</u>	<u>711</u>	<u>663</u>	<u>668</u>	<u>677</u>	<u>631</u>	<u>691</u>	<u>660</u>	<u>660</u>
Total	1,018	1,019	1,028	1,105	1,130	1,211	1,110	1,105

The personnel plan for FY's 1969 and 1970 is based on holding the numbers of administrative staff at or below the 1968 level.

For Washington offices, the total is 660 at the end of both fiscal years, a staffing total which the Peace Corps has been able to hold relatively constant over the last six years in spite of the constant addition of new countries and the larger numbers of Volunteers and trainees. This total of 660 positions is 31 below the June 30, 1968 strength.

The need to adequately supervise and administer the Peace Corps program at the source - the host country - requires well-trained U.S. staff in adequate numbers. The numerous tasks involved in the direction and day-to-day administration of a country program must be done in a competent and timely manner if the Peace Corps program in that country is to be sound and successful.

Prior to FY 1969, the number of overseas staff has increased from year to year in an attempt to keep pace with the growing numbers of Volunteers, the advent of in-country training programs, and the increasing number of Peace Corps countries. Aside from the added staff for new countries, the number of overseas personnel is being reduced 7 positions in FY 1969 and 13 positions in FY 1970 in recognition of the downtrend in the number of Volunteers:

	<u>Overseas Administrative Staff</u>
Strength as of June 30, 1968 (actual)	349
Added for new countries during FY 1969	+ 8
Reductions during FY 1969	<u>- 7</u>
Strength as of June 30, 1969 (estimate)	350
Added for new countries during FY 1970	+ 8
Reductions during FY 1970	<u>-13</u>
Strength as of June 30, 1970 (estimate)	345

Thus, the net decrease of four overseas positions between FY 1968 and FY 1970 is the combined effect of an increase of sixteen for new countries and an overall reduction of twenty.

## Cost Computations

### Personnel Costs

These funds provide for the salaries and associated benefits (retirement, life and health insurance) of U.S. and foreign personnel employed in Peace Corps, Washington, and on overseas staffs. It also includes the cost of part-time personnel, personnel on reimbursable detail from other agencies, and overtime work.

#### 1. Permanent Employees - U.S.

		<u>End Strength</u>	<u>Man- Years</u>	<u>Average* Salary</u>	<u>Total (\$000)</u>
<u>Washington</u>	FY 1968	691	656	\$ 9,618	\$ 6,309
	1969	660	661	10,400	6,874
	1970	660	657	10,504	6,901
<u>Overseas</u>	FY 1968	349	364	12,483	4,544
	1969	350	348	13,750	4,785
	1970	345	345	13,888	4,791
<u>Total</u>	FY 1968	1,040	1,020	10,640	10,853
	1969	1,010	1,009	11,555	11,659
	1970	1,005	1,002	11,669	11,692

\* The increase in average salaries between FY 1968 and 1969 is principally due to the Federal pay raise which became effective in July of 1968.

#### 2. Foreign Nationals

	<u>End Strength<sup>a/</sup></u>	<u>Man- Years<sup>a/</sup></u>	<u>Average Salary</u>	<u>Total (\$000)</u>
FY 1968	200	200	\$ 2,045	\$409
1969	212	210	2,519	529
1970	220	214	2,640	565

The total cost estimates are based on those personnel paid from Peace Corps appropriated funds. The increase in average salary represents the effect of continuing local salary raises overseas as well as the changing pattern of employment in this area - namely the greater use of foreign national personnel in Peace Corps professional positions, i.e. positions above the clerical level.

<sup>a/</sup> Includes both direct hire and contract foreign national personnel.

### 3. Part-time Employees

	(\$000)	
	<u>FY 1969</u>	<u>FY 1970</u>
Washington	\$1,900	\$1,900
Overseas	<u>100</u>	<u>100</u>
Total	\$2,000	\$2,000

### 4. Personnel on Reimbursable Detail from Other Agencies

Washington	\$120	\$120
Overseas	<u>97</u>	<u>100</u>
Total	\$217	\$220

### 5. Overtime

Washington	\$180	\$180
Overseas	<u>15</u>	<u>15</u>
Total	\$195	\$195

The funds requested for Washington part-time employees provide the additional help, principally recruiters, selection and applicant processing personnel, who are needed on a part-time or intermittent basis depending on seasonal workload fluctuations.

The success in reducing overtime is demonstrated by the fact that although pay raises have increased overtime rates from year to year in FY's 1967, 1968, and 1969, these costs have been more than cut in half from the FY 1966 level of \$412,000 to the current estimates of \$195,000 for both FY 1969 and FY 1970.

### 6. Personnel Benefits

	(\$000)	
	<u>FY 1969</u>	<u>FY 1970</u>
Retirement, life and health insurance		
Washington	\$621	\$626
Overseas	<u>359</u>	<u>359</u>
Total	\$980	\$985

These costs are determined based on the applicable percentages of salaries.

## Related Personnel Costs

Estimates for these funds are related to the numbers of overseas staff and their dependents. Included are education allowances for dependent children, quarters allowances, residential rent payments, language training required by the staff prior to assignment overseas, and the cost for travel of the overseas staff and transportation of their personal effects to and from the countries of their assignment. Costs actually spent overseas, such as education and quarters allowances, and residential rents are also influenced by local price increases and prevailing rates in the various host nations.

	(\$000)	
	<u>FY 1969</u>	<u>FY 1970</u>
7. <u>Education Allowances</u>	\$ 190	\$ 198
8. <u>Quarters Allowances</u>	\$ 250	\$ 250
9. <u>Residential Rents</u>	\$ 633	\$ 651
10. <u>Staff Language Training</u>	\$ 100	\$ 100
11. <u>Post Assignment and Return</u> <u>Travel and Transportation</u> <u>to and from Overseas Posts</u>	\$1,576	\$1,528

The most significant of these costs is travel and transportation of staff and dependents to and from overseas posts. The estimate for FY 1970 contemplates 382 trips for both assignments and returns:

	(\$000)	
	<u>FY 1969</u>	<u>FY 1970</u>
Travel		
394 trips @ \$2,040	\$ 804	
382 trips @ \$2,040		\$ 779
Transportation of personal effects		
394 trips @ \$1,738	\$ 685	
382 trips @ \$1,738		\$ 664
Storage of household effects	\$ 87	\$ 85
	\$1,576	\$1,528

12. Background Investigations of Prospective Staff Members Performed by the Civil Service Commission

Investigations are required for all prospective staff personnel. The current Civil Service Commission cost per investigation is \$450.

FY 1969	500 Investigations	@	\$450	=	\$225,000
FY 1970	500 Investigations	@	\$450	=	\$225,000

13. Operational Travel

	(\$000)	
	<u>FY 1969</u>	<u>FY 1970</u>
Washington	\$1,600	\$1,600
Overseas	<u>825</u>	<u>837</u>
	\$2,425	\$2,437

Adequate travel by the Washington and overseas staffs is a truly essential element in providing the proper management and direction to the far-flung Peace Corps program. To minimize these costs, a continuous effort is made, both in Washington and overseas, to control travel by such means as: cancelling any trips of relatively low priority; the use by staff of charter flights carrying Volunteer groups to overseas assignments; careful and thorough scheduling of recruiting itineraries; by combining trips when possible; and by reducing per diem rates to the lowest practical level.

These efforts to keep travel expenses down have produced tangible savings. The current FY 1969 estimate of \$2,425 for operational travel is \$114,000 lower than our original estimate for this year. This lower level of travel has in turn been projected for FY 1970 with only one increase requested - \$12,000 in overseas travel due to four new countries.

#### 14. Administrative Support Operations

This category covers a wide variety of day-to-day support costs amounting to about 19% of the total Administrative Expenses funds. It includes diverse but essential costs such as office rents and utilities, equipment rentals, printing, postage, telephone and telegraph charges, supplies, equipment, the procurement and operation of vehicles overseas, and payments for services received from other government agencies. An increase of \$133,000 is requested for administrative support operations in FY 1970.

Of this amount, \$19,000 is for Peace Corps/Washington cost increases in such areas as payments for the Federal Telecommunications System (\$7,000), security services from AID (\$2,000), payments to the Public Health Service for medical rooms and treatment (\$2,000), and recruiting advertising services arranged through the Advertising Council (\$7,000).

The remaining and largest portion of the increase, \$114,000, is for the following overseas costs:

		( \$000 )	
	<u>FY 1969</u>	<u>FY 1970</u>	<u>Change</u>
Office rents, communications and utilities	\$671	\$724	\$ +53
Supplies and materials	570	599	+29
Equipment	389	416	+27
Required payments to Bureau of Employees Compensation	-	5	<u>+5</u>
			\$+114

Aside from normal variations in office rental costs and leasing periods, and with the exception of the mandatory \$5,000 payment to BEC, all of the above increased are for the four new countries planned in FY 1970.

15. Administrative Support from the Department of State

Under the Shared Administrative Support Agreement, the Department of State, through their various Embassies, provides centralized administrative support to the Peace Corps and other participating agencies with overseas programs. This support includes budgeting and accounting, communications, security, procurement, and a variety of other logistical services. Each participating agency reimburses the State Department for these services.

	(\$000)	
	<u>FY 1969</u>	<u>FY 1970</u>
Shared Administrative Support	\$3,500	\$3,600

The additional \$100,000 requested for FY 1970 reflects higher costs to be paid by the State Department and the increase in the number of countries receiving such support.



### FINANCIAL SUMMARY TABLES

1. Reconciliation of FY 1968 Appropriation to FY 1970 Estimate
2. Statement of Authorizations and Appropriations - 1962-1970
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RECONCILIATION OF FY 1968 APPROPRIATION TO  
FY 1970 ESTIMATE  
(in thousands of dollars)

<u>TOTAL NOA</u>		<u>Volunteer &amp; Project Costs</u>	<u>Administrative Expenses</u>
\$107,500	FY 1968 appropriation	\$79,100	\$28,400
	Reprogramming for Federal		
	pay raise	-300	+300
<u>-654</u>	Unobligated balance	<u>-573</u>	<u>-81</u>
\$106,846	FY 1968 obligations	78,227	28,619
	Changes:		
	Pre-training expenses	\$ +94	
	Training expenses	-4,287	
	Overseas Volunteer		
	expenses	-1,546	
	Readjustment allowances	-841	
	Research activities	+74	
	Title III activities	---	
	School Partnership		
	Program	<u>-21</u>	
-6,527	Subtotal Volunteer & Project Costs	-6,527	
	Changes:		
	Personnel and related		
	costs		\$+1,360
	Administrative support		
	costs		+249
	Administrative support -		
	Dept. of State		<u>+75</u>
<u>+1,681</u>	Subtotal Administrative Expenses	<u>          </u>	<u>1,681</u> <sup>1/</sup>
\$102,000	FY 1969 Program	\$71,700	\$30,300 *

\* For comparative purposes, includes \$49,000 transfer of Washington office rental to GSA.

<sup>1/</sup> Does not add due to rounding

<u>TOTAL NOA</u>		<u>Volunteer &amp; Project Costs</u>	<u>Administrative Expenses</u>
\$102,000	FY 1969 Program	\$71,700	\$30,300
	Changes:		
	Pre-training expenses	\$+267	
	Training expenses	+3,021	
	Overseas Volunteer expenses	-3,149	
	Readjustment allowance	-1,189	
	Research activities	-100	
	Title III activities	---	
	School Partnership Program	<u>-50</u>	
-1,200	Subtotal Volunteer & project costs	-1,200	
	Changes:		
	Personnel and related costs		\$+67
	Administrative support costs		+133
	Administrative support - Dept. of State		<u>+100</u>
<u>+300</u>	Subtotal Administrative expenses	<u>          </u>	<u>+300</u>
\$101,100	FY 1970 Obligations	\$70,500	\$30,600

PEACE CORPS

STATEMENT OF AUTHORIZATIONS AND APPROPRIATIONS

(Dollars in Thousands)

<u>Fiscal Year</u>	<u>Original Authori- zation &amp; Budget Request</u>	<u>Amended Budget</u>	<u>Authorized</u>	<u>Appro- priated (Including re-appropri- ations)</u>	<u>Appropri- ation Transfers to GSA</u>	<u>Obligated as of June 30</u>	<u>Unobligated as of June 30</u>	<u>Re- appro- priated</u>
1962	\$ 40,000	\$ --	\$ 40,000	\$ 30,000	\$ --	\$ 29,496	\$ 504	\$ --
1963	63,750	--	63,750	59,000	444	54,692	3,864	3,864
1964	108,000	102,000	102,000	95,964	--	76,164	19,800	17,000
1965	115,000	106,100	115,000	104,100	7	85,449	18,644	12,100
1966	125,200	--	115,000	114,100	--	113,173	927	--
1967	110,500	112,150	110,000	110,000	104	104,525	5,371	--
1968	124,400	118,700	115,700	107,500	--	106,846	654	--
1969	112,800	--	112,800	102,000	49	101,951 (Est.)	--	--
1970	109,800	101,100	--	--	--	--	--	---

SUMMARY OF OBLIGATIONS BY ACTIVITY

Fiscal Years  
(In millions of dollars)

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u> <u>Est.</u>	<u>1970</u> <u>Est.</u>
Volunteer & Project Costs	\$ 19.7	39.3	58.4	65.6	89.6	79.8	78.2	71.7	70.5
	%(66.7)	(71.9)	(76.7)	(76.8)	(79.1)	(76.4)	(73.2)	(70.3)	(69.7)
Administrative Expenses	\$ 9.8	15.4	17.8	19.8	23.6	24.7	28.6	30.3	30.6
	%(33.3)	(28.1)	(23.3)	(23.2)	(20.9)	(23.6)	(26.8)	(29.7)	(30.3)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ 29.5	54.7	76.2	85.4	113.2	104.5	106.8	102.0	101.1

SCHEDULE OF OBLIGATIONS BY PURPOSE

	<u>1968</u>	<u>1969</u>	<u>1970</u>
<u>Administrative Expenses</u>	\$ <u>28,619</u>	\$ <u>30,300</u>	\$ <u>30,600</u>
Recruitment	2,605	2,550	2,562
Selection	1,722	1,895	1,900
Other Washington Operations	9,718	10,304	10,338
Overseas Operations	14,574	15,551	15,800
<u>Volunteers &amp; Projects Costs</u>	\$ <u>78,227</u>	\$ <u>71,700</u>	\$ <u>70,500</u>
Pre-Training	3,662	3,756	4,023
Training	23,098	18,811	21,832
Overseas	38,372	36,826	33,677
Readjustment Allowances	12,518	11,677	10,488
Research Studies	326	400	300
Title III Activities	80	80	80
School Partnership Program	171	150	100
	<hr/>	<hr/>	<hr/>
TOTAL	\$106,846	\$102,000	\$101,100

PEACE CORPS OBLIGATIONS

BY OBJECT CLASSIFICATION  
(In thousands of dollars)

	Total Appropriation			Volunteer and Project Costs			Administrative Expenses		
	FY 1968	FY 1969	FY 1970	FY 1968	FY 1969	FY 1970	FY 1968	FY 1969	FY 1970
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
Personnel compensation:									
Permanent positions	\$12,883	\$14,442	\$14,899	\$ 1,621	\$ 2,254	\$ 2,642	\$11,262	\$12,188	\$12,257
Positions other than permanent	2,109	2,236	2,239	232	236	239	1,877	2,000	2,000
Other personnel compensation	219	216	219	21	21	24	198	195	195
Special personal service payments	<u>32,999</u>	<u>29,475</u>	<u>27,401</u>	<u>32,485</u>	<u>29,183</u>	<u>27,106</u>	<u>514</u>	<u>292</u>	<u>295</u>
Total personnel compensation	\$48,210	\$46,369	\$44,758	\$34,359	\$31,694	\$30,011	\$13,851	\$14,675	\$14,747
Personnel benefits	2,484	2,640	2,651	1,206	1,220	1,213	1,278	1,420	1,438
Travel and transportation of persons	14,193	14,346	13,469	11,105	11,117	10,253	3,088	3,229	3,216
Transportation of things	2,889	3,425	2,691	2,203	2,610	1,897	686	815	794
Rents, communications, and utilities	3,852	4,150	4,233	1,427	1,500	1,504	2,425	2,650	2,729
Printing and reproduction	740	737	737	214	220	220	526	517	517
Other services	29,277	25,269	<del>22,729</del>	23,944	19,759	22,110	5,333	5,510	5,619
Supplies and materials	3,542	3,285	2,966	2,839	2,555	2,207	703	730	759
Equipment	1,524	1,654	1,841	823	925	1,085	701	729	756
Insurance claims and indemnities	<u>110</u>	<u>100</u>	<u>-</u>	<u>107</u>	<u>100</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>
Total obligations, Peace Corps	\$106,821	\$101,975	\$101,075	\$78,227	\$71,700	\$70,500	\$28,594	\$30,275	\$30,575
Allocation to State, Office of Inspector General, Foreign Assistance	<u>25</u>	<u>25</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>25</u>	<u>25</u>
Total Obligations	\$106,846	\$102,000	\$101,100	\$78,227	\$71,700	\$70,500	\$28,619	\$30,300	\$30,600

PEACE CORPS

ADMINISTRATIVE EXPENSES

OBLIGATIONS BY OBJECT CLASSIFICATION  
(In thousands of dollars)

	FY 1968 Actual			FY 1969 Estimate			FY 1970 Estimate		
	<u>Hdqtrs.</u>	<u>Overseas</u>	<u>Total</u>	<u>Hdqtrs.</u>	<u>Overseas</u>	<u>Total</u>	<u>Hdqtrs.</u>	<u>Overseas</u>	<u>Total</u>
Personnel Compensation:									
Permanent positions	\$ 6,309	\$ 4,953	\$11,262	\$ 6,874	\$ 5,314	\$12,188	\$ 6,901	\$ 5,356	\$12,257
Positions other than permanent	1,771	106	1,877	1,900	100	2,000	1,900	100	2,000
Other personnel compensation	183	15	198	180	15	195	180	15	195
Special personal service payments	<u>376</u>	<u>138</u>	<u>514</u>	<u>140</u>	<u>152</u>	<u>292</u>	<u>140</u>	<u>155</u>	<u>295</u>
Total personnel compensation	\$ 8,639	\$ 5,212	\$13,851	\$ 9,094	\$ 5,581	\$14,675	\$ 9,121	\$ 5,626	\$14,747
Personnel benefits	545	733	1,278	621	799	1,420	626	812	1,438
Travel and transportation of persons	1,584	1,504	3,088	1,600	1,629	3,229	1,600	1,616	3,216
Transportation of things	8	678	686	10	805	815	10	784	794
Rent, communications, and utilities	1,264	1,161	2,425	1,346*	1,304	2,650*	1,354	1,375	2,729
Printing and reproduction	510	16	526	500	17	517	500	17	517
Other services	1,217	4,116	5,333	1,293	4,217	5,510	1,304	4,315	5,619
Supplies and materials	153	550	703	160	570	730	160	599	759
Equipment	100	601	701	100	629	729	100	656	756
Insurance claims and indemnities	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total obligations, Peace Corps	\$14,020	\$14,574	\$28,594	\$14,724	\$15,551	\$30,275	\$14,775	\$15,800	\$30,575
Allocation to State, Office of Inspector General, Foreign Assistance	<u>25</u>	<u>-</u>	<u>25</u>	<u>25</u>	<u>-</u>	<u>25</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total obligations	\$14,045	\$14,574	\$28,619	\$14,749	\$15,551	\$30,300	\$14,800	\$15,800	\$30,600

\* For comparative purposes, includes \$49,000 transfer of Washington office rentals to GSA.



AVERAGE COST PER VOLUNTEER

<u>DIRECT COSTS</u>	<u>1963</u> <u>FACTOR</u>	<u>1964</u> <u>FACTOR</u>	<u>1965</u> <u>FACTOR</u>	<u>1966</u> <u>FACTOR</u>	<u>1967</u> <u>FACTOR</u>	<u>1968</u> <u>FACTOR</u>	<u>1969</u> <u>FACTOR</u>	<u>1970</u> <u>FACTOR</u>
<u>PRE-SELECTION</u>								
Background Investigation	\$ 448	\$ 483	\$ 532	\$ 539	\$ 552	\$ 567	\$ 599	\$ 599
Medical Exam	23	27	31	24	24	25	25	25
Travel	298	325	333	299	150	182	182	182
Training	2,477	2,983	3,102	3,769	3,646	3,551	3,604	3,777
Readjustment Allowance	<u>259</u>	<u>312</u>	<u>312</u>	<u>331</u>	<u>311</u>	<u>311</u>	<u>311</u>	<u>311</u>
TOTAL PRE-SELECTION	\$ 3,505	\$ 4,130	\$ 4,310	\$ 4,962	\$ 4,683	\$ 4,636	\$ 4,721	\$ 4,894
<u>POST-SELECTION</u>								
Travel-International	\$ 1,493	\$ 1,450	\$ 1,518	\$ 1,316	\$ 1,252	\$ 1,264	\$ 1,264	\$ 1,264
Equipment & Supplies	830	625	415	412	372	244	249	247
Vehicles	750	238	217	211	205	131	192	208
Housing	1,240	310	239	194	138	114	120	120
In-service Training	100	65	85	115	103	178	180	180
Readjustment Allowance	1,638	1,638	1,638	1,753	1,839	1,876	1,876	1,876
Living Allowance	2,750	2,420	2,386	2,409	2,299	2,218	2,246	2,246
Settling-in Allowance	--	--	--	--	--	107	120	120
Leave Allowance	273	336	338	339	338	405	405	405
Clothing Allowance	200	200	200	150	150	150	150	150
In-country Travel	225	126	224	229	222	225	230	230
Medical Care	<u>900</u>	<u>695</u>	<u>676</u>	<u>669</u>	<u>876</u>	<u>986</u>	<u>1,038</u>	<u>1,096</u>
TOTAL POST-SELECTION	\$10,399	\$ 8,103	\$ 7,936	\$ 7,797	\$ 7,794	\$ 7,898	\$ 8,070	\$ 8,142
TOTAL DIRECT COST FOR TOUR OF SERVICE	<u>\$13,904</u>	<u>\$12,233</u>	<u>\$12,246</u>	<u>\$12,759</u>	<u>\$ 12,477</u>	<u>\$ 12,534</u>	<u>\$12,791</u>	<u>\$13,036</u>
ANNUAL DIRECT COST	\$ 6,952	\$ 6,117	\$ 6,123	\$ 6,004	\$ 5,572	\$ 5,503	\$ 5,616	\$ 5,724
<u>INDIRECT COSTS</u>								
Research	27	55	45	33	22	25	32	25
Title III Activities	4	12	11	12	10	6	6	7
School Partnership Program	--	--	--	--	12	15	12	8
Professional Support	296	268	132	253	135	176	195	191
Administrative Expenses	<u>1,795</u>	<u>1,762</u>	<u>1,498</u>	<u>1,565</u>	<u>1,707</u>	<u>2,169</u>	<u>2,444</u>	<u>2,550</u>
ANNUAL INDIRECT COST	\$ 2,122	\$ 2,097	\$ 1,686	\$ 1,863	\$ 1,886	\$ 2,391	\$ 2,689	\$ 2,781
AVERAGE ANNUAL COST	\$ <u>9,074</u>	\$ <u>8,214</u>	\$ <u>7,809</u>	\$ <u>7,867</u>	\$ <u>7,458</u>	\$ <u>7,894</u>	\$ <u>8,305</u>	\$ <u>8,505</u>

Note: Statistics based on obligation data for each of the respective fiscal years shown above.