

ACTION

FISCAL YEAR 1974 BUDGET

PEACE CORPS

**SUBMISSION
TO THE
CONGRESS**

MARCH 1973



OFFICE OF
THE DIRECTOR

ACTION

WASHINGTON, D.C. 20525

Members of Congress:

I am pleased to submit ACTION's FY 1974 budget request of \$77 million for the Peace Corps.

In Fiscal Year 1974 the Peace Corps hopes to provide 5,950 volunteer man-years in response to requests from 58 current host countries and up to five new countries which are expected to request small projects. This program is a continuation of the twelve year tradition of helping developing nations to help themselves by providing trained manpower to meet critical needs overseas.

Volunteers work primarily at the middle and grassroot levels of emerging nations concentrating on human and social development in their assigned jobs and in self-initiated secondary activities. The Peace Corps program focus continues to be the training of local people to meet vital basic manpower needs in the fields of education, agriculture, health, and public works.

The budget request for FY 1974 is \$4 million less than FY 1973. However, it will support an end strength of 5,974 volunteers and 1,291 trainees in the field on June 30, 1974, a decrease of 228 compared to June 30, 1973. Although the program is essentially level, there will be continued emphasis on qualitative improvements in recruitment, selection, training, and programming. A sustained effort, evidenced in the budget justification, has been made to hold costs constant and, where possible, to reduce costs.

The attached budget justification provides significant detail concerning the Peace Corps program and the resources required to carry it out in FY 1974. Your attention is particularly invited to the overall general statement on page v.

We will, of course, provide any additional information you wish. Peace Corps volunteers, staff, and I appreciate the longstanding support of the Congress for the Peace Corps program.

Sincerely,

Walter C. Howe
Acting Director, ACTION

PEACE CORPS, ACTION INTERNATIONAL PROGRAMS
FISCAL YEAR 1974
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INTRODUCTION

The funds requested in this budget presentation are for the Peace Corps, one of the volunteer programs of ACTION. ACTION was established under the reorganization authority granted to the President (Reorganization Plan No. 1 and Executive Order 11603), and includes the Peace Corps and several domestic volunteer programs--VISTA, University Year for ACTION, developmental and part-time efforts, Foster Grandparents, the Retired Senior Volunteer Program, and SCORE/ACE. Each of these programs operates under specific legislative authority described in the appropriate budget justification.

The primary reason for establishing ACTION was to create in one place a system of volunteer service by bringing together diverse volunteer programs and initiating new programs. Existing programs have benefited from the resulting cross-fertilization of program planning, execution, and evaluation, while new programs, such as University Year for ACTION, have been formulated based on the well-documented strengths of VISTA, the Peace Corps, and other programs. In addition to these program benefits, ACTION's creation has minimized costs by combining administrative functions which are more economically accomplished on a consolidated basis.

Funds for these programs are requested in two appropriations: (1) the Peace Corps, and (2) ACTION Domestic Programs. As noted above, the funds requested in this justification material are for the Peace Corps. Each of these appropriations includes funding for a share of ACTION consolidated administrative functions, such as volunteer recruitment, legal services, budgeting, accounting, and others. The portion of these costs assigned to the Peace Corps or to domestic programs is indicated in the justification. As in FY 1973, each appropriation's share of these administrative costs is based on the ratio of full-time personnel assigned to the Peace Corps versus full-time personnel assigned to domestic programs. This ratio is explained fully in the justification material.

To administer these vital programs, the Director of ACTION utilizes as "program managers" the Associate Director for International Operations for the Peace Corps and the Associate Director for Domestic and Anti-Poverty Operations for domestic programs. Providing support for these Associate Directors are:

- o the Associate Director for Citizens Placement who manages the recruitment of volunteers;
- o the Associate Director for Policy and Program Development who is responsible for new voluntary concepts and for planning and evaluation;

- o the Associate Director for Administration and Finance who is responsible for administrative functions;
- o various Assistant Directors covering such services as Legal Counsel, Public Affairs, Minority Affairs, Volunteer Liaison and others.

The Peace Corps organization provides for three regional directors (Africa, Latin America, and all other areas--North Africa, Near East, Asia and Pacific) with a number of countries in each region. Peace Corps programs are administered on a country-by-country basis.

Domestic programs are administered by regional offices located in the ten standard federal regions. Programs are administered in local communities within this regional structure.

The accomplishments of ACTION thus far include:

- o strengthening of the Peace Corps and VISTA by emphasizing the continuation and expansion of successful programs and the elimination of unsuccessful programs;
- o the development and carrying-out of the University Year for ACTION Program;
- o the administration of greatly expanded Foster Grandparent and Retired Senior Volunteer Programs;
- o management of these programs at the minimum essential cost level.

The budget request for these programs in FY 1974 is \$169.4 million, as follows (FY 1973 is shown for comparison purposes):

	<u>(\$ in millions)</u>	
	<u>FY 1973</u>	<u>FY 1974</u>
<u>Total</u> (appropriations)	<u>\$175.1</u>	<u>\$169.4</u>
Peace Corps	81.0	77.0
Domestic Programs	94.1	92.4

These funds are intended to maintain programs essentially at existing levels, with emphasis to be placed on improving the quality of programs now in being. Consolidated administrative costs will continue at the minimum essential level; our request for this purpose is \$1.4 million below the current FY 1973 level.

Our proposed funding will result in the following volunteer levels:

	<u>End FY 1973</u>	<u>End FY 1974</u>
<u>Total</u>	<u>71,726</u>	<u>130,420</u>
Peace Corps	5,824	5,974
Domestic Programs	65,902	124,446
(full-time)	(7,802)	(7,356)
(part-time)	(58,100)	(117,090)

Peace Corps, VISTA, and other ACTION volunteers support many and diverse programs in this country and abroad. With the approval of the Congress, this important work can continue in FY 1974.

PEACE CORPS, ACTION INTERNATIONAL PROGRAMS

For expenses necessary for ACTION to carry out the Peace Corps Act (75 Stat. 612), as amended. \$77,001,000. (Reorganization Plan No. 1 of 1971; Executive Order 11603; additional authorizing legislation to be proposed).

Note: The appropriation for this account for 1973 had not been enacted at the time this budget was prepared. A temporary continuing resolution is in effect for the period from July 1, 1972 to June 30, 1973.

PEACE CORPS

	FY 1972 Actual	<u>1/</u> FY 1973 Estimate	FY 1974 <u>2/</u> Estimate
Activity 1 Training	\$11,130	\$13,143	\$14,860
Activity 2 Volunteers	30,927	34,416	30,026
Activity 3 Program Support	32,980	33,283	32,115
(Peace Corps Share of Agency- wide Support)	(12,973)	(13,058)	(12,656)
PEACE CORPS - Total	\$75,037	\$80,842	\$77,001

1/ Includes \$2,600,000 allocation from Agency for International Development.

2/ Does not include \$158,000 GSA transfer.

General Statement

A. Introduction

The Peace Corps was established in 1961 by Executive Order; subsequently the Peace Corps Act (75 Stat. 612) made it an independent agency. On July 1, 1971, this program was transferred to ACTION in accordance with Reorganization Plan No. 1 of 1971 and Executive Order 11603. An International Operations organization was established as a part of the new agency, ACTION, and assumed responsibility for the Peace Corps.

The Peace Corps fosters international goodwill by providing development assistance to interested countries on a person-to-person basis. Unique among United States overseas programs, the hallmarks of high motivation, self-sacrifice, and a spirit of innovation continue to characterize the 7,000 Peace Corps Volunteers serving in fifty-eight countries around the world today.

Congress gave the Peace Corps direction by defining three broad goals that are as important for the 1970's as they were in 1961. The goals strike a balance between development assistance and mutual international awareness by making available to host countries Americans willing to:

1. Help developing countries meet their needs for trained manpower.

2. Help promote a better understanding of the American people on the part of people served; and
3. Promote a better understanding of other people on the part of the American people.

B. The Peace Corps Meets Three Critical Needs Inexpensively

The goals set for the Peace Corps by Congress address three critical needs that will persist through the 1970's, and the Peace Corps helps meet those needs with considerably less expense than other U.S. overseas programs. The approximately \$10,000 average cost per year of providing a Peace Corps volunteer to work at the middle levels of development is less than 25 percent of the total annual cost for the professional technicians or experts provided by the larger international development agencies. Although usually working at different levels of development, volunteer activities often supplement the efforts of the larger organizations.

1. Urgent Need for Trained Manpower in Developing Nations

The need for trained manpower overseas grows steadily. The problems of developing countries in combating poverty, illiteracy, hunger, and disease continue and are compounded by the population explosion. Gains in employment, agricultural production, housing, and health facilities are either overtaken by expanding populations or followed by secondary problems which slow the escape from the vicious circles of poverty. For example, the "Green Revolution" led to increased food production in some countries which then had to confront serious new problems in food distribution. These problems are particularly acute at the middle and grassroots level of development where Peace Corps volunteers are assigned.

It is commonly agreed that the gap between rich and poor nations continues to widen despite two decades of concerted efforts by leading developed nations. Yet several important lessons were learned during the 1960's about social and economic development which have direct bearing on the service the Peace Corps provides.

The first lesson was that transferring capital and Western technology alone were not enough to affect significantly the well being of the 2.0 billion poor people in the developing world. The social aspects of development problems must be considered along with economic factors before either type of progress can be achieved. The World Bank estimates that one billion people are still hungry or malnourished and that there are 100 million more adult illiterates today than there were 20 years ago. Some studies indicate that in those few developing countries that did

experience significant growth of GNP per capita, the distribution of income often left major portions of the populations poorer at the end of the past decade than at the beginning.

Another lesson was that for development to be meaningful to the populations involved, much more consideration would have to be given to social and human resource development. Large development agencies are including research and development of useful social indicators in their plans for the 1970's and are planning more broadly gauged attacks on the intertwined problems of poverty, illiteracy, hunger, and disease.

It has also been learned that all development efforts must proceed on a genuine partnership basis between donors and recipients as developing countries play a larger role in defining their own needs and useful indicators of progress.

By its very nature, as it has evolved since 1961, the Peace Corps has contributed to creating these approaches to socio-economic development. From the outset Peace Corps volunteers have been predominantly involved in education, agriculture, and health, with the primary mission of developing the human resources in these fields through creative partnerships with host countries.

2. Need to Perpetuate Good U.S. Image Abroad

Equally important to providing trained manpower is the need for the United States to perpetuate goodwill and friendship abroad. America's national image is enhanced in the developing nations around the world where Peace Corps volunteers serve today. Not only do volunteers roll up their sleeves and train people to help themselves, but they live at the modest level of their counterparts, speak the local languages, and develop mutual respect in the process.

The Peace Corps has never comprised more than a small percent of total United States economic assistance, yet it provides visible, trained manpower throughout 58 developing nations. Thirty-one of these countries receive no other U. S. bilateral technical assistance and the presence and impact of the United States is measured substantially in people-to-people terms by host governments. Volunteers live and work directly with the people at their level and are primarily located outside of capital cities. Consequently, Peace Corps volunteers represent a more positive image than many other Americans working or traveling overseas. Host countries continue to express their appreciation of the Peace Corps by requesting more volunteers and by communicating their gratitude both officially and unofficially.

3. Need to Provide Constructive Opportunities for Americans to Serve Abroad and Increase Their International Understanding

Peace Corps volunteers overseas represent a cross-section of American society geographically and in types of skill, experience,

age and academic training. Volunteers gain sensitivity to other customs and an appreciation for other societies while serving abroad. By the time they return to the United States, volunteers have usually grown in personal maturity and developed a broader view of the world. Of direct benefit to the United States is the fact that more than 75 percent of the nearly 50,000 returned Peace Corps volunteers have chosen service-oriented careers after their tours, primarily in the fields of education, government, international organizations, and foundations.

C. The Peace Corps Mission in the 1970's

To carry out its proposed program in FY 1974 and beyond, the Peace Corps will continue to emphasize the following major policies which have characterized FY 1973. Derived from more than a decade of experience, they have been found to be the most effective means of implementing the Peace Corps' goals.

Binationalism - Partnership with Host Countries. The relevance and stability of Peace Corps' programs overseas are reinforced by the policy of binationalism, which integrates Peace Corps projects into the goals and plans of each country. To avoid the pitfalls of a "donor-receiver" relationship, the Peace Corps staff overseas forego genuine partnerships with host countries by sharing responsibility for the programming, training, selection, and supervision of volunteers. To facilitate this process, 56% of permanent overseas staff will be local citizens in FY 1974.

Peace Corps volunteers are invited into the classrooms and villages of countries which feel that it is important that volunteers work in concert with local institutions towards nationally established goals. The genuine partnerships that evolve between the Peace Corps and host countries foster goodwill for the United States and increase the stability of Peace Corps programs overseas. Binationalism also assures that volunteers are placed in positions of maximum benefit to the host governments' development plans.

A recent report of the Senate Study Mission to Central and East Africa sponsored by the Senate Appropriations Committee highlighted the benefits of binationalism:

"Another aspect of the Peace Corps' new directions which these African leaders particularly noted was the emphasis on binationalism, a policy of increasingly staffing the Corps with host country nationals. This has given the host countries a sense of genuine participation, and many of the leaders are coming to feel that the Peace Corps is as much theirs as ours".

Balanced Programming. The Peace Corps balances its programs overseas in two key respects. First, potential jobs are evaluated both for their impact on important social and economic development problems and the opportunity for the volunteers to have significant cross-

cultural experience with the people of the host countries. High impact jobs that afford little opportunity to live and work with local people are strongly discouraged as are jobs with high cross-cultural interaction but little contribution to development.

Second, while being responsive to the needs of the host countries, an effort is made to balance the jobs requiring highly skilled volunteers such as agronomists, lawyers, nurses, and mechanics with those jobs that can be handled by Americans with broad general abilities. There continues to be a strong need for liberal arts graduates who are highly motivated, adaptable, and innovative problem-solvers.

Peace Corps Uniqueness. The Peace Corps is unique among U.S. Government and other developmental agencies overseas. As the goals established by Congress indicate, the Peace Corps' mandate is to provide development assistance and create mutual understanding with neither emphasis leading to the exclusion of the other. Consequently, the Peace Corps has emphasized contributions to social and human needs in addition to economic development.

The result of this unique mandate which calls upon a cross-section of the American people is a form of development assistance characterized by vitality and a spirit of innovation. Peace Corps volunteers have a relatively short period of two years in which to accomplish the defined objectives of their assignment. At the same time, they have no vested interest in a career with either their host government or the Peace Corps, which enables them to be as innovative as possible.

In training and throughout their service, volunteers are also encouraged to engage in constructive secondary activities according to the needs of their communities. The tradition that Peace Corps volunteers are volunteers 24 hours a day still applies.

The following specific policies will continue to preserve the uniqueness of Peace Corps programs around the world:

1. To increase job effectiveness and cross-cultural opportunities, volunteers are required to live on subsistence allowances at the level of their counterparts, generally sacrificing the standard of living they would normally enjoy in the United States.
2. To encourage respect for and adherence to local laws and customs, volunteers are not granted diplomatic immunity. Strong policies on dress and social behavior are set and applied in conjunction with host country standards.

3. All Peace Corps volunteers must complete at least 300 to 350 hours of local language instruction, a requirement which is unique among international development agencies.

The Peace Corps is a government-to-government organization in its official programming, yet the volunteers operate on a people-to-people basis. When volunteers complete their tours, they leave behind a legacy of technical skills and an analytical approach to problem-solving that have been taught to host country people. Such skills have a "multiplier effect" as they are passed along to fellow countrymen.

Management Emphasis on Quality. A major focus of the Peace Corps' management during the mid 1970's will be a concentration on the quality, stability, and effectiveness of its programs. The planning mechanism in each Peace Corps country is being strengthened with the implementation of improved program and budgeting systems while attention continues to be paid to the relevance, structure, supervision, and support of current volunteer projects.

The Peace Corps will soon be implementing improved management systems to establish more uniform and efficient accountability. Methods used in the past have been very useful, but there is still room for improvement. It takes an extra degree of effort to assure uniformly high quality operations, and the Peace Corps plans to make the effort. To this end, the Peace Corps also plans expanding its evaluation capability through the implementation of new internal evaluation systems in FY 1974.

All of these efforts are designed to improve the organization's ability to allocate its resources efficiently, to provide the most effective programs wherever they are needed, and to increase the Peace Corps' internal and external accountability.

D. The Peace Corps Program

The Programming Process and Criteria. Planning volunteer assignments is a continual process in which overseas Peace Corps staff members work jointly with host country officials. Together they identify and assess the feasibility of a wide variety of potential jobs. The jobs must complement the developmental goals and plans of the country, have an institutional base which will provide support within the country, and allow the prospective volunteer to have good cross-cultural opportunities. Before giving final approval to a request and raising a country's expectations, Peace Corps headquarters reviews the proposal and determines the probable availability of applicants qualified to do the job. General determinations of "supply and demand" are made, and requests are approved accordingly. It takes approximately 9-13 months from the time of the original host country request until the volunteer, fully-trained, arrives at his job site to start work.

Who Are the Volunteers. Peace Corps Volunteers of all ages come from every state in the Union with a variety of educational backgrounds and a diversity of experience. States producing the most volunteers are California, New York, Illinois, Pennsylvania and Ohio. The average age of volunteers is gradually increasing, and 25% of the volunteers are married.

Currently the average age of volunteers is 27½ years, up from an average age of 24 three years ago. This reflects the increase of volunteers over the age of 50 from 100 in 1970 to 300 today.

Sixty-seven percent of all volunteers serving today can be classified as having some specific kind of skill in health, education, the skilled trades, or one of the professions. Only 3.5 percent of all volunteers have no college education while more than .4 percent have M.S. or M.A. degrees. Registered nurses make up .5 percent of the volunteer force and .7 percent of the volunteers have doctorate or law degrees.

Where the Volunteers Serve. Peace Corps volunteers currently serve in 58 countries around the world. By the end of FY 1974, it is anticipated that five more countries will have asked for Peace Corps volunteers. A **complete** list of countries with associated volunteer numbers is contained in Appendix D. (pg. 5-7)

As a general policy, the Peace Corps will provide volunteers to those countries that have the need and desire for them and where the programming of jobs can meet standard Peace Corps criteria. The Peace Corps responds to legitimate requests in order to maximize opportunities for Americans to serve abroad, contribute to development, generate mutual understanding, and gain personally from the whole experience. However, today the Peace Corps will only go into a new country if it can be accomplished within existing ceilings on staff and with a minimum of additional expense. This usually means that such a project will be small and supported by the Peace Corps staff in a neighboring country.

Peace Corps Projects. Peace Corps volunteers serve host countries in 955 different projects in activities diversified to be as responsive as possible to the specific needs of each country. Projects are defined as one or more Peace Corps volunteers requested by a country to work toward a set of objectives for a two-year period. Since 1968 the number of projects in effect each year has increased despite decreases in staff, indicating an increasing responsiveness to development needs overseas. At the same time the average size of each project has become smaller as projects have become increasingly targeted to host country development needs and each volunteer programmed for maximum impact.

	<u>Number of Programs in Effect</u>					
	<u>FY 1968</u>	<u>FY 1969</u>	<u>FY 1970</u>	<u>FY 1971</u>	<u>FY 1972</u>	<u>FY 1973</u>
Projects	409 <u>1/</u>	462 <u>1/</u>	530 <u>1/</u>	589	787	955

The Peace Corps groups volunteer projects into five functional program categories to facilitate an overview of trends. A sixth category covers those few which do not easily fit into the others.

Distribution of Volunteers by Program Categories
(See Appendix C: Maps of Distribution of Peace Corps
Programs by Country on page .)

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate
1. Agriculture & Rural Development...	25%	26%	27%
2. Business & Public Management.....	5%	5%	5%
3. Education.....	46%	43%	41%
4. Health.....	11%	12%	13%
5. Public Works & Urban Development..	8%	8%	8%
6. Other.....	5%	6%	6%
Total	100%	100%	100%

Peace Corps exercises its management of countries through three administrative regions: Africa, Latin America, and NANEAP (North Africa, Near East, Southern Asia, East Asia and the Pacific). A brief discussion of each program category summarized above will illustrate the primary activities of Peace Corps volunteers in each region.

1. Agriculture and Rural Development

	Percent of Worldwide Volunteers		
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate
AFRICA.....	8%	8%	9%
NANEAP.....	6%	7%	8%
LATIN AMERICA.....	11%	11%	10%
Total	25%	26%	27%

Many Peace Corps host countries continue to identify agriculture as their area of most urgent need. More than two-thirds of the people in the developing world make their living off the land at subsistence levels. Most host countries count heavily on agricultural produce for their position in world trade and the financing of their own development plans.

Peace Corps volunteers are requested to help facilitate the transition from predominantly traditional agricultural practices to more modern methods of planting, cultivation, harvesting, marketing, and nutrition. Volunteers in this program category are both agricultural teachers and extension agents. They advise local farmers and provide assistance to agricultural cooperatives. A relatively small number of volunteers assist the work of research stations and help train host country government personnel. Volunteer activities range from fisheries and forestry development to vocational agricultural instruction and agricultural economics.

2. Business and Public Management

	Percent of Worldwide Volunteers		
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate
AFRICA.....	1%	1%	1%
NANEAP.....	1%	1%	1%
LATIN AMERICA.....	3%	3%	3%
Total	5%	5%	5%

Although comprising a small percentage of all volunteer activities, a number of host countries request high impact and innovative projects in the public and private sectors. In an attempt to augment overall economic growth by balancing development of both sectors, volunteers are asked to strengthen small business advisory services and marketing boards as well as consumer and credit cooperatives. Some countries even ask for limited assistance in developing their own planning capabilities.

3. Education

	Percent of Worldwide Volunteers		
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate
AFRICA.....	18%	16%	15%
NANEAP.....	23%	22%	21%
LATIN AMERICA.....	5%	5%	5%
Total	46%	43%	41%

During the early days of the Peace Corps in the 1960's, most volunteers were asked to fill manpower shortages in the primary and secondary school systems around the world. This was particularly true in Africa which was just emerging from a long period of colonial rule during which little effort had been made to train local teachers.

Even in the 1970's the pressures of population growth continue to overtake progress made by building new classrooms and training host country teachers. Nevertheless, the trend has been for host countries to provide most of their own needs for staffing elementary schools.

Peace Corps volunteers continue to serve critical needs but at higher levels of academic education, with a small number teaching at host country universities. They are also asked to assist in broadening the educational opportunities for host country people by working in vocational education, teacher training institutions, physical education, and those arts likely to help people earn a livelihood. The Peace Corps also finds a continuing need in developing countries for volunteers to teach English as a second, or foreign language.

4. Health

	Percent of Worldwide Volunteers		
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate
AFRICA.....	3%	4%	4%
NANEAP.....	3%	3%	3%
LATIN AMERICA.....	5%	5%	6%
Total	11%	12%	13%

In many countries where the Peace Corps serves, 70 to 80 percent of all reported diseases are preventable. Diseases that are rare or non-existent in the western world still take huge tolls in the rest of the world. As a partial solution to the problems of preventable disease, there is a critical need to promulgate modern sanitation and nutritional practices at the grassroots levels of society.

Health leaders of developing countries are handicapped primarily by severe shortages of professional and paramedical manpower available to deliver services and conduct public health education. A wide variety of Peace Corps volunteers help meet needs in rural clinics, nurse training centers, hospitals, and disease control projects. Peace Corps volunteers teach health and nutrition in schools and through national public health campaigns.

5. Public Works and Urban Development

	Percent of Worldwide Volunteers		
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate
AFRICA.....	2%	3%	3%
NANEAP.....	2%	2%	2%
LATIN AMERICA.....	4%	3%	3%
Total	8%	8%	8%

As developing nations confront problems of education, agriculture, and health, they must also contend with the rapid worldwide trend toward urbanization. Public utility services must keep pace with the expansion of urban areas as must the provision of adequate housing.

The Peace Corps provides volunteers to help train mechanics and other skilled tradesmen, and to assist road building, well-digging, and housing construction projects. A small number of architects and urban planners are periodically programmed into special, high-impact projects.

6. Other Projects

	Percent of Worldwide Volunteers		
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate
AFRICA.....	1%	1%	1%
NANEAP.....	3%	4%	4%
LATIN AMERICA.....	1%	1%	1%
Total	5%	6%	6%

Less than six percent of Peace Corps volunteer activities do not fall under the previous program categories. "Other" projects respond to unique requests in fields like library or museum science, and youth programs. When necessary, projects also are mounted in response to emergencies such as famines, typhoons, and earthquakes.

PEACE CORPS, ACTION INTERNATIONAL PROGRAMS

Summary of FY 1974 Budget Request

	(\$000)		
	FY 1972 Actual <u>1/</u>	FY 1973 Estimate <u>2/</u>	FY 1974 Estimate
<u>Peace Corps</u>			
Activity 1-Training			
A. Direct Training	\$ 9,565	\$11,114	\$12,730
B. Trainee Travel	425	523	582
C. Intern Programs	676	517	316
D. PRIST	464	989	1,232
Subtotal, Activity 1	\$11,130	\$13,143	\$14,860
Activity 2-Volunteers			
A. International Travel	\$ 5,679	\$ 6,370	\$ 6,726
B. Allowances	11,863	14,427	12,643
C. Other Volunteer Support	4,633	5,274	3,468
D. Dependent Support	1,157	682	333
E. Readjustment Allowance	7,595	7,663	6,856
Subtotal, Activity 2	\$30,927	\$34,416	\$30,026
Activity 3-Program Support			
A. Staff	\$16,307	\$15,858	\$14,909
B. Shared Administrative Support	3,600	4,017	4,200
C. Multilateral Grants	100	350	350
D. Peace Corps Share of Agency-Wide Support	12,973	13,058	12,656
Subtotal, Activity 3	\$32,980	\$33,283	\$32,115
Total Peace Corps	\$75,037	\$80,842	\$77,001
Trainee Input	3,608	5,029	5,760
Volunteer Manyears	6,632	6,882	5,950
Staff	749	749	741

1/ Includes \$2,600,000 allocation from Agency for International Development.

2/ Excludes \$158,000 transferred to General Services Administration.

SUMMARY OF MAJOR CHANGES

For FY 1974 there is a net decrease of \$3,841,000 from the FY 1973 funding level. The major changes from FY 1973 to FY 1974 are as follows:

FY 1973 Estimate	(<u>\$000</u>)
Less transfer to General Services Administration	\$81,000
Total	<u>-\$ 158</u>
	\$80,842
<u>Activity 1-Training</u>	+ \$1,717
The increase in training funds will support an increase in trainee-input and additional PRISTees above FY 1973 levels.	
<u>Activity 2-Volunteers</u>	- \$4,390
The decrease in volunteer funds is based on a reduction of volunteer man-years below the FY 1973 level and reduced supply, equipment, and vehicle costs.	
<u>Activity 3-Program Support</u>	- \$1,168
The decrease in program support funds is based on a reduction of eight positions, reduced program support operating expenses and Peace Corps share of agency-wide support.	
FY 1974 Estimate	\$77,001

Budget Activity 1
TRAINING

	(\$000)		
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate
A. Direct Training	\$ 9,565	\$11,114	\$12,730
B. Trainee Travel	425	523	582
C. Intern Programs	676	517	316
D. Pre-Invitational Staging (PRIST)	464	989	1,232
Total	\$11,130	\$13,143	\$14,860
Trainee Input	3,608	5,029	5,760

General Statement

All Peace Corps volunteers are given special training prior to their assignment abroad. In almost all instances this training includes language study, technical skills development, and cross-cultural orientation. Pre-service training in these areas is imperative to the volunteers' ability to make an early adjustment to, and become effective in, their volunteer roles.

Until the last two years, most Peace Corps training was in the United States. By the end of FY 1973 between 80-85 percent of all training will occur either in the country where the trainees will later serve as volunteers or in a nearby country overseas. In FY 1974 the total in-country training will continue to increase. The advantages of this approach justify its growing use.

- (1) In-country training makes the training more relevant since the trainees can see firsthand the actual environment in which they will live and work.
- (2) In-country training permits maximum participation by the requesting host country government and therefore gives them a realistic partnership in the preparation of trainees for future service.
- (3) In-country training permits the Peace Corps field staff to participate more directly in the planning and implementation of training.

Budget Activity 1: TRAINING - continued

(4) In-country training is usually less expensive than training in the U.S. Many of the administrative and management costs that are contracted out in U.S. training are executed by the regular country Peace Corps staff for in-country training.

There are two distinct steps an applicant must follow to become a volunteer:

(1) He must attend a staging in the U.S. prior to beginning training. The staging may take different forms. Approximately 40 percent of the applicants will attend a medical/admin. staging to complete necessary routine matters before being accepted into training. The other 60 percent of the applicants will attend a pre-invitational staging (PRIST). A PRIST serves a more comprehensive function than the medical/admin. staging. Applicants go through an intense three-day screening to learn about Peace Corps and the project in which they are invited to work and to be evaluated with respect to their suitability for the particular project.

(2) Those applicants who have successfully completed the preliminary steps, must be trained in the host country or, in some cases, at a central third country location.

Volunteers are usually trained in groups. They prepare themselves under the supervision of a training staff which in most instances consists of a project director and language, technical, and cross-cultural instructors. Language instructors are usually host country nationals while former Peace Corps volunteers often comprise the technical and cross-cultural staffs. Maximum effort is made to make the training conform to what the trainees will actually need in order to do their jobs effectively and relate to their communities in a productive manner. Although the length of training varies from program to program, it averages twelve weeks in length. All programs are intensive and average 60 hours of structured training per week. This permits a training program of approximately 700 hours. Experience has demonstrated that this is the amount of training required to provide trainees with essential cultural skills, a capability in a technical area, and sufficiency in the local language. A typical training program of twelve weeks would be as follows:

High intensity language instruction	- 350 hours
Technical training/orientation	- 250 hours
Cross-cultural training	- <u>100</u> hours
Total	700 hours

Budget Activity 1A
DIRECT TRAINING

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Direct Training	\$9,565	\$11,114	\$12,730	+1,616

Direct training expenses include the direct costs of the actual training and trainee support. Training expenses are the costs of providing instruction to trainees during their intensive twelve-week training period. This covers the cost of facilities, which include classrooms, language equipment, and other fixed overhead. It also covers the costs of instruction, including salaries and benefits of trainers, clerical support, and other variable expenses associated with actual training. The bulk of the training costs (70%) occurs in the instruction portion. Five percent is allotted to development of a specific curriculum to meet the objectives of the training; 25% is allotted to facilities and equipment.

In addition, direct training expenses cover all other costs of maintaining trainees during their training period. These include the cost of trainee materials (books, language tapes, manuals), food, housing, local transportation, medical services, and dependent support.

If training is to take place in the U.S. or at a central regional location, Peace Corps negotiates a comprehensive contract with a university or a private firm to direct all facets of the training. If training is to take place in the host country, training may be contracted or directed by Peace Corps personnel and host country nationals. In addition, personal service contracts are let to individuals with particular expertise in a relevant field.

Changes in Direct Training Costs

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of Trainees	3,608	5,029	5,760	+ 731
Average Direct Training Cost per Trainee ^{1/}	X\$2,651	X\$ 2,210	X\$ 2,210	--
Total (\$000)	\$9,565	\$11,114	\$12,730	+1,616
^{1/} To the nearest dollar				

Budget Activity 1A: DIRECT TRAINING - continued

The estimated increase of \$1,616 from FY 1973 to FY 1974 is due solely to the increase of 731 trainees. The average cost per trainee is expected to remain constant between FY 1973 and FY 1974.

Budget Activity 1B
TRAINEE TRAVEL

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Trainee Travel	\$425	\$523	\$582	+\$59

Trainee travel is the cost of transporting applicants who have been invited to a training program from their home of record to the staging site in the United States. At the staging site preliminary administrative matters, such as passport papers, and medical exams are handled as applicants officially become trainees. Staging takes place immediately prior to beginning training and trainees go directly from the staging site to the training program. For applicants who have not gone through a PRIST, the staging will be the first contact they have had with Peace Corps personnel. Staging sites normally are continental U.S. areas closest to the foreign region where training will take place.

Changes in Trainee Travel

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of Trainees	3,608	5,029	5,760	+ 731
Average Travel Cost per Trainee <u>1/</u>	X\$ 118	X\$ 104	X\$ 101	-\$ 3
Total (\$000)	\$ 425	\$ 523	\$ 582	+\$ 59
<u>1/ To the nearest dollar</u>				

The estimated increase of \$59,000 between FY 1973 and FY 1974 is caused by a 731 trainee increase, offset by a \$3 per trip decrease. Proportionally, the 731 trainee increase generates a \$74,000 increase in total, but is reduced because the per trip cost decreased a total of approximately \$15,000. The \$3 per trip decrease is planned because cost estimates based on the location of staging sites and applicant geographical mix indicate a lower per trip average in FY 1974.

Budget Activity 1C
INTERN PROGRAMS

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Intern Programs	\$676	\$517	\$316	-\$201

Intern programs are the means by which Peace Corps recruits and trains volunteers in those areas where the supply of qualified applicants does not meet the demand from host countries. The programs are designed primarily to attract and train qualified agriculturalists, nurses, certified teachers of math, science, and vocational arts. These programs continue to be extremely important to fulfilling the Peace Corps' mandate of responding to host country manpower needs while offering service opportunities to all Americans.

The Peace Corps enters into contractual agreements with universities producing the specific type of graduates needed in the developing countries requesting volunteers. The universities help recruit and train qualified Peace Corps applicants either during the senior year of undergraduate work or during the first year of graduate study. In addition to weekly seminars oriented to their prospective assignment, Peace Corps interns have the opportunity to adopt their own course schedules to better prepare themselves for service overseas. Most universities in turn allow academic credit for successful completion of Peace Corps tours in their students' chosen fields. In one particular type of intern program, the Peace Corps shares the cost of training those Teacher Corps volunteers who will serve overseas as Peace Corps volunteers upon graduating from the Teacher Corps.

The cost of intern programs includes on-campus recruiting, pre-invitational staging, training staff and materials, medical coverage, and overhead.

Changes in Intern Programs

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of interns	376	323	211	- 112
Average cost per intern	X\$1,800	X\$1,602	X\$1,500	-\$102
Total (\$000)	\$ 676	\$ 517	\$ 316	-\$201

The estimated decrease of \$201,000 between FY 1973 and FY 1974 is attributable both to the planned decrease in the number of interns from 323 to 211 and the decrease of \$102 per intern in the average cost per intern. The decrease in the number of interns is planned because of a decision to place greater emphasis on normal recruitment and training channels to fill host-country requests for specialized volunteers. However, certain skilled volunteers remain accessible primarily through the intern program. The \$102 per intern cost reduction from FY 1973 to FY 1974 is anticipated because of the effort currently underway to evaluate and identify for continuation only the most efficient, least expensive training organizations. Proportionally, 90% (\$180,000) of the decrease is accounted for by the reduced number of interns and 10% (\$21,000) is due to the per intern cost decrease.

Budget Activity 1D
PRE-INVITATIONAL STAGING (PRIST)

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
PRIST	\$464	\$989	\$1,232	+\$243

The Pre-Invitational Staging (PRIST) is an intensive three-day job interview program to which potential Peace Corps trainees are invited. At least one month prior to the beginning of a training program the PRIST takes place at a central point in the United States to provide a two-way suitability screening. The potential trainees are given detailed firsthand information on the Peace Corps, the country which is requesting their service, and the exact nature of the jobs to be performed. With this information, the applicants assess their own suitability and motivation to join the Peace Corps before severing their ties in the United States and entering a training program overseas. At the same time, the Peace Corps staff has an opportunity to assess the potential trainees' qualifications for Peace Corps service overseas in particular jobs. Individual interviews, group discussions, and consultation with experienced psychologists all contribute to the final decisions to serve formal invitations to suitable applicants.

The PRIST has two primary purposes. The thoroughness of the suitability screening helps to minimize early termination during training. With most training for FY 1974 scheduled to take place overseas, minimizing training attrition leads to cost savings directly related to trainee return airfares. The PRIST also has a strong qualitative impact on the efficiency of Peace Corps programming. In addition to enabling a quality control for the invitation of applicants, the lead-time before training provided by a PRIST allows for adjustments in training designs overseas to accommodate the exact levels of skill and experience that the trainees will possess at the start of training. Training programs, as a consequence are more efficient. The PRIST also re-enforces the Peace Corps policy of bi-nationalism by involving host country officials at the outset in the selection of volunteers who will be serving in their countries.

PRIST costs include roundtrip airfare for the potential trainee from their home of record to the PRIST site, room and board for three days, meeting facilities, and consultant psychologists.

Changes in PRIST Cost

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of PRISTees	1,600	3,410	4,320	+ 910
Average cost per PRISTee ^{1/}	X\$ 290	X\$ 290	X\$ 285	-\$ 5
Total (\$000)	\$ 464	\$ 989	\$1,232	+\$243
^{1/} To the nearest dollar				

The estimated increase of \$243,000 from FY 1973 to FY 1974 is caused by the large increase (910) in potential trainees who will attend a PRIST. This increase is offset by the \$5 per PRISTee decrease in FY 1974. The increase in PRISTees results from a policy decision to PRIST approximately 60% of the 7,000 applicants in FY 1974 compared to approximately 50% of 6,550 applicants in FY 1973. This decision was made because of the preference shown by host country governments for PRISTed trainees. The savings of \$5 per PRISTee is anticipated because the increased number of FY 1974 PRISTees permits savings with respect to fixed overhead cost items, such as facilities and staff. Proportionally, the \$243,000 increase is due to a \$265,000 increase in PRISTees, offset by a \$22,000 decrease in the cost per PRISTee.

Budget Activity 2
VOLUNTEERS

	(\$000)		
	FY 1972	FY 1973	FY 1974
	Actual	Estimate	Estimate
A. International Travel	\$ 5,679	\$ 6,370	\$ 6,726
B. Allowances	11,863	14,427	12,643
C. Other Volunteer Support	4,633	5,274	3,468
D. Dependent Support	1,157	682	333
E. Readjustment Allowance	7,595	7,663	6,856
 Total	 \$30,927	 \$34,416	 \$30,026
Volunteer Manyears	6,632	6,882	5,950

General Statement

After an applicant has been recruited and trained for a specific job request abroad, he is then sworn in as a volunteer and is assigned to the host country institution requesting his services. The volunteer works directly with that institution and coordinates his activities directly with the host country officials. The term of service of volunteers is normally two years.

There are a number of basic expenses which are required to support the volunteer in the field. These expenses can be separated into five general categories: travel to and from the host country of assignment, subsistence and leave allowances, other volunteer support costs, support of dependent children, and readjustment allowance. Included in "other volunteer support costs" are medical services, in-country travel, volunteer supplies, vehicles, and miscellaneous costs. Most of these expenses vary among volunteers depending on the host country cost of living and the requirements of the volunteer's work.

In determining what amounts are appropriate for each volunteer, the overriding consideration is that the volunteer live at a level equivalent to that of his host country co-workers. In almost all instances this represents a standard of living substantially below what the volunteer has been accustomed to in the United States.

Budget Activity 2A
INTERNATIONAL TRAVEL

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Travel to Host Country	\$2,205	\$3,073	\$3,519	+\$446
Travel from Host Country	2,813	2,386	2,483	+ 97
Extendee Travel	588	601	479	- 122
Emergency Leave Travel	73	310	245	- 65
Total	\$5,679	\$6,370	\$6,726	+\$356

International travel has four components: the transportation of trainees and volunteers to their country of assignment, the return travel of volunteers completing their service or terminating early, round-trip fare to the U.S. for volunteers who are extending their two-year tour of service by at least one year, and round-trip fare to the U.S. for volunteer emergencies.

Changes in Travel to Host Country

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of trips	3,608	5,029	5,760	+ 731
Average cost per trip <u>1/</u>	X\$ 611	X\$ 611	X\$ 611	--
Total (\$000)	\$2,205	\$3,073	\$3,519	+\$446
<u>1/</u> To the nearest dollar				

The estimated increase of \$446,000 between FY 1973 and FY 1974 is accounted for solely by the increase in number of trips, as the average cost per trip is anticipated to stay the same. Travel to host country is a function of the trainee input which has increased by 731 from FY 1973 to FY 1974.

Budget Activity 2A: INTERNATIONAL TRAVEL - continued

Changes in Travel from Host Country

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of trips	4,341	3,848	4,005	+ 157
Average cost per trip <u>1/</u>	X\$ 648	X\$ 620	X\$ 620	--
Total (\$000)	\$2,813	\$2,386	\$2,483	+\$ 97
<u>1/</u> To the nearest dollar				

The estimated increase of \$97,000 between FY 1973 and FY 1974 is caused solely by the increase of 157 in the number of trips from host countries. The average cost per trip remains the same in FY 1974 as in FY 1973. Travel from host countries is related to the number of volunteers completing service or terminating early. Travel varies from year to year following primarily the training patterns of the prior two years. Based on historical patterns, early terminees are estimated at the rate of 1.5% of volunteers on board per month.

Changes in Extendee Travel

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of trips	454	467	372	- 95
Average cost per trip <u>1/</u>	X\$1,296	X\$1,288	X\$1,288	--
Total (\$000)	\$ 588	\$ 601	\$ 479	-\$122
<u>1/</u> To the nearest dollar				

The estimated decrease of \$122,000 between FY 1973 and FY 1974 is caused solely by the anticipated decrease of 95 in the number of extendees. The cost per trip is expected to remain the same between FY 1973 and FY 1974. The number of volunteers who are able to extend is a function of a specific host country request for his extension and a request to extend by the volunteer.

Budget Activity 2A: INTERNATIONAL TRAVEL - continued

Changes in Emergency Leave Travel

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of trips	56	241	190	- 51
Average cost per trip <u>1/</u>	<u>X\$1,296</u>	<u>X\$1,288</u>	<u>X\$1,288</u>	--
Total (\$000)	\$ 73	\$ 310	\$ 245	-\$ 65
<u>1/</u> To the nearest dollar				

The estimated decrease of \$65,000 between FY 1973 and FY 1974 is caused by the anticipated decrease of 51 in the total number of emergency trips. The decrease is planned because the number of volunteer manyears are expected to decrease, while the rate of emergencies per manyear is assumed to remain approximately the same.

Budget Activity 2B
ALLOWANCES

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Living Allowance	\$ 9,784	\$12,211	\$10,555	-\$1,656
Settling-In Allowance	642	734	803	+ 69
Leave Allowance	1,437	1,482	1,285	- 197
Total	\$11,863	\$14,427	\$12,643	-\$1,784

Volunteers in service receive three payments classified as allowances. The living allowance is paid monthly to each volunteer for subsistence level support covering food, housing, clothing, and minor incidental expenses. The living allowance varies from country to country and within countries according to the minimal cost of living in the region where the volunteer lives and works.

The settling-in allowance is a one-time payment at the beginning of each volunteer's tour for the purpose of buying such items as dishes, cooking utensils, and bedding. The amount of each allowance reflects local cost variations for these items.

The leave allowance is paid to each volunteer at the rate of two days for each month of service. Volunteers receive \$9 for each day of leave for a total of 24 days, or \$216 per year. With this leave volunteers have the opportunity to travel within the country of assignment or to nearby countries in order to broaden their international awareness and understanding.

Changes in Living Allowance

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer manyears	6,632	6,882	5,950	- 932
Average cost per volunteer manyear ^{1/}	X\$1,475	X\$ 1,774	X\$ 1,774	--
Total (\$000)	\$9,784	\$12,211	\$10,555	-\$1,656
^{1/} To the nearest dollar				

Budget Activity 2B: ALLOWANCES - continued

Changes in Settling-In Allowance

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer arrivals	3,620	3,947	4,330	+ 383
Average cost of volunteer arrivals <u>1/</u>	X\$ 177	X\$ 186	X\$ 186	--
Total (\$000)	\$ 642	\$ 734	\$ 803	+\$ 69
<u>1/</u> To the nearest dollar				

Changes in Leave Allowance

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer manyears	6,632	6,882	5,950	- 932
Average cost per volunteer manyear <u>1/</u>	X\$ 217	X\$ 216	X\$ 216	--
Total (\$000)	\$1,437	\$1,482	\$1,285	-\$197
<u>1/</u> To the nearest dollar				

The same average cost per volunteer manyear will be maintained for each of the allowances as in FY 1973. Both the living allowance and the leave allowance totals will decrease in FY 1974 primarily because of the 932 manyear decrease from FY 1973. These decreases are offset by an expected increase of \$69,000 in settling-in allowance. This increase is the result of the planned increase of 383 volunteer arrivals during FY 1974.

Budget Activity 2C
OTHER VOLUNTEER SUPPORT

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Medical Supplies and Services	\$1,557	\$1,631	\$1,434	-\$ 197
In-Country Travel	501	551	488	- 63
Volunteer Supplies and Equipment	357	436	119	- 317
Vehicles (Purchased)	15	416	86	- 330
Vehicles (Shipped)	8	48	10	- 38
Bureau of Employment Compensation payments	693	962	997	+ 35
Miscellaneous Volunteer Costs	1,502	1,230	334	- 896
Total	\$4,633	\$5,274	\$3,468	-\$1,806

Other Volunteer Support covers most categories of expense in support of a volunteer in the field. These expenses are incurred by the volunteer in the course of his work, and are not paid routinely.

Medical Supplies and Services are provided to all volunteers. The cost of this medical care varies from country to country, but typically includes doctors' fees, hospital costs, medical supplies, dental care, and emergency evacuation travel to hospitals. Qualified host country doctors and facilities are utilized to the maximum extent possible in order to minimize costs.

Changes in Medical Supplies and Services

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer manyears	6,632	6,882	5,950	- 932
Average cost per volunteer manyear <u>1/</u>	X\$ 235	X\$ 237	X\$ 241	+ 4
Total (\$000)	\$1,557	\$1,631	\$1,434	-\$197
<u>1/</u> To the nearest dollar				

Budget Activity 2C: OTHER VOLUNTEER SUPPORT - continued

The anticipated decrease of \$197,000 between FY 1973 and FY 1974 is due to the 932 manyear decrease expected for FY 1974, offset by a \$4 per manyear increase in the cost of medical services. The average cost per manyear is expected to increase primarily because of the rising medical costs being experienced in most Peace Corps countries.

In-Country Travel costs cover a volunteer's travel within country of assignment for purposes related to his work. Nearly all jobs performed by volunteers require travel at some time. The actual expenses are reimbursed to the volunteers as travel is performed.

Changes in In-Country Travel

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer manyears	6,632	6,882	5,950	- 932
Average cost per volunteer manyear ^{1/}	X\$ 76	X\$ 80	X\$ 82	+ 2
Total (\$000)	\$ 501	\$ 551	\$ 488	-\$ 63
^{1/} To the nearest dollar				

The anticipated decrease of \$63,000 between FY 1973 and FY 1974 is due to the decrease in the number of manyears expected for FY 1974, offset by a \$2 per manyear increase in the cost of in-country travel. The \$2 increase is expected because of rising airfares in some Peace Corps countries.

Volunteer Supplies and Equipment costs cover the supplies and equipment required by volunteers in their job assignments. Peace Corps plans to fund only those supplies that cannot be procured from the host country government. These materials vary according to the country and job being performed, but typically include textbooks, teaching materials, and hand tools.

Budget Activity 2C: OTHER VOLUNTEER SUPPORT - continued

Changes in Volunteer Supplies and Equipment

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer manyears	6,632	6,882	5,950	- 932
Average cost per volunteer manyear <u>1/</u>	X\$ 54	X\$ 63	X\$ 20	- 43
Total (\$000)	\$ 357	\$ 436	\$ 119	-\$317
<u>1/ To the nearest dollar</u>				

The anticipated decrease of \$317,000 between FY 1973 and FY 1974 is caused by both a \$43 decrease in the average cost per volunteer manyear and a 932 manyear decrease.

The decrease in the average cost per manyear is the result of a policy decision by Peace Corps to encourage host countries to provide a greater proportion of job-related supplies and materials by reducing our share. Proportionally, the decrease in average cost per manyear accounts for \$257,000 (81%) of the decrease and the decrease in manyears accounts for \$60,000 (19%).

Vehicle Purchases and Shipment costs cover the procurement of vehicles for volunteer use. Approval for vehicle purchase occurs only when the host country is unable to provide the necessary transportation and the vehicle is vital to implementing a project. Approximately half of the vehicles are purchased in the United States and the cost of shipment must be borne by the Peace Corps.

Changes in Vehicle Purchases

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of purchases	5	130	27	- 103
Average cost per vehicle <u>1/</u>	X\$3,000	X\$3,200	X\$3,200	--
Total (\$000)	\$ 15	\$ 416	\$ 86	-\$330
<u>1/ To the nearest dollar</u>				

Changes in Vehicle Shipment

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of shipments	10	60	13	- 47
Average cost per shipment <u>1/</u>	X\$800	X\$800	X\$800	--
Total (\$000)	\$ 8	\$ 48	\$ 10	-\$38
<u>1/</u> To the nearest dollar				

Following a very restrictive policy of procuring only emergency vehicles in FY 1972, it was necessary to replace a large number of vehicles in FY 1973. In FY 1974 a normal replacement policy will be resumed.

The anticipated decrease in vehicle purchases between FY 1973 and FY 1974 of \$330,000 and the corresponding decrease in shipment costs of \$38,000 is the result of these decisions.

The Bureau of Employment Compensation adjudicates all cases requiring compensation of Peace Corps volunteers under the Federal Employees Compensation Act. At the end of each fiscal year, ACTION is required to reimburse the Department of Labor for all compensation dispensed. The estimates of \$962,000 for FY 1973 and \$997,000 for FY 1974 are based on data received from the Department of Labor.

Miscellaneous Volunteer Costs fund a variety of small requirements for the support of the volunteers. These costs include volunteer household items, printing, vehicle maintenance and repair, and before FY 1974, rental of housing not funded in the living allowance.

Miscellaneous Volunteer Costs

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer manyears	6,632	6,882	5,950	- 932
Average cost per volunteer manyear <u>1/</u>	X\$ 226	X\$ 179	X\$ 56	- 123
Total (\$000)	\$1,502	\$1,230	\$ 334	-\$896
<u>1/</u> To the nearest dollar				

Budget Activity 2C: OTHER VOLUNTEER SUPPORT - continued

The anticipated decrease of \$896,000 between FY 1973 and FY 1974 is the result both of a 932 volunteer manyear decrease and a \$123 per volunteer manyear decrease. The \$123 per volunteer decrease results from the absorbing of the volunteer household items under the current settling-in allowance and volunteer rental housing under the current living allowance. Proportionally, the 932 manyear decrease accounts for 19% (\$166,000) of the total and the \$123 per volunteer cost decrease accounts for 81% (\$730,000).

Budget Activity 2D
DEPENDENT SUPPORT

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Dependent Support	\$1,157	\$682	\$333	-\$349

To obtain volunteers to fill certain scarce-skill jobs, it is necessary to accept married volunteers with children. The cost of supporting these children is included in this category. For each child, funding is provided for international and in-country travel, food and lodging, clothing, medical care, education (if applicable), and other incidental expenses.

Changes in Dependent Support

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of children	612	361	175	- 186
Average cost per child <u>1/</u>	<u>X\$1,890</u>	<u>X\$1,890</u>	<u>X\$1,900</u>	+ 10
Total (\$000)	\$1,157	\$ 682	\$ 333	-\$349
<u>1/</u> To the nearest dollar				

The anticipated decrease of \$349,000 between FY 1973 and FY 1974 is the result of a reduction of 196 in the number of children, offset by a \$10 per child increase in average cost. The 196 child decrease is planned because of a policy decision to accept only families with two or fewer children. The \$10 per child increase in dependent costs is anticipated because of cost increases in medical care, education, and some travel costs.

Budget Activity 2E
READJUSTMENT ALLOWANCE

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Readjustment Allowance	\$7,595	\$7,663	\$6,856	-\$807

As provided in the Peace Corps Act, each regular volunteer receives \$75 for each month of service while each leader volunteer receives \$125 for each month. These amounts are deposited in a Treasury Account each month and accumulated for payment to the volunteer upon completion of service. In addition, the Peace Corps contributes payments as prescribed under the Federal Insurance Contribution Act (FICA). This allowance provides the returning volunteer with living costs until he secures a job or returns to school. This amount has not changed since the inception of the Peace Corps in 1961.

Changes in Readjustment Allowance

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer and trainee many years	7,854	7,924	7,090	- 834
Average cost per volunteer and trainee many year ^{1/}	X\$ 967	X\$ 967	X\$ 967	--
Total (\$000)	\$7,595	\$7,663	\$6,856	-\$807
<u>^{1/} To the nearest dollar</u>				

The anticipated decrease of \$807,000 is due to the decrease of 932 volunteer man-years and an increase of 98 trainee man-years expected between FY 1973 and FY 1974.

Budget Activity 3
PROGRAM SUPPORT

	(\$000)			
	FY 1972	FY 1973	FY 1974	Increase or
	Actual	Estimate	Estimate	Decrease
A. International Operations Staff Costs	\$16,307	\$15,858	\$14,909	-\$ 949
B. Shared Administrative Support	3,600	4,017	4,200	+ 183
C. Multilateral Grants	100	350	350	--
D. Peace Corps Share of Agency-wide Support ^{1/}	12,973	13,058	12,656	- 402
Total	\$32,980	\$33,283	\$32,115	-\$1,168

^{1/} Justification for these amounts is included in the section entitled Agency-wide Support beginning on page 4-1.

General Statement

Peace Corps (International Operations) staff is needed to develop and maintain effective programs abroad. Overseas staff begin detailed planning for prospective volunteer jobs approximately one year before the volunteers complete training and begin work. Thorough discussions are held with appropriate host country officials to assess the need for the requested volunteers and the viability of the jobs. When agreement is reached between the host government and resident Peace Corps staff, necessary requests are prepared detailing the job requirements and establishing the required volunteers' qualifications.

In addition to a variety of other planning responsibilities, field staff must provide administrative and technical support to volunteers already on the job and supervise the increasing number of in-country training programs. All staff, including program, administrative, medical, and clerical personnel, must have diplomatic as well as technical abilities. Whether staff members are host country nationals or Americans, they are in daily contact with host country officials, volunteers, American Embassy staff, and host country citizens. Additional post support is provided through the State Department's Shared Administrative Support System (SAS).

Budget Activity 3: PROGRAM SUPPORT - continued

Washington staff reviews and approves all program and administrative requests from the field. They also provide technical, programmatic, and administrative support to field staff and volunteers, work with host country embassies in Washington, develop policy, and provide general direction to overseas programming. Washington staff help plan training programs, develop training models, and conduct stagings prior to commencement of training. The additional supporting functions performed in Washington such as recruiting, accounting, public affairs, and general counsel are provided by ACTION support offices.

Budget Activity 3A
INTERNATIONAL OPERATIONS STAFF COSTS

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
<u>Washington Staff</u>				
Salaries	\$ 2,606	\$ 2,716	\$ 2,622	-\$ 94
Benefits	212	221	213	- 8
Travel	412	396	338	- 58
Contracts	568	561	241	- 320
Other operating costs	80	42	40	- 2
Washington Staff, Subtotal	\$ 3,878	\$ 3,936	\$ 3,454	-\$482
<u>Overseas Staff</u>				
Salaries	\$ 7,430	\$ 6,829	\$ 6,693	-\$136
Benefits	372	341	334	- 7
Travel	1,375	1,421	1,459	+ 38
Education allowance	186	158	135	- 23
Staff housing	1,058	950	860	- 90
Office rents, utilities	634	830	860	+ 30
Maintenance, general services	474	516	426	- 90
Other operating costs	900	877	688	- 189
Overseas Staff, Subtotal	\$12,429	\$11,922	\$11,455	-\$467
Total Staff, Washington and Overseas	\$16,307	\$15,858	\$14,909	-\$949
<u>Planned Positions</u>				
U.S. Staff, Washington	164	164	162	- 2
U.S. Staff, Overseas	270	270	254	- 16
Foreign Service Locals	315	315	325	+ 10
Total Permanent Staff	749	749	741	- 8

Budget Activity 3A: INTERNATIONAL OPERATIONS STAFF COSTS - continued

Changes in Washington Staff - Salaries and Benefits

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Salaries and Benefits(\$000)	\$2,818	\$2,937	\$2,835	-\$102
Planned Positions	164	164	162	- 2

Salaries and benefits for Washington Staff are expected to decrease between FY 1973 and FY 1974 by \$102,000. \$94,000 of the \$102,000 decrease is a total salary decrease based on a reduction of two in the number of planned positions and on an average salary decrease of \$376 per employee. The \$376 per employee average salary decrease is the consequence of the effort by Peace Corps to reduce the average grade of its staff. An \$8,000 decrease in benefits is directly related to the total salary decrease, as benefits are estimated to be 8.12% of salaries.

Changes in Washington Staff - Travel

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
<u>International Travel</u>				
Number of trips	250	217	170	- 47
Average cost per trip ^{1/}	X\$1,648	X\$1,636	X\$1,635	- 1
Subtotal (\$000)	\$ 412	\$ 355	\$ 278	-\$ 77
<u>Domestic Travel</u>				
Number of trips	--	200	300	+ 100
Average cost per trip ^{1/}	--	X\$ 205	X\$ 200	-\$
Subtotal (\$000)	--	\$ 41	\$ 60	+\$ 19
Total, International and Domestic Travel (\$000)	\$ 412	\$ 396	\$ 338	-\$ 58
^{1/} To the nearest dollar				

International travel enables Washington staff to visit posts to gain a firsthand understanding of overseas problems, and to provide technical support. Domestic travel is for Washington staff attendance

Budget Activity 3A: INTERNATIONAL OPERATIONS STAFF COSTS - continued

at PRIST's. The decline in funds required for travel in FY 1974 reflects an increase of 100 in the number of domestic trips and a decrease of 47 in the number of international trips. Domestic trips are increasing in FY 1974 because of the planned 910 increase in the number of PRISTees. The average cost per trip, in the case of Washington staff, includes both airfare and per diem allowances.

Changes in Washington Staff - Contracts

(\$000)				
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Contracts	\$568	\$561	\$241	-\$320

Contracts enable the Peace Corps to acquire expertise outside the regular staff for special temporary projects. Contractual costs are expected to decrease by \$320,000 between FY 1973 and FY 1974 because of reduced special requirements.

Changes in Washington Staff - Other Operating Costs

(\$000)				
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Washington staff - other operating costs	\$80	\$42	\$40	-\$2

Other operating expenses contains two components: transportation of things and staff supplies and equipment. Transportation costs are expected to remain at the \$12,000 level in both FY 1973 and FY 1974. Supplies and equipment costs are expected to decrease from \$30,000 in FY 1973 to \$28,000 in FY 1974.

Changes in Overseas Staff - Salaries and BenefitsSalaries and Benefits

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
U.S. Citizens	\$5,609	\$5,200	\$5,003	-\$197
Foreign Nationals	1,342	1,314	1,421	+ 107
Personal Service Contracts	851	656	603	- 53
Total	\$7,802	\$7,170	\$7,027	-\$143

Planned Positions

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
U.S. Citizens	270	270	254	-16
Foreign Nationals	315	315	325	+10
Total, Permanent Positions Overseas	585	585	579	- 6
Personal Service Contracts	240	208	208	--

Salaries and benefits for staff overseas include compensation to U.S. Citizens, foreign nationals, and temporary employees under Personal Service Contracts (PSC).

Total salaries and benefits for overseas staff are expected to decrease by \$143,000 between FY 1973 and FY 1974. This total salaries and benefits decrease includes a \$197,000 decrease for U.S. Citizens overseas, a \$107,000 increase for Foreign Nationals, and a \$53,000 decrease for Personal Service Contracts. The \$197,000 decrease for U.S. Citizens overseas reflects a planned reduction of 16 positions. This includes a reallocation of 10 positions presently filled with U.S. Citizens to be filled with foreign nationals. The transfer of positions from U.S. Citizens to foreign nationals furthers the Peace Corps policy of using host country nationals whenever possible. The increase of \$107,000 in foreign national salaries and benefits reflects the 10 additional foreign national positions and an average salary increase of \$246 per foreign national employee. The foreign national salary increase is based on wage surveys conducted by American embassies at post. Total salaries under Personal Service Contracts are expected to decrease by \$53,000 reflecting an anticipated decrease in the average length of contracts.

Budget Activity 3A: INTERNATIONAL OPERATIONS STAFF COSTS - continued

Changes in Overseas Staff - Travel

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
<u>Staff Assignment-Return</u>				
Number of trips	134	142	135	- 7
Average cost per trip	X\$5,000	X\$5,000	X\$5,000	--
Subtotal (\$000)	\$ 670	\$ 710	\$ 675	-\$34
<u>International Travel</u>				
(Operational, PRIST/Staging)				
Number of trips	337	340	383	+ 43
Average cost per trip ^{1/}	X\$1,646	X\$1,638	X\$1,638	--
Subtotal (\$000)	\$ 555	\$ 557	\$ 628	+\$71
<u>In-Country Travel</u>				
Overseas professional staff	375	375	375	--
Average annual cost per professional staff ^{1/}	X\$ 400	X\$ 411	X\$ 416	+ 5
Subtotal (\$000)	\$ 150	\$ 154	\$ 156	+\$ 2
Total, International and In-Country Travel (\$000)	\$1,375	\$1,421	\$1,459	+\$38
^{1/} To the nearest dollar				

Overseas international travel consists of staff assignment/return travel, operational travel, and PRIST's/staging travel. Assignment/return travel results from staff reaching their five-year limitation as well as normal turnover. Most operational travel is for regional or sub-regional conferences, consultation with Washington, and exploration of programming/training alternatives in new countries. PRIST/staging travel is travel of overseas staff to participate in PRIST's or stagings. Overseas staff travel also includes the in-country travel of post staff to visit volunteer work sites.

Average cost per trip for staff assignment/return travel includes airfare for an average family of four, and shipment and storage of household goods. Average cost per trip for international operational and PRIST/staging travel includes round-trip airfare and per diem allowances.

Overseas travel is increasing in FY 1974 because of the increase of 910 PRISTees and the increased participation of overseas staff in PRIST's.

Budget Activity 3A: INTERNATIONAL OPERATIONS STAFF COSTS - continued

Changes in Overseas Staff - Education Allowance

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of dependents	510	510	435	- 75
Average cost per dependent <u>1/</u>	<u>X\$365</u>	<u>X\$310</u>	<u>X\$310</u>	--
Total (\$000)	\$186	\$158	\$135	-\$23
<u>1/</u> To the nearest dollar				

The education allowance is given to American staff overseas with school-age children. The 254 Americans overseas in FY 1974 will have approximately 435 school-age children. The estimated decrease of \$123,000 in education allowance between FY 1973 and FY 1974 reflects an anticipated decrease of 75 in the number of school-age dependents.

Changes in Overseas Staff - Housing

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Number of U.S. staff	270	270	254	- 16
Average cost per staff <u>1/</u>	<u>X\$3,918</u>	<u>X\$3,519</u>	<u>X\$3,386</u>	-\$133
Total (\$000)	\$1,058	\$ 950	\$ 860	-\$ 90
<u>1/</u> To the nearest dollar				

Overseas staff housing includes both quarter's allowance (a direct payment to the staff member) and residential rents and utilities (Peace Corps pays the landlord directly). The anticipated \$90,000 decrease reflects a reduction of 16 in the number of staff and a \$133 per U.S. employee decrease in housing costs. The average cost per employee reduction is a consequence of a continuing shift of payments to a standard quarters allowance from the variable residential rents and utilities.

Budget Activity 3A: INTERNATIONAL OPERATIONS STAFF COSTS - continued

Changes in Office Rents, Communications, and Utilities

	(\$000)			
	FY 1972	FY 1973	FY 1974	Increase or
	Actual	Estimate	Estimate	Decrease
Office rents, communications, and utilities	\$634	\$830	\$860	+\$30

Office rents, communications, and utilities cover the expense of maintaining overseas staff offices. They are expected to increase by \$30,000 in FY 1974 because of increases in number of countries.

Changes in Overseas Maintenance - General Services Costs

	(\$000)			
	FY 1972	FY 1973	FY 1974	Increase or
	Actual	Estimate	Estimate	Decrease
Maintenance - General Service Costs	\$474	\$516	\$426	-\$90

Maintenance and general services costs include janitorial, watchman, maintenance, repair, and upkeep services for overseas facilities and equipment. Costs are expected to decrease by \$90,000 based on current estimates of fixed contractual costs.

Changes in Overseas Staff - Other Operating Costs

	(\$000)			
	FY 1972	FY 1973	FY 1974	Increase or
	Actual	Estimate	Estimate	Decrease
Overseas staff - other operating costs	\$900	\$877	\$688	-\$189

Other operating costs include supplies, equipment, and transportation of things. A decrease of \$189,000 between FY 1973 and FY 1974 is anticipated based on efforts to encourage host country governments to

Budget Activity 3A: INTERNATIONAL OPERATIONS STAFF COSTS - continued

meet supply and equipment needs and based on a reduction of 16 U.S. citizen positions and consequent transportation savings. Supplies and equipment are expected to cost \$500,000 in FY 1974 and transportation of things \$188,000.

Budget Activity 3B
SHARED ADMINISTRATIVE SUPPORT

	(\$000)			
	FY 1972	FY 1973	FY 1974	Increase or
	Actual	Estimate	Estimate	Decrease
Shared Administrative Support (SAS)	\$3,600	\$4,017	\$4,200	+\$183

The Peace Corps and other federal agencies overseas have contracted with the U.S. Department of State to purchase various administrative services in support of their overseas staff. The State Department through Shared Administrative Support provides the Peace Corps with services such as budgeting and accounting, communications, security, purchasing, and a variety of other logistical services. The exact services provided vary among countries, and are negotiated by the overseas Peace Corps staff and the U.S. Embassy in each country.

SAS is only one means of providing this support in overseas locations. As with every other part of program support, SAS is being reviewed to ascertain whether it still provides the best and least costly method of procuring this support.

An increase of \$183,000 in total SAS costs is anticipated in FY 1974 based on a determination by the Peace Corps to work with the State Department to hold cost increases to a minimum.

Budget Activity 3C
MULTILATERAL GRANTS

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Multilateral Grants	\$100	\$350	\$350	--

Congress approved Title III of the Peace Corps Act in 1963 to encourage the development, and participation in, international voluntary service programs. In FY 1973, the Peace Corps was involved in four international programs. The amount dispersed to help support these programs was \$350,000. In FY 1974, the Peace Corps is requesting the same level of funding.

The U. N. Volunteer Service Program commenced operations in January 1971 following authorization by the U. N. General Assembly. At present, volunteers serve in 8 countries. Nineteen additional countries have expressed interest in the program. UNV anticipates a total of 260 volunteers in the field by the end of FY 1973. Contributions to the fund are made by the member nations and by private organizations.

The International Secretariat for Volunteer Services provides support and assistance to national and international volunteer service programs. It serves as an information and experience clearinghouse and encourages the formation of new volunteer service programs. It recently has begun to mount multi-national volunteer teams. It estimates a minimum of 100 volunteers will be serving in FY 1974.

International Volunteer Services (IVS) is a private non-profit organization which provides volunteers to developing countries. Recruitment is worldwide. IVS currently has 15 volunteers in the field and plans additional projects in Africa and the Middle East during FY 1974.

The Joint Volunteer Committee of Ghana is composed of Canada, U.S., Germany, and Britain. It was formed in FY 1972 to develop multi-national projects in Ghana.

ACTION Agency-Wide Support Costs

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Funded by:				
1. Peace Corps, ACTION International Programs	\$12,973	\$13,058	\$12,656	-\$ 402
2. Operating Expenses, Domestic Programs	6,713	7,413	6,439	- 974
Total	\$19,686	\$20,471	\$19,095	-\$1,376

Introduction

ACTION is organized so that certain administrative functions which support the Peace Corps and domestic volunteer programs are conducted on a consolidated basis and financed jointly by the program appropriations. These administrative functions are referred to as ACTION agency-wide support. Examples of agency-wide support are volunteer recruitment and related costs, new program development and planning, and such staff efforts as legal counsel, personnel management, minority affairs, budget and accounting.

Because these are consolidated functions, there is no precise means of specifically dividing these costs between the Peace Corps and domestic programs. Therefore, the total of these costs is divided statistically, as was concurred in by the Congress in FY 1973. For FY 1974, the Peace Corps budget request includes \$12.7 million for this purpose.

The formula for determining the contribution of each appropriation is based on workload as expressed by the ratio of full-time staff employed by the Peace Corps versus the full-time staff employed by the domestic programs. This is the same formula utilized in FY 1972 and FY 1973 and has the advantage of being readily understandable and, at the same time, administratively uncomplicated.

The method utilized to allocate costs by appropriation for FY 1974 is explained in the following table.

ACTION Agency-Wide Support Costs - continued

Allocation of Agency-Wide Support Costs
by Appropriation (FY 1974)
(\$000)

FY 1974 permanent positions

Peace Corps appropriation	741
Domestic Programs appropriation	<u>377</u>
Total Peace Corps and Domestic positions	1,118
Peace Corps positions as percentage of 1,118	66.3%
Domestic positions as percentage of 1,118	33.7%
FY 1974 ACTION Agency-wide Support costs	\$19,095
Peace Corps appropriation share (\$19,095 X 66.3%)	12,656
Domestic appropriation share (\$19,095 X 33.7%)	6,439

Agency-wide support funds are programmed in the following categories in FY 1974:

	(\$000)			
	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Recruitment, Selection and Placement (volunteers)	\$ 7,080	\$ 7,214	\$ 7,197	-\$ 17
Policy and Program Development	986	767	467	- 300
Management and Admini- stration	<u>11,620</u>	<u>12,490</u>	<u>11,431</u>	<u>- 1,059</u>
Total	\$19,686	\$20,471	\$19,095	-\$1,376

A description of these activities and justification of the FY 1974 funding request are provided in the following pages.

ACTION Agency-Wide Support Costs - continued

RECRUITMENT, SELECTION, AND PLACEMENT

(\$000)								
	<u>FY 1972</u>		<u>FY 1973</u>		<u>FY 1974</u>		<u>Increase or</u>	
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>		<u>Decrease</u>	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Personnel Compensation and benefits	226	\$4,655	223	\$4,624	223	\$4,552	---	-\$72
Other expenses	---	2,425	---	2,590	---	2,645	---	+ 55
Total	226	\$7,080	223	\$7,214	223	\$7,197	---	-\$17

General Statement

Recruitment, selection, and placement of volunteers is conducted by the Office of Citizens Placement to insure that a sufficient number of well-qualified volunteers is available for volunteer programs on a timely basis. This function includes the identification of potential volunteers, processing of applications, matching of volunteers skills with program requirement, and related tasks.

To accomplish this task, the Office of Citizens Placement is organized into a Washington headquarters office and regional recruitment offices in Boston, Atlanta, Chicago, and San Francisco. Supporting the regional offices are area offices to insure that recruitment efforts are centered nearest the sources of potential volunteers. Functions emphasized in headquarters are the overall direction of the recruiting effort, processing and recordkeeping of applications, and the placement of potential volunteers in specific Peace Corps, VISTA, and other programs for which they are qualified.

Prior to the creation of ACTION, these tasks were performed independently for each volunteer service activity by the then responsible federal agency. Thus, the merger of volunteer programs has allowed interchange of applicants among the various volunteer programs and has resulted in a single, more streamlined and economical structure for identifying, processing and placing volunteers.

ACTION Agency-Wide Support Costs - continued

Budget Justification

	FY 1972 Actual	FY 1973 Estimate	FY 1974 Estimate	Increase or Decrease
Volunteer applicants	51,000	73,000	83,000	+10,000
Trainees	7,992	11,448	12,172	+ 724

An effective recruitment effort is a mandatory element in the overall success of volunteer programs. This is especially true when highly skilled volunteers are being sought, as for the Peace Corps, VISTA, and Cooperative Programs. For FY 1974, the Office of Citizens Placement will continue to recruit well-qualified volunteers to meet the program needs detailed in the Peace Corps and Domestic appropriations requests.

Budget requirements for recruitment, selection, and placement are based primarily on anticipated levels of volunteer applicants and trainees as reflected above. In FY 1974, the Office of Citizens Placement will be assuming a larger role in (1) the recruitment of elderly volunteers for ACTION programs, (2) assisting membership drives for SCORE/ACE chapters, and (3) increased participation in locating volunteers for cooperative and developmental programs. In addition, the Office of Citizens Placement's responsibilities for the University Year for ACTION (UYA) program will increase as the number of UYA trainees increases in FY 1974.

Other workload factors supporting the FY 1974 request include increased minority recruitment activity to enable selection of volunteers from the broadest possible base, bringing more varied and potentially more pertinent backgrounds to Peace Corps, VISTA, and other programs. Also, six additional area recruiting offices will be established, thus providing for continuing recruitment efforts in the country's top metropolitan markets and intensifying recruitment of potential volunteers with agricultural skills currently in heavy demand by the Peace Corps. These recruitment efforts are mandatory if FY 1974 program goals are to be met.

Funds requested for recruitment, selection and placement activities in FY 1974 are \$7,197,000, a decrease of \$17 thousand compared to the FY 1973 level of \$7,214,000. In terms of the economies realized from merging the various volunteer programs, it is estimated that these same recruitment efforts would have required funds in the amount of \$13,068,200 had not ACTION been created to combine these programs. Thus, in FY 1974

ACTION Agency-Wide Support Costs - continued

alone, consolidated recruitment offers a savings of approximately \$5.8 million compared with the resources required if each program conducted separate recruitment efforts.

Included in the FY 1974 estimate is a decrease of \$72 thousand for personnel compensation and benefits due to efforts to reduce average grade and average salary. The increase of \$55 thousand for other expenses provides for increased minority advertising as previously mentioned, for increased application printing and related recruitment materials, and for an increased amount of classified advertising which has proven to be successful as a means of recruiting hard-to-find skills at relatively modest costs.

ACTION Agency-Wide Support Costs - continued

POLICY AND PROGRAM DEVELOPMENT

(\$000)

	<u>FY 1972</u>		<u>FY 1973</u>		<u>FY 1974</u>		<u>Increase or</u>	
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>		<u>Decrease</u>	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Personnel Compensation and benefits	23	\$585	7	\$140	7	\$140	--	\$ --
Other expenses	--	401	--	627	--	327	--	- 300
Total	23a/	\$986	7	\$767	7	\$467	--	-\$300

a/ Includes 14 positions supporting domestic programs transferred to Operating Expenses, Domestic Programs in FY 1973 and FY 1974.

General Statement

New program initiatives are the responsibility of the Office of Policy and Program Development. This office is also responsible for agency planning and broad evaluation of new voluntary concepts. Once a new program has passed the development phase and has demonstrated its feasibility through sufficient operating experience, it is transferred to the Peace Corps or domestic programs area for subsequent management.

New concepts in voluntary action are necessary to solve anti-poverty and related problems and to utilize available resources in the person of willing volunteers of all ages. This office develops the means of applying these resources to help solve known problems in a cost-effective manner. Using in-house staff, consultation and research, plans for new programs are developed, and broad evaluations of voluntary concepts are conducted. Based on past success with the University Year for ACTION program developed by this office, resources programmed for these purposes represent a modest investment in terms of the results achieved. This office has developed the cooperative programs concept which has high potential to spur the growth of voluntary action.

Budget Justification

\$467,000 is requested for FY 1974. Of this amount, an estimated \$300,000 will be devoted to contracts for program research, development, planning, and evaluation. The remaining funds will be utilized for staff salaries and benefits and for travel. The funds requested represent the minimum amount necessary to conduct a meaningful program.

ACTION Agency-Wide Support Costs - continued

MANAGEMENT AND ADMINISTRATION

(\$000)								
	FY 1972		FY 1973		FY 1974		increase or	
	<u>Actual</u>		<u>Estimate</u>		<u>Estimate</u>		<u>Decrease</u>	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Personnel compensa-								
tion and benefits	329	\$ 6,402	331	\$ 6,611	339	\$ 6,158	+8	-\$453
Other expenses	---	5,218	---	5,879	---	5,273	--	- 606
Total	329	\$11,620	331	\$12,490	339	\$11,431	+8	-\$1,059

General Statement

Management and Administration includes traditional staff and related administrative services which are mandatory to efficient execution of volunteer programs. Staff services provided include legal counsel, public, legislative and minority affairs, internal audit, staff recruitment, assistance for volunteers ending service, and the immediate office of the agency director. Other services provided for are management analysis, financial, procurement and personnel management, staff training, and accounting, computer and administrative services.

These funds are utilized to provide essential and necessary management and administrative services in two categories: staff offices and administration and finance.

A listing of staff offices and a brief description of their functions follow:

- (1) Legal Counsel - provides legal services especially with respect to legislative and volunteer matters.
- (2) Public Affairs - directs advertising programs for volunteer recruitment and provides liaison with all communications channels.
- (3) Congressional Affairs - provides legislative liaison services with the Congress.
- (4) Minority Affairs - is responsible for directing the agency's equal employment opportunity programs and also provides assistance in minority recruiting of staff and volunteers.

ACTION Agency-Wide Support Costs - continued

(5) Internal Audit - provides intra-agency audit services, especially emphasizing improved administrative procedures. The office reports to the agency director for maximum effectiveness.

(6) Staff Recruitment - provides recruitment services necessary for filling senior level positions in the agency.

(7) Voluntary Action Liaison - provides intercommunication with other public and private volunteer organizations and career counseling and information on job opportunities to volunteers ending their tours of service.

(8) Office of the Director - includes the agency director and deputy and immediate staff.

Administrative and Financial functions budgeted are:

(1) Management Analysis - provides comparative and other types of analyses on substantive matters of importance within the agency.

(2) Personnel - does the majority of the agency's staff recruiting administers the merit promotion program, and accomplishes other personnel functions.

(3) Employee Development and Training - provides orientation and other generalized and specialized training for the Washington and regional staffs.

(4) Procurement - accomplishes the contracting and granting of funds to private sources.

(5) Budget - provides the necessary services to formulate, present, and execute ACTION's financial program.

(6) Accounting - is responsible for domestic payroll functions and all fiscal record keeping, including staff and volunteers.

(7) Computer Services - are provided to assure accurate and timely volunteer, financial, and personnel records.

(8) Administrative Services - takes in a broad range of activities including printing, mailing, duplicating, property management, telephone services, and transportation.

All administrative and financial functions listed are accomplished under the direction of the Associate Director for Administration and Finance.

ACTION Agency-Wide Support Costs - continued

Budget Justification

\$11.4 million is requested for Management and Administration in FY 1974. This amount is \$1.1 million below the FY 1973 estimate and reflects a continuing effort to minimize resources programmed for other than direct volunteer costs.

The funding request provides for a decrease of \$453 thousand for personnel compensation and benefits. This decrease is based on a lower level of intermittent and temporary employment, reduced overtime requirements and reduced costs due to a decreasing employee average grade. Lower costs in these areas are partially offset by an increase of eight positions resulting from assumption at ACTION headquarters of the VISTA volunteer payroll, formerly accomplished by the Army Finance Center, Indianapolis, Indiana.

"Other expenses" are requested at a level \$606 thousand less than FY 1973. The major items included in this category are postal fees and mailing services, computer operations, telephone services, printing, and staff travel. The reduction in FY 1974 results primarily from the acquisition at ACTION headquarters of the VISTA volunteer payroll system. Amounts for this purpose were previously provided to the Army utilizing a contractual arrangement and were budgeted under "other expenses" in FY 1973. The remainder of the reduction results from decreased requirements for public affairs, background investigations, and training for ACTION staff.

APPENDIX A: Peace Corps Statement of Authorizations and Appropriations FY 1962 - FY 1974
(\$000)

Fiscal Year	Original Authority & Budget Request	Amended Budget	Authorized	Appropriated (Including Reappropri- ation)	Appropri- ation Transfers To GSA	Alloca- tion from AID	Obli- gated as of June 30	Unobli- gated as of June 30	Reappro- priated
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	---	100,301	1,650	---
1970	109,800	101,100	98,450	98,450	---	---	90,776	7,674	---
1971	98,800	94,500	94,500	90,000	---	---	84,978	5,022	---
1972	71,200	82,200	77,200	72,500	---	2,600	75,037	63	---
1973	88,027	---	88,027	81,000 <u>1/</u>	158	---	80,842	---	---
1974	77,001	---							

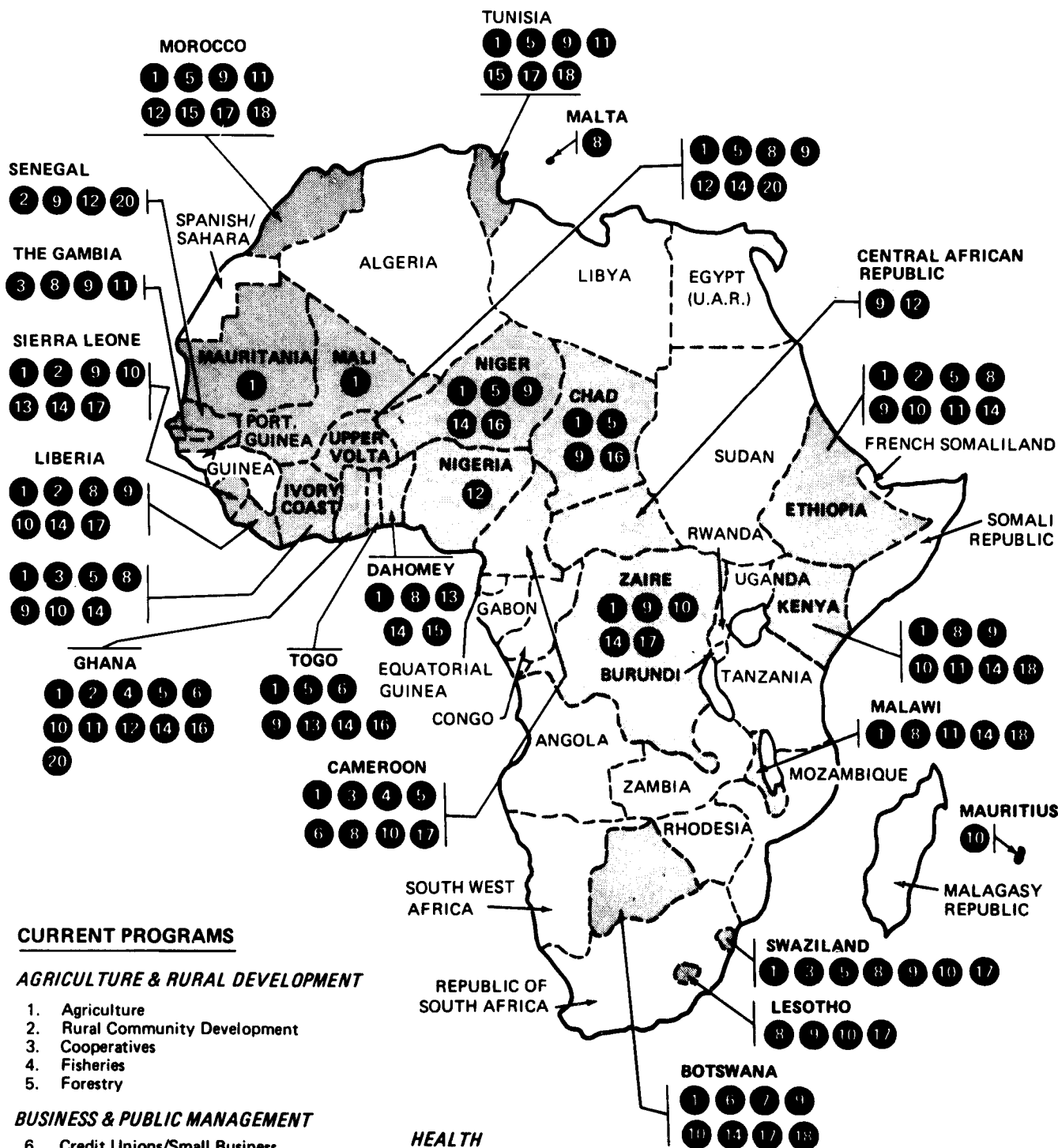
1/ The appropriation had not been enacted at the time this table was prepared. A continuing resolution is in effect through June 30, 1973.

APPENDIX B - Schedule of Host Country Contributions By Region FY 1964 - FY 1974
(\$000)

	Actual									Estimated	
	FY 1964	FY 1965	FY 1966	FY 1967	FY 1968	FY 1969	FY 1970	FY 1971	FY 1972	FY 1973	FY 1974
Africa	\$1,632	\$2,718	\$2,906	\$2,380	\$1,885	\$1,624	\$1,270	\$1,167	\$1,179	\$2,176	\$2,285
Latin America	232	172	191	180	219	241	343	283	232	268	281
North Africa, Near East Asia, & Pacific	<u>726</u>	<u>566</u>	<u>884</u>	<u>1,014</u>	<u>861</u>	<u>1,626</u>	<u>892</u>	<u>755</u>	<u>853</u>	<u>784</u>	<u>823</u>
Total	<u>\$2,790</u>	<u>\$3,456</u>	<u>\$3,981</u>	<u>\$3,574</u>	<u>\$2,965</u>	<u>\$3,491</u>	<u>\$2,505</u>	<u>\$2,205</u>	<u>\$2,264</u>	<u>\$3,228</u>	<u>\$3,389</u>

Appendix C: Maps of Distribution of Peace Corps Programs by Country

Africa



CURRENT PROGRAMS

AGRICULTURE & RURAL DEVELOPMENT

1. Agriculture
2. Rural Community Development
3. Cooperatives
4. Fisheries
5. Forestry

BUSINESS & PUBLIC MANAGEMENT

6. Credit Unions/Small Business
7. Law/Public Administration
8. Professional Services

EDUCATION

9. Elementary/Secondary Education
10. Higher Education/Teacher Training
11. Vocational Education
12. Physical Education
13. Arts/Handicraft Education

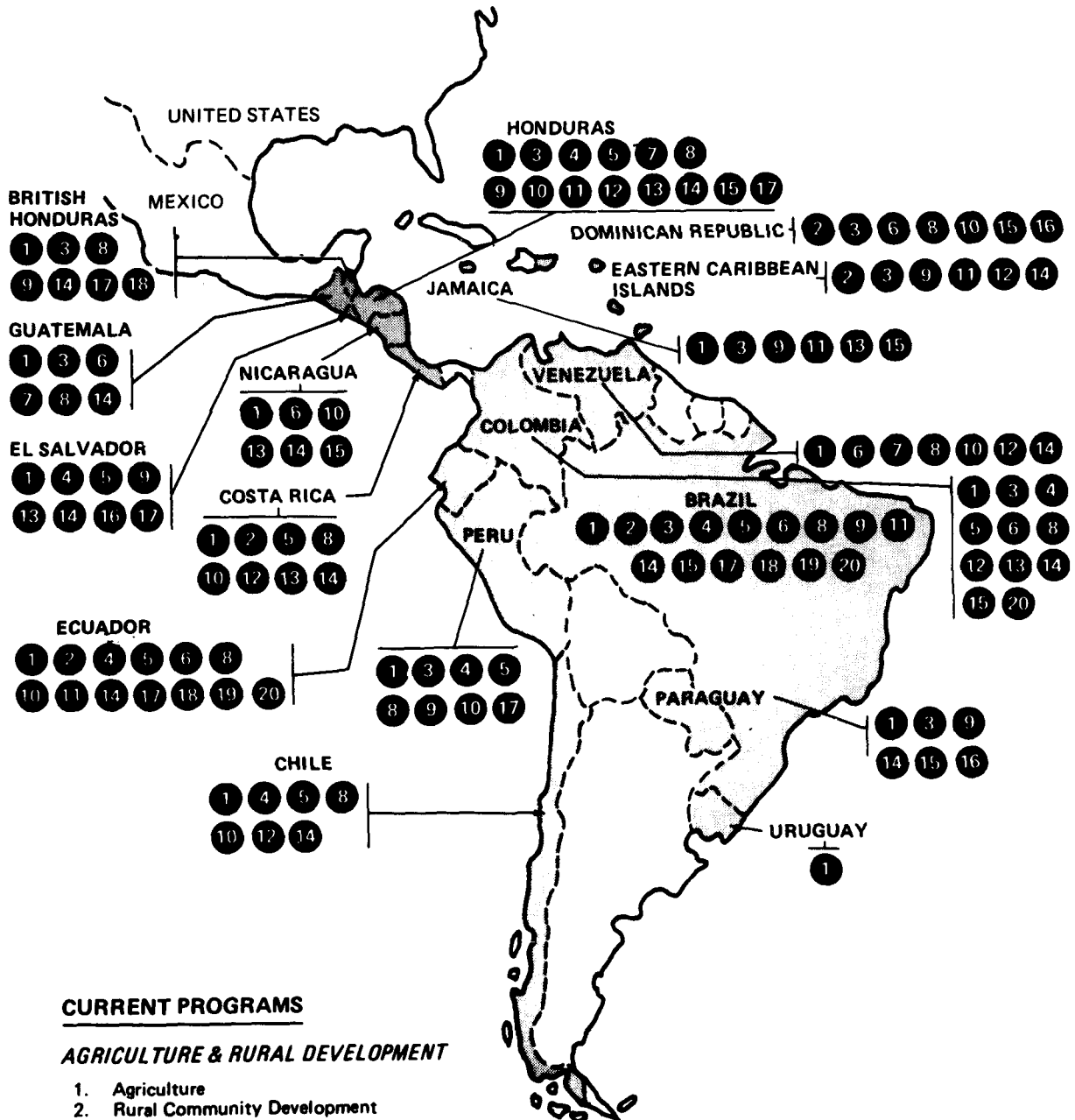
HEALTH

14. Health/Paramedical
15. Home Economics/Nutrition
16. Child Care/Family Planning

PUBLIC WORKS & URBAN DEVELOPMENT

17. Public Works/Housing
18. Urban Development
19. Electrification
20. Social Work

Latin America



CURRENT PROGRAMS

AGRICULTURE & RURAL DEVELOPMENT

1. Agriculture
2. Rural Community Development
3. Cooperatives
4. Fisheries
5. Forestry

BUSINESS & PUBLIC MANAGEMENT

6. Credit Unions/Small Business
7. Law/Public Administration
8. Professional Services

EDUCATION

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10. Higher Education/Teacher Training
11. Vocational Education
12. Physical Education
13. Arts/Handicraft Education

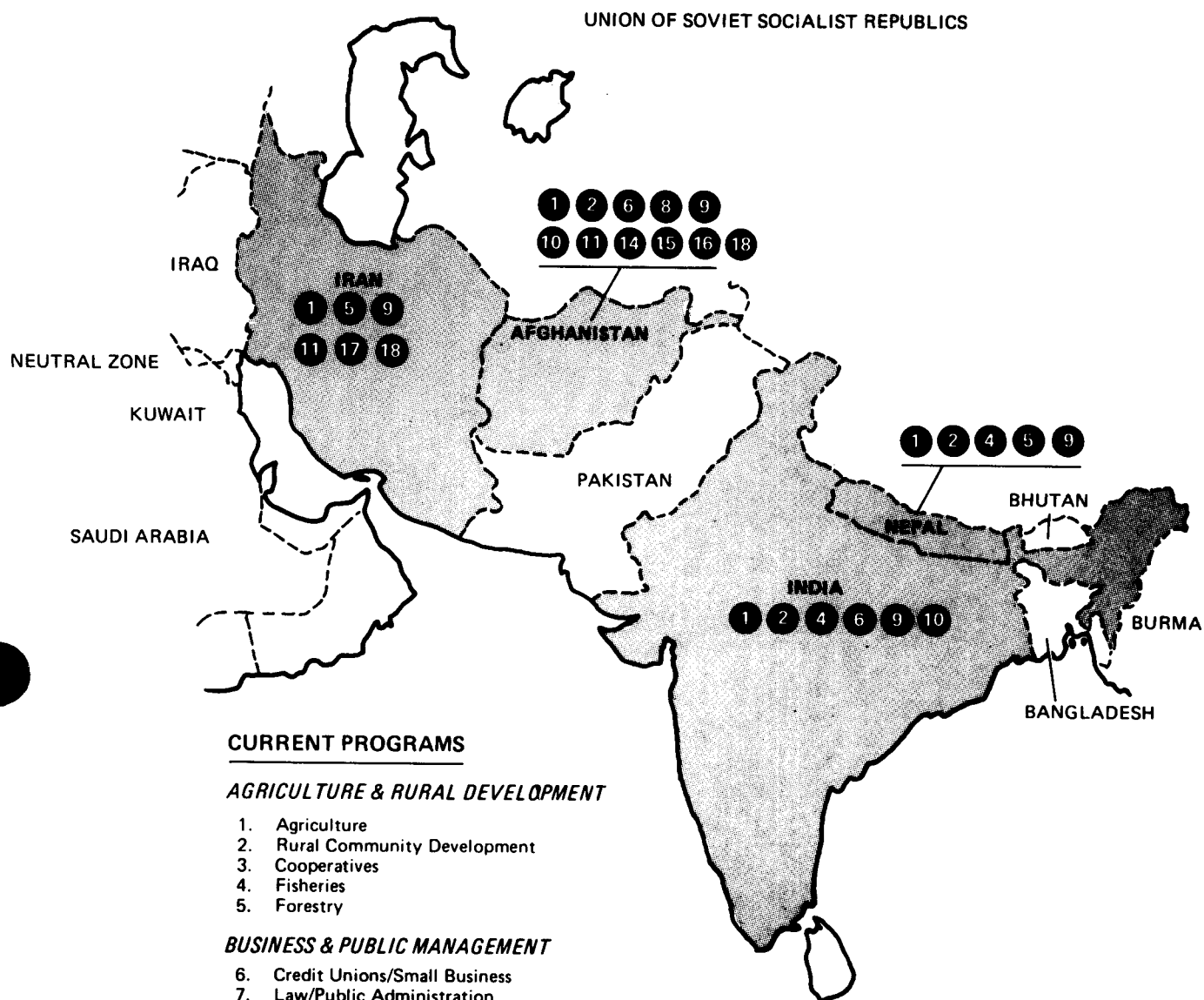
HEALTH

14. Health/Paramedical
15. Home Economics/Nutrition
16. Child Care/Family Planning

PUBLIC WORKS & URBAN DEVELOPMENT

17. Public Works/Housing
18. Urban Development
19. Electrification
20. Social Work

Southeast Asia



CURRENT PROGRAMS

AGRICULTURE & RURAL DEVELOPMENT

1. Agriculture
2. Rural Community Development
3. Cooperatives
4. Fisheries
5. Forestry

BUSINESS & PUBLIC MANAGEMENT

6. Credit Unions/Small Business
7. Law/Public Administration
8. Professional Services

EDUCATION

9. Elementary/Secondary Education
10. Higher Education/Teacher Training
11. Vocational Education
12. Physical Education
13. Arts/Handicraft Education

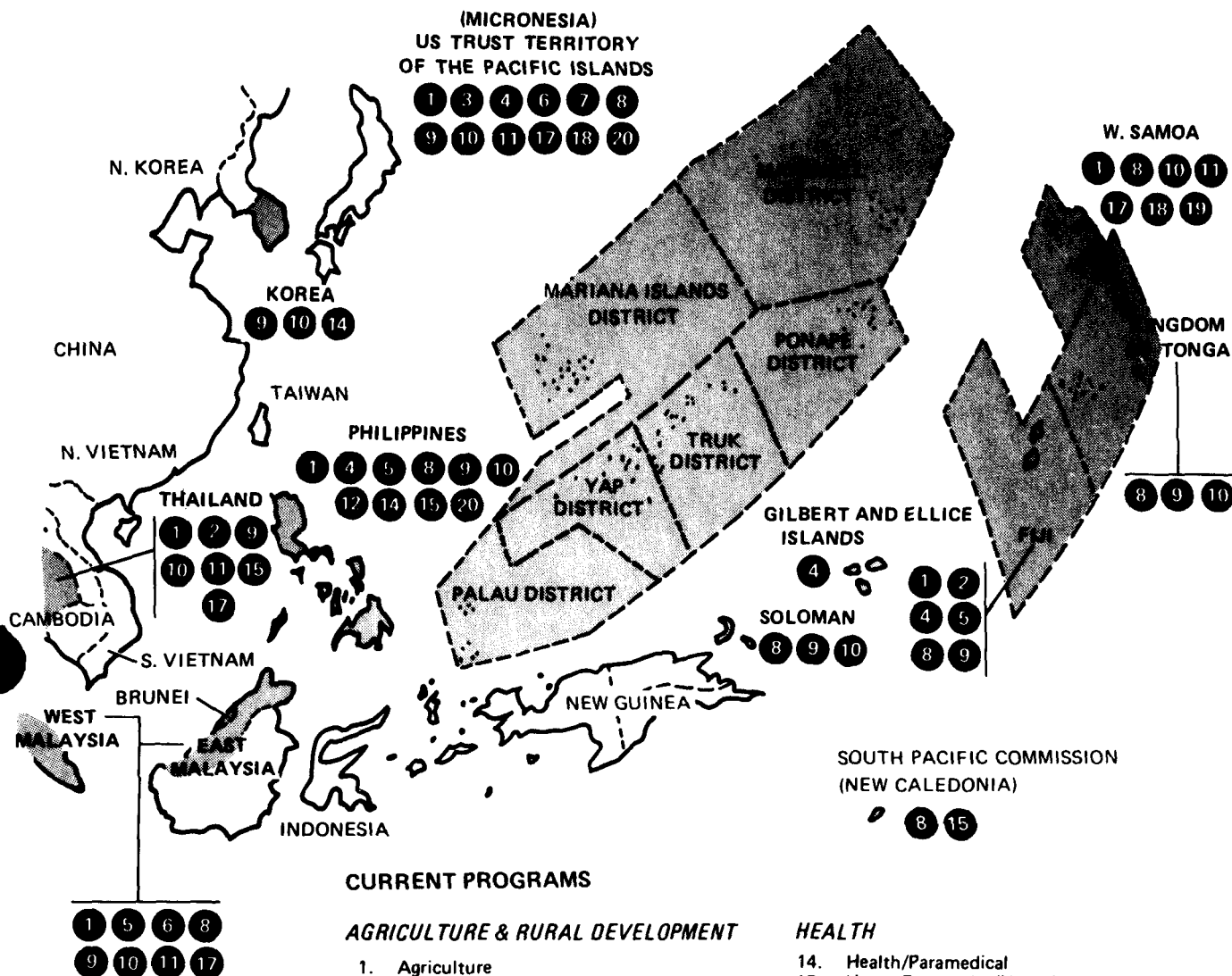
HEALTH

14. Health/Paramedical
15. Home Economics/Nutrition
16. Child Care/Family Planning

PUBLIC WORKS & URBAN DEVELOPMENT

17. Public Works/Housing
18. Urban Development
19. Electrification
20. Social Work

South Pacific



CURRENT PROGRAMS

AGRICULTURE & RURAL DEVELOPMENT

1. Agriculture
2. Rural Community Development
3. Cooperatives
4. Fisheries
5. Forestry

BUSINESS & PUBLIC MANAGEMENT

6. Credit Unions/Small Business
7. Law/Public Administration
8. Professional Services

EDUCATION

9. Elementary/Secondary Education
10. Higher Education/Teacher Training
11. Vocational Education
12. Physical Education
13. Arts/Handicraft Education

HEALTH

14. Health/Paramedical
15. Home Economics/Nutrition
16. Child Care/Family Planning

PUBLIC WORKS & URBAN DEVELOPMENT

17. Public Works/Housing
18. Urban Development
19. Electrification
20. Social Work

APPENDIX D: Allocation of Volunteers by Country

(On-Board Strength as of 12/31)

1972 1973 1974

Africa

Botswana	80	68	65
Cameroon	80	68	75
Central Africa	8	17	18
Chad	40	34	34
Dahomey	57	67	70
Ethiopia	208	277	281
Gambia	55	47	47
Ghana	211	175	178
Ivory Coast	71	41	40
Kenya	274	226	230
Lesotho	45	39	41
Liberia	330	302	306
Malawi	19	42	43
Mali	21	19	20
Mauritania	2	4	5
Mauritius	14	12	11
Niger	85	87	88
Nigeria	5	7	7
Senegal	87	73	74
Sierra Leone	173	143	146
Swaziland	94	102	100
Togo	74	62	63
Upper Volta	69	58	59
Zaire	156	252	257
Gabon	--	12	15
Regional	<u>16</u>	<u>--</u>	<u>--</u>
Subtotal	2,274	2,234	2,273

Latin America

Brazil	331	378	447
British Honduras	38	53	47
Chile	37	55	45
Colombia	214	290	278
Costa Rica	66	57	65
Dominican Republic	60	66	62
Eastern Caribbean	123	213	198
Ecuador	205	165	165
El Salvador	52	97	85
Guatemala	112	101	98
Honduras	124	125	111

APPENDIX D: Allocation of Volunteers by Country - continued

	(On-Board Strength as of 12/31)		
	<u>1972</u>	<u>1973</u>	<u>1974</u>
<u>Latin America</u>			
Jamaica	165	209	200
Nicaragua	75	53	76
Paraguay	62	59	62
Peru	97	75	78
Uruguay	3	15	16
Venezuela	129	189	187
Regional	<u>1</u>	<u>--</u>	<u>--</u>
Subtotal	1,894	2,200	2,220
<u>North Africa, Near East,</u>			
<u>Asia and Pacific</u>			
Afghanistan	221	225	220
Fiji	109	88	103
India	109	50	50
Iran	143	194	244
Malaysia	350	357	349
Malta	3	4	4
Micronesia	243	247	242
Morocco	169	172	168
Nepal	166	168	165
Philippines	263	383	376
Korea	296	302	295
Solomon Islands	9	9	9
South Pacific	1	1	1
Thailand	255	260	254
Tonga	84	86	84
Tunisia	116	175	175
Wester	87	60	59
Yemen	1	1	1
Arabian Peninsula	<u>--</u>	<u>47</u>	<u>88</u>
Subtotal	2,625	2,829	2,887
TOTALS	5,793	7,263	7,380

APPENDIX E: FY 1974 Budget Estimates by Region and
Country.....

TO BE SUBMITTED AT A LATER DATE

APPENDIX F: Average Cost per Volunteer

FY 1966 - FY 1974.....

TO BE SUBMITTED AT A LATER DATE

Appendix G: Map of Legal U.S. Residences of Peace Corps Volunteers

Includes trainees, volunteers and returned volunteers

First number represents Total Peace Corps Volunteers

Second number () represents per capita rank of States with respect to number of Peace Corps Volunteers

