



All participants in the Open World Program spend two days in an Orientation in Washington before flying to their host city.
~Social Issues delegation hosted by CIPUSA in Cleveland, Ohio

I. Introduction

Since its inception in 1999, Open World has served Members of Congress in both chambers. The Center focuses on responding to priorities of Congress and producing an exchange program that establishes lasting relationships between the up and coming leaders of Open World countries and engaged Americans committed to showing U.S. values. In this capacity, the Center assists Congress in its oversight responsibilities, aids Congress in inter-parliamentary and legislative activities, and supports projects and partnerships of American citizens throughout the United States.

The Open World program was originally designed to bring emerging federal and local Russian political leaders to the United States to meet their American counterparts and gain firsthand knowledge of how American civil society works. Program participants experienced American political life and saw democracy in action, from debates in local city councils to the workings of the U.S. Congress. In 2003, Congress expanded the scope of Open World to include eleven former Soviet countries.

Today the Center operates in thirteen countries and, by the end of 2013, will have brought nearly 20,000 rising leaders to engage their American counterparts in professional exchanges in more than 2,100 American communities in all fifty states. All the countries participating in the Open World program are strategically important to the interests of the U.S. government in areas of growing economies where opportunities for foreign investment

and trade increase yearly. The growing leadership network, where many continue their relationships both with each other and with their American counterparts, gives the Open World program impact far beyond the ten-day program in the United States. With the continued support of Congress, Open World host families will once again open their homes to help sustain this highly successful congressional program.

Open World has served the Congress well, earning strong bipartisan and bicameral support. With the requested funding level of \$10 million, the Center will continue this vital work and bring at least 1,200 participants to communities all around the United States in 2014. There are no increases reflected in this request and it is level with the Fiscal Year 2012 appropriation and the Fiscal Year 2013 request.

By the end of 2012, 7,100 constituents in nearly 2,200 communities in all 50 states had hosted Open World delegates. These local communities not only provide the delegates with the highest level of professional programs, but routinely welcome them into their homes.



The investment that the US Congress makes in the Open World program reaps returns in the districts back home. As one local host put it:

“Frankly, Ohio most likely receives more in return that is put in fiscally, by proportion. With the Cleveland program, the Cincinnati program and the two Columbus programs, we see our delegates spending every penny they bring with them here in Columbus. And then some.”

An Accountable Governance Delegation with a focus on Agricultural Diversification was composed of Tajik directors of agricultural associations.

~Hosted by the Advisory Commission on International Relationships in Great Falls, Montana

II. Budget Overview

FY 2014 Budget Request: \$10 Million

Open World offers an extraordinary “bang for the buck,” serving as a model of efficiency, cost-effectiveness and value. The Center boasts an overhead rate of 7% with 93% of its annual expenditures going directly to program costs. The Center investigates every opportunity for savings and diligently manages its fiscal operations with a view to reducing costs while maintaining program quality.

In the spring of 2012, the Government Accountability Office (GAO), at the direction of the House Appropriations Subcommittee on the Legislative Branch, began a review of Open World’s progress on GAO’s 2004 recommendations on strengthening the Center’s financial management and performance measurement. The final report is provided in Tab 3. Among the conclusions cited by GAO:

- Open World has taken a number of steps to address our six recommendations regarding its financial management and internal controls
- Open World’s financial management controls generally follow leading practices for financial accountability
- Open World has taken steps to improve its efforts to measure performance
- Open World’s efforts to measure performance are generally consistent with several leading practices

The Center employs generally accepted best practices to develop the most cost-efficient and effective means to accomplish our mission. We have internal controls to ensure program quality, including pre- and post-program report follow-up, weekly teleconferencing with our logistical contractor, and regular contact with grantees and local hosts. We use a zero-based budget approach to every contract, every grant budget, as well as the Center’s annual operating budget. The Center actively seeks cost-sharing partnerships with other government initiatives whose missions complement ours. The U.S. Agency for International Development, the U.S. Department of Energy and the U.S. Embassies in Armenia, Turkmenistan, Ukraine, and Uzbekistan have all joined with the Open World Leadership Center in directly funding a number of our delegations.



By partnering with USAID, the Open World Leadership Center was able to provide programming for 180 delegates from Serbia beginning in 2012. Due to the Center’s record for fiscal efficiency, this is at least three times the expected level of hosting that USAID requested. Partnerships with this and other U.S. government agencies offer an excellent opportunity to accomplish overlapping and complementary mission goals at half the cost to each agency.

~Serbian prosecutors hosted by the Center for International Understanding in Bluefield, West Virginia.

For example, the U.S. Department of State asked Open World to co-sponsor six innovative Russian scientists who traveled to San Francisco, CA and Washington, DC, for a program designed to foster relationships between U.S. and Russian leaders in a variety of fields including science and technology. These meetings were identified by the 2011 U.S. Delegation to Russia on nanotechnology environmental health and safety and by the U.S. National Nanotechnology Coordination Office as a unique opportunity for scientists from both nations to engage in discussions about a challenging area of research – nanotoxicology.

Open World’s rigorous efforts to maintain high program quality, to work with dedicated and well-run national and local hosting organizations, and to spend federal dollars wisely and responsibly have resulted in a highly competitive grant process. Interest in hosting an Open World delegation remains vibrant within the American hosting community. For the 2012 grant proposal cycle, demand for hosting Open World delegations is more than twice the supply of available hosting slots.



Home stays are an integral feature of the Open World program. In addition to the in-kind contributions of the local hosts’ time and resources, home stays provide an opportunity to create partnerships beyond the eight-day program.
~Russian judges with host Harvey Schlesinger, District Judge, Jacksonville, Florida

Open World strongly encourages grantees to cost-share, making it part of our annual competitive proposal process. For example, in 2012, Rotary International hosted 20 Open World delegations (6 participants each) in 19 communities in 15 states through their local Rotary clubs. These local clubs, through volunteers, home stays, and other in-kind contributions contributed an estimated 45% of the total local cost of these delegations. The search for cost-sharing partners with common or overlapping goals creates an environment beneficial for all participants and allows Open World grant funds to go farther. Indeed, the per-person-cost to bring a delegate to the United States has steadily declined over the past few years as Open World increases its cost-sharing efforts, despite rising transportation and other costs.

The dedicated and enthusiastic American citizens who host program participants in their homes and communities provide major support to the Open World program. Private American citizens freely provide social events, community-wide activities, housing, and most meals for participants. Without this in-kind support, the cost of hosting Open World delegations would be substantially higher, and the Center would bring far fewer delegates on this important program.

In 2012, the hosting of Open World participants in homes throughout the United States and significant contributions from the Center’s partners saved the Center an estimated \$2 million. To date, almost 7,100 American families in 2,200 communities in all fifty states have hosted Open World delegations.

For a complete list, *by state*, of Open World grantees, local host organizations, and host judges, see Tab 2.

Open World is Congress’ partnership with the American people, providing them with the opportunity to bring the world into their homes, not experiencing world events through media, rather through face-to-face interaction. Conversely, Open World delegates experience an American from the inside out – an America they did not know existed.

In conclusion, the fiscal year 2014 budget request will enable the Open World Leadership Center to continue to make major contributions to an understanding of democracy, civil society, and free enterprise in regions of vital importance to the Congress and the nation.



III. Budget Request Detail

In this lean fiscal environment, we are committed to keeping costs down while maintaining program quality. When constructing our budget, however, we must consider the fact that in reducing the number of participants hosted, there comes a tipping point in terms of efficiency. Certain base costs remain whether bringing 500 participants or 2,000. Using economy of scale, it is our experience that bringing **1,200** participants a year is that tipping point. Below that number, the program becomes less cost effective and the per person cost rises. To that end, our budget request of \$10 million is based on bringing 1,200 participants in 2014.

We are pleased that Open World is able to request a level budget for 2014. Coupled with our efforts to remain highly efficient and effective, we have developed strategies for increasing cost-shares with hosting organizations, foreign entities, and other partners that made it possible to increase that target number of 1,200 to 1,372 in 2012 with the same congressional appropriation.

Open World spends its appropriation in two categories: Direct Program Costs and Administration Costs. Direct Program Costs includes: a logistical coordinator contract; grants to host delegations in the United States; and the salary and benefits of the Center's D.C. and Moscow staff as follows:

Executive Director	— Senior Level	50% for Direct Program
Deputy Executive Director	— GS 15	25% for Direct Program
Public Affairs Officer	— GS 13	15% for Direct Program
Program Managers (3)	— GS 13	100% for Direct Program
Administrative Specialist	— GS 9	5% for Direct Program
Foreign Service Nationals (FSN) (2)		100% for Direct Program

This is the minimum staff level required to manage 1,200 or more participants in a program year. Each Program Manager handles between four and ten grantees and between 400 and 450 participants. They coordinate all aspects of the delegation from initial nominations, selection and vetting; approving the Washington, DC orientation agenda and planning and monitoring activities in the host community. The staff in the U.S. Embassy in Moscow is critical in coordinating nominations and selections, program development, and relations with in-country officials.

The Center works closely with its grantees to capture any possible reductions or savings in costs. For example, we work with grantees to find professional interpreters at competitive rates and we require cost-sharing in every grant proposal. We work closely with our logistical contractor to find the best airfares, to keep their staff costs at a minimum, and to find savings wherever possible.

The Center’s fiscal year 2014 budget request breaks down as follows:

A. Direct Program — \$ 9,690,200

1.	Logistical Contract	5,720,000
2.	Grants/Other Hosting Costs	3,285,000
3.	Salary/Benefits	685,200

The logistical services contract with a Washington-based NGO is the single largest expenditure at Open World. This contractor is tasked with obtaining visas and other travel documents; arranging and purchasing airfare and Orientation accommodations; planning and executing the two-day D.C. orientation, and coordinating with grantees and placing delegates in American host cities, among a host of other duties.

“Grants/Other Hosting Costs” refer to national and local hosting organizations (such as Rotary International, Friendship Force International, and community colleges) that plan and execute an 8-day local program for each delegation. This category also includes agreements with other agencies to execute programs and costs associated with the Center’s own management of delegations (usually in tandem with an Embassy).

B. Administration — \$ 773,400

1.	Salary/Benefits	408,250
2.	Services of Other Agencies	182,000
3.	Professional Services	146,650
4.	Miscellaneous Office	36,500

This category includes an interagency agreement with the Library of Congress for infrastructure services, small contracts for professional services, postage, telephone, cell phones, and office supplies and materials. The Center benefits from lower administrative costs due to its physical location in the Library of Congress.

TOTAL BUDGET: \$10,463,600¹

¹ The amount over \$10 million shown here will be covered by donations and other offsets.

IV. Conclusion

As a Legislative Branch entity, the Open World Leadership Center actively supports the foreign relations efforts of Congress. The Center also links Congress to experienced and enthusiastic constituents throughout the United States who are engaged in projects and programs in Open World countries. The Open World program routinely involves Members in its hosting activities and is responsive to Congressional priorities. In 2012, 83 percent of program participants met with Members of Congress or Congressional staff during their exchanges. These meetings make a significant impact on our delegates. Meeting with a legislative leader is often not possible in their own countries. The accessibility of the U.S. Congress to its constituents and even the concept of constituent services is sometimes a new and astonishing experience for them.



More than 60% of Open World delegates come from national, regional and local government offices. Meeting with Members of Congress as well as state and local legislators in the United States demonstrates how accountable governance, transparency and accessibility impact the legislative process.

~Delegation of environmental managers hosted by GlobalPittsburgh, Pennsylvania

Despite rising base costs of transportation and contracts, we have not requested any increase in funding for FY 2014. There are several reasons for this. First and foremost, cost-shares from our hosts throughout America have risen steadily. We have also found partners willing to assume some international transportation costs, and we expect that private donations will help sustain our work. In all, 25% of our resources will come from outside our appropriation. It is this broad support, both materially and in spirit, that makes this program incredibly strong while allowing us to keep this request modest.

All of us at Open World deeply appreciate the engagement and support of Congress, and particularly of this sub-committee. We remain a uniquely effective legislative instrument providing the Congress with a resource that promotes “constituent diplomacy.” By supporting the Open World program, you allow Americans in every state to make a difference at the grassroots level and effect positive change in communities in these complex and strategically important nations.

