



Participating in American cultural events is a core activity on the Open World program. This group watched a Veterans Day parade and was joined by U.S. Representative Paul Tonka, who is Ukrainian-American.
~Accountable Governance/Young Professionals delegation from Ukraine hosted by International Center of the Capital Region in Albany, New York through grantee FHI360

Open World Leadership Center

Fiscal Year 2016 Budget Justification

Submitted:

January 28, 2015



All participants in the Open World Program spend two days in an Orientation in Washington before flying to their host city.
~Accountable Governance/Environment delegation from Russia hosted by Hendersonville Sister Cities via grantee International Focus in Raleigh, North Carolina in September 2014

I. Introduction

Since its inception in 1999, the Open World Leadership Center (“the Center”) has served Members of Congress in both chambers. The Center focuses on responding to priorities of Congress and producing an exchange program, (Open World), which establishes lasting relationships between the up and coming leaders of Russia, Ukraine, and other Eurasian countries and engaged Americans committed to showing U.S. governance and values. The Center assists Congress in its oversight responsibilities, aids Congress in its inter-parliamentary and legislative activities, and supports projects and partnerships of American communities and citizens throughout the United States with their counterparts in participating Open World countries.

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 fourteen countries and, by the end of 2014, will have brought nearly 23,500 rising leaders to engage their American counterparts in professional exchanges in more than 2,200 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 and located in areas of growing economies where opportunities for foreign investment and trade increase annually. The growing leadership network, where many continue their relationships both with each other and with their American counterparts, extends the impact of the World program far beyond the ten-day stay 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 that creates a network of leaders in countries of strategic importance to the United States.

Open World has served the Congress well, earning strong bipartisan and bicameral support. With the requested funding level of \$8 million, the Center will continue this vital work and bring at least 1,200 participants to communities all around the United States in 2016. This modest request seeks to restore funding that is level with its Fiscal Year 2012 appropriation and its Fiscal Year 2013 request.

By the end of 2014, 7,200 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.

~Agricultural delegation from Kyrgyzstan with a Wolf Creek barley rancher in Helena, Montana hosted by WorldMontana via grantee FHI360



II. Budget Overview

FY 2016 Budget Request: \$8 Million

Open World offers an extraordinary “bang for the buck,” serving as a model of efficiency, cost-effectiveness and value. For years, the Center has boasted 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 goal of reducing costs while maintaining program quality.

The Center employs generally accepted best practices to develop the most cost-efficient and effective means to accomplish its mission. It has internal controls that 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 with the Center’s annual operating budget. The Center actively seeks cost-sharing partnerships with other government initiatives whose missions complement ours. The Department of State’s Office of the Coordinator of U.S. Assistance to Europe and Eurasia, the U.S. Agency for International Development, the U.S. Department of Energy/National Nuclear Security Agency (DOE/NNSA) and the U.S. Embassies in Armenia, Kosovo, Mongolia, Serbia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan have all joined with the Open World Leadership Center in directly funding a number of our delegations.



By partnering with American embassies in Open World countries, the Center realizes significant savings in logistical costs – often as much as a 40 percent reduction. Partnerships with our embassies and other U.S. government agencies offer an excellent opportunity to accomplish overlapping and complementary mission goals at half the cost to each agency.

~Open World Executive Director, Ambassador John O’Keefe, was hosted at the U.S. Embassy in Belgrade, Serbia along with a group of Serbian and Macedonian journalists who traveled to Big Canoe and Atlanta, GA in 2014.

During his October travel to Estonia, Moldova, and Ukraine, Ambassador O’Keefe met with many program alumni. While in Kyiv, the U.S. Mission hosted a reception attended by about 30 leading Ukrainian alumni, many of which were active in the Maidan movement.

Partnering with other U.S. government agencies is mutually beneficial as well as fiscally responsible. Both parties stand to maximize their available funds to meet complementary goals. For example, the Sandia National Laboratory partnered with Open World to bring a delegation of non-proliferation nuclear scientists from Kazakhstan who traveled to Albuquerque, New Mexico for a program designed to enhance relationships between U.S. and Kazakhstan in this vital area of mutual cooperation. Specifically, Sandia

was able to promote the goals and objectives of the DOE/NNSA by furthering discussions related to safeguards and protection of nuclear materials, technologies, and facilities. The Kazakhstani's benefitted through direct interaction with various subject matter experts learning about advanced protection measures that they could implement at their own site(s).

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 2015 grant proposal cycle, demand for hosting Open World delegations is more than triple 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 and friendships beyond the eight-day program.

~Moldovan delegation (Blogging for Democracy) with their hosts in Greensboro, North Carolina. Local organization: Greensboro Rotary Club

Open World strongly encourages grantees to cost-share, making it part of our annual competitive proposal process. For example, in 2014, Friendship Force International hosted 25 Open World delegations (6 participants each) in 23 communities in 17 states through their local clubs. Overall, hosting organizations, such as Rotary and Friendship Force clubs, through volunteers, home stays, and other in-kind contributions contributed an estimated 45% of the total local cost of Open World delegations. The search for cost-sharing partners with common or complementary goals creates an environment beneficial for all participants and allows for Open World grant funds to accommodate larger numbers of emerging leaders, maximizing the use of its appropriated funds. Indeed, the per-person-cost to bring a delegate to the United States had steadily declined over the past few years as Open World increased its cost-sharing efforts despite rising transportation, interpretation, and other costs.



Long-term partnerships are a hallmark of Open World visits.
~The PTSD delegation from Ukraine that was hosted by the leadership of the Yale School of Medicine, Department of Psychiatry, also met with Senators Richard Bumenthal and Chris Murphy at Yale University in New Haven in August

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 2014, 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 \$2.1 million. To date, more than 7,200 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, and experience world events through face-to-face interaction, rather than through the media. Conversely, Open World delegates experience an America from the inside out – an America they did not know existed. Most importantly, though, Open World is a resource, an asset, and an investment of the U.S. Congress in support of its oversight authority on foreign relations as all Open World delegates gain exposure to the legislative process and its effect on all walks of life and throughout the community.

As events unfolded in late 2013 and 2014 with Ukraine facing foreign aggression, Open World rapidly responded to the needs of this critical friend of the United States by more than doubling its 2014 Ukraine program to nearly 300 emerging Ukrainian leaders, including numerous heroes of the Maidan movement and important leaders from Crimea and its Tatar population. Fifteen of the most progressive leaders of the new Ukrainian parliament are alumni of Open World – demonstrating the program's impact in that country. Also, the Center paid special attention to programming for delegates from Eastern and Southern

Ukraine due to the damage being done to those regions of the country and the need for Western support.

In 2014, Open World programming for Ukraine focused on the themes of legislator-to-legislator programming; Accountable Governance; Transparency in Media; Anti-Trafficking; Health Issues; Women in Agriculture, and the Prevention of Violence Against Women and Children; and Education and Innovation. Open World programming in 2014 was also focused on strengthening sixteen partnerships between Ukrainian and American partners.

Demonstrating Open World's responsiveness to the tragic events of 2014, in mid-August the Center collaborated with the Yale School of Medicine, Department of Psychiatry and the United Ukrainian American Relief Committee to bring 23 leading psychiatrists, psychologists, and clergy on a timely and critical program to study effective means of treatment for Posttraumatic Stress Disorder. Earlier, in May, 12 medical professionals took part in a pre-emergency medical treatment program at the Tulane School of Medicine. Both of these projects were developed as part of a rapid response to the crisis in Ukraine. Both of these important projects were generously co-funded by the hosting institution and private donors. Upon return to Ukraine, the PTSD delegation initiated a closed Facebook group and met at St. Michael's Cathedral in Kyiv with representatives of the Ministry of health to sign a declaration establishing a nationwide network of psychological and social support services for those suffering from PTSD as a result of the conflict in Ukraine being waged by Russia.

Another way in which Open World furthers the U.S. Mission in Ukraine is in the field of education reform by supporting efforts to combat corruption in the educational system there. Recent Open World delegations have included much of the leadership in the progressive Ministry of Education and Science, and have supported USAID's Ukrainian Standardized External Testing Initiative in cost-shared programs. In 2013, the U.S. Mission in Ukraine convened two roundtables of Open World alumni education leaders noting particularly the results that this programming produces among the new leadership of Ukraine, both in the legislative drafting of forward looking education reform packages and in the administration of the education system.

The role of legislatures is a recurring theme in Open World programming. ~A delegation of young lawmakers and advisors from four regions in Ukraine traveled to Jackson, Mississippi to observe the legislative process in a state capital. During their stay and in addition to visiting with the leadership of the state legislature, the delegation met with staff representatives of Senators Thad Cochran and Roger Wicker. They also appeared in an article (shown here) in the Clarion Ledger and conducted widely viewed interviews with Mississippi Public Broadcasting to describe the current situation and their work in Ukraine.



Open World is also implementing important programming in Russia as it remains one of the only American entities working to foster a progressive, democratic government in that country. Open World has worked with regional legislatures, sister Rotary clubs and other existing Russian partnerships, like those between Archangelsk and Maine, Volgograd and Cleveland, and Samara and St. Louis to maintain a robust level of communication between Americans and their Russian partners at this time of tension between our two countries.

The founding of Open World in 1999 by the Librarian of Congress James H. Billington and the Russian Academic Dmitri Likhachev, with the strong support of Senator Ted Stevens, was when tensions between the U.S. and Russia were at a high point. Similarly today, the importance of Open World in bringing the real America to the future leadership of Russia is urgently needed to counter-balance the use of mass media and other significant propaganda being used by the Russian government to draw false impression of America and its role in the world.

As part of the important role Open World is playing in Russia, it partnered with Supporters of Civil Society in Russia in 2014 to send two large delegations nominated from among graduates of the Moscow School of Civic Education, one of the last bastions of institutions providing a broad liberal arts/international relations curriculum to open-minded emerging Russian leaders. The alumni of this program have ended up in key positions in government and civil society organizations throughout the Russian Federation.

Another example of key Open World activity in Russia is its support of future oriented curriculum development with law school faculties in Russia. As part of this effort, Open World has fostered a relationship between U.S. District Judge Stephen P. Friot (Western Oklahoma) and the Department of Law of the Lobachevsky Nizhny Novgorod State University. This partnership resulted in Judge Friot traveling to Nizhny Novgorod in early 2014 at the expense of his Russian partner and a follow up delegation supported by Open World.

To a great degree, Open World has been an important partner to the U.S. Mission in Russia, working to close gaps that arise from the changing relationship between the Russian Federation and the United States. The Center's broad understanding of the Mission's strategies and its close relationship with its partners/alumni throughout Russia has provided important and sustainable access to the future generation of Russian leaders.

“The Open World program is one of the most authentic people-to-people exchange programs that I have seen. Alumni of the Open World program are found in almost every corner of this large and diverse country and their experience in the United States can be transformative. Even more impressive are some of the projects and lasting partnerships that grow out of the program...”

~Ambassador John Tefft (U.S. Ambassador to Ukraine, 2009-2013; U.S. Ambassador to Russia, 2014-present)

In conclusion, the fiscal year 2016 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 both chambers of the U.S. Congress, the nation as a whole, and the incredible communities and families that serve as hosts for their colleagues from these critical countries.



Open World themes are specifically geared to meet US Mission goals while remaining relevant to issues at home in the U.S. Congress. ~Delegation of young leaders from Turkmenistan with a U.S. Border Patrol Union representative to discuss Migrant Issues. Hosted by the San Diego Citizen Diplomacy Council through FHI360 in May 2014

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 1,500. Using economy of scale, it is our experience that bringing up to **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 \$8 million is based on bringing up to 1,200 participants in 2016.

We are pleased that Open World is able to request a budget for 2016 that respects the need for fiscal restraint. 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 some of the salary and benefits of the Center’s D.C. and Moscow staff as follows:

| | | |
|---------------------------|----------------|------------------------|
| Executive Director | — Senior Level | 15% for Direct Program |
| Deputy Executive Director | — GS 15 | 75% for Direct Program |

| | | |
|---------------------------------|---------|-------------------------|
| Public Affairs Officer | — GS 13 | 10% for Direct Program |
| Program Managers (2) | — GS 13 | 100% for Direct Program |
| Congressional Relations Officer | — GS 11 | 10% for Direct Program |
| Foreign Service National (FSN) | (1) | 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 up to 600 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 2016 budget request breaks down as follows:

A. Direct Program — \$ 7,875,000

| | | |
|----|----------------------------|-----------|
| 1. | Logistical Contract | 4,000,000 |
| 2. | Grants/Other Hosting Costs | 3,350,000 |
| 3. | Salary/Benefits | 525,000 |

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 — \$ 861,000

| | | |
|----|----------------------------|---------|
| 1. | Salary/Benefits | 500,000 |
| 2. | Services of Other Agencies | 175,000 |
| 3. | Professional Services | 150,000 |
| 4. | Miscellaneous Office | 36,000 |

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: \$8,736,000¹

¹ The amount over \$8 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 2014, 86 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.



About 50 percent 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 Kazakhs hosted by the International Services Council of Huntsville, Alabama visit U.S. Representative Robert Aderholt's office in Washington, D.C.

Despite rising base costs of transportation and contracts, we have not requested any additional funding in the \$8 million for FY 2016. 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.

