A Message from the Volcker Alliance President

2019 was a significant year in the history of the Volcker Alliance.

In December 2019, Volcker Alliance founder Paul A. Volcker passed away at the age of 92. Tributes poured in from around the world celebrating Mr. Volcker’s extraordinary public service legacy. US presidents and other world leaders, leaders of the Federal Reserve, economists, scholars, business leaders, and public servants wrote to the Volcker Alliance to express their admiration and appreciation for Mr. Volcker’s life work and the integrity he singularly personified. Our team mourned. We also felt the weight of Mr. Volcker’s legacy in the best possible way: inspiration.

Earlier in the year, the Volcker Alliance received an email informing us that Justine Rodriguez Kilpatrick had passed away and that she named the Volcker Alliance a beneficiary of her estate. Ms. Kilpatrick had worked with Mr. Volcker at Chase Manhattan Bank nearly sixty years before her death and spent most of her career in the federal civil service. We were overwhelmed when we learned that her gift exceeded $10 million.

Mr. Volcker was deeply moved by Ms. Kilpatrick’s generosity. To him, her gift validated the importance of the Volcker Alliance’s mission and confirmed that our work truly matters. In the final months of his life, his support for the Volcker Alliance raised Mr. Volcker’s spirits immensely.

Ms. Kilpatrick’s gift compelled us to ask: Who was Justine Rodriguez Kilpatrick, and what moved her to choose the Volcker Alliance as a recipient of her final gift? Interviews with her colleagues, family, and friends from over the course of Ms. Kilpatrick’s 83 years painted a picture of a dedicated public servant and a pioneering female economist for the federal government.

After working a few years at Chase Manhattan, Ms. Kilpatrick—still a young professional—left to work in the public sector because she wanted to make a difference. She moved to Washington, DC, to join the Department of Health, Education, and Welfare, and then transferred to the Office of Management and Budget, where she stayed for over thirty years and where she met her husband, Bob Kilpatrick, who shared her devotion to public service. Just as she had hoped, through her work, Ms. Kilpatrick had a tangible, positive impact on people’s lives.

As a public servant, she had a hand in writing policy that started a health care system for migrant farmworkers, defended the necessity of the Department of Education, and guaranteed civil rights and education for non-English-speaking students. Over the course of her career, she developed a strong conviction that an effective government should be held accountable to the public for the results it achieves.

The loss of Mr. Volcker and the generosity of Ms. Kilpatrick vitalized our work in 2019 and strengthened our commitment to our mission to advance effective management of government to achieve results that matter to citizens. Like Mr. Volcker and Ms. Kilpatrick, we envision a public sector workforce with the experience, preparation, and commitment to ensure that government is accountable and delivers with excellence. We will not let them down.

The jarring experience of the coronavirus pandemic and the international outrage over the horrific killings of George Floyd, Breonna Taylor, and other Black Americans at the hands of police have made clear that the survival and security of people everywhere depend on government. The success of our response to this remarkable period in our nation’s history hinges in large part on the talent, preparedness, and dedication of our government workforce. As such, the mission of the Volcker Alliance has been thrust to the forefront.

We are proud and humbled to be a part of the Volcker Alliance at this critical time. We remain dedicated to Mr. Volcker’s vision and inspired by his legacy. Thank you for your continued support and interest in our organization.

Sincerely,

Thomas W. Ross
PRESIDENT
Senator Bill Bradley, Chairman of the Board of Directors

In December 2019, the board of directors of the Volcker Alliance elected Bill Bradley chairman. Mr. Bradley had served as vice chair of the board during the last few years of Mr. Volcker’s tenure as chair. Mr. Bradley and Mr. Volcker shared not only great height but also long and illustrious records of public service. Mr. Bradley served three terms as a US Senator from New Jersey and is widely known for his legendary career in basketball with the New York Knicks. In 2019, he featured Mr. Volcker in a terrific interview on his weekly radio show, American Voices on Sirius/XM Radio.

“Paul was the quintessential public servant, blessed with courage and great competence and possessed of an unshakeable integrity. He worked for six presidents, and he never hesitated to speak truth to power—whether it was politicians or bankers.”

—Excerpted from Bill Bradley’s eulogy of Paul A. Volcker, delivered in December 2019

Our Work

We are better positioned now than we have been since our founding to make the changes Mr. Volcker cared about so profoundly. We are building the talent pipeline into government, catalyzing innovation in public service education, promoting truth and integrity in state budgeting, and honoring the legacy of Paul A. Volcker by inspiring the next generation of public servants.
Strengthening the Talent Pipeline into Government

The success of our nation’s response to the historic challenges we face hinges in large part on the talent, preparedness, and dedication of our government workforce. The Volcker Alliance is working to inspire young people to enter public service and connect them with jobs in government.

Government-to-University Initiative (G2U)

Launched in 2019, the Volcker Alliance’s Government-to-University (G2U) initiative demonstrates that bringing government and university leaders together is a powerful way to strengthen government’s ability to deliver on its mission. G2U is an innovative approach to addressing critical governance challenges by building structured regional networks of governments and universities. Government-university partnerships are particularly important with government bandwidth severely reduced, unemployment surging, tax revenues plummeting, trust waning, and the skills needed in government changing rapidly.

G2U’s focus on the public sector talent pipeline has struck a chord with many in both government and higher education. In Kansas City, the first of our G2U networks, a Regional Coalition was formed that has engaged over one hundred stakeholders from at least twenty-five government, university, and civic institutions. The Coalition has arranged events, panels, and networking opportunities for college students in the Kansas City region to engage directly with public sector employers; it is also connecting municipal employees to data management training opportunities.

Throughout 2019, we worked with partners across the country to develop G2U networks. G2U is now active in Pittsburgh, Los Angeles, Chicago, and North Carolina. With universities, governments, and the job market undergoing massive transformations, the opportunity for collaboration and learning across the G2U network is tremendous. G2U is positioned to play a powerful role in reshaping the future of government.
Strengthening the Talent Pipeline into Government

Paul A. Volcker Careers in Government Essay Contest

The Volcker Alliance held the inaugural Paul A. Volcker Careers in Government Essay Contest, in partnership with the City University of New York, to recognize students who want to pursue a career in public service. A central goal of the contest is to better understand what motivates students to choose a career in government. It also aims to raise student awareness about the opportunities that come with working in public service, including mission, impact, job security, and pathways for advancement.

The contest asked students to describe their vision for effective government and motivation for pursuing public service careers. From over one hundred essay submissions, we selected two winners: Arslan Mohamed, a biomedical sciences student working toward his MD who aspires to be a public health leader; and Jason Waitkus, a forensic psychology and criminology student with a passion for criminal justice reform. Each of the two winners received:

- $5,000 cash prize
- Paid internship with government agency
- Participation in public service-related conference
- Monthly MetroCard for duration of internship
- Recognition at award breakfast

In planning and working towards a better future, the ability to ensure an expansive and inclusive scope in policies, the proper training of government officials as liaisons with the public, and the courage to think outside the box are key aspects of effective government. In my pursuit of becoming a physician at the helm of a public service career, I intend to emulate these qualities through my work. —ARSLAN MOHAMED

To be effective, government must be constantly working, interacting with the public to understand the public’s needs and beliefs and conducting research in order to find solutions. Effective government must be filled with people who can listen, learn, and compromise, in both elected and appointed positions. —JASON WAITKUS
The performance of our government institutions depends critically on the training and education of current and future public servants.

**GEAR Center Challenge Pilot**

Improved data management skills are increasingly essential for federal workers, and demand is high for customized data management training across the federal government. In the Kansas City region, the Volcker Alliance is working with our partners Johns Hopkins University Centers for Civic Impact (Civic Impact) and the Mid-America Regional Council (MARC) to train 250 federal practitioners in the use of data for decision-making and accountability. The Volcker Alliance provides overarching project coordination and reporting. MARC assembled a working group of the G2U Regional Coalition in Kansas City to drive the effort, including representatives from local universities, the Federal Executive Board, and federal agencies in the region. Civic Impact tailors and delivers the training focusing on inventorying data, strengthening analytic inquiries, and communicating with data, to seventeen federal agencies with workforces in the Kansas City area.

This effort addresses a priority federal training need identified by the US General Services Administration and the Office of Management and Budget. In 2019, the Volcker Alliance, Civic Impact, and MARC were awarded one of three GEAR Center Challenge grand prizes to develop and implement this pilot.

**Taskforce to Reinvent Public Service Education**

Over the course of 2019, the Volcker Alliance worked closely with deans from the nation’s leading schools of public affairs, administration, and policy—collectively, Schools of Public Service—to develop strategies to expand the reach and impact of public service education. The deans formed the Task Force to Reinvent Public Service Education (the Task Force) and worked together to articulate and share a cohesive vision of the values and curricular pillars that distinguish public service education programs.

The Task Force vetted its best ideas for strengthening public service education with academic, governmental, and philanthropic leaders. Its work catalyzed the creation of the Next Generation Service Partnership (NextGen Service), a national initiative developed by the Watts College of Public Service and Community Solutions at Arizona State University and the Volcker Alliance. Inspired by the Task Force’s keen interest in broadening the reach and impact of public service education for undergraduates, NextGen Service seeks to facilitate the adoption of learning experiences that inspire and equip undergraduate students to drive needed change and impact throughout their careers.
Promoting Truth and Integrity in State Budgeting

The Truth and Integrity in Government Finance Initiative aims to improve state and local budgeting, financial reporting, and fiscal practices.

**Truth and Integrity in Government Finance Initiative**

The Alliance’s longitudinal study of state budgeting practices, conducted in cooperation with public finance experts at eight US public universities, showed strong results in 2019. The impact of the initiative has been seen in national media coverage and improved legislative practices. In December 2019, both houses of the New Jersey legislature passed a measure establishing a consensus revenue estimating process adhering to the Volcker Alliance’s best practice recommendations. The passage of the New Jersey bill follows budgetary reforms and proposals in several states, including Illinois, Pennsylvania, Utah, and Vermont, that are based on principles advanced by the Alliance.

Expanding on findings from the 2018 report *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis*, the Volcker Alliance released fifty report cards outlining each state budget’s strengths and weaknesses, covering fiscal 2016 through 2018. Building on the grades, conclusions, and best practice recommendations contained in the *Truth and Integrity* reports and State Budget Report Cards, the Alliance and the Federal Reserve Bank of Atlanta hosted the FY2020 State Fiscal Conference, “Truth and Integrity in State Budgeting: Looming Risks, Durable Solutions,” in Atlanta. The conference marked the release of a working paper titled *Rainy Day Fund Strategies: A Call to Action*, in which the Volcker Alliance examined the rainy day fund policies and practices of all fifty states and set out a ten-point program for states to use as a template for reform. At the event, the Alliance produced a four-part podcast series on best practices in state budgeting. The Alliance’s budgetary data and findings were also presented to major credit-rating agencies, municipal investors, and conferences of state and local government officials, and academics produced at least eighteen research papers based largely on the Alliance’s budget work.

The Volcker Alliance brought attention to a specific budgetary practice in a working paper titled *America’s Trillion-Dollar Repair Bill: Capital Budgeting and the Disclosure of State Infrastructure Needs*. The paper reported that states and local governments do not fully disclose the costs of infrastructure maintenance that is necessary to address America’s critical need to rebuild crumbling public assets. The Alliance offered a ten-point action plan that states should follow to promote transparency and help set agendas for reform.

CLOCKWISE FROM TOP

William Glasgall, Volcker Alliance senior vice president and director of state and local initiatives.

Former Atlanta mayor and Volcker Alliance board member Shirley Clarke Franklin delivered a keynote address at the FY2020 State Fiscal Conference.

Federal Reserve Bank of Atlanta president Raphael Bostic delivered a keynote address at the FY2020 State Fiscal Conference.
Honoring the Legacy of Paul A. Volcker

Paul A. Volcker (1927–2019) was known for his lifelong dedication and commitment to the public good. His legacy continues to inspire the work of the Alliance every day.

**Paul A. Volcker Career Achievement Award**

The Partnership for Public Service established the Paul A. Volcker Career Achievement Award in 2019 in honor of Mr. Volcker’s long and illustrious record of public service. The award, supported by Ray and Barbara Dalio, will be presented to an honoree every fall as part of the Samuel J. Heyman Service to America Medals (Sammies), which celebrate the outstanding achievements of the nation’s federal workforce. Finalists for this award are ranked on demonstrated leadership, the significance and impact of their accomplishments, how well they foster innovation, and the extent to which they exemplify excellence in public service over a career of at least twenty years in federal government. The inaugural Paul A. Volcker Career Achievement Award, in 2019, was given to Dr. Ann McKee, neuropathy chief at the Department of Veterans Affairs Boston Healthcare System, for her extraordinary work as a trailblazer in the field of head trauma.

**Paul A. Volcker Fund for the Future of Public Service**

Soon after Mr. Volcker’s passing in December 2019, the Board of Directors of the Volcker Alliance established the Paul A. Volcker Fund for the Future of Public Service. The purpose of the fund is to honor and uphold Mr. Volcker’s remarkable legacy of public service and further the Alliance’s mission and vision. The Fund awards grants to spur development of innovative educational experiences that inspire and prepare current and future public servants; implementation of programs or strategies that strengthen the talent pipeline into public service; and elevation, replication, or scaling of best practices that further public sector workforce development. Donations to the Volcker Alliance may be specifically directed to the Paul A. Volcker Fund for the Future of Public Service at volckeralliance.org.
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Christopher Reed  
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Not pictured: Emily S. Bolton. 
Melanie Martha, Maureen McCarthy, and Gaurav Vasisht left the organization before the publication of this report. 
# Financials

## Statements of Financial Position

<table>
<thead>
<tr>
<th>Years ended December 31</th>
<th>2019</th>
<th>2018</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Cash and cash equivalents</td>
<td>$786,333</td>
<td>$1,725,578</td>
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<td>Investments</td>
<td>$14,321,699</td>
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<td>Grants and contributions receivable</td>
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<tr>
<td>Accounts receivable</td>
<td>0</td>
<td>27,790</td>
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<td>Prepaid expenses</td>
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<td>Security deposits</td>
<td>$70,327</td>
<td>$70,327</td>
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<tr>
<td>Premises and equipment, net</td>
<td>$3,798</td>
<td>$22,229</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$15,526,521</td>
<td>$12,626,480</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td>Accounts payable and accrued expenses</td>
<td>$163,584</td>
<td>$195,208</td>
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<tr>
<td>Funds held for others</td>
<td>$268,934</td>
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<td><strong>Total liabilities</strong></td>
<td>$432,518</td>
<td>$195,208</td>
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<tr>
<td><strong>NET ASSETS</strong></td>
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<tr>
<td>Without donor restrictions net assets</td>
<td>$13,756,949</td>
<td>$11,431,272</td>
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<tr>
<td>With donor restrictions net assets</td>
<td>$1,337,055</td>
<td>1,000,000</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td>$15,094,003</td>
<td>$12,431,272</td>
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<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$15,526,521</td>
<td>$12,626,480</td>
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</table>

## Statements of Activities

<table>
<thead>
<tr>
<th>Years ended December 31</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$4,978,746</td>
<td>$1,886,210</td>
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<td>Other income</td>
<td>39,175</td>
<td>28,798</td>
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<tr>
<td>Investment return, net</td>
<td>$1,998,634</td>
<td>$(492,281)</td>
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<td>Releases from restriction</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total revenues</strong></td>
<td>$7,016,555</td>
<td>$1,422,727</td>
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<tr>
<td><strong>OPERATING EXPENSES</strong></td>
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<tr>
<td>Program services</td>
<td>$2,822,150</td>
<td>$3,044,500</td>
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<tr>
<td>Supporting services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>$240,302</td>
<td>495,529</td>
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<tr>
<td>Development</td>
<td>$394,651</td>
<td>152,793</td>
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<tr>
<td>Management and general</td>
<td>$896,721</td>
<td>1,043,808</td>
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<tr>
<td><strong>Total supporting services</strong></td>
<td>$1,531,674</td>
<td>$1,692,130</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>$4,353,824</td>
<td>$4,736,630</td>
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<tr>
<td><strong>Change in net assets</strong></td>
<td>$2,662,731</td>
<td>$(3,313,903)</td>
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<tr>
<td>Net assets, beginning of year</td>
<td>$12,431,272</td>
<td>$15,745,175</td>
</tr>
<tr>
<td><strong>Net assets, end of year</strong></td>
<td>$15,094,003</td>
<td>$12,431,272</td>
</tr>
</tbody>
</table>
Our Supporters

We gratefully acknowledge the following foundations and individuals, whose generosity and commitment to our mission made it possible to launch the Volcker Alliance in 2013 and continue to help us advance our mission.*

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Paul A. Volcker

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* This report reflects support received through December 2019.
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