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ACTION - Federal Domestic Volunteer Agency [3]

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Meeting with Jack Lew, the General Counsel of the Office of National Service who, with Shirley Sagawa, authored the National Service Act:

Union: Will ACTION employees retain their civil service status? Will that status a) continue if they are transferred within the corporation as a result of a reorganization or realignment, or b) if they are promoted to another position?

A. They will be governed by the normal transfer of function rules. Somewhere in the legislation, it says that employees of ACTION will be transferred under Title V.

If transferred, you are grandfathered in, and can stay as long as the position is there.

Union: Why do bill summaries approved by the White House Office of National Service (ONS) --- state that employees transferred to the Corporation for National Service will retain their competitive civil service status, while the bill itself does not contain this language?

A. The bill and the summaries are written in English and it should be clear that what is contained in the summaries of intent are included in the bill's language.

Union: What functions will be transferred to the Corporation?

A. A "range of no-functions to all functions" will be transferred but it will be some place in the middle of this range.

Union: What if someone has 12 to 15 years of Federal service, what will happen to them?

A. We hope that if they want to work for the Corporation, they will be willing to give up their Federal retirement in order to accept a position with the Corporation if their function is not transferred. "There will be rewards in non-monetary ways."

Union: Why is there a five-year rule?

A. We wanted to try something that was new. We looked at the Peace Corps and liked the idea of having new people coming and going with new ideas. Also, we wanted to give people experience so that they can become employed in other Federal agencies. We are aware of the down-side of the five-year rule as it relates to core government functions.

Union: Why not have personnel systems that have both civil service and corporations employees.

A. We wanted to create "one culture," and tried to design a process that would achieve that goal.

Union: Why didn't you not just use the civil service system?

A. Because we must hire the most senior applicant for a position. You can make decisions faster.

We pointed out to Lew that the selection process for a position involves the certification of a group of best qualified candidates and the selection official is able to choose from among those candidates.

Union: What will happen to ACTION employees who are not transferred to the Corporation?

A. We believe that outplacement will work and we will be able to avoid RIFs. But, this is difficult to structure as there can't be an obligation to find employment for all. We are open to suggestions on Early Outs.

Union: How will the Corporation insure the new personnel system is fair?

A. The Board of the Corporation will serve as a check on the employment system.

Union: The draft of the legislation said that there would be a five-year rule and that an employee could be extended to seven years, but this provision was dropped from the bill submitted to Congress. Why?

A. We did not notice that it was dropped in the final version of the bill. However, the "presumption of turnover with a presumption that it can be extended," is our intent.

Union: What happens next?

A. A task force will be established shortly (in a matter of weeks rather than months) to review the ACTION Agency and start the process of transition.

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Other comments made to the Union during the briefing by the GC of ONS:

- o ONS has been told that 40% of the ACTION employees are within the range of retirement, presumably early retirement.

- o ONS has noticed that grantees speak very highly of state office

o ONS has noticed that grantees speak very highly of state office employees and they are known as being easily accessible..

o ONS feels that there will have to be "technical fixes" on the legislation.

o The ONS "people have been involved with policy issues at present and have to turn next to the phase which is organizational development."

What's next?

A time will be set up next week when a couple of the ONS staff will be able to the Union the differences between the summaries of the legislation and the bill itself. In essence, they will be able to point out where the provisions of the bill agree with the statements in the summaries.



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20525

May 6, 1993

mtg 1/14
1pm

Mr. Jack Lew
General Counsel
Office of National Service
The White House
Washington, D.C. 20500

Dear Mr. Lew:

As you are aware, the legislation on national service has raised some immediate questions among ACTION personnel. Clarification should increase understanding and support here, and we would like to meet with you to discuss the following issues so that we can articulate a position within the organization.

Transfer of Functions

1. Assuming transfer of function regulations are followed (as contained in the Federal Personnel Manual, Chapter 351, Subchapter 10) we need to identify how, when, and by whom positions will be specified for transfer of function.
2. We need to be explicit about whether all existing civil service rights will continue for the employees transferred with their functions.
3. The summary language states that certain functions will be transferred. This raises the question of which ones.
4. There needs to be clarification concerning the roles of ACTION, OMB, and the Corporation in conducting the transfer of function.

Non-Transfers

5. If all full and part-time permanent positions are not identified to transfer to the Corporation, we need to specify the rights and procedures affecting the employees not transferred.

AFSCME Union

6. ACTION has a duty to immediately notify and negotiate with AFSCME, the exclusive representatives of ACTION's bargaining unit employees, concerning impact and implementation of a transfer of function, reorganization, etc. Thus, we need to know at what point the details of the transfer will be known.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities,
particularly those of the poor, the disadvantaged and the elderly.

7. Has any thought been given to the current AFSCME bargaining unit in relation to covered employees transferred?

Other

8. We need to be as specific as possible about the job search assistance that is to be provided.

Early Out

9. Should early out retirement authority be requested from OPM? Have there been any discussions with OPM on this question and what is their position?

Corporation's Personnel System

10. To the extent that ACTION employees accept employment with the Corporation prior to the transfer of function, what details of the Corporation's personnel system are envisioned for, i.e., retirement benefits, leave provisions, etc?

Just as a point of information, the summary of the legislation clarifies many questions that do not appear in the legislation. This, itself, raises some concerns and uneasiness among employees. For example, the summary indicates that employees transferred with their functions will retain their civil service rights, and that the Board members will not be compensated, except for travel and other business expenses. The legislation is silent on these matters.

The above items address only the most basic issues at this time, although in some instances the response may be that these decisions will be made in the future. Also, you may have other issues to discuss. Thus, we would like to meet with you at your earliest convenience.

Sincerely,



Gary Kowalczyk
Acting Director



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20525

April 30, 1993

MEMORANDUM

TO: ACTION Headquarters Employees

FROM: John Seal *JOHN SEAL*
Acting Director

SUBJECT: National Service Trust Act of 1993

This afternoon President Clinton is announcing his intention to submit the "National Service Trust Act of 1993" to the Congress for their action. The Act will, among other things, create a Corporation for National Service that builds upon and includes the programs and employees of ACTION and the Commission on National and Community Service.

ACTION employees as well as people who are affected by our programs are, of course, particularly interested in understanding the legislation. To help in that regard, I have attached a White House Fact Sheet which explains the President's concept of national service, including the educational benefits contemplated; how the proposal affects VISTA and Older American Volunteer Programs; and how the Corporation would work. A second Fact Sheet describes personnel impacts, although in the very general way that is necessary until more details are made available.

Be assured that you will be kept advised as information becomes available.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities, particularly those of the poor, the disadvantaged and the elderly.

April 30, 1993

OUTLINE OF LEGISLATION

NATIONAL SERVICE INITIATIVE

President Clinton's national service program will expand educational opportunity, reward individual responsibility, and build the American community by bringing citizens together to tackle our common problems. The President's support for service extends from the youngest elementary students to our oldest citizens, and includes everything from part-time volunteer activities to full-time public service jobs.

The centerpiece of the President's initiative to support service is a new program to offer educational awards to Americans who make a substantial commitment to service. In addition to this program, which builds on the youth corps and demonstration programs of the National and Community Service Act of 1990, the National Service Trust Act includes:

- Extension and improvement of programs in the National and Community Service Act of 1990 that enhance elementary and secondary education through community service in schools, support after-school and summer programs for school-age youth, and fund service programs on college campuses.
- Support for the Points of Light Foundation, to support volunteerism.
- Extension and improvement of VISTA and the Older American Volunteer Programs authorized by the Domestic Volunteer Service Act.
- Creation of a new Investment Fund for Quality and Innovation to support model service programs and activities designed to ensure the development of high quality national service programs.

NATIONAL SERVICE TRUST ACT

Focus of Service

- National service must address unmet educational, environmental, human, or public safety needs. National priorities may be established within these areas.
- National service must improve the life of the participants, through citizenship education and training.
- Participants may not displace or duplicate the functions of existing workers.

Corporation for National Service

Structure

- The national service program will be administered by a new government Corporation for National Service, created by combining two existing independent federal agencies, the Commission on National and Community Service and ACTION.
- The corporation will be responsible for administering all programs authorized under the National and Community Service Act and Domestic Volunteer Service Act, including VISTA and the Older American Volunteer Programs. The Corporation will also fund training and technical assistance, service clearinghouses and other activities.
- The investment division of the corporation will administer the new trust program and programs currently administered by the Commission on National and Community Service.
- The operating division will administer programs currently run by the ACTION agency, including VISTA and the Older American Volunteer Programs.
- Flexible and quality-driven personnel policies will include pay-for-performance and a 5-year limit on most tenures.
- The Corporation may solicit and accept private funds.

Governance

- The corporation will have an eleven-member volunteer Board of Directors appointed by the President and confirmed by the Senate. It will be bipartisan and include persons experienced in national service and experts in providing educational, environmental, human, or public safety service.
- The first Board members will be appointed from the Board of Directors of the Commission on National and Community Service. Seven Cabinet secretaries will serve as non-voting ex-officio members.

■ The Board will develop the corporation's strategic plan, approve grant decisions, review other policy and personnel decisions, receive and act on reports from the Inspector General, supervise evaluations, and advise the Corporation on all issues.

■ A Chairperson of the Board and a Managing Director for each division will be full-time employees appointed by the President and confirmed by the Senate.

Oversight

■ An Inspector General will oversee programs to guard against fraud and abuse.

■ Programs must arrange for independent audits and evaluations, and may also be required to participate in national or state evaluations.

State Commissions

Structure

■ In order to receive a grant, each state must establish a commission on national service. The corporation will provide funding for the state commission.

■ Commissions will have members appointed by the governors on a bipartisan basis from among the following: youth, educators, representatives of youth corps, older American volunteer programs, and other nonprofit service providers, labor, business, and experts in meeting particular unmet needs. No more than 25 percent of voting members may be state officials, although additional state agency representatives may sit on the commissions as non-voting ex-officio members. Commissions will elect their own chair.

■ A representative of the corporation will sit on each commission as a voting member and act as liaison between the commission and the corporation.

Duties

■ State commissions will be responsible for selecting programs to be funded under the state formula allocation, and in any competitive grant states may request.

■ State commissions must also design strategic plans for service in the states, recruit participants, and disseminate information about service opportunities.

■ State commissions may also support clearinghouses, training and technical assistance, and other initiatives to support service. They may not operate national service programs, but may use a portion of funds to support programs run by state agencies.

Transition

■ For a period of one year, existing state agencies may assume the responsibility of the state commissions.

Allocation of Funds

- States submitting plans approved by the Corporation will receive a portion according to a population-based formula and a portion on a competitive basis.
- Remaining funds will be allocated directly by the corporation. Programs eligible for priority consideration include federal programs, national nonprofit organizations operating multiple programs or competitive grant programs, national service initiatives in more than one state and meeting priority needs, proposals to replicate successful programs in more than one state, professional corps, and innovative national service programs.

Programs

Goals

- Programs must set measurable goals regarding the impact of the service on the community and on participants.

Eligibility

- Programs eligible for national service designation include diverse community corps, youth corps, specialized service programs focusing on a specific community need, individual placement programs, campus-based service programs, programs that train and place service-learning coordinators in schools or team leaders in corps programs, intergenerational programs, national service entrepreneurship programs, and professional corps.
- Programs may be run by non-profit organizations, institutions of higher education, local governments, school districts, states, or federal agencies.
- Programs may not provide direct benefits to for-profit businesses, labor unions, or partisan political organizations, or involve participants in religious activities.

Selection

- Selection criteria include quality (based on criteria developed in consultation with experts in the field), innovation, sustainability, and replicability of programs.
- Past experience and management skills of program leadership, involvement of participants in leadership roles, and the extent to which the program builds on existing programs will also be taken into account.
- Programs serving and recruiting participants from communities of need, including those designated as enterprise zones, community redevelopment areas, areas with high poverty rates, environmentally distressed areas, and communities adversely affected by decreased defense spending will also receive special consideration.

Funding

- All participants will receive educational awards.
- To develop programs, one-year planning grants will be available. To support national service participants, three-year renewable grants will be available for program demonstration, expansion, or replication.
- Administrative costs will be limited to five percent of all grants other than planning grants.
- Programs must pay 15 percent of the stipend and health care benefits in cash and 25 percent of other program costs receiving federal support. The 25 percent match may be in cash or in kind from any source other than programs funded under the National and Community Service or Domestic Volunteer Service Acts.
- Federal funds must supplement, not supplant, state and local dollars.

Participants

Eligibility

- Individuals may serve before, during, or after post-secondary education.
- In general, participants may be age 17 or older. Youth corps participants may be age 16 or older.
- Participants must be high school graduates or agree to achieve their GED prior to receiving educational awards.

Selection

- Participants will be recruited and selected on a nondiscriminatory basis and without regard to political affiliation by local programs designated by states or the federal government.
- A national or state recruitment system will help interested individuals locate placements in local programs. Information about available positions will be widely disseminated through high schools, colleges and other placement offices. A special leadership corps may be recruited, trained, and placed to assist in the development of new national service programs.

Term of Service

- To earn an educational award, a participant must complete at least one year of full-time or two years of part-time service in a program designated by a state or the federal government. An individual may serve up to two terms and earn up to two educational awards.

Educational Awards

- Educational awards of \$6,500 -- roughly the average indebtedness of a graduate of a 4-year institution -- will be provided for each term of service. Educational awards may be used to repay loans for higher education or to pay for higher education or training.
- Educational awards will be federally funded and deposited into a national service trust on behalf of all participants accepted into the program. Organizations and individuals may donate funds to support national service participants in the donor's community.
- Payments will be made directly to qualified post-secondary educational institutions, including two- and four-year colleges, training programs, and graduate or professional programs.
- In the case of participants with outstanding loan obligations for qualified educational activities, awards will be paid directly to lenders.
- Awards will not be taxable and must be used within five years of receipt.

Stipends

- Programs will set stipends within program guidelines. However, federal support will be limited to a match of 85 percent of an annual stipend equivalent to benefits received by VISTA volunteers. Programs may provide additional stipends up to twice this amount, with no federal match for the portion of the stipend in excess of the VISTA benefit.
- In the limited case of designated professional corps in areas of great need, such as teaching and public safety in underserved areas, participants may be paid a salary in excess of the guidelines and receive an educational award. However, no federal support will be available for a stipend.

Health and Child Care

- All participants without access to health insurance will receive health coverage. Federal dollars will pay up to 85 percent of the cost of these benefits.
- Participants may receive child care assistance, if needed.

Serve-America

The proposal extends and expands the existing Serve-America program for school-age youth and Higher Education Innovative Projects for Community Service. Modifications to these programs are described below.

Service-Learning Program

Program Goals

- To build a foundation for service among the nation's youth, inspiring them to serve and instilling in them the values and attitude to serve effectively after graduation.
- To create opportunities for all American children to serve our country.

Types of Programs

- Programs may be partnerships of local education agencies and community-based organizations.
- Local educational agencies may receive planning grants to hire service-learning coordinators.

Types of Funding

- School-based programs will be eligible for funding through state educational agencies, partly based on formula and partly through competition.
- State educational agencies must develop state plans that indicate programs to be funded and detail 3-year strategies for service-learning in their states. The Corporation must approve state plans.
- Programs may receive one-year planning grants for school-based programs. Subgranting to experienced institutions for school-based programs will also be allowed.
- All local programs will be required to provide at least 10 percent of total program costs in the first year of funding, increasing to 50 percent in the fourth. Local programs may utilize other federal education funds to meet the match requirement.

Training and Technical Assistance

- Clearinghouses will be expanded to further enable them to disseminate information and curriculum materials; train teachers, service sponsors and participants; and provide needs assessments or technical assistance.
- States will also receive additional resources to train and educate state educational personnel.

Community-based Program for School-Age Youth

- Community-based organizations working with school-age youth may receive grants from the State Commission for programs to involve such youth in community service.

- National non-profit organizations may apply to the Corporation to make subgrants or run multi-state community-service programs for this population.

Higher Education Innovative Projects

- Higher Education institutions, consortia of such institutions, or partnerships of higher education institutions and non-profit institutions may receive grants from the Corporation for student community-service programs or programs to train teachers in service-learning methods.
- Funds may supplement College Work-Study funds being used for community service placements.

Extension of the Domestic Volunteer Service Act of 1973

The proposal extends and expands VISTA and Older American Volunteer Programs authorized by the Domestic Volunteer Service Act. Following a transition period, these programs will be administered by the corporation for national service.

VISTA

- Extends authority for the VISTA program and increases number of VISTA volunteers.
- Authorizes new VISTA Summer Associate program.
- Authorizes a University Year for VISTA program to encourage student volunteer efforts addressing the needs of low-income communities.
- Removes restrictions limiting the flexibility to manage VISTA, while reaffirming commitment to recruiting a diverse group of VISTA volunteers including young and older adults.
- Increases post-service stipends by \$30 for each month of service. Such stipends are not available if VISTA volunteer accepts an educational award under the national service trust.
- Continues support for VISTA Literacy Corps.

Special Volunteer Programs

- Provides broadened authority under the Special Volunteer Programs to supporting demonstrations and innovations, provide technical assistance, and promote other entrepreneurial activities. Eliminates specific authority for student community service and drug programs, which are covered under the broadened demonstration authority and under the National and Community Service Act.

Older American Volunteer Programs

- Renames the Older American Volunteer Programs as National Senior Volunteer Corps and the Retired Senior Volunteer Program as the Retired and Senior Volunteer Program (RSVP).
- Lowers eligibility age for participation in the RSVP program to 55.
- Clarifies that Foster Grandparents may work with children with special and exceptional needs in Head Start programs, schools, and day care centers.
- Provides for a new demonstration authority to enrich and strengthen older American volunteer programs across the country.
- Eliminates restrictions that limit the flexibility to administer the program.
- Increases the stipend for low-income Foster Grandparents and Senior Companions once over the next five years to account for inflation.

Administration

- Encourages relationships between ACTION and other federal agencies where ACTION volunteers might help further the purposes of other Federal programs.
- Authorizes a Center for Research and Training on Volunteerism to strengthen volunteer programs across the country.
- Provides a technical amendment to restore the crediting of VISTA service for federal pensions.
- Provides copyright protection for the programs authorized under the Act.

PERSONNEL FACT SHEET

The President's submission of the National Service Trust Act is imminent. This Act will establish a Corporation for National Service. Programs and employees of both the Commission on National and Community Service and ACTION will be combined in the new Corporation.

The following personnel features are included in the proposal:

- The Corporation will establish a merit-based competitive selection system based on job requirements and applicant qualifications. Except for special circumstances, the personnel of the Corporation may be appointed for terms that do not exceed 5 years, with renewals extending up to 7 years. Employees will be covered by civil service health and life insurance programs.
- During a transitional period not to exceed 18 months after the President's proposal is enacted, the Corporation and OMB will organize an orderly transfer of functions from ACTION to the Corporation.
- The only organizational structure defined in the proposal is the establishment of a Corporation with a Board of Directors and two corporate divisions: one for Federal operating programs (VISTA and OAVP) and another for Federal investment programs (the new national service initiatives). Decisions on further organizational structures in Headquarters and the Field will be made by the Corporation's leadership.
- To the extent that ACTION personnel accept employment at the Corporation prior to the transfer of function, such employment will be under the Corporation's personnel system.
- ACTION personnel who are transferred when a function is transferred will retain their rights under the competitive civil service system and not be subject to the 5 year term provision. At the point that these transferred personnel leave the Corporation, their positions will be filled under the Corporation's personnel system.
- The transfer of function will be implemented under the regulations contained in the Federal Personnel Manual, Chapter 351, Subchapter 10 (Transfer of Function).
- If an ACTION or Commission employee does not transfer to the Corporation, outplacement assistance will be provided to find a position in another Federal agency.



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20525

May 6, 1993

MEMORANDUM

TO: All ACTION Employees

FROM: Gary Kowalczyk 
Acting Director

SUBJECT: National Service Trust Act

Today, President Clinton has sent the proposed National Service Trust Act to the Congress for their consideration. His transmittal message, which is attached, discussed the potential benefits from enacting the legislation. In particular, if enacted, this legislation would result in tens of thousands of additional people working on community service projects across the Nation, including an expansion of VISTA and Older American Volunteer Programs authorized by the Domestic Volunteer Service Act.

The new Corporation for National Service will include the programs and the assets of ACTION. Recognizing that most of us are acutely sensitive about changes that could affect our employment and our programs, I will be working to see that you are kept fully and currently informed about the Corporation's evolution, the progress of the National Service Trust Act of 1993, and the impact of these developments on employees. Let me mention four points at this time:

(1) The "Personnel Fact Sheet" that was attached to John Seal's April 30, 1993, memoranda to ACTION employees is still as complete a statement as can be made at present since many of the details of the Corporation's personnel structure will be defined in the future. Any ACTION employee should feel free to contact the Personnel Management Division at any time for the latest information about such personnel issues.

(2) The Corporation's organizational structure has "two sides of the house." An "investment" side will include expanded activities similar to those currently being carried out by the Commission on National and Community Service. An "operating" side will include existing programs from ACTION, and they will continue to operate as they do at ACTION.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities,
particularly those of the poor, the disadvantaged and the elderly.

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

May 6, 1993

TO THE CONGRESS OF THE UNITED STATES:

I am pleased to transmit today for your immediate consideration and enactment the "National Service Trust Act of 1993" and the "Student Loan Reform Act of 1993." These Acts represent innovative public policy founded on traditional American values: offering educational opportunity, rewarding personal responsibility, and building the American community. In affirming these values, the Acts reject wasteful bureaucracy -- instead reinventing government to unleash the ideas and initiative of the American people. Also transmitted is a section-by-section analysis.

Throughout the Presidential campaign last year, Americans of all backgrounds and political persuasions responded to national service like few other ideas. The reasons are clear. Higher education is fundamental to the American Dream, but complex procedures and inflexible repayment plans have created serious problems for many students with education loans to pay back. Defaults are too high today -- and taxpayers are left to foot the bill. Americans are yearning to reaffirm an American community that transcends race, region, or religion -- and to tackle the problems that threaten our shared future.

The two Acts are designed to meet these basic American needs. The National Service Trust Act of 1993 establishes a domestic Peace Corps, offering hundreds of thousands of young people the opportunity to pay for school by doing work our country needs. The Student Loan Reform Act of 1993 overhauls the student loan system. Through a one-stop direct student loan program, the Act will save taxpayers billions of dollars, lower interest rates for students, and simplify the financial aid system. And through new EXCEL Accounts and other repayment options, the Act will offer borrowers greater choice and lower monthly payments while reducing the chance of defaults.

The National Service Trust Act of 1993 establishes a definition of national service that is clear but broad. National service is work that addresses unmet educational, environmental, human, or public safety needs. It enriches the lives of those who serve, instilling the ethic of civic responsibility that is essential to our democracy. And national service does not displace or duplicate the functions of existing workers.

Building on the National and Community Service Act of 1990 and the flourishing community service programs of nonprofit organizations and States, the initiative rejects bureaucracy in favor of locally driven programs. In the spirit of reinventing government, the Act will empower those with the greatest expertise and incentives to make national service work.

The Act enables citizens of all backgrounds to serve and use their educational awards where they see fit. While many participants will be recent college graduates, Americans will be eligible to enter the program at any time in their adult lives. Both full-time and part-time service will be encouraged. And whatever their education level, those who complete a term of service will receive an award of \$5,000. The award will be payable toward past, present, or future educational expenses in 4- and 2-year colleges, training programs, and graduate and professional schools.

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The Act demands that programs meet tough guidelines for excellence and requires measurable performance goals and independent evaluations. Within these limits, however, the Act enables the people who run programs to design them. The smallest community-based organizations and largest Federal agencies will be able to compete for funding. A variety of program models will be eligible, ranging from youth corps that enable at-risk youth to meet community needs, to preprofessional programs that give college students ROTC-like training and then placements in specific problem areas, to diverse community corps that involve Americans of all backgrounds in meeting common goals.

With the economic market as a model, there is competition at every level of the system: programs compete for State approval, States compete for Federal approval, and programs at the national level compete against each other and States for Federal approval. To build public/private partnerships that earn support far beyond government, the Act requires programs to make a cash match and to increase nongovernment support as time passes.

The Act is designed to reduce waste and promote an entrepreneurial government culture. The Act establishes a new Government Corporation for National Service that combines two existing independent agencies, the Commission on National and Community Service and ACTION. With flexible personnel policies and a small, bipartisan Board sharing power with a Chairperson, the Corporation will operate as much like a lean nonprofit corporation as a Government agency.

The State level will mirror the Federal level and build a strong partnership between the two. Bipartisan State commissions on national service will be responsible for selecting programs to be funded by States. To ensure genuine Federal/State cooperation, a representative of the Corporation will sit on State commissions and a representative of the States on the Corporation Board.

The National Service Trust Act of 1993 encourages Americans to join together and serve our country -- at all ages and in all forms. The Act enhances the Serve-America program for school-age youth; extends and improves the VISTA and Older Americans Volunteer Programs authorized under the Domestic Volunteer Service Act; supports the Civilian Community Corps and Points of Light Foundation; and pulls these efforts under the new Corporation. The Act will help instill an ethic of service in elementary and secondary school students, encourage them to serve in their college years, and give them further opportunities later in their lives.

The Student Loan Reform Act of 1993 will take an important first step toward comprehensive reform of the student loan system. It saves money, makes loan repayment more affordable, and holds students more accountable. The measures in no way replace the Pell Grant program, which will remain the cornerstone of financial aid for millions of students.

The Student Loan Reform Act of 1993 replaces the current Federal Family Education Loan program with the Federal Direct Student Loan Program over a 4-year period. By eliminating subsidies to private lenders and making loans directly to students, direct lending will save taxpayers \$4.3 billion through Fiscal Year 1998 and still allow interest rates to drop for student borrowers. Many schools will make loans directly to students on campus, though none will be forced to do so. In addition, no institution will service or collect loans. This reform simplifies the system for many students, enabling most to receive all their aid through "one-stop shopping" at their institutions' financial aid offices.

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The lending reform expands choice and reduces burdens for all student borrowers by offering a variety of repayment plans -- including fixed, extended, graduated, and income-contingent schedules. In the same way that multiple financing options help homeowners, these plans offer real choice to all and lower monthly payments to those who want them. Income-contingent repayments -- through the new EXCEL Accounts -- also encourage service by students who do not participate in service under the National Service Trust Act. With more manageable monthly payments, more students will be able to take jobs that pay less but do more for their communities, without risking default. And whatever plan they first choose, students will be able to change their repayment schedule as their circumstances change.

The Student Loan Reform Act of 1993 will also reduce default rates. By electing income-contingent repayment schedules, students with lower incomes will be able to repay their loans on a manageable plan, without defaulting. Through cooperation with the IRS, the Act will improve collection and monitoring of student loans. And for those who are able to pay but do not, the Act will give the Secretary of Education authority to require payment on an income-contingent basis.

Opportunity, responsibility, and community go beyond politics. They are basic American ideals. Enactment of these two Acts will express the Nation's commitment to these ideals and to our shared future. I urge the Congress to give the legislation prompt and favorable consideration.

WILLIAM J. CLINTON

THE WHITE HOUSE,
May 5, 1993.



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20525

May 13, 1993

Dear OAVP Project Director,

This is to provide you with information about the Clinton Administration's comprehensive new national service proposal, entitled the "National Service Trust Act of 1993," to strengthen service opportunities for all Americans. This legislation is now being considered by the Congress.

As noted in material released by the White House,

"President Clinton's national service program will expand educational opportunity, reward individual responsibility, and build the American community by bringing citizens together to tackle our common problems. The President's support for service extends from the youngest elementary students to our oldest citizens, and includes everything from part-time volunteer activities to full-time public service jobs."

This letter highlights several provisions of the legislation that are specifically related to ACTION's Older American Volunteer Programs.

The National Service Trust Act includes provisions to extend and strengthen ACTION's three Older American Volunteer Programs: Retired Senior Volunteer Program, Foster Grandparent Program, and Senior Companion Program. Many of the proposals for these programs address issues raised with ACTION by project directors and others over the last several months.

Specifically, the bill as introduced in Congress:

- o Redesignates the Older American Volunteer Programs as the National Senior Volunteer Corps.
- o Redesignates the Retired Senior Volunteer Program as the Retired and Senior Volunteer Program; lowers the eligibility age for participation in that program to 55; and encourages those still in the labor force to participate in the program.
- o Broadens the definition of the person-to-person services that may be provided by Foster Grandparents to reflect the current scope and breadth of the program.
- o Provides for an adjustment of the stipend provided Foster Grandparents and Senior Companions once over the next five years to account for inflation.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities, particularly those of the poor, the disadvantaged and the elderly.

- o Eliminates detailed statutory requirements governing participation of non-low-income volunteers in the Foster Grandparent and Senior Companion Programs, while providing local projects with the flexibility to determine the circumstances under which such volunteers may be used.
- o Repeals a provision in the Foster Grandparent and Senior Companion programs limiting volunteer participation to those no longer in the work force, thereby providing greater flexibility for volunteers and projects.
- o Encourages relationships among ACTION and various Federal agencies where older American volunteers might help further the purposes of other Federal programs.
- o Revises Programs of National Significance by adding several categories and providing greater flexibility in allocating resources for this purpose.
- o Eliminates certain reporting requirements related to adjustments to grants for inflation.
- o Provides a new demonstration authority to help strengthen older American volunteer programs across the country.
- o Clarifies the circumstances under which contributions to projects are permitted, thereby removing current potential restrictions prohibiting such contributions.
- o Provides protection against the improper use of the names of the Older American programs and their associated acronyms.

The bill contains the following funding levels for fiscal year 1994: Retired Senior Volunteer Program -- \$35.8 million, an increase of \$2.1 million above FY 1993 levels; Foster Grandparent Program -- \$68.8 million, an increase of \$4.0 million above FY 1993 levels; and Senior Companion Program -- \$31.7 million, an increase of \$2.1 million above the FY 1993 level. These amounts, reflecting the President's proposals, are dependent of course upon passage of separate appropriations for this purpose.

The national service program is to be administered by a new government Corporation for National Service, created by combining two existing independent federal agencies: the Commission on National and Community Service and ACTION. The Corporation would be responsible for administering all programs authorized under the National and Community Service Act and the Domestic Volunteer Service Act, including VISTA and the Older American Volunteer programs. The investment division of the Corporation will administer the new educational trust program and programs currently administered by the Commission on National and Community Service. The operating division will administer programs currently run by ACTION, including VISTA and the Older American Volunteer Programs.

You should be aware that press references and some summaries of the legislation include descriptions that seem to apply to both sides of the Corporation, when in fact they apply only to the "investment division." Specifically, discussions of dollar formulas for state grants, cash matches by projects, and the role of State Commissions refer to the "investment division" and not to the "operating division." These concepts do not apply to the Older American Volunteer Programs.

In summary, the bill extends and strengthens the Older American Volunteer Programs as we know them today, maintains their community-based focus with monies provided directly from the Federal Government to local sponsoring organizations, positions the programs for positive changes within a new national service organization, and provides the potential for significantly enhanced opportunities for older American participation in national service.

ACTION will endeavor to keep you informed on the progress of this legislation. If you have specific questions, please contact the state office which will be responsible for providing the information after contacting the appropriate ACTION office.

Sincerely,



Gary Kowalczyk
Acting Director

cc: ACTION Regional Directors
ACTION State Program Directors



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20525

Facsimile Transmittal Sheet

TO: Mr. Jack Lew

LOCATION: The White House, Office of National Service

FAX #: 456-6420 PHONE #: 456-6444

FROM: Gary Kowalczyk

COMMENTS: Per your request, attached is May 6 letter.

NUMBER OF PAGES (INCLUDING COVER SHEET) 3

IF THERE IS ANY PROBLEM WITH THIS TRANSMISSION, PLEASE CALL
(202) 606-4880.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities,
particularly those of the poor, the disadvantaged and the elderly



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20505

May 6, 1993

Mr. Jack Lew
General Counsel
Office of National Service
The White House
Washington, D.C. 20500

Dear Mr. Lew:

As you are aware, the legislation on national service has raised some immediate questions among ACTION personnel. Clarification should increase understanding and support here, and we would like to meet with you to discuss the following issues so that we can articulate a position within the organization.

Transfer of Functions

1. Assuming transfer of function regulations are followed (as contained in the Federal Personnel Manual, Chapter 351, Subchapter 10) we need to identify how, when, and by whom positions will be specified for transfer of function.
2. We need to be explicit about whether all existing civil service rights will continue for the employees transferred with their functions.
3. The summary language states that certain functions will be transferred. This raises the question of which ones.
4. There needs to be clarification concerning the roles of ACTION, OMB, and the Corporation in conducting the transfer of function.

Non-Transfers

5. If all full and part-time permanent positions are not identified to transfer to the Corporation, we need to specify the rights and procedures affecting the employees not transferred.

AFSCME Union

6. ACTION has a duty to immediately notify and negotiate with AFSCME, the exclusive representatives of ACTION's bargaining unit employees, concerning impact and implementation of a transfer of function, reorganization, etc. Thus, we need to know at what point the details of the transfer will be known.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities, particularly those of the poor, the disadvantaged and the elderly.

-2-

7. Has any thought been given to the current AFSCME bargaining unit in relation to covered employees transferred?

Other

8. We need to be as specific as possible about the job search assistance that is to be provided.

Early Out

9. Should early out retirement authority be requested from OPM? Have there been any discussions with OPM on this question and what is their position?

Corporation's Personnel System

10. To the extent that ACTION employees accept employment with the Corporation prior to the transfer of function, what details of the Corporation's personnel system are envisioned for, i.e., retirement benefits, leave provisions, etc?

Just as a point of information, the summary of the legislation clarifies many questions that do not appear in the legislation. This, itself, raises some concerns and uneasiness among employees. For example, the summary indicates that employees transferred with their functions will retain their civil service rights, and that the Board members will not be compensated, except for travel and other business expenses. The legislation is silent on these matters.

The above items address only the most basic issues at this time, although in some instances the response may be that these decisions will be made in the future. Also, you may have other issues to discuss. Thus, we would like to meet with you at your earliest convenience.

Sincerely,



Gary Kowalczyk
Acting Director

To: Jack
From: Liz 6257
Date: April 29, 1993
Re: Call to Nanine Mickeljohn

She and Chuck Loveless will be attending 3:00 p.m. mtg.
They would like to talk to you for a few minutes afterwards.

Concerns include:

- 1) Not having time to read legislation before giving full endorsement of bill tomorrow. They are reluctant to give final okay without seeing specific language. She said there are some things on which they would rather make changes now than later via amendment in a committee.
- 2) In general, what they delineated in Wasserman letter.
- 3) Particular way the concurrence provision is drafted (as pointed out in Wasserman letter.)
- 4) ACTION employees, although she understands that is in flux.
- 5) She has clarifying questions which are also in Wasserman letter.
- 6) She has questions on how broad the displacement and grievance appeals are and how they will work in the broader picture.

Jack -
Joan is going to talk
+ Fran LC Common
of AFSCME
to try + get them
off your back.
- Liz

(She scored big points w/ McEntee at lunch)

—
THE WHITE HOUSE
WASHINGTON

I'll check up on you later.

—

TO: Jack Lew
FROM: Judy Harrington
DATE: May 7
RE: Meeting at ACTION/Personnel Issues

May I suggest we schedule in one of these three time slots at ACTION for a meeting that begins to fill in some gaps on personnel questions by intent if not by detail. Many of the topic areas are raised in Gary's letter to you on May 6.

Wednesday, May 12, between 4-6 pm.

Thursday, May 13, morning or afternoon

Friday, May 14, morning or afternoon

2:00

Meeting date/time _____

Meeting location _____

Mtg. participants from your end :

① call to set up

② get room for Wed
mtg / w Art
LIT



OFFICE OF THE DIRECTOR

1100 VOLUNTARY AVENUE, NW
WASHINGTON, DC 20005

Facsimile Transmittal Sheet

TO: JACK LEW
LOCATION: ONS
FAX #: 456-6420 PHONE #: 456-6444

FROM: Jay H

COMMENTS: _____

NUMBER OF PAGES (INCLUDING COVER SHEET) 2

IF THERE IS ANY PROBLEM WITH THIS TRANSMISSION, PLEASE CALL
(202) 606-4880.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities,
particularly those of the poor, the disadvantaged and the elderly



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20525

FACSIMILE TRANSMITTAL SHEET

TO: JACK LEWLOCATION: ONSFAX #: 456-6420 PHONE #: 456-6444FROM: JUDY HARRINGTONCOMMENTS: _____

_____NUMBER OF PAGES (INCLUDING COVER SHEET) 7IF THERE IS ANY PROBLEM WITH THIS TRANSMISSION, PLEASE CALL
(202) 606-4880.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities,
particularly those of the poor, the disadvantaged and the elderly.



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20526

May 5, 1993

To: Jack Lew

From: Judy Harrington

Your impression of previously meeting with unions was favorable.

Re attached: Underscores need for personnel meeting at ACTION and clarification with unions.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities, particularly those of the poor, the disadvantaged and the elderly.



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20525

May 6, 1993

Mr. Jack Lew
General Counsel
Office of National Service
The White House
Washington, D.C. 20500

Dear Mr. Lew:

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AFSCME Union

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ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities, particularly those of the poor, the disadvantaged and the elderly.

7. Has any thought been given to the current AFSCME bargaining unit in relation to covered employees transferred?

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The above items address only the most basic issues at this time, although in some instances the response may be that these decisions will be made in the future. Also, you may have other issues to discuss. Thus, we would like to meet with you at your earliest convenience.

Sincerely,



Gary Kowalczyk
Acting Director

To Back
Date 5/6 Time 11:55
WHILE YOU WERE OUT
M. Nanine Micheljohn
of _____
Phone 529-1199
Area Code Number Extension

TELEPHONED		PLEASE CALL	
CALLED TO SEE YOU		WILL CALL AGAIN	
WANTS TO SEE YOU		URGENT	

RETURNED YOUR CALL	☒
--------------------	-------------------------------------

Message _____
Susan Albert

DS
Operator



23-023 CARBONLESS

Nanine Micheljohn
223-3413 (fax)

THE WHITE HOUSE

WASHINGTON

FAX COVER SHEET

Office of National Service
Room 145 - OEGB
Washington, D.C. 20500
(202) 456-6444 Phone

TO: Marlene McDaniel

ORGANIZATION: AFSCME

FAX #: () 223 3413 PHONE #: ()

FROM: Jack Lew

DATE: 5/6/93

NUMBER OF PAGES (including cover sheet): 6

COMMENTS:

(If you have any problem with the fax transmission, please call
(202) 456-6444.

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ACTION EMPLOYEES UNION

AFSCME LOCAL 2027

May 5, 1993

Dear Fellow Employees:

This week the President will send a bill to Congress to radically change how volunteer efforts are administered and, with it, our federal employment. Features of this National Service Trust Act of 1993: proposes a new corporation, reauthorizes most current ACTION programs, extends and amends the Domestic Volunteer Service and National and Community Service Acts and creates a new program offering educational vouchers in exchange for community service. The legislation also abolishes ACTION.

While the administration touts "flexible personnel policies" as a positive feature of the proposed corporation, our initial reading of the act suggests just the opposite. The threat to ACTION employees in headquarters and the field is a very real one--under the proposed legislation, employees transferring to the new corporation will not have the option to take their civil service status with them.

AFSCME's Legislative Department is examining the wording of the legislation to help us determine other adverse impacts; we are studying synopses, outlines and bill summaries circulated by others--each with a different slant on what the legislation proposes. For now, excerpts from an April 23rd version of the National Service Trust Act are enclosed to give you an idea of the priorities and the thinking of the bill's authors.

The administrative portion of the bill gives the Chairperson of the new corporation wide latitude to set personnel policies, determine rates of compensation and to establish procedures affecting personnel and working conditions. Certain current ACTION "functions" and "personnel employed in connection with" the functions are to be part of the new corporation. While it is up to the President and OMB to select the "functions" moving to the corporation, the Chairperson will pick the ACTION employees to be offered transfers.

Other features: a transferred employee will not lose civil service grade, pay or benefits for at least 12 months; "job counseling" is offered to those not transferring and, importantly, no employee of the corporation can work for more than five years, except that the Chairperson may extend the term to seven years. It appears that all employees who transfer will have a probationary period of one year.

806 Connecticut Ave., N.W. Room P-316
Washington, D.C. 20525 (202) 254-3221

Missing in the legislation: the proposal does nothing to help those of us who might wish to retire early, or to continue our careers in the civil service. There's a raft of unanswered questions including, which offices and employees will be transferred? What will field offices look like?

Why won't all employees be transferred if there is going to be so much more to do--if the rhetoric of national service can be believed? Will people who don't want a transfer be offered "early outs"? What are the real guarantees for transferred employees--what happens to the civil service benefits already accrued by ACTION employees? What happens when a transferred employee takes a different job at the corporation--how will the five-year rule apply? Will transferred employees be eligible for promotions? Will an employee union be governed by public or private legislation? What is the real reason for a corporation?

Given the above, an intensive education and lobbying effort by Union and ACTION employees is needed. One involving the majority of us speaking on those sections that impact our future as employees--either before this legislation is introduced, but more realistically through amendments by Congress. Certainly nothing about the legislation will change until our views are known.

One way to show our solidarity and strength is by immediately increasing membership in the ACTION Employees Union. The larger our membership, the more powerful our voice. We will get our money's worth from our affiliation with AFSCME during the months ahead. Our local union and its AFSCME International office will be writing letters and meeting Congressional and White House staffs to add employee safeguards to the National Service Trust Act.

If you're not a member, join today. Dues are seven-tenths of one percent of your gross salary--less than you're paid to work one hour. This is a small amount to hold onto your civil service status, protect your career and continue to work on citizen service.

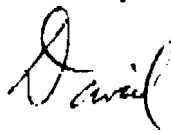
We're attaching a Union sign-up form. Send it me c/o ACTION. Please use a postage stamp and not a federal envelope.

In addition, we should all write to our own Senators and Members of Congress, as well as to those who are on the subcommittees that govern ACTION and govern matters affecting civil service employees. A list of the Senators and Representatives on these subcommittees is attached. It is especially important to contact the lawmakers on the list with a pointing hand symbol (☞) and those on the list who represent your state and district. All residents of Maryland should contact Barbara Mikulski.

When you call or write, let them know how concerned you are that the bill does not provide for more job guarantees and protection for the civil service benefits of current ACTION employees. Explain to them how over the last twelve years this agency and its employees have struggled for survival and labored under neglect. We looked forward to a new administration revitalizing our programs and our jobs. Now, we learn that the new administration is putting the careers of ACTION employees in jeopardy even though the Agency's programs appear to be thriving. Let them know that the ACTION Employees Union, which is an AFSCME union, is opposed to the current legislation.

It is critical that you express your concerns to your legislators. That is the only way that language will be introduced into this legislation to help us. This is not a battle that will be fought by anyone other than ourselves.

Sincerely,



David Gurr

cc: Carl Goldman, AFSCME Council 26
Gerald McEntec, AFSCME International

EXCERPTS FROM THE NATIONAL SERVICE TRUST ACT
(April 23, 1993 version)
[bold face has been added]

SectionLanguage

193

"[The Chairperson of the Corporation shall] submit a proposal to the Board [of Directors] regarding and establish, such standards, policies, and procedures, as are necessary or appropriate to carry out this Act"

195

"The Chairperson may appoint and determine the compensation of such employees as the Chairperson determines to be necessary to carry out the duties of the Corporation."

"Such an employee shall be appointed for an initial term that shall not exceed 5 years. . . The Chairperson shall take such action, including the issuance of rules, regulations, and directives, as shall provide, as nearly as conditions of good administration warrant, for a 1-year period of probation before such an appointment becomes final. . . No such employee shall be appointed for a total period of more than 7 years, unless the Chairperson determines that special circumstances require the appointment of an employee for a longer period."

"the Chairperson may appoint and determine the compensation of employees under this subsection without regard to the [hiring and pay] provisions of title 5, United States Code . . . The Chairperson, after consultation with the Director of the Office of Personnel Management and after reviewing the recommendation of the Board . . . shall issue regulations establishing selection and compensation systems for the Corporation."

196

"The Chairperson shall establish a program to provide, or shall seek to enter into a memorandum of understanding with the Secretary of Labor to provide, job search and related assistance to employees of the ACTION agency who are not transferred to the Corporation for National Service under section 203(c)"

203

1(c)(2) "There are transferred to the Corporation such functions as the President determines to be appropriate that the Director of the ACTION Agency exercised before the effective date of this subsection (including all related functions of and officer or employee of the ACTION Agency) . . . (3) If necessary, the Office of Management and Budget shall make any determination of the functions that are transferred under paragraph (2) . . . (5) Except as otherwise provided in this subsection, the personnel employed in connection with . . . the functions transferred by this subsection . . . shall be transferred to the Corporation"

203

1(c)(7) "Except as otherwise provided by this subsection, the transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall not cause any such employee to be separated or reduced in grade or compensation, or to have the benefits of the employee reduced, for 1 year after the date of transfer of such employee under this subsection."

23

1(c)(10) "The Chairperson is authorized to utilize a) the services of such officers, employees, and other personnel of the ACTION Agency with respect to functions transferred to the Corporation by this subsection; and (B) funds appropriated to such functions for such period of time as may reasonable be needed to facilitate the orderly implementation of this subsection."

FOR LABOR ORGANIZATION DUES

Privacy Act Statement

Section 5525 of Title 5 United States Code (Allotments and Assignments of Pay) permits Federal agencies to collect this information. This completed form is used to verify that labor organization dues be deducted from your pay and to notify your labor organization of the deduction. Completing this form is voluntary, but it may not be processed if all requested information is not provided.

This record may be disclosed outside your agency to: 1) the Department of Treasury to make proper financial adjustments; 2) a Congressional office if you make an inquiry to that office related to this record; 3) a court or an appropriate Government agency if the Government is party to a legal suit; 4) an appropriate law enforcement agency if we become aware of a legal violation; 5) an organization which is a designated collection agent of a particular labor organization; and 6) other Federal agencies for management, statistical and other official functions (without your personal identification).

Executive Order 9397 allows Federal agencies to use the social security number (SSN) as an individual identifier to avoid confusion caused by employees with the same or similar names. Supplying your SSN is voluntary, but failure to provide it, when it is used as the employee identification number, may mean that payroll deductions cannot be made.

Your agency shall provide an additional statement if it uses the information furnished on this form for purposes other than those mentioned above.

Name of Employee (Print—Last, First, Middle)

2 Employee I.D. Number (SSN or Other)

3. Timekeeper Number

Home Address (Street Number, City, State and ZIP Code)

5 Name of Agency (Include Bureau, Division, Branch or Other Designation)

ACTION Agency

Section A—For Use By Labor Organization

of Labor Organization (Indicate Local, Branch, Lodge or Other Appropriate Identification)

ACTION Employees Union, Capital Area Council of Federal Employees, Council 26,
American Federation of State, County and Municipal Employees - Local 2027

I hereby certify that the regular dues of this organization for the above named member are currently established at \$.007 per (biweekly
month). (Strike out whichever period is not appropriate, based on arrangement with the employee's agency.)

Name and Title of Authorized Official

Date (Month, Day, Year)

Section B—Authorization By Employee

I hereby authorize the above named agency to deduct from my pay each pay period, or the first full pay period of each month, the amount certified
the regular dues of the (Name of Labor Organization) AFSOME Council 26 and to remit such amount
labor organization in accordance with its arrangements with my employing agency. I further authorize any change in the amount to be deducted
certified by the above named labor organization at a uniform change in its dues structure.

I understand that this authorization, if for a biweekly deduction, will become effective the pay period following its receipt in the payroll office of my
agency; and that, if for a monthly deduction, it will become effective the first full pay period of the calendar month following its receipt in the
office of my employing agency. I further understand that Standard Form 1188, Cancellation of Payroll Deductions for Labor Organization Dues,
file from my employing agency, and that I may cancel this authorization by filing Standard Form 1188 or other written cancellation request with
the office of my employing agency. Such cancellation will not be effective, however, until the first full pay period which begins on or after the
indicated cancellation date of the calendar year after the cancellation is received in the payroll office.

Signature of Employee

X Date (Month, Day, Year)

COMPLETION BY AGENCY ONLY—The above named employee and labor organization meet the requirements for dues
g. (Mark the appropriate box. If "Yes", send this form to payroll. If "No", return this form to the labor organization.)

YES NO

Contributions or gifts to AFSOME are not deductible as charitable contributions
for federal income tax purposes. Dues paid to AFSOME, however, may qualify as
business expenses and may be deductible in limited circumstances subject to various
restrictions imposed by the Internal Revenue Service.

1187-104

TO: JACK LEW
FROM: JUDY HARRINGTON
DATE: MAY 7
RE: FACT SHEETS

Some descriptions in the May 6th Fact Sheet provoke many questions and unrest from ACTION project sponsors. The confusion comes because language that covers the new initiative is in the Fact Sheet as if it applies to everything in the Corporation.

We are working to inform projects and employees of the actual impact on ACTION programs. Further clarification in line with this language in your publications/statements would be helpful.

Internally, we have attached the language below to bill explanations:

The new structure--the Corporation--has "two sides of the house". There will be an "investment" side which picks up Commission on National and Community Service (CNCS) activity and expands it with the President's new initiative. And there will be an "operating" side composed of existing programs at ACTION and continuing to operate as they do at ACTION.

In press references and some summaries of the legislation, descriptions are made which sound as if they apply to both sides of the Corporation when in fact they apply only to the "investment" side. Talk of grants, of dollar formulas to states, of going through State Commissions and cash matches by projects refers to the "investment" side. They do not apply to and are not intended to change VISTA, FGP, SCP or RSVP.

The new concept that does change an ACTION program in any major way is that VISTA volunteers would be eligible for the \$5,000 educational benefit.

The Corporation is expected to start up soon after bill enactment by immediately absorbing activity at CNCS. Structurally, ACTION has up to 18 months from enactment to merge into the Corporation.

cc: Rick Allen
Phil Caplan
Robert Gordon

FACT SHEET

NATIONAL SERVICE TRUST ACT OF 1993

The "National Service Trust Act of 1993" is innovative public policy founded on traditional American values: offering educational opportunity, demanding personal responsibility, and building the American community. In affirming these values, the initiative also rejects big bureaucracy -- reinventing government to unleash the initiative of the American people.

The President's support for service extends from the youngest elementary school students to our oldest citizens, and includes everything from part-time volunteer activities to full-time public service jobs.

The President's initiative will:

- Build the American community through a new domestic Peace Corps that brings Americans together to tackle pressing national problems.
- Offer educational opportunity and reward individual responsibility by providing educational awards to hundreds of thousands of Americans who serve our country.
- Reinvent government by streamlining federal bureaucracies, relying on locally driven initiatives, and creating flexibility for students and competition among programs.

The Act will establish a Corporation for National Service that will offer Americans who do vital work in the national service initiative an educational award.

The Corporation will establish quality criteria and require measurable impacts, but within these bounds, communities will be able to design programs that meet their own pressing needs. Programs will be expected to educate their participants both in the particular skills their service demands, and in the civic responsibility that our democracy requires. In all respects, the Act is designed to build partnerships -- among federal government, state governments, and the private sector; and within communities, among the schools, businesses, and civic organizations that seek to fight common problems. Assistance will be distributed on a competitive basis and no program will have a right to funding, but a wide variety of organizations will have a chance to establish programs that serve our country.

Definition of National Service

- Meets unmet educational, environmental, human, or public safety needs.
- Improves the life of the participant, through citizenship education and training.
- Does not displace or duplicate the functions of existing workers.

Organization

- To reduce waste and promote an entrepreneurial government culture, a new government Corporation for National Service will be established, combining the Commission on National and Community Service and ACTION.
- While maintaining existing programs such as VISTA, the new program makes investments in new initiatives; neither the Corporation nor the state commissions will operate them.
- A small bipartisan Board will share power with a chairperson.
- Flexible and quality-driven personnel policies will include pay-for-performance and a 7-year limit on most tenures.
- The Corporation may solicit and accept private contributions.
- At the state level, commissions on national service will be established to mirror and cooperate with the federal corporation.
- Like the Corporation Board, commissions will be composed of bipartisan members from a variety of fields. To ensure a genuine federal/state partnership, a representative of the Corporation will sit on the state commissions, and a state representative will sit on the Corporation Board.
- All programs will have to compete for support; none will be guaranteed funding.
- One-third of funds will be allocated by population-based formula to state commissions with approved plans for competitive distribution of funds; at least one-third to state commissions on a competitive basis for competitive distribution; and up to one-third will be reserved to the Corporation for allocation on a competitive basis.

Programs

- National quality criteria for programming will be developed for every type of program in conjunction with experts in the field.
- Performance goals and independent evaluations will be required in every program.

- An Inspector General will police fraud and abuse, and perform oversight of funded programs.
- To encourage public/private partnership, programs must provide a 15 percent cash match on stipends and health care, and a 25 percent match for other program support.
- Entities ranging from small community organizations to federal agencies will be eligible to operate service programs.
- A broad array of possible programs will be eligible for funding: from youth corps for at-risk youth, to specialized service programs for college graduates, to diverse community corps for Americans of all backgrounds. Many other models are possible, and venture capital will be available for new efforts.

Participants

- To encourage wide and diverse participation, individuals aged 17 and over may serve before, during, or after post-secondary education.
- To target program participation to participant interests and community needs, participants will be recruited and selected by approved local programs. A national or state recruitment system will also be established to disseminate information and help interested individuals locate placements in local programs. Information about available positions will be widely disseminated through high schools, colleges and other placement offices.
- To earn an educational award, a participant must complete at least one year of full-time or two years of part-time service in an approved program. An individual may serve up to two terms and earn up to two educational awards.
- Educational awards of \$5,000 will be provided for each term of service. Awards may be used for past, present or future expenses, including two- and four-year colleges, training programs, and graduate or professional programs.
- Programs will set stipends within a limited range based at minimum wage. Health and child care will be provided to those who need them.

Encouraging Service by All

- The Act enhances the Serve-America program for school-age youth.
- The Act extends and improves the VISTA and Older Americans Volunteer Programs.
- The Act reauthorizes support for the Civilian Community Corps.
- The Act reauthorizes support for the Points of Light Foundation.



OFFICE OF THE DIRECTOR

1100 VOLUNTEER AVENUE, NW
WASHINGTON, DC 20525

Facsimile Transmittal Sheet

TO: PHIL CAPLAN

LOCATION: _____

FAX #: _____ PHONE #: _____

FROM: JOHN SEAR

COMMENTS: PLEASE SHARE WITH RICK & JACK.

AS I MENTIONED, IF ANYTHING, THE

ESTIMATED COSTS ARE PROBABLY ON THE

HIGH SIDE.

NUMBER OF PAGES (INCLUDING COVER SHEET) 5

IF THERE IS ANY PROBLEM WITH THIS TRANSMISSION, PLEASE CALL
(202) 606-4080.

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities,
particularly those of the poor, the disadvantaged and the elderly

STAFFORD LOAN CANCELLATIONS

Assumptions

288 Stafford loan certifications were made by VISTA out of 2600 training entries from March 1, 1992, through February 28, 1993 or 11% of VISTA entries had Stafford loans

For cost projection purposes, we have raised the Stafford loan participation rate to 15% in FY 94, 20% in FY 95, 25% in FY 96 and 30% in FY 97 and beyond

Current VISTA Volunteer Service Years (VSYS) are a little under 3400. We have assumed that by reducing the cost of educational benefits, more VSYS could be funded beginning in FY 94.

Assumptions used for these projections are at two increased levels:

- 3300 training entries are needed annually to maintain 3700 Volunteer Service Years (VSYS) beginning in FY 94
- 3600 training entries are needed annually to maintain 4000 Volunteer Service Years (VSYS) beginning in FY 94

Department of Education's projections for annual average Stafford loans are:

1994	\$ 2928
1995	\$ 2987
1996	\$ 3047
1997	\$ 3108

For this cost projection model, we assume an accumulated Stafford loan debt of \$12,000 in FY 94 with a 4% annual growth rate.

The 1992 Higher Education Act Amendments provided for cancellation of Stafford loans by 15% after one year of volunteer service, another 15% after the second year of service, another 20% after the third year of service and another 30% after the fourth year of service. We assume the same schedule.

Also assumed is that Volunteer's who complete one year of service as of October 1, 1994, would be able to apply the 15% first-year cancellation provision for their entire accumulated Stafford loan balance (\$12,000 for FY 94), and so forth for the succeeding years.

The projections assume the current retention rate for VISTA Volunteers today: 80% stay one year, 30% two years, 15% three years and 4% four years. Since college graduates are most likely to actively seek permanent employment after a year's service as a VISTA, we do not believe these retention rates will alter much for Stafford loan holders even with the cancellation provision.

SUMMARY OF LOAN FORGIVENESS COSTSLoan Forgiveness @ 3700 VISTA Volunteer Service Years

FY 94: \$.7 million

FY 95: \$1.3 million

FY 96: \$1.9 million

FY 97: \$2.4 million

Loan Forgiveness @ 4000 VISTA Volunteer Service Years

FY 94: \$.8 million

FY 95: \$1.4 million

FY 96: \$2.0 million

FY 97: \$2.6 million

SAMPLE COST CALCULATIONSCost Formula For 3700 VSYs

	<u>Annual Fiscal Year Costs</u>			
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
FY 94 VISTA Entries	\$.7	\$.3	\$.2	\$.1
FY 95 VISTA Entries		1.0	.4	.2
FY 96 VISTA Entries			1.3	.5
FY 97 VISTA Entries				<u>1.6</u>
(\$ in millions)	\$.7	\$1.3	\$1.9	\$2.4

FY 94:

FY 94 Entering VISTAs: 3300 VISTA entries x 15% VISTAs with
 Stafford loans x \$12,000 accumulated debt x 15% Stafford loan
 forgiveness rate x 80% first year VISTA retention rate =
 \$.7 million cost

FY 95:

FY 94 Entering VISTAs: 3300 VISTA entries x 15% VISTAs with
 Stafford loans x \$12,000 accumulated debt x 15% Stafford loan
 forgiveness rate x 30% second year VISTA retention rate =
 \$.3 million cost

FY 95 Entering VISTAs: 3300 VISTA entries x 20% VISTAs with
 Stafford loans x \$12,480 accumulated debt x 15% Stafford loan
 forgiveness rate x 80% first year VISTA retention rate =
 \$ 1.0 million cost

FY 96:

FY 94 Entering VISTAs: 3300 VISTA entries x 15% VISTAs with
Stafford loans x \$12,000 accumulated debt x 20% Stafford loan
forgiveness rate x 15% third year VISTA retention rate =
\$.2 million cost

FY 95 Entering VISTAs: 3300 VISTA entries x 20% VISTAs with
Stafford loans x \$12,480 accumulated debt x 15% Stafford loan
forgiveness rate x 30% second year VISTA retention rate =
\$.4 million cost

FY 96 Entering VISTAs: 3300 VISTA entries x 25% VISTAs with
Stafford loans x \$12,980 accumulated debt x 15% Stafford loan
forgiveness rate x 80% first year VISTA retention rate =
\$ 1.3 million cost

FY 97:

FY 94 Entering VISTAs: 3300 VISTA entries x 15% VISTAs with
Stafford loans x \$12,000 accumulated debt x 30% Stafford loan
forgiveness rate x 4% fourth year VISTA retention rate =
\$.1 million cost

FY 95 Entering VISTAs: 3300 VISTA entries x 20% VISTAs with
Stafford loans x \$12,480 accumulated debt x 20% Stafford loan
forgiveness rate x 15% third year VISTA retention rate =
\$.2 million cost

FY 96 Entering VISTAs: 3300 VISTA entries x 25% VISTAs with
Stafford loans x \$12,980 accumulated debt x 15% Stafford loan
forgiveness rate x 30% second year VISTA retention rate =
\$.5 million cost

FY 97 Entering VISTAs: 3300 VISTA entries x 30% VISTAs with
Stafford loans x \$13,500 accumulated debt x 15% Stafford loan
forgiveness rate x 80% first year VISTA retention rate =
\$ 1.6 million cost

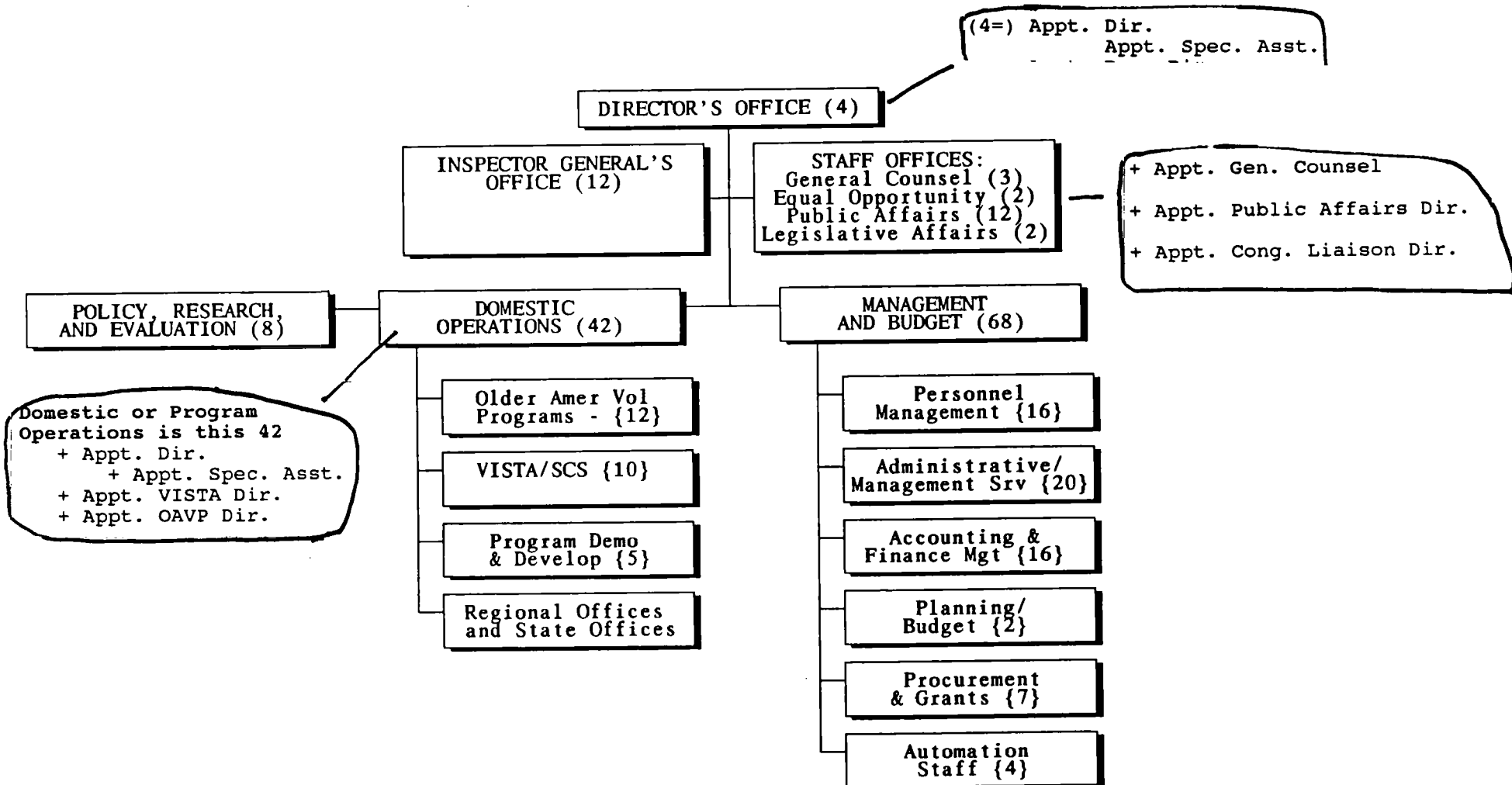
NOTES: The same formula was used for 3700 VISTA training entries
to support a total of 4000 Volunteer Service Years (VSYS).

The calculations are attributed to fiscal years on an
accrual basis; i.e., when the cancellation is "earned".

Reconciled Copy 3/30/93 p.m.
Toss out earlier copy.

Jack Lew

ACTION ORGANIZATION AND STAFFING LEVELS



NOTE: All hdqts. staff (with exception of Personnel, Admin. & Mgt. Serv., EEO and IG) are direct parts of VISTA/OAVP program delivery structure.

Total Headquarters Staffing = 149
Total Field Office Staffing = 255
Total Permanent Employment = 404
March 1993

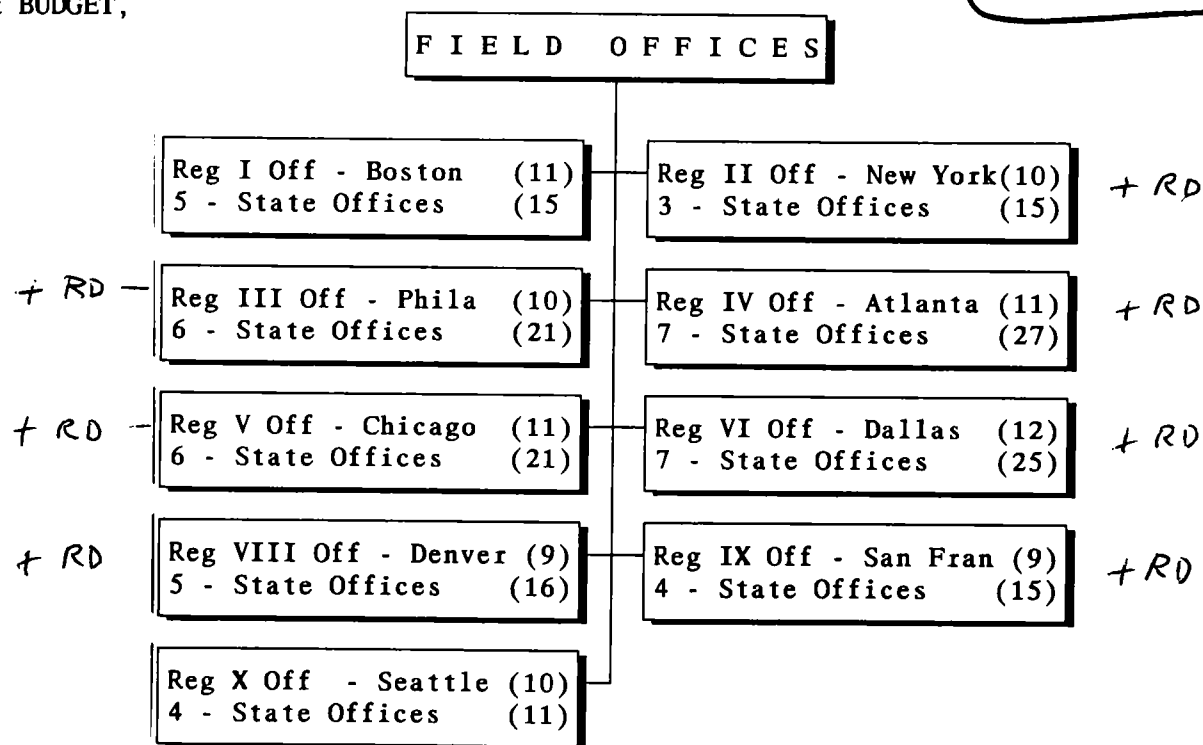
P.1

A C T I O N

REGIONAL FUNCTIONS: COORDINATES STATE OFFICES, PROJECT/VISTA APPROVAL, GRANTS MANAGEMENT/FINANCE, TRAINING, INTER-AGENCY & POLICY REPRESENTATION.

REGIONAL UNITS: PROGRAM & TRAINING, GRANTS MANAGEMENT, FISCAL & BUDGET, VISTA RECRUITMENT

With the exception of Boston and Seattle (which were grandfathered career by Pres. Carter) the RD positions are political appointments, bringing to 18 the total number of non-career appts. in the agency at the conclusion of Bush Admin.



STATE FUNCTIONS: PROGRAM AND PROJECT DEVELOPMENT, TECHNICAL ASSISTANCE, MONITORING, LIASION WITHIN STATE.

Total State Office Staffing = 163
 Total Regional Office Staffing = 92
TOTAL FIELD OFFICE STAFFING = 255
 () = Number of Staff per Office

Regional Office Staffing

Positions

REGION I (Boston)	A (career) B CC D EE F GGG
REGION II (New York)	A (appointed/vacant) B CC EE F GGGG
REGION III (Philadelphia)	A (appointed/vacant) B CC D EE F GGG
REGION IV (Atlanta)	A (appointed/hold-over) B CC D EE F GGGG
REGION V (Chicago)	A (appointed/vacant) B CC D EE F GGGG
REGION VI (Dallas)	A (appointed/vacant) B CC D EE F GGGGG
REGION VIII (Denver)	A (appointed/vacant) B CC D EE F GG
REGION IX) (San Francisco)	A (vacant) B CC D EE F GG
REGION X (Seattle)	A (career) B CC D E F GGG

CODES:

A	= Regional Director
B	= Executive Office
C	= Program & Training Officer or Specialist
D	= VISTA Volunteer Recruiter
E	= Grants Management Officer or Specialist
F	= Budget/Fiscal Analyst
G	= Assistant/Secretary/Clerical

P.4

State Office Staffing

Positions

REGION I **BOSTON**

Connecticut A B C
Maine A B C
Massachusetts A BB D
New Hampshire/Vermont A B C
Rhode Island A D

REGION II **NEW YORK**

New York A E BBBB C
New Jersey A BB C
Puerto Rico/V.I. A B C

REGION III **PHILA.**

Kentucky A B C
Maryland/Delaware A B C
Ohio A BBB C
Pennsylvania A BBB
Virginia/D.C. A BB C
West Virginia A C

REGION IV **ATLANTA**

Alabama A BB C
Florida A BBB C
Georgia A BB D
Mississippi A B C
North Carolina A BB C
South Carolina A BB C
Tennessee A B C

REGION V **CHICAGO**

Illinois A BB C
Indiana A B C
Iowa A B D
Michigan A BB C
Minnesota A BB C
Wisconsin A B D

REGION VI **DALLAS**

Arkansas A B
Kansas A B C
Louisiana A B C
Missouri A BB C
New Mexico A B C
Oklahoma A B C
Texas A BBBB C D

REGION VIII **DENVER**

Nebraska A B C
Utah A B C
Colorado/Wyoming A BB D
Montana A B C
North/South Dakota A B C

REGION IX **SAN FRAN**

Arizona A C
California A E BBBB C D
Hawaii A D
Nevada A D

REGION X **SEATTLE**

Alaska A
Idaho A B C
Oregon A BB C
Washington A B C

CODES: A = State Program Director
B = State Program Specialist
C = Secretary (Typing)
D = State Program Assistant
E = Deputy State Program Director

P.S.

SNAPSHOT OF APPOINTMENTS AT ACTION VOLUNTER AGENCY

(JAH 3-9-93)

- (1) Director (PAS)
 - (2) Special Asst./GS14
- (3) Deputy Director (PAS)
 - (4) Special Asst./GS11
- (5) Director of Domestic Operations (PAS)
 - (6) Special Asst./GS11
- (7) Associate Dir. for VISTA/GS15
- (8) Associate Dir. for OAVP/GS15
 - (9) Regional Director, San Francisco/GS15
 - (10) Regional Director, Denver/GS15
 - (11) Regional Director, Dallas/GS15
 - (12) Regional Director, Atlanta/GS15
 - (13) Regional Director, Chicago/GS15
 - (14) Regional Director, Philadelphia/GS15
 - (15) Regional Director, New York/GS15
- (16) General Counsel/NC-SES
- (17) Public Affairs Director/GS15
- (18) Congressional Liaison/GS15

ACTION REGIONALS have recruiting function

April 14 - Owens & Markiner ~~to~~ here up

Revised memo re ~~ASAP~~ ACTION implications tested out.

Stafford cancellation for VISTA may make sense - less costly

~~\$ for VISTA slot increase~~
affirming value of VISTA + OAP

OAP 25 mi/
VISTA 50 mi/
75 mi/

Δ 2000 slots

comparable ≠ identical

TOM

AFSCME mtg.

5/21/93

(1) Retirement & health continuity
needs to be clear

(2) Permanent status of franchisees

(3) Guarantee of placement - AFSCME
will send language

(4) 5 yr guarantee for hours of action

(5) Removal of 5 yr prescription from
ten system. - removal of language → flex

(6) Certification of union - AFSCME
will get back

(7) Early retirement - AFSCME will
make specific proposal

~~Assume~~ ^{Oppose} the governmental benefits

At transfer

Individual

- (1) maintain tenure
- (2) retain rights to position in corps etc.
- (3) Δ change job = option in to new system

At job change

No break in retirement

~~App~~ guarantees of placement

5 yr compare re new system

guarantee - discuss w/ OPM

No new
5 yr
guarantee

health &
retirement