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1 **SEC. 102. NATIONAL SERVICE TRUST AND PROVISION OF**
2 **NATIONAL SERVICE EDUCATIONAL AWARDS.**

3 (a) ESTABLISHMENT OF TRUST; PROVISION OF
4 AWARDS.—Subtitle D of title I of the National and Com-
5 munity Service Act of 1990 (42 U.S.C. 12571 et seq.) is
6 amended to read as follows:

7 **“Subtitle D—National Service**
8 **Trust and Provision of National**
9 **Service Educational Awards**

10 **“SEC. 145. ESTABLISHMENT OF THE NATIONAL SERVICE**
11 **TRUST.**

12 “(a) ESTABLISHMENT.—There is established in the
13 Treasury of the United States an account to be known
14 as the National Service Trust. The Trust shall consist
15 of—

16 “(1) from the amounts appropriated to the Cor-
17 poration and made available to carry out this sub-
18 title pursuant to section 501(a)(2), such amounts as
19 the Corporation may designate to be available for
20 the payment of—

21 “(A) national service educational awards;

22 and

23 “(B) interest expenses pursuant to section
24 148(e);

1 “(2) any amounts received by the Corporation
2 as gifts, bequests, devises, or otherwise pursuant to
3 section 196(a)(2); and

4 “(3) the interest on, and proceeds from the sale
5 or redemption of, any obligations held by the Trust.

6 “(b) INVESTMENT OF TRUST.—It shall be the duty
7 of the Secretary of the Treasury to invest in full the
8 amounts appropriated to the Trust. Except as otherwise
9 expressly provided in instruments concerning a gift, be-
10 quest, devise, or other donation and agreed to by the Cor-
11 poration, such investments may be made only in interest-
12 bearing obligations of the United States or in obligations
13 guaranteed as to both principal and interest by the United
14 States. For such purpose, such obligations may be ac-
15 quired on original issue at the issue price or by purchase
16 of outstanding obligations at the market price. Any obliga-
17 tion acquired by the Trust may be sold by the Secretary
18 at the market price.

19 “(c) EXPENDITURES FROM TRUST.—Amounts in the
20 Trust shall be available for payments of national service
21 educational awards in accordance with section 148.

22 “(d) REPORTS TO CONGRESS ON RECEIPTS AND EX-
23 PENDITURES.—Not later than March 1 of each year, the
24 Corporation shall submit a report to the Congress on the

1 financial status of the Trust during the preceding fiscal
2 year. Such report shall—

3 “(1) specify the amount deposited to the Trust
4 from the most recent appropriation to the Corpora-
5 tion, the amount received by the Corporation as
6 gifts, bequests, devises, or otherwise pursuant to sec-
7 tion 196(a)(2) during the period covered by the re-
8 port, and any amounts obtained by the Trust pursu-
9 ant to subsection (a)(3);

10 “(2) identify the number of individuals who are
11 currently performing service to qualify, or have
12 qualified, for national service educational awards;

13 “(3) identify the number of individuals whose
14 ability to claim national service educational awards
15 during the period covered by the report—

16 “(A) has been reduced pursuant to section
17 147(b); or

18 “(B) has lapsed pursuant to section
19 146(d); and

20 “(4) estimate the number of additional ap-
21 proved national service positions that the Corpora-
22 tion will be able to make available under subtitle C
23 on the basis of any accumulated surplus in the
24 Trust above the amount required to provide national
25 service educational awards to individuals identified

1 under paragraph (2), including any amounts avail-
2 able as a result of the circumstances referred to in
3 paragraph (3).

4 **“SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL**
5 **SERVICE EDUCATIONAL AWARD FROM THE**
6 **TRUST.**

7 “(a) ELIGIBLE INDIVIDUALS.—An individual shall
8 receive a national service educational award from the Na-
9 tional Service Trust if the individual—

10 “(1) successfully completes the required term of
11 service described in subsection (b) in an approved
12 national service position;

13 “(2) was 17 years of age or older at the time
14 the individual began serving in the approved na-
15 tional service position or was an out-of-school youth
16 serving in an approved national service position with
17 a youth corps program described in section
18 122(a)(2) or a program described in section
19 122(a)(9);

20 “(3) at the time the individual uses the national
21 service educational award—

22 “(A) has received a high school diploma, or
23 the equivalent of such diploma;

24 “(B) is enrolled at an institution of higher
25 education on the basis of meeting the standard

1 described in paragraph (1) or (2) of subsection
2 (a) of section 484 of the Higher Education Act
3 of 1965 (20 U.S.C. 1091) and meets the re-
4 quirements of subsection (a) of such section; or

5 “(C) has received a waiver described in
6 section 137(c); and

7 “(3) has received a high school diploma, or the
8 equivalent of such diploma, at the time the individ-
9 ual uses the national service educational award, un-
10 less this requirement has been waived based on an
11 individual education assessment conducted by the
12 program; and

13 “(4) is a citizen or national of the United
14 States or lawful permanent resident alien of the
15 United States.

16 “(b) TERM OF SERVICE.—The term of service for an
17 approved national service position shall not be less than
18 the full- or part-time term of service specified in section
19 139(b).

20 “(c) LIMITATION ON NUMBER OF TERMS OF SERV-
21 ICE FOR AWARDS.—Although an individual may serve
22 more than 2 terms of service described in subsection (b)
23 in an approved national service position, the individual
24 shall receive a national service educational award from the

1 National Service Trust only on the basis of the first and
2 second of such terms of service.

3 “(d) TIME FOR USE OF EDUCATIONAL AWARD.—

4 “(1) SEVEN-YEAR REQUIREMENT.—An individ-
5 ual eligible to receive a national service educational
6 award under this section may not use such award
7 after the end of the 7-year period beginning on the
8 date the individual completes the term of service in
9 an approved national service position that is the
10 basis of the award.

11 “(2) EXCEPTION.—The Corporation may ex-
12 tend the period within which an individual may use
13 a national service educational award if the Corpora-
14 tion determines that the individual—

15 “(A) was unavoidably prevented from
16 using the national service educational award
17 during the original 7-year period; or

18 “(B) performed another term of service in
19 an approved national service position during
20 that period.

21 “(e) SUSPENSION OF ELIGIBILITY FOR DRUG-RE-
22 LATED OFFENSES.—

23 “(1) IN GENERAL.—An individual who, after
24 qualifying under this section as an eligible individ-
25 ual, has been convicted under any Federal or State

1 law of the possession or sale of a controlled sub-
 2 stance shall not be eligible to receive a national serv-
 3 ice educational award during the period beginning
 4 on the date of such conviction and ending after the
 5 interval specified in the following table:

“If convicted of:	
The possession of a controlled substance:	Ineligibility period is:
1st conviction	1 year
2nd conviction	2 years
3rd conviction	indefinite
The sale of a controlled substance:	
1st conviction	2 years
2nd conviction	indefinite

6 “(2) REHABILITATION.—An individual whose
 7 eligibility has been suspended under paragraph (1)
 8 shall resume eligibility before the end of the period
 9 determined under such paragraph if the individual
 10 satisfactorily completes a drug rehabilitation pro-
 11 gram that complies with such criteria as the Cor-
 12 poration shall prescribe for purposes of this para-
 13 graph.

14 “(3) FIRST CONVICTIONS.—An individual whose
 15 eligibility has been suspended under paragraph (1)
 16 and is convicted of a first offense may resume eligi-
 17 bility before the end of the period determined under
 18 such paragraph if the individual demonstrates that
 19 he or she has enrolled or been accepted for enroll-
 20 ment in a drug rehabilitation program described in
 21 paragraph (2).

1 “(4) DEFINITIONS.—As used in this subsection,
2 the term ‘controlled substance’ has the meaning
3 given in section 102(6) of the Controlled Substances
4 Act (21 U.S.C. 802(6)).

5 “(5) EFFECTIVE DATE.—This subsection shall
6 be effective upon publication by the Corporation in
7 the Federal Register of criteria prescribed under
8 paragraph (2).

9 “(f) AUTHORITY TO ESTABLISH DEMONSTRATION
10 PROGRAMS.—The Corporation may establish by regulation
11 demonstration programs for the creation and evaluation
12 of innovative volunteer and community service programs.

13 **“SEC. 147. DETERMINATION OF THE AMOUNT OF THE NA-**
14 **TIONAL SERVICE EDUCATIONAL AWARD.**

15 “(a) AMOUNTS GENERALLY.—Except as provided in
16 subsection (b), an individual described in section 146(a)
17 who successfully completes a required term of service in
18 an approved national service position shall receive a na-
19 tional service educational award having a value, for each
20 of not more than 2 of such terms of service, equal to 90
21 percent of—

22 “(1) one-half of an amount equal to the aggre-
23 gate basic educational assistance allowance provided
24 in section 3015(b)(1) of title 38, United States Code
25 (as in effect on July 28, 1993), for the period re-

1 ferred to in section 3013(a)(1) of such title (as in
2 effect on July 28, 1993), for a member of the
3 Armed Forces who is entitled to such an allowance
4 under section 3011 of such title and whose initial
5 obligated period of active duty is 2 years; less

6 “(2) one-half of the aggregate basic contribu-
7 tion required to be made by the member in section
8 3011(b) of such title (as in effect on July 28, 1993).

9 “(b) AWARD FOR PARTIAL COMPLETION OF SERV-
10 ICE.—If an individual serving in an approved national
11 service position is released in accordance with section
12 139(c)(1)(A) from completing the term of service agreed
13 to by the individual, the Corporation may provide the indi-
14 vidual with that portion of the national service educational
15 award approved for the individual that corresponds to the
16 quantity of the term of service actually completed by the
17 individual.

18 **“SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDU-**
19 **CATIONAL AWARDS.**

20 “(a) IN GENERAL.—Amounts in the Trust shall be
21 available—

22 “(1) to repay student loans in accordance with
23 subsection (b);

1 “(2) to pay all or part of the cost of attendance
2 at an institution of higher education in accordance
3 with subsection (c);

4 “(3) to pay expenses incurred in participating
5 in an approved school-to-work program in accord-
6 ance with subsection (d); and

7 “(4) to pay interest expenses in accordance with
8 regulations prescribed pursuant to subsection (e).

9 “(b) USE OF EDUCATIONAL AWARD TO REPAY OUT-
10 STANDING STUDENT LOANS.—

11 “(1) APPLICATION BY ELIGIBLE INDIVID-
12 UALS.—An eligible individual under section 146 who
13 desires to apply the national service educational
14 award of the individual to the repayment of qualified
15 student loans shall submit, in a manner prescribed
16 by the Corporation, an application to the Corpora-
17 tion that—

18 “(A) identifies, or permits the Corporation
19 to identify readily, the holder or holders of such
20 loans;

21 “(B) indicates, or permits the Corporation
22 to determine readily, the amounts of principal
23 and interest outstanding on the loans;

24 “(C) specifies, if the outstanding balance is
25 greater than the amount disbursed under para-

1 graph (2), which of the loans the individual pre-
2 fers to be paid by the Corporation; and

3 “(D) contains or is accompanied by such
4 other information as the Corporation may re-
5 quire.

6 “(2) DISBURSEMENT OF REPAYMENTS.—Upon
7 receipt of an application from an eligible individual
8 of an application that complies with paragraph (1),
9 the Corporation shall, as promptly as practicable
10 consistent with paragraph (5), disburse the amount
11 of the national service educational award to which
12 the eligible individual is entitled. Such disbursement
13 shall be made by check or other means that is pay-
14 able to the holder of the loan and requires the en-
15 dorsement or other certification by the eligible indi-
16 vidual.

17 “(3) APPLICATION OF DISBURSED AMOUNTS.—
18 If the amount disbursed under paragraph (2) is less
19 than the principal and accrued interest on any quali-
20 fied student loan, such amount shall be applied ac-
21 cording to the specified priorities of the individual.

22 “(4) REPORTS BY HOLDERS.—Any holder re-
23 ceiving a loan payment pursuant to this subsection
24 shall submit to the Corporation such information as
25 the Corporation may require to verify that such pay-

1 ment was applied in accordance with this subsection
2 and any regulations prescribed to carry out this sub-
3 section.

4 “(5) NOTIFICATION OF INDIVIDUAL.—The Cor-
5 poration upon disbursing the national service edu-
6 cational award, shall notify the individual of the
7 amount paid for each outstanding loan and the date
8 of payment.

9 “(6) AUTHORITY TO AGGREGATE PAYMENTS.—
10 The Corporation may, by regulation, provide for the
11 aggregation of payments to holders under this sub-
12 section.

13 “(7) DEFINITION OF QUALIFIED STUDENT
14 LOANS.—As used in this subsection, the term ‘quali-
15 fied student loans’ means—

16 “(A) any loan made, insured, or guaran-
17 teed pursuant to title IV of the Higher Edu-
18 cation Act of 1965 (20 U.S.C. 1070 et seq.),
19 other than a loan to a parent of a student pur-
20 suant to section 428B of such Act (20 U.S.C.
21 1078–2); and

22 “(B) any loan made pursuant to title VII
23 or VIII of the Public Health Service Act (42
24 U.S.C. 292a et seq.).

1 “(8) DEFINITION OF HOLDER.—As used in this
2 subsection, the term ‘holder’ with respect to any eli-
3 gible loan means the original lender or, if the loan
4 is subsequently sold, transferred, or assigned to
5 some other person, and such other person acquires
6 a legally enforceable right to receive payments from
7 the borrower, such other person.

8 “(c) USE OF EDUCATIONAL AWARDS TO PAY CUR-
9 RENT EDUCATIONAL EXPENSES.—

10 “(1) APPLICATION BY ELIGIBLE INDIVIDUAL.—
11 An eligible individual under section 146 who desires
12 to apply the individual’s national service educational
13 award to the payment of current full-time or part-
14 time educational expenses shall, on a form pre-
15 scribed by the Corporation, submit an application to
16 the institution of higher education in which the stu-
17 dent will be enrolled that contains such information
18 as the Corporation may require to verify the individ-
19 ual’s eligibility.

20 “(2) SUBMISSION OF REQUESTS FOR PAYMENT
21 BY INSTITUTIONS.—An institution of higher edu-
22 cation that receives one or more applications that
23 comply with paragraph (1) shall submit to the Cor-
24 poration a statement, in a manner prescribed by the
25 Corporation, that—

1 “(A) identifies each eligible individual fil-
2 ing an application under paragraph (1) for a
3 disbursement of the individual’s national service
4 educational award under this subsection;

5 “(B) specifies the amounts for which such
6 eligible individuals are, consistent with para-
7 graph (6), qualified for disbursement under this
8 subsection;

9 “(C) certifies that—

10 “(i) the institution of higher education
11 has in effect a program participation
12 agreement under section 487 of the Higher
13 Education Act of 1965 (20 U.S.C. 1094);
14 and

15 “(ii) the institution’s eligibility to par-
16 ticipate in any of the programs under title
17 IV of such Act (20 U.S.C. 1070 et seq.)
18 has not been limited, suspended, or termi-
19 nated; and

20 “(D) contains such provisions concerning
21 financial compliance as the Corporation may re-
22 quire.

23 “(3) DISBURSEMENT OF PAYMENTS.—Upon re-
24 ceipt of a statement from an institution of higher
25 education that complies with paragraph (2), the Cor-

1 poration shall, subject to paragraph (4), disburse the
2 total amount of the national service educational
3 awards for which eligible individuals who have sub-
4 mitted applications to that institution under para-
5 graph (1) are qualified. Such disbursement shall be
6 made by check or other means that is payable to the
7 institution and requires the endorsement or other
8 certification by the eligible individual.

9 “(4) MULTIPLE DISBURSEMENTS REQUIRED.—
10 The total amount required to be disbursed to an in-
11 stitution of higher education under paragraph (3)
12 for any period of enrollment shall be disbursed by
13 the Corporation in 2 or more installments, none of
14 which exceeds $\frac{1}{2}$ of such total amount. The interval
15 between the first and second such installment shall
16 not be less than $\frac{1}{2}$ of such period of enrollment, ex-
17 cept as necessary to permit the second installment to
18 be paid at the beginning of the second semester,
19 quarter, or similar division of such period of enroll-
20 ment.

21 “(5) REFUND RULES.—The Corporation shall,
22 by regulation, provide for the refund to the Corpora-
23 tion (and the crediting to the national service edu-
24 cational award of an eligible individual) of amounts
25 disbursed to institutions for the benefit of eligible in-

1 dividuals who withdraw or otherwise fail to complete
2 the period of enrollment for which the assistance
3 was provided. Such regulations shall be consistent
4 with the fair and equitable refund policies required
5 of institutions pursuant to section 484B of the
6 Higher Education Act of 1965 (20 U.S.C. 1091b).
7 Amounts refunded to the Trust pursuant to this
8 paragraph may be used by the Corporation to fund
9 additional approved national service positions under
10 subtitle C.

11 “(6) MAXIMUM AWARD.—The portion of an eli-
12 gible individual’s total available national service edu-
13 cational award that may be disbursed under this
14 subsection for any period of enrollment shall not ex-
15 ceed the difference between—

16 “(A) the eligible individual’s cost of attend-
17 ance for such period of enrollment, determined
18 in accordance with section 472 of the Higher
19 Education Act of 1965 (20 U.S.C. 1087ll); and

20 “(B) the sum of—

21 “(i) the student’s estimated financial
22 assistance for such period under part A of
23 title IV of such Act (20 U.S.C. 1070 et
24 seq.); and

1 “(ii) the student’s veterans’ education
2 benefits, determined in accordance with
3 section 480(c) of such Act (20 U.S.C.
4 1087vv(c)).

5 “(d) USE OF EDUCATIONAL AWARD TO PARTICIPATE
6 IN APPROVED SCHOOL-TO-WORK PROGRAMS.—The Cor-
7 poration shall by regulation provide for the payment of
8 national service educational awards to permit eligible indi-
9 viduals to participate in school-to-work programs approved
10 by the Secretaries of Labor and Education.

11 “(e) INTEREST PAYMENTS DURING FORBEARANCE
12 ON LOAN REPAYMENT.—The Corporation shall provide by
13 regulation for the payment on behalf of an eligible individ-
14 ual of interest that accrues during a period for which such
15 individual has obtained forbearance in the repayment of
16 a qualified student loan (as defined in subsection (b)(6)),
17 if the eligible individual successfully completes the individ-
18 ual’s required term of service (as determined under section
19 146(b)). Such regulations shall be prescribed after con-
20 sultation with the Secretary of Education.

21 “(f) EXCEPTION.—With the approval of the Director,
22 an approved national service program funded under sec-
23 tion 121, may offer participants the option of waiving
24 their right to receive a national service education award

1 in order to receive an alternative post-service benefit fund-
 2 ed by the program entirely with non-Federal funds.

3 “(g) DEFINITION OF INSTITUTION OF HIGHER EDU-
 4 CATION.—Notwithstanding section 101 of this Act, for
 5 purposes of this section the term ‘institution of higher
 6 education’ has the meaning provided by section 481(a) of
 7 the Higher Education Act of 1965 (20 U.S.C. 1088(a)).”.

8 (b) TABLE OF CONTENTS.—Section 1(b) of the Na-
 9 tional and Community Service Act of 1990 (Public Law
 10 101–610; 104 Stat. 3127) is amended by striking the
 11 items relating to subtitle D of title I of such Act and in-
 12 serting the following new items:

“Subtitle D—National Service Trust and Provision of National Service
 Educational Awards

“Sec. 145. Establishment of the National Service Trust.

“Sec. 146. Individuals eligible to receive a national service educational award
 from the Trust.

“Sec. 147. Determination of the amount of the national service educational
 award.

“Sec. 148. Disbursement of national service educational awards.”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) FORBEARANCE IN THE COLLECTION OF
 15 STAFFORD LOANS.—Section 428 of the Higher Edu-
 16 cation Act of 1965 (20 U.S.C. 1078) is amended—

17 (A) in subsection (b)(1)—

18 (i) by redesignating subparagraphs
 19 (W), (X), and (Y) as subparagraphs (X),
 20 (Y), and (Z), respectively; and

1 (ii) by inserting immediately after
2 subparagraph (V) the following new sub-
3 paragraph:

4 “(W)(i) provides that, upon written re-
5 quest, a lender shall grant a borrower forbear-
6 ance on such terms as are otherwise consistent
7 with the regulations of the Secretary, during
8 periods in which the borrower is serving in a
9 national service position, for which the borrower
10 receives a national service educational award
11 under the National and Community Service
12 Trust Act of 1993;

13 “(ii) provides that clauses (iii) and (iv) of
14 subparagraph (V) shall also apply to a forbear-
15 ance granted under this subparagraph; and

16 “(iii) provides that interest shall continue
17 to accrue on a loan for which a borrower re-
18 ceives forbearance under this subparagraph and
19 shall be capitalized or paid by the borrower;”;
20 and

21 (B) in subsection (c)(3)(A), by striking
22 “subsection (b)(1)(V)” and inserting “subpara-
23 graphs (V) and (W) of subsection (b)(1)”.

1 (2) ELIGIBILITY FOR STAFFORD LOAN FOR-
2 GIVENESS.—Section 428J of the Higher Education
3 Act of 1965 (20 U.S.C. 1078–10) is amended—

4 (A) in subsection (b)(1), is amended by
5 striking “October 1, 1992” and inserting “Oc-
6 tober 1, 1989”; and

7 (B) in subsection (c), by adding at the end
8 the following new paragraph:

9 “(5) INELIGIBILITY OF NATIONAL SERVICE
10 EDUCATIONAL AWARD RECIPIENTS.—No student
11 borrower may, for the same volunteer service, receive
12 a benefit under both this section and subtitle D of
13 title I of the National and Community Service Act
14 of 1990 (42 U.S.C. 12571 et seq.).”.

15 (3) ELIGIBILITY FOR PERKINS LOAN FORGIVE-
16 NESS.—Section 465(a) of the Higher Education Act
17 of 1965 (20 U.S.C. 1087ee(a)) is amended by add-
18 ing at the end the following new paragraph:

19 “(6) No borrower may, for the same volunteer
20 service, receive a benefit under both this section and
21 subtitle D of title I of the National and Community
22 Service Act of 1990 (42 U.S.C. 12571 et seq.).”.

23 (4) DEFINITION OF INCOME.—Section
24 480(a)(2) of the Higher Education Act of 1965 (20
25 U.S.C. 1087vv(a)(2)) is amended by inserting after

1 “by an individual” the following: “, and no portion
2 of a national service educational award received by
3 an individual under subtitle D of title I of the Na-
4 tional and Community Service Act of 1990 (42
5 U.S.C. 12571 et seq.),”.

6 (5) IMPACT ON GENERAL NEEDS ANALYSIS.—
7 Section 480(j) of the Higher Education Act of 1965
8 (20 U.S.C. 1087vv(j)) is amended by adding at the
9 end the following new paragraph:

10 “(3) Notwithstanding paragraph (1), any na-
11 tional service educational award such student will re-
12 ceive under subtitle D of title I of the National and
13 Community Service Act of 1990 (42 U.S.C. 12571
14 et seq.) shall not be taken into account in determin-
15 ing estimated financial assistance not received under
16 this title.”.

**[Alternative language suggested to re-
move double negative:**

17 “(3) Notwithstanding paragraph (1), a national
18 service educational award under subtitle D of title I
19 of the National and Community Service Act of 1990
20 (42 U.S.C. 12571 et seq.) shall not be treated as fi-
21 nancial assistance for purposes of section 471(3)”.

1 “(10) provide for studies and demonstrations
2 that evaluate, and prepare and submit to the Board
3 by June 30, 1995 a report containing recommenda-
4 tions regarding, issues related to—

5 “(A) the administration and organization
6 of programs authorized under the national serv-
7 ice laws or under Public Law 91-378 (referred
8 to in this subparagraph as ‘service programs’),
9 including—

10 “(i) whether the State and national
11 priorities designed to meet the unmet
12 human, education, environmental, or public
13 safety needs described in section 122(c)(1)
14 are being addressed by this Act;

15 “(ii) the manner in which—

16 “(I) educational and other out-
17 comes of both stipended and
18 nonstipended service and service-
19 learning are defined and measured in
20 such service programs; and

21 “(II) such outcomes should be
22 defined and measured in such service
23 programs;

24 “(iii) whether stipended service pro-
25 grams, and service programs providing

1 educational benefits in return for service,
2 should focus on economically disadvan-
3 tagged individuals or at-risk youth or
4 whether such programs should include a
5 mix of individuals, including individuals
6 from middle- and upper-income families;

7 “(iv) the role and importance of sti-
8 pends and educational benefits in achieving
9 desired outcomes in the service programs;

10 “(v) the potential for cost savings and
11 coordination of support and oversight serv-
12 ices from combining functions performed
13 by ACTION State offices and State Com-
14 missions;

15 “(vi) the implications of the results
16 from such studies and demonstrations for
17 authorized funding levels for the service
18 programs; and

19 “(vii) other issues that the Director
20 determines to be relevant to the adminis-
21 tration and organization of the service pro-
22 grams; and

23 “(B) the number, potential consolidation,
24 and future organization of national service or
25 domestic volunteer service programs that are

1 authorized under Federal law, including
2 VISTA, service corps assisted under subtitle C
3 and other programs authorized by this Act, pro-
4 grams administered by the Public Health Serv-
5 ice, the Department of Defense, or other Fed-
6 eral agencies, programs regarding teacher
7 corps, and programs regarding work-study and
8 higher education loan forgiveness or forbear-
9 ance programs authorized by the Higher Edu-
10 cation Act of 1965 related to community serv-
11 ice.

12 “(c) POWERS.—In addition to the authority conferred
13 on the President under any other provision of this Act,
14 the President may—

15 “(1) establish, alter, consolidate, or discontinue
16 such organizational units or components within the
17 Corporation as the President considers necessary or
18 appropriate, consistent with Federal law, and shall,
19 to the maximum extent practicable, consolidate such
20 units or components of the division of the Corpora-
21 tion that carries out volunteer service programs and
22 the division of the Corporation that carries out fi-
23 nancial assistance programs as may be appropriate
24 to enable the two divisions to coordinate common

further comment on my part. I will try to be here at 10:30 as required.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WOFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 605

Mr. WOFFORD. Mr. President, I call for the regular order and ask for Senator GLENN's amendment No. 605 to require that the National Service Corporation prepare a business plan to ensure that these plans' funds are spent effectively.

The PRESIDING OFFICER. The regular order is the Glenn amendment No. 605.

AMENDMENT NO. 605 AS MODIFIED

(Purpose: To amend the Inspector General Act of 1978 relating to the Corporation for National and Community Service, and for other purposes)

Mr. WOFFORD. In behalf of Mr. GLENN, I send to the desk a modification of amendment No. 605, containing technical improvements.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment (No 605), as modified, is as follows:

On page 2, insert after the item relating to section 203 the following new item:

Sec. 204. Business plan.

On page 203, strike out lines 24 and 25 and insert in lieu thereof the following:

"(6) receive any report as provided under section 8E (b), (c), or (d) of the Inspector General Act of 1978;

On page 214, beginning with line 5, strike out all through line 16.

On page 234, beginning with line 21, strike out all through line 5 on page 235, and insert in lieu thereof the following:

(h) INSPECTOR GENERAL.—

(1) SPECIAL PROVISIONS IN INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by redesignating sections 8E and 8F as sections 8F and 8G, respectively, and inserting after section 8D the following new section:

"SPECIAL PROVISIONS CONCERNING THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

"SEC. 8E. (a) Notwithstanding the provisions of section 6(a) (7) and (8), it is within the exclusive jurisdiction of the Inspector General of the Corporation for National and Community Service to—

"(1) appoint and determine the compensation of such officers and employees in accordance with section 195(a)(4) of the Na-

tional and Community Service Trust Act of 1993; and

"(2) procure the temporary and intermittent services of and compensate such experts and consultants, in accordance with section 3109(b) of title 5, United States Code, as may be necessary to carry out the functions, powers, and duties of the Inspector General.

"(b) No later than the date on which the President of the Corporation for National and Community Service transmits any report to the Congress under section 5 (a) or (b), the President shall transmit such report to the Board of Directors of such Corporation.

"(c) No later than the date on which the President of the Corporation for National and Community Service transmits a report described under section 5(b) to the Board of Directors as provided under subsection (b) of this section, the President shall also transmit any audit report which is described in the statement required under section 5(b)(4) to the Board of Directors. All such audit reports shall be placed on the agenda for review at the next scheduled meeting of the Board of Directors following such transmittal. The President of the Corporation shall be present at such meeting to provide any information relating to such audit reports.

"(d) No later than the date on which the Inspector General of the Corporation for National and Community Service reports a problem, abuse, or deficiency under section 5(d) to the President of the Corporation, the President shall report such problem, abuse, or deficiency to the Board of Directors."

(2) TERMINATION OF STATUS AS DESIGNATED FEDERAL ENTITY.—

(A) IN GENERAL.—Section 8F(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) (as redesignated by paragraph (1) of this subsection) is amended by striking out "ACTION,".

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(3) TRANSFER.—

(A) IN GENERAL.—Section 9(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(i) in subparagraph (T), by striking out "and" at the end thereof; and

(ii) by adding at the end thereof the following new subparagraph:

"(V) of the Corporation for National and Community Service, the Office of Inspector General of ACTION; and".

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(4) HEAD OF ESTABLISHMENT AND ESTABLISHMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1) by inserting "; the President of the Corporation for National and Community Service;" after "Thrift Depositor Protection Oversight Board"; and

(B) in paragraph (2) by inserting ", the Corporation for National and Community Service," after "United States Information Agency".

(5) TECHNICAL AND CONFORMING AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in section 4(b)(2)—

(i) by striking out "section 8E(a)(2), and any" and inserting in lieu thereof "section 8F(a)(2), and any";

(ii) by striking out "section 8E(a)(1)" and inserting in lieu thereof "section 8F(a)(1)"; and

(iii) by striking out "section 8E(a)(2)." and inserting in lieu thereof "section 8F(a)(2)."; and

(B) section 8G (as redesignated by paragraph (1) of this subsection)—

(i) by striking out "or 8D" and inserting in lieu thereof "8D, or 8E"; and

(ii) by striking out "section 8E(a)" and inserting in lieu thereof "section 8F(a)".

(6) POSTAL SERVICE TECHNICAL AND CONFORMING AMENDMENTS.—Section 410(b) of title 39, United States Code, is amended—

(A) in paragraph (8) by striking out "and" after the semicolon;

(B) in the first paragraph (9) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(C) by striking out the second paragraph (9) and inserting in lieu thereof the following:

"(10) the provisions of section 8F of the Inspector General Act of 1978."

On page 235, line 13, insert "or subsection (h) (2) and (3)" before the comma.

On page 249, insert between lines 11 and 12 the following:

SEC. 204. BUSINESS PLAN.

(a) BUSINESS PLAN REQUIRED.—

(1) IN GENERAL.—The Corporation for National and Community Service (referred to in this section as the "Corporation") shall prepare and submit to Congress a business plan. The Corporation may not provide assistance under section 121 of the National and Community Service Act of 1990 before the twentieth day of continuous session of Congress after the date on which the Corporation submits the business plan to Congress.

(2) COMPUTATION.—For purposes of the computation of the 20-day period referred to in paragraph (1), continuity of a session of the Congress shall be considered to be broken only by—

(A) an adjournment of the Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a date certain.

(b) REQUIRED ELEMENTS OF BUSINESS PLAN.—

(1) ALLOCATION OF FUNDS.—The business plan shall contain—

(A) a description of the manner in which the Corporation will allocate funds for programs carried out by the Corporation after October 1, 1993;

(B) information on the principal offices and officers of the Corporation that will allocate such funds; and

(C) information that indicates how accountability for such funds can be determined, in terms of the office or officer responsible for such funds.

(2) INVESTIGATIVE AND AUDIT FUNCTIONS.—The business plan shall include a description of the plans of the Corporation—

(A) to ensure continuity, during the transition period, and after the transition period, in the investigative and audit functions carried out by the Inspector General of ACTION prior to such period, consistent with the Inspector General Act of 1978 (5 U.S.C. App.); and

(B) to carry out investigative and audit functions and implement financial management controls regarding programs carried out by the Corporation after October 1, 1993, consistent with the Inspector General Act of 1978, including a specific description of—

(i) the manner in which the Office of Inspector General shall be established in the Corporation, in accordance with section

194(b) of the National Community Service Act of 1990, as added by section 202 of this Act; and

(1) the manner in which grants made by the Corporation shall be audited by such Office and the financial management controls that shall apply with regard to such grants and programs.

(3) **ACCOUNTABILITY MEASURES.**—The business plan shall include a detailed description of the accountability measures to be established by the Corporation to ensure effective control of all funds for programs carried out by the Corporation after October 1, 1993.

(4) **INFORMATION RESOURCES.**—The business plan shall include a description of an information resource management program that will support the program and financial management needs of the Corporation.

(5) **CORPORATION STAFFING AND INTEGRATION OF ACTION.**—

(A) **TRANSFERS.**—The business plan shall include a report on the progress and plans of the President for transferring the functions, programs, and related personnel of ACTION to the Corporation, and shall include a timetable for the transfer. Not later than 9 months after the date of enactment of this section, the President shall identify all functions of ACTION to be transferred to the Corporation.

(B) **DETAILS AND ASSIGNMENTS.**—The report shall specify the number of ACTION employees detailed or assigned to the Corporation, and describe the hiring activity of the Corporation, during the transition period.

(C) **STRUCTURE.**—The business plan shall include a description of the organizational structure of the Corporation during the transition period.

(D) **STAFFING.**—The business plan shall include a description of—

(1) measures to ensure adequate staffing during the transition period with respect to programs carried out by the Corporation after October 1, 1993; and

(2) the responsibilities and authorities of the Managing Directors and other key personnel of the Corporation.

(E) **SENIOR EXECUTIVE SERVICE.**—The business plan shall include—

(1) an explanation of the number of the employees of the Corporation who will be paid at or above the rate of pay for level 1 of the Senior Executive Service Schedule under section 5382 of title 5, United States Code; and

(2) information justifying such pay for such employees.

(6) **DUPLICATION OF FUNCTIONS.**—The business plan shall include a description of the measures that the Corporation is taking or will take to minimize duplication of functions in the Corporation caused by the transfer of the functions of the Commission on National and Community Service, and the transfer of the functions of ACTION, to the Corporation. This description shall address functions at both the national and State levels.

(c) **DEFINITION.**—The term "transition period" means the period beginning on October 1, 1993 and ending on the day before the effective date of section 203(c)(2).

On page 250, strike out lines 17 through 25 and insert in lieu thereof the following:

"(2) SUBTITLES C, D, AND E.—

"(A) **IN GENERAL.**—There are authorized to be appropriated to provide financial assistance under subtitles C and E of title I, to provide national service educational awards under subtitle D of title I, and to carry out such audits and evaluations as the President or the Inspector General of the Corporation may determine to be necessary, \$389,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 through 1998.

On page 317, beginning with line 22, strike out all through line 11 on page 318.

On page 318, line 12, strike out "(d)" and insert in lieu thereof "(c)".

On page 318, line 22, strike out "(e)" and insert in lieu thereof "(d)".

On page 319, line 3, strike out "(f)" and insert in lieu thereof "(e)".

On page 319, line 7, strike out "(g)" and insert in lieu thereof "(f)".

On page 319, line 11, strike out "(h)" and insert in lieu thereof "(g)".

On page 320, line 1, strike out "(i)" and insert in lieu thereof "(h)".

On page 320, line 7, strike out "(j)" and insert in lieu thereof "(i)".

On page 321, line 1, strike out "(k)" and insert in lieu thereof "(j)".

On page 321, line 6, strike out "(l)" and insert in lieu thereof "(k)".

On page 321, line 11, strike out "(m)" and insert in lieu thereof "(l)".

On page 321, line 15, strike out "(n)" and insert in lieu thereof "(m)".

On page 321, line 23, strike out "(o)" and insert in lieu thereof "(n)".

On page 322, line 6, strike out "(p)" and insert in lieu thereof "(o)".

Mr. WOFFORD. Mr. President, I ask unanimous consent that the amendment, as modified, be agreed to. It has been cleared on the Republican side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 605), as modified, was agreed to.

Mr. WOFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WOFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I strongly support the National and Community Service Trust Act of 1993.

National service is a concept whose time has come, and I commend President Clinton for embracing it and placing it high on his list of domestic priorities.

People want to serve their country, Mr. President. They want to have the opportunity to engage in community service, to help others who have fewer resources than themselves, to rebuild their communities, to share a purpose.

It is in keeping with the finest traditions of this country—to encourage people, young and old—to share in the momentum of nationbuilding.

It is a good idea, and I am pleased that we are considering it on the Senate floor today.

More specifically, Mr. President, I wish to address myself to a provision included within the bill which I authored. It is a provision that seeks to resolve some of the problems communities face in deciding how best to utilize abandoned military bases and other facilities rendered unnecessary as the cold war fades into memory. It also seeks to address the very serious problem of finding on-the-job training and work for millions of unemployed

and underemployed young people in this country today.

As a member of the Senate Task Force on Defense Conversion and as chairman of the Senate Labor Subcommittee, these are problems about which I feel very strongly—they need solutions.

My provision gives communities that are interested in undertaking projects to convert old military facilities to civilian use incentives to hire disadvantaged young people to perform work on conversion projects.

It would work something like this. County A decides that it would like to develop an industrial park with room for several businesses on the premises of an abandoned military facility. County A would agree to hire a specific number of economically disadvantaged individuals, provide them on-the-job training, and give them jobs on the project for a minimum of 6 months. In so doing, County A would be eligible for grants available from the Corporation for National Service to pay approximately 85 percent of the salaries of the workers in question.

The total salaries of the participants would be tied to and capped at the rate currently paid to VISTA volunteers—approximately \$10,000 on an annualized basis.

The program would give communities financial incentive to undertake defense conversion projects—and it would help put people to work.

Other types of projects could include schools, Headstart facilities, clinics, parks—you name it.

Mr. President, base closing does not have to be a terrible experience for a community. In fact, with a little help, it can turn out to be a very positive experience.

It worked out well for the city of Roswell, NM. On July 13, the Washington Post published a story highlighting Roswell as a defense conversion success story. The article described how the town was successful in converting its military base into an industrial park, a practice landing field for commercial airlines, a university campus, a Job Corps center, and about two dozen small factories.

Obviously not every community will be that successful—many won't. But that is the kind of work—the kind of attitude about base closing—that I hope will be encouraged and fostered under the program which I just described.

I believe it can work. I believe it will work.

On another subject, Mr. President, at this point, I wish to say a few words on behalf of the workers who already toil in the cause of national service—our ACTION Agency Employees who administer the VISTA Program, and the older American volunteer programs—including RSVP, Senior Companions, and the Foster Grandparent Programs. These dedicated workers will become national service workers under the legislation we are considering today.

countries in the United Nations: *Provided further*, That such advisory committee should evaluate and make recommendations regarding the efforts of the United Nations and its specialized agencies—

"(i) to establish a system of cost-based accounting;

"(ii) to continue the practice of conducting internal audits;

"(iii) to remedy any irregularities found by such audits; and

"(iv) to make arrangements for regular, independent audits of United Nations operations: *Provided further*, That it is the sense of the Congress that even tougher measures to achieve reform should be put in place in the event that the withholding of arrears does not achieve necessary reform in the United Nations."

NATIONAL SERVICE TRUST ACT OF 1993 DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1993

KENNEDY (AND OTHERS) AMENDMENT NO. 709

Mr. KENNEDY (for himself, Mr. DURENBERGER, and Mr. WOFFORD) proposed an amendment to the bill (S. 919), *supra*, as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "National and Community Service Trust Act of 1993".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purpose.

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

Sec. 101. Federal investment in support of national service.
Sec. 102. National Service Trust and provision of national service educational awards.
Sec. 103. School-based and community-based service-learning programs.
Sec. 104. Quality and innovation activities.

Subtitle B—Related Provisions

Sec. 111. Definitions.
Sec. 112. Authority to make State grants.
Sec. 113. Family and medical leave.
Sec. 114. Reports.
Sec. 115. Nondiscrimination.
Sec. 116. Notice, hearing, and grievance procedures.
Sec. 117. Nondisplacement.
Sec. 118. Evaluation.
Sec. 119. Engagement of participants.
Sec. 120. Contingent extension.
Sec. 121. Audits.
Sec. 122. Repeals.
Sec. 123. Effective date.

TITLE II—ORGANIZATION

Sec. 201. State Commissions on National and Community Service.
Sec. 202. Interim authorities of the Corporation for National and Community Service and ACTION Agency.
Sec. 203. Final authorities of the Corporation for National and Community Service.
Sec. 204. Business plan.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

Sec. 301. Authorization of appropriations.

Subtitle B—Domestic Volunteer Service Act of 1973

Sec. 311. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

Sec. 321. Purpose of the VISTA program.
Sec. 322. Selection and assignment of VISTA volunteers.
Sec. 323. Terms and periods of service.
Sec. 324. Support for VISTA volunteers.
Sec. 325. Participation of younger and older persons.
Sec. 326. Literacy activities.
Sec. 327. Applications for assistance.
Sec. 328. Repeal of authority for student community service programs.
Sec. 329. University year for VISTA.
Sec. 330. Authority to establish and operate special volunteer and demonstration programs.
Sec. 331. Technical and financial assistance.
Sec. 332. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

Sec. 341. National Senior Volunteer Corps.
Sec. 342. The Retired and Senior Volunteer Program.
Sec. 343. Operation of the Retired and Senior Volunteer Program.
Sec. 344. Services under the Foster Grandparent Program.
Sec. 345. Stipends for low-income volunteers.
Sec. 346. Participation of non-low-income persons under parts B and C.
Sec. 347. Conditions of grants and contracts.
Sec. 348. Evaluation of the Senior Companion Program.
Sec. 349. Agreements with other Federal agencies.
Sec. 350. Programs of national significance.
Sec. 351. Adjustments to Federal financial assistance.
Sec. 352. Demonstration programs.

CHAPTER 3—ADMINISTRATION

Sec. 361. Purpose of agency.
Sec. 362. Authority of the Director.
Sec. 363. Compensation for volunteers.
Sec. 364. Repeal of report.
Sec. 365. Application of Federal law.
Sec. 366. Evaluation of programs.
Sec. 367. Nondiscrimination provisions.
Sec. 368. Elimination of separate requirements for setting regulations.
Sec. 369. Clarification of role of Inspector General.
Sec. 370. Copyright protection.
Sec. 371. Center for research and training.
Sec. 372. Deposit requirement credit for service as a volunteer.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

Sec. 381. Authorization of appropriations for title I.
Sec. 382. Authorization of appropriations for title II.
Sec. 383. Authorization of appropriations for title IV.
Sec. 384. Conforming amendments; compensation for VISTA FECA claimants.
Sec. 385. Repeal of authority.

CHAPTER 5—GENERAL PROVISIONS

Sec. 391. Technical and conforming amendments.
Sec. 392. Effective date.

Subtitle C—Youth Conservation Corps Act of 1970

Sec. 399. Public Lands Corps.
TITLE IV—TECHNICAL AND CONFORMING
AMENDMENTS

Sec. 401. Definitions.
Sec. 402. References to the Commission on National and Community Service.

Sec. 403. References to Directors of the Commission on National and Community Service.

Sec. 404. Definition of Director.

Sec. 405. References to ACTION and the ACTION Agency.

Sec. 406. Effective date.

TITLE V—OTHER PROGRAMS

Sec. 501. Rural community service.

SEC. 2. FINDINGS AND PURPOSE.

(a) IN GENERAL.—Section 2 of the National and Community Service Act of 1990 (42 U.S.C. 12501) is amended to read as follows:

SEC. 2. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds the following:

"(1) Throughout the United States, there are pressing unmet human, educational, environmental, and public safety needs.

"(2) Americans desire to affirm common responsibilities and shared values, and join together in positive experiences, that transcend race, religion, gender, age, disability, region, income, and education.

"(3) The rising costs of postsecondary education are putting higher education out of reach for an increasing number of citizens.

"(4) Americans of all ages can improve their communities and become better citizens through service to the United States.

"(5) Nonprofit organizations, local governments, States, and the Federal Government are already supporting a wide variety of national service programs that deliver needed services in a cost-effective manner.

"(6) Residents of low-income communities, especially youth and young adults, can be empowered through their service, and can help provide future community leadership.

"(b) PURPOSES.—It is the purpose of this Act to—

"(1) meet the unmet human, educational, environmental, and public safety needs of the United States, without displacing existing workers;

"(2) renew the ethic of civic responsibility and the spirit of community throughout the United States;

"(3) expand educational opportunity by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training;

"(4) encourage citizens of the United States, regardless of race, religion, gender, age, disability, region, income, or education, to engage in full-time or part-time national service;

"(5) reinvent government to eliminate duplication in national service programs, support locally established service initiatives, encourage private sector investment and involvement in national service programs, and require measurable goals for performance in such programs and offer flexibility in meeting those goals;

"(6) empower residents of low-income communities, especially youth and young adults, through their service, and help provide future community leadership;

"(7) build on the existing organizational service infrastructure of Federal, State, and local programs and agencies to expand full-time and part-time service opportunities for all citizens;

"(8) provide tangible benefits to the communities in which national service is performed;

"(9) build ties among Americans that transcend race, religion, gender, age, disability, region, income, and education;

"(10) encourage educational reform by introducing service-learning into curricula in elementary schools, secondary schools, and institutions of higher education; and

"(11) enable service participants to gain personal, academic, and occupational skills through service-learning experiences."

minutes, to be equally divided in the usual form, and that no further amendments to the bill to be in order following the close of business on Monday, July 26, 1993.

Ordered further, That there be 60 minutes on the bill, including the committee amendments, to be equally divided in the usual form, and that other than the committee amendments, the only first degree amendments in order be the following:

Boren, relative to agriculture research service (A.R.S.);

Brown, relative to honey, 1 hour;

Bryan, relative to wool and mohair;

Bryan, relative to market promotion;

Bryan, relative to Dept. of Agriculture cuts;

Bumpers, managers amendment;

Bumpers, relevant;

Burns, relative to SBIR;

Burns, relative to Canadian wheat;

Byrd, relevant;

Cochran, managers amendment;

Cohen, relative to inspections;

Cohen, relative to subsidies;

Craig, relative to biotech facility;

Dole, relative to watershed conservation;

Domenici, relative to refinancing FFB loans;

Hatch, relative to FDA user fees;

Hatfield, relevant;

Kassabaum, relative to FDA user fee;

Kennedy, relative to FDA user fees;

Leahy, relative to wetlands reserve;

Leahy, relative to farmland preservation;

McCain, relative to agriculture subsidies;

Pell, relative to crop insurance;

Reid, relative to Rural Development Administration;

Reid, relative to Tea Tasting Board; and

Simpson, relative to REA.

Ordered further, That second degree amendments be in order if they are relevant to the first degree amendment and be considered under the same time limitation as the first degree.

Ordered further, That any votes ordered during the Senate's consideration of H.R. 2493 on Monday, July 26, 1993, be postponed and stacked to occur on Tuesday, July 27, 1993, following the cloture vote on the committee substitute to S. 919, regardless of whether or not cloture is invoked, and in the sequence in which they were ordered.

AMENDMENT NOS. 613 THROUGH 621, EN BLOC

Mr. KENNEDY. Mr. President, I send to the desk a set of 13 amendments that have been agreed to by the managers and ask that they be considered, en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes amendments numbered 613 through 625, en bloc.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 613

(Purpose: To ensure that the Act is not considered as an entitlement program)

On page 7, line 17, strike "The" and insert "Subject to the availability of appropriations, the".

On page 34, strike lines 14 through 16 and insert the following: "taking into consideration funding needs for educational awards based on completed service. If appropriations are insufficient to provide the maximum allowable education awards for all eligible par-

ticipants, the Corporation is authorized to make necessary and reasonable adjustments to program rules."

On page 72, line 4 insert after "available" the following: "to the extent provided for in advance by appropriation".

On page 72, line 20, strike "ability to claim" and insert "expectation to receive".

On page 78, lines 9 and 10, strike "to which the eligible individual is entitled" and insert the following: "for which the participant has earned".

On page 82, line 8, strike "qualified" and insert "scheduled to receive".

AMENDMENT NO. 614

(Purpose: To eliminate certain duties of service-learning coordinators under service-learning programs)

On page 94, strike lines 3 through 26.

On page 95, line 1, strike "(c)" and insert "(b)".

On page 164, lines 3 and 4, strike "subsection (a)(3) or (b) of section 111" and insert "section 111(a)(3)".

AMENDMENT NO. 615

(Purpose: To eliminate a volunteer leader stipend)

On page 258, beginning on line 14, strike "The Director" and all that follows through "volunteers." on line 21.

AMENDMENT NO. 616

(Purpose: To eliminate a requirement that ACTION provide technical assistance to other nations)

On page 273, lines 13 through 15, strike "organizations, and provide technical assistance to other nations concerning domestic volunteer programs within their countries." and insert "organizations."

AMENDMENT NO. 617

(Purpose: To eliminate certain local application requirements with respect to service-learning programs)

On page 81, line 6, strike "114(d)(5)(B)" and insert "114(d)(1)(B)".

On page 94, line 16, strike "projects;" and insert "projects; and".

On page 94, line 21, strike "opportunities; and" and insert "opportunities".

On page 94, strike lines 22 through 25.

Beginning on page 106, strike line 21 and all that follows through page 109, line 2 and insert the following:

"(a) REGULATIONS.—The Corporation shall by regulation establish standards for the information and assurances required to be contained in an application submitted under subsection (a) or (b) with respect to a service-learning program described in section 111, including, at a minimum—

On page 109, line 3, strike "(5)" and insert "(1)".

On page 109, line 22, strike "(6)" and insert "(3)".

On page 122, line 21, strike "114(a)(5)(B);" and insert "114(d)(1)(B);".

On page 133, line 15, strike "114(d)(5)(B);" and insert "114(d)(1)(B);".

AMENDMENT NO. 618

(Purpose: To eliminate certain application requirements with respect to higher education service programs)

On page 132, strike line 12 and all that follows through page 133, line 20 and insert the following: "of, an application at such time, in such manner, and containing such information as the Corporation may reasonably require. In requesting applications for assistance under this part, the Corporation shall specify such required information."

"(2) CONTENTS.—An application submitted under paragraph (1) shall, at a minimum, contain—On page 133, line 21, strike "(B)" and insert "(A)".

On page 134, line 10, strike "(C)" and insert "(B)".

Amendment No. 619

(Purpose: To eliminate certain local application requirements with respect to community-based service-learning programs)

On page 120, lines 6 and 7, strike "descriptions, proposals" and insert "information".

Beginning on page 121, strike line 21 and all that follows through page 123, line 13 and insert the following:

"(d) REGULATIONS.—The Corporation shall by regulation establish standards for the information and assurances required to be contained in an application submitted under subsection (a) or (b) with respect to a service-learning program described in section 117, including, at a minimum—

On page 123, line 14, strike "(4)" and insert "(1)".

On page 123, line 19, strike "(5)" and insert "(2)".

On page 124, line 3, strike "(6)" and insert "(3)".

Amendment No. 620

(Purpose: To eliminate certain State application requirements with respect to school-based service-learning programs)

Beginning on page 100, strike line 11 and all that follows through page 104, line 2, and insert the following: "may reasonably require, including information demonstrating that the programs will be carried out in a manner consistent with the approved strategic plan;"

Amendment No. 621

(Purpose: To require that the representative of the Corporation for National and Community Service for a State serve as an ex officio nonvoting member of the State Commission of the State)

On page 185, line 10, strike "a voting" and insert "an ex officio nonvoting".

On page 224, line 20, strike "a voting" and insert "an ex officio nonvoting".

Amendment No. 622

(Purpose: To limit the number of individuals at an institution using national service educational awards to pay for costs incurred prior to the performance of the national service)

On page 81, strike line 16.
On page 81, between lines 21 and 22, insert the following:

"(iii) individuals using national service educational awards to pay for educational costs do not comprise more than 15 percent of the total student population of the institution; and".

Amendment No. 623

(Purpose: To limit the required provision of child care)

On page 68, line 5, strike "who serves" and insert "who needs child care in order to participate".

On page 68, line 7, strike "including" and all that follows through "program" on line 9.

On page 259, lines 16 and 17, strike "part, including volunteers" and insert "part".

AMENDMENT NO. 624

(Purpose: To establish a rural community service program, and for other purposes)

On page 322, at the end of the committee amendment, insert the following:

1 “(5) The extent to which participants of the na-
2 tional service program are recruited from among
3 residents of the communities in which projects are to
4 be conducted, and the extent to which participants
5 and community residents are involved in the design,
6 leadership, and operation of the program.

7 “(6) The extent to which projects would be con-
8 ducted in the following areas where they are needed
9 most:

10 “(A) Communities designated as
11 empowerment zones or redevelopment areas,
12 targeted for special economic incentives, or oth-
13 erwise identifiable as having high concentra-
14 tions of low-income people.

15 “(B) Areas that are environmentally dis-
16 tressed.

17 “(C) Areas adversely affected by Federal
18 actions related to the management of Federal
19 lands that result in significant regional job
20 losses and economic dislocation.

21 “(D) Areas adversely affected by reduc-
22 tions in defense spending or the closure or re-
23 alignment of military installations.

24 “(E) Areas that have an unemployment
25 rate greater than the national average unem-

1 ployment for the most recent 12 months for
2 which satisfactory data are available.

3 “(7) In the case of applicants other than
4 States, the extent to which the application is consist-
5 ent with the application under section 130 of the
6 State in which the projects would be conducted.

7 “(8) Such other criteria as the Corporation con-
8 siders to be appropriate.

9 “(d) OTHER CONSIDERATIONS.—

10 “(1) GEOGRAPHIC DIVERSITY.—The Corpora-
11 tion shall ensure that recipients of assistance pro-
12 vided under section 121 are geographically diverse
13 and include projects to be conducted in those urban
14 and rural areas in a State with the highest rates of
15 poverty.

16 “(2) PRIORITIES.—The Corporation may des-
17 ignate, under such criteria as may be established by
18 the Corporation, certain national service programs
19 or types of national service programs described in
20 section 122(a) for priority consideration in the com-
21 petitive distribution of funds under section
22 129(d)(2). In designating national service programs
23 to receive priority, the Corporation may include—

24 “(A) national service programs carried out
25 by another Federal agency;

1 “(A) BY CORPORATION.—In order to con-
 2 centrate national efforts on meeting certain
 3 unmet human, educational, environmental, or
 4 public safety needs and to achieve the other
 5 purposes of this Act, the Corporation shall es-
 6 tablish, and after reviewing the strategic plan
 7 approved under section 192A(g)(1), periodically
 8 alter priorities as appropriate regarding the
 9 types of national service programs to be as-
 10 sisted under subsection (b) or (d) of section 129
 11 and the purposes for which such assistance may
 12 be used.

13 “(B) BY STATES.—States shall establish,
 14 and through the national service plan process
 15 described in section 178(e)(1), periodically alter
 16 priorities as appropriate regarding the national
 17 service programs to be assisted under section
 18 129(a)(1). *The State Priorities shall be subject to Corporation*
review as part of the application

19 “(2) NOTICE TO APPLICANTS.—The Cor- *Process under*
 20 poration shall provide advance notice to potential ap- *Section 136,*
 21 plicants of any national service priorities to be in ef-
 22 fect under this subsection for a fiscal year. The no-
 23 tice shall specifically include—

24 “(A) a description of any alteration made
 25 in the priorities since the previous notice; and

1 the National Service Trust established in section
2 145 until such time as the funds are needed.

3 **"SEC. 130. APPLICATION FOR ASSISTANCE AND APPROVED**
4 **NATIONAL SERVICE POSITIONS.**

5 "(a) TIME, MANNER, AND CONTENT OF APPLICA-
6 TION.—To be eligible to receive assistance under section
7 121 or approved national service positions for participants
8 who serve in the national service programs to be carried
9 out using the assistance, a State, subdivision of a State,
10 Indian tribe, public or private nonprofit organization, in-
11 stitution of higher education, or Federal agency shall pre-
12 pare and submit to the Corporation an application at such
13 time, in such manner, and containing such information as
14 the Corporation may reasonably require.

15 "(b) TYPES OF PERMISSIBLE APPLICATION INFOR-
16 MATION.—In order to have adequate information upon
17 which to consider an application under section 133, the
18 Corporation may require the following information to be
19 provided in an application submitted under subsection (a):

20 "(1) A description of the national service pro-
21 grams proposed to be carried out directly by the ap-
22 plicant using assistance provided under section 121.

23 "(2) A description of the national service pro-
24 grams that are selected by the applicant to receive
25 a grant ~~from~~ assistance requested under section 121

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1 and a description of the process and criteria by
2 which the programs were selected.

3 “(3) A description of other funding sources to
4 be used, or sought to be used, for the national serv-
5 ice programs referred to in paragraphs (1) and (2),
6 and, if the application is submitted for the purpose
7 of seeking a renewal of assistance, a description of
8 the success of the programs in reducing their reli-
9 ance on Federal funds.

10 “(4) A description of the extent to which the
11 projects to be conducted using the assistance will ad-
12 dress unmet human, educational, environmental, or
13 public safety needs and produce a direct benefit for
14 the community in which the projects are performed.

15 “(5) A description of the plan to be used to re-
16 cruit participants, including youth who are individ-
17 uals with disabilities and economically disadvantaged
18 ^{young men + women} youth, for the national service programs referred to
19 in paragraphs (1) and (2).

20 “(6) A description of the manner in which the
21 national service programs referred to in paragraphs
22 (1) and (2) build on existing programs, including
23 Federal programs.

1 tion 121 and any national service program supported by
2 a grant made by the applicant using such assistance will—

3 “(1) address unmet human, educational, envi-
4 ronmental, or public safety needs through services
5 that provide a direct benefit to the community in
6 which the service is performed; and

7 “(2) comply with the nonduplication and
8 nondisplacement requirements of section 177 and
9 the grievance procedure requirements of section
10 176(f).

11 “(b) IMPACT ON PARTICIPANTS.—An application
12 submitted under section 130 shall also include an assur-
13 ance by the applicant that any national service program
14 carried out by the applicant using assistance provided
15 under section 121 and any national service program sup-
16 ported by a grant made by the applicant using such assist-
17 ance will—

18 “(1) provide participants in the national service
19 program with the training, skills, and knowledge
20 necessary for the projects that participants are
21 called upon to perform;

22 “(2) provide support services to participants,
23 such as the provision of appropriate information and
24 support—

1 “(A) to those participants who are com-
2 pleting a term of service and making the transi-
3 tion to other educational and career opportuni-
4 ties; and

5 “(B) to those participants who are school
6 dropouts in order to assist those participants in
7 earning the equivalent of a high school diploma;
8 and

9 “(3) provide, ~~when~~ ^{where} appropriate, structured op- *if*
10 portunities for participants to reflect on their service
11 experiences.

12 “(c) CONSULTATION.—An application submitted
13 under section 130 shall also include an assurance by the
14 applicant that any national service program carried out
15 by the applicant using assistance provided under section
16 121 and any national service program supported by a
17 grant made by the applicant using such assistance will—

18 “(1) provide in the design, recruitment, and op-
19 eration of the program for broad-based input from—

20 “(A) the community served and potential
21 participants in the program; and

22 “(B) community-based agencies with a
23 demonstrated record of experience in providing
24 services and local labor organizations rep-
25 resenting employees of service sponsors, if these

1 poration or State Commissions under section 138(d). The
2 Corporation may specify a minimum percentage of partici-
3 pants to be selected from the national leadership pool es-
4 tablished under section 138(e) and may vary the percent-
5 age for different types of national service programs.

6 **"SEC. 132. INELIGIBLE SERVICE CATEGORIES.**

7 “(a) IN GENERAL.—Except as provided in sub-
8 sections (b) ~~and (c)~~, an application submitted to the Cor-
9 poration under section 130 shall include an assurance by
10 the applicant that any national service program carried
11 out using assistance provided under section 121 and any
12 approved national service position provided to an applicant
13 will not be used to perform service that provides a direct
14 benefit to any—

15 “(1) business organized for profit;

16 “(2) labor union;

17 “(3) partisan political organization;

18 “(4) organization engaged in religious activities,
19 unless such service does not involve the use of assist-
20 ance provided under section 121 or participants—

21 “(A) to give religious instruction;

22 “(B) to conduct worship services;

23 “(C) to provide instruction as part of a
24 program that includes mandatory religious edu-
25 cation or worship;

*ND
Subsec (c)*

primarily
 (D) to construct, operate, or maintain facilities devoted to religious instruction or worship; or

“(E) to engage in any form of proselytization; or

“(5) nonprofit organization that fails to comply with the restrictions contained in section 501(c) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)), except that nothing in this section shall be construed to prevent participants from engaging in advocacy activities undertaken at their own initiative.

“(b) REGIONAL CORPORATION.—The requirement of subsection (a) relating to an assurance regarding direct benefits to businesses organized for profit shall not apply with respect to a Regional Corporation, as defined in section 3(g) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(g)), that is established in accordance with such Act as a for-profit corporation but that is engaging in nonprofit activities.

“SEC. 133. CONSIDERATION OF APPLICATIONS.

“(a) CORPORATION CONSIDERATION OF CERTAIN CRITERIA.—The Corporation shall apply the criteria described in subsections (c) and (d) in determining whether—

(D) construct or operate facilities devoted to religious instruction or worship or maintain facilities primarily or inherently devoted to religious instruction or worship.

1 “(D) as participants in programs receiving
2 assistance under subtitle D of the National and
3 Community Service Act of 1990, as in effect on
4 the day before the date of enactment of this
5 subtitle; or

6 “(E) as members of the Armed Forces of
7 the United States ^{and who} ~~and~~ were honorably dis-
8 charged from such service.

9 “(3) ASSIGNMENT.—At the request of a pro-
10 gram that receives assistance under the national
11 service laws, the Corporation may assign an individ-
12 ual who receives leadership training under para-
13 graph (1) to work with the program in a leadership
14 position and carry out assignments not otherwise
15 performed by regular participants. An individual as-
16 signed to a program shall be considered to be a par-
17 ticipant of the program.

18 “(f) EVALUATION OF SERVICE.—The Corporation
19 shall issue regulations regarding the manner and criteria
20 by which the service of a participant shall be evaluated
21 to determine whether the service is satisfactory and suc-
22 cessful for purposes of eligibility for a second term of serv-
23 ice or a national service educational award.

1 “(d) HEALTH INSURANCE.—

2 “(1) IN GENERAL.—A State or other recipient
3 of assistance under section 121 shall provide a basic
4 health care policy for each full-time participant in a
5 national service program carried out or supported
6 using the assistance, if the participant is not other-
7 wise covered by a health care policy. Not more than
8 85 percent of the cost of a premium shall be pro-
9 vided by the Corporation, with the remaining cost
10 paid by the entity receiving assistance under section
11 121. The Corporation shall establish minimum
12 standards that all plans must meet in order to qual-
13 ify for payment under this part, any circumstances
14 in which an alternative health care policy may be
15 substituted for the basic health care policy, and
16 mechanisms to prohibit participants from dropping
17 existing coverage.

18 “(2) OPTION.—A State or other recipient of as-
19 sistance under section 121 may elect to provide from
20 its own funds a health care policy for participants
21 that does not meet all of the standards established
22 by the Corporation if the fair market value of such
23 policy is equal to or greater than the fair market
24 value of a plan that meets the minimum standards

1 *scription shall address functions at both the national*
2 *and State levels.*

3 (c) *DEFINITION.—The term “transition period” means*
4 *the period beginning on October 1, 1993 and ending on the*
5 *day before the effective date of section 203(c)(2).*

6 ***TITLE III—REAUTHORIZATION***
7 ***Subtitle A—National and***
8 ***Community Service Act of 1990***

9 ***SEC. 301. AUTHORIZATION OF APPROPRIATIONS.***

10 (a) *IN GENERAL.—Section 501 of the National and*
11 *Community Service Act of 1990 (42 U.S.C. 12681) is*
12 *amended to read as follows:*

13 ***“SEC. 501. AUTHORIZATION OF APPROPRIATIONS.***

14 ***“(a) TITLE I.—***

15 ***“(1) SUBTITLE B.—***

16 ***“(A) IN GENERAL.—There are authorized to***
17 *be appropriated to provide financial assistance*
18 *under subtitle B of title I, \$45,000,000 for fiscal*
19 *year 1994 and such sums as may be necessary*
20 *for each of the fiscal years 1995 through 1996.*

21 ***“(B) PROGRAMS.—Of the amount appro-***
22 *priated under subparagraph (A) for a fiscal*
23 *year—*

24 ***“(i) not more than 63.75 percent shall***
25 *be available to provide financial assistance*

1 *under subpart A of part I of subtitle B of*
2 *title I;*

3 “(ii) *not more than 11.25 percent shall*
4 *be available to provide financial assistance*
5 *under subpart B of part I of such subtitle;*
6 *and*

7 “(iii) *not more than 25 percent shall*
8 *be available to provide financial assistance*
9 *under part II of such subtitle.*

10 “(2) *SUBTITLES C, D, AND H.—*

11 “(A) *IN GENERAL.—There are authorized to*
12 *be appropriated to provide financial assistance*
13 *under subtitles C and H of title I, to provide na-*
14 *tional service educational awards under subtitle*
15 *D of title I, and to carry out such audits and*
16 *evaluations as the President or the Inspector*
17 *General of the Corporation may determine to be*
18 *necessary, \$300,000,000 for fiscal year 1994,*
19 *\$500,000,000 for fiscal year 1995, and*
20 *\$700,000,000 for fiscal year 1996.*

21 “(B) *PROGRAMS.—Of the amount appro-*
22 *priated under subparagraph (A) for a fiscal*
23 *year, up to 15 percent shall be made available*
24 *to provide financial assistance under sections*
25 *125 and 126 and under subtitle H of title I.*

1 “(3) *SUBTITLE E.*—*There are authorized to be*
2 *appropriated to provide financial assistance under*
3 *subtitle E of title I, such sums as may be necessary*
4 *for each of the fiscal years 1995 through 1996.*

5 “(4) *ADMINISTRATION.*—

6 “(A) *IN GENERAL.*—*There are authorized to*
7 *be appropriated for the administration of this*
8 *Act such sums as may be necessary for each of*
9 *the fiscal years 1994 through 1996.*

10 “(B) *LIMITATION.*—*For fiscal year 1994,*
11 *the sums appropriated under subparagraph (A)*
12 *shall not exceed 15 percent of the amounts ap-*
13 *propriated to carry out subtitles B, C, D, and H*
14 *of title I of this Act for such fiscal year. For each*
15 *subsequent fiscal year, the sums appropriated*
16 *under subparagraph (A) shall not exceed 10 per-*
17 *cent of the amounts appropriated to carry out*
18 *such subtitles for such subsequent fiscal year.*

19 “(C) *STATE COMMISSIONS AND CORPORA-*
20 *TION.*—*Of the amounts appropriated under sub-*
21 *paragraph (A) for a fiscal year, up to 50 percent*
22 *shall be made available to the State Commis-*
23 *sions, and up to 50 percent shall be made avail-*
24 *able to the Corporation, for the administration of*
25 *this Act.*

A handwritten signature, possibly "Senators", is written above the word "Senate" in a cursive script.

1 “(b) *TITLE III.*—There are authorized to be appro-
2 priated to carry out title III \$5,000,000 for each of the fis-
3 cal years 1994 through 1996.

4 “(c) *AVAILABILITY OF APPROPRIATIONS.*—Funds ap-
5 propriated under this section shall remain available until
6 expended.”.

7 (b) *EFFECTIVE DATE.*—The amendment made by sub-
8 section (a) shall take effect on October 1, 1993.

9 ***Subtitle B—Domestic Volunteer***
10 ***Service Act of 1973***

11 ***SEC. 311. SHORT TITLE; REFERENCES.***

12 (a) *SHORT TITLE.*—This subtitle may be cited as the
13 “Domestic Volunteer Service Act Amendments of 1993”.

14 (b) *REFERENCES.*—Except as otherwise specifically
15 provided, whenever in this subtitle an amendment or repeal
16 is expressed in terms of an amendment to, or repeal of, a
17 section or other provision, the reference shall be considered
18 to be made to a section or other provision of the Domestic
19 Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

20 ***CHAPTER 1—VISTA AND OTHER ANTI-***
21 ***POVERTY PROGRAMS***

22 ***SEC. 321. PURPOSE OF THE VISTA PROGRAM.***

23 The last sentence of section 101 (42 U.S.C. 4951) is
24 amended to read as follows: “In addition, the objectives of
25 this part are to generate the commitment of private sector

1 SEC. 102. NATIONAL SERVICE TRUST AND PROVISION OF
2 NATIONAL SERVICE EDUCATIONAL AWARDS.

3 (a) ESTABLISHMENT OF TRUST; PROVISION OF
4 AWARDS.—Subtitle D of title I of the National and Com-
5 munity Service Act of 1990 (42 U.S.C. 12571 et seq.) is
6 amended to read as follows:

7 **“Subtitle D—National Service**
8 **Trust and Provision of National**
9 **Service Educational Awards**

10 **“SEC. 145. ESTABLISHMENT OF THE NATIONAL SERVICE**
11 **TRUST.**

12 “(a) ESTABLISHMENT.—There is established in the
13 Treasury of the United States an account to be known
14 as the National Service Trust. The Trust shall consist
15 of—

16 “(1) from the amounts appropriated to the Cor-
17 poration and made available to carry out this sub-
18 title pursuant to section 501(a)(2), such amounts as
19 the Corporation may designate to be available for
20 the payment of—

21 “(A) national service educational awards;
22 and

23 “(B) interest expenses pursuant to section
24 148(e);

1 “(2) any amounts received by the Corporation
2 as gifts, bequests, devise, or otherwise pursuant to
3 section 196(a)(2); and

4 “(3) the interest on, and proceeds from the sale
5 or redemption of, any obligations held by the Trust.

6 “(b) INVESTMENT OF TRUST.—It shall be the duty
7 of the Secretary of the Treasury to invest in full the
8 amounts appropriated to the Trust. Except as otherwise
9 expressly provided in instruments concerning a gift, be-
10 quest, devise, or other donation and agreed to by the Cor-
11 poration, such investments may be made only in interest-
12 bearing obligations of the United States or in obligations
13 guaranteed as to both principal and interest by the United
14 States. For such purpose, such obligations may be ac-
15 quired (1) on original issue at the issue price, or (2) by
16 purchase of outstanding obligations at the marketplace.
17 Any obligation acquired by the Trust may be sold by the
18 Secretary at the market price.

19 “(c) EXPENDITURES FROM TRUST.—Amounts in the
20 Trust shall be available for payments of national service
21 educational awards in accordance with section 148.

22 “(d) REPORTS TO CONGRESS ON RECEIPTS AND EX-
23 PENDITURES.—Not later than March 1 of each year, the
24 Corporation shall submit a report to the Congress on the

1 financial status of the Trust during the preceding fiscal
2 year. Such report shall—

3 “(1) specify the amount deposited to the Trust
4 from the most recent appropriation to the Cor-
5 poration, the amount received by the Corporation as
6 gifts or bequest during the period covered by the re-
7 port, and any amounts obtained by the Trust pursu-
8 ant to subsection (a)(3);

9 “(2) identify the number of individuals who are
10 currently performing service to qualify, or have
11 qualified, for national service educational awards;

12 “(3) identify the number of individuals whose
13 ability to claim national service educational awards
14 during the period covered by the report—

15 “(A) has been reduced pursuant to section
16 147(b); or

17 “(B) has lapsed pursuant to section
18 146(d); and

19 “(4) estimate the number of additional ap-
20 proved national service positions which the Cor-
21 poration will be able to make available under subtitle
22 C on the basis of any accumulated surplus in the
23 Trust above the amount required to provide national
24 service educational awards to individuals identified
25 under paragraph (2), including any amounts avail-

1 able as a result of the circumstances referred to in
2 paragraph (3).

3 **"SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL**
4 **SERVICE EDUCATIONAL AWARD FROM THE**
5 **TRUST.**

6 “(a) ELIGIBLE INDIVIDUALS.—An individual shall
7 receive a national service educational award from the Na-
8 tional Service Trust if the individual—

9 “(1) successfully completes the required term of
10 service described in subsection (b) in an approved
11 national service position;

12 “(2) was 17 years of age or older at the time
13 the individual began serving in the approved na-
14 tional service position or was an out-of-school youth
15 serving in an approved national service position with
16 a youth corps program described in section
17 122(a)(2) or a program described in section
18 122(a)(9);

19 “(3) at the time the individual uses the national
20 service educational award—

21 “(A) has received a high school diploma, or
22 the equivalent of such diploma;

23 “(B)(i) is enrolled at an institution of
24 higher education on the basis of meeting the
25 standard described in paragraph (1) or (2) of

1 section 484(d) of the Higher Education Act of
2 1965 (20 U.S.C. 1091(d)); and

3 “(ii) meets the requirements of section
4 484(a) of such Act; or

5 “(C) has received a waiver described in
6 section 137(c); and

7 “(3) has received a high school diploma, or the
8 equivalent of such diploma, at the time the individ-
9 ual uses the national service educational award, un-
10 less this requirement has been waived based on an
11 individual education assessment conducted by the
12 program; and

13 “(4) is a citizen or national of the United
14 States or lawful permanent resident alien of the
15 United States.

16 “(b) TERM OF SERVICE.—The term of service for an
17 approved national service position shall not be less than
18 the full- or part-time term of service specified in section
19 139(b).

20 “(c) LIMITATION ON NUMBER OF TERMS OF SERV-
21 ICE FOR AWARDS.—Although an individual may serve
22 more than 2 terms of service described in subsection (b)
23 in an approved national service position, the individual
24 shall receive a national service educational award from the

1 National Service Trust only on the basis of the first and
2 second of such terms of service.

3 “(d) TIME FOR USE OF EDUCATIONAL AWARD.—

4 “(1) SEVEN-YEAR REQUIREMENT.—An individ-
5 ual eligible to receive a national service educational
6 award under this section may not use such award
7 after the end of the 7-year period beginning on the
8 date the individual completes the term of service in
9 an approved national service position that is the
10 basis of the award.

11 “(2) EXCEPTION.—The Corporation may ex-
12 tend the period within which an individual may use
13 a national service educational award if the Cor-
14 poration determines that the individual—

15 “(A) was unavoidably prevented from
16 using the national service educational award
17 during the original 7-year period; or

18 “(B) performed another term of service in
19 an approved national service position during
20 that period.

21 “(e) SUSPENSION OF ELIGIBILITY FOR DRUG-RE-
22 LATED OFFENSES.—

23 “(1) IN GENERAL.—An individual who, after
24 qualifying under this section as an eligible individ-
25 ual, has been convicted under any Federal or State

1 law of the possession or sale of a controlled sub-
 2 stance shall not be eligible to receive a national serv-
 3 ice educational award during the period beginning
 4 on the date of such conviction and ending after the
 5 interval specified in the following table:

"If convicted of:	
The possession of a controlled substance:	Ineligibility period is:
1st conviction	1 year
2nd conviction	2 years
3rd conviction	indefinite
The sale of a controlled substance:	
1st conviction	2 years
2nd conviction	indefinite

6 “(2) REHABILITATION.—An individual whose
 7 eligibility has been suspended under paragraph (1)
 8 shall resume eligibility before the end of the period
 9 determined under such paragraph if the individual
 10 satisfactorily completes a drug rehabilitation pro-
 11 gram that complies with such criteria as the Cor-
 12 poration shall prescribe for purposes of this para-
 13 graph.

14 “(3) FIRST CONVICTIONS.—An individual whose
 15 eligibility has been suspended under paragraph (1)
 16 and is convicted of his or her first offense may re-
 17 sume eligibility before the end of the period deter-
 18 mined under such paragraph if the student dem-
 19 onstrates that he or she has enrolled or been accept-
 20 ed for enrollment in a drug rehabilitation program

1 that complies with such criteria as the Corporation
2 shall prescribe for purposes of this subsection.

3 “(4) DEFINITIONS.—As used in this subsection,
4 the term ‘controlled substance’ has the meaning
5 given in section 102(6) of the Controlled Substances
6 Act (21 U.S.C. 802(6)).

7 “(5) EFFECTIVE DATE.—This subsection shall
8 be effective upon publication by the Corporation in
9 the Federal Register of criteria prescribed under
10 paragraph (2) of this subsection.

11 “(f) AUTHORITY TO ESTABLISH DEMONSTRATION
12 PROGRAMS.—The Corporation may establish by regulation
13 demonstration programs for the creation and evaluation
14 of innovative volunteer and community service programs.

15 **“SEC. 147. DETERMINATION OF THE AMOUNT OF THE NA-**
16 **TIONAL SERVICE EDUCATIONAL AWARD.**

17 “(a) AMOUNTS GENERALLY.—Except as provided in
18 subsection (b), an individual described in section 146(a)
19 who successfully completes a required term of service in
20 an approved national service position shall receive a na-
21 tional service educational award having a value, for each
22 of not more than 2 of such terms of service, equal to 90
23 percent of—

24 “(1) one-half of the aggregate minimum basic
25 educational assistance allowance calculated under

1 sections 3013(d)(1) and 3015(b)(1) of title 38, Unit-
2 ed States Code (as in effect on July 28, 1993), for
3 a member of the Armed Forces who is entitled to
4 such an allowance under section 3011 of such title
5 and whose initial obligated period of active duty is
6 two years; less

7 “(2) one-half of the aggregate basic con-
8 tribution required to be made by the member under
9 section 3011(b) of such title (as in effect on July 28,
10 1993).

11 “(b) AWARD FOR PARTIAL COMPLETION OF SERV-
12 ICE.—If an individual serving in an approved national
13 service position is released in accordance with section
14 139(c)(1)(A) from completing the term of service agreed
15 to by the individual, the Corporation may provide the indi-
16 vidual with that portion of the national service educational
17 award approved for the individual that corresponds to the
18 quantity of the term of service actually completed by the
19 individual.

20 **“SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDU-**
21 **CATIONAL AWARDS.**

22 “(a) IN GENERAL.—Amounts in the Trust shall be
23 available—

24 “(1) to repay student loans in accordance with
25 subsection (b);

1 “(2) to pay all or part of the cost of attendance
2 at an institution of higher education in accordance
3 with subsection (c);

4 “(3) to pay expenses incurred in participating
5 in an approved school-to-work program in accord-
6 ance with subsection (d); and

7 “(4) to pay interest expenses in accordance with
8 regulations prescribed pursuant to subsection (e).

9 “(b) USE OF EDUCATIONAL AWARD TO REPAY OUT-
10 STANDING STUDENT LOANS.—

11 “(1) APPLICATION BY ELIGIBLE INDIVID-
12 UALS.—An eligible individual under section 146 who
13 desires to apply his or her national service edu-
14 cational award to the repayment of qualified student
15 loans shall submit, in a manner prescribed by the
16 Corporation, an application to the Corporation
17 that—

18 “(A) identifies, or permits the Corporation
19 to identify readily, the holder or holders of such
20 loans;

21 “(B) indicates, or permits the Corporation
22 to determine readily, the amounts of principal
23 and interest outstanding on the loans;

24 “(C) specifies, if the outstanding balance is
25 greater than the amount disbursed under para-

1 graph (2), which of the loans the individual pre-
2 fers to be paid by the Corporation; and

3 “(D) contains or is accompanied by such
4 other information as the Corporation may re-
5 quire.

6 “(2) DISBURSEMENT OF REPAYMENTS.—Upon
7 receipt of an application from an eligible individual
8 of an application that complies with paragraph (1),
9 the Corporation shall, as promptly as practicable
10 consistent with paragraph (5), disburse the amount
11 of the national service educational award to which
12 the eligible individual is entitled. Such disbursement
13 shall be made by check or other means that is pay-
14 able to the holder of the loan and requires the en-
15 dorsement or other certification by the eligible indi-
16 vidual.

17 “(3) APPLICATION OF DISBURSED AMOUNTS.—
18 If the amount disbursed under paragraph (2) is less
19 than the principal and accrued interest on any quali-
20 fied student loan, such amount shall be applied ac-
21 cording to the specified priorities of the individual.

22 “(4) REPORTS BY HOLDERS.—Any holder re-
23 ceiving a loan payment pursuant to this subsection
24 shall submit to the Corporation such information as
25 the Corporation may require to verify that such pay-

1 ment was applied in accordance with this subsection
2 and any regulations prescribed to carry out this sub-
3 section.

4 “(5) NOTIFICATION OF INDIVIDUAL.—The Cor-
5 poration upon disbursing the national service edu-
6 cational award, shall notify the individual of the
7 amount paid for each outstanding loan and the date
8 of payment.

9 “(6) AUTHORITY TO AGGREGATE PAYMENTS.—
10 The Corporation may, by regulation, provide for the
11 aggregation of payments to holders under this sub-
12 section.

13 “(7) DEFINITION OF QUALIFIED STUDENT
14 LOANS.—As used in this subsection, the term ‘quali-
15 fied student loans’ means—

16 “(A) any loan made, insured, or guaran-
17 teed pursuant to title IV of the Higher Edu-
18 cation Act of 1965 (20 U.S.C. 1070 et seq.),
19 other than a loan to a parent of a student pur-
20 suant to section 428B of such Act (20 U.S.C.
21 1078–2); and

22 “(B) any loan made pursuant to title VII
23 or VIII of the Public Health Service Act (42
24 U.S.C. 292a et seq.).

1 “(8) DEFINITION OF HOLDER.—As used in this
2 subsection, the term ‘holder’ with respect to any eli-
3 gible loan means the original lender or, if the loan
4 is subsequently sold, transferred, or assigned to
5 some other person, and such other person acquires
6 a legally enforceable right to receive payments from
7 the borrower, such other person.

8 “(c) USE OF EDUCATIONAL AWARDS TO PAY CUR-
9 RENT EDUCATIONAL EXPENSES.—

10 “(1) APPLICATION BY ELIGIBLE INDIVIDUAL.—
11 An eligible individual under section 146 who desires
12 to apply his or her national service educational
13 award to the payment of current full-time or part-
14 time educational expenses [do not understand Sen-
15 ate language] shall, on a form prescribed by the
16 Corporation, submit an application to the institution
17 of higher education in which the student will be en-
18 rolled that contains such information as the Cor-
19 poration may require to verify the individual’s eligi-
20 bility.

21 “(2) SUBMISSION OF REQUESTS FOR PAYMENT
22 BY INSTITUTIONS.—An institution of higher edu-
23 cation that receives one or more applications that
24 comply with paragraph (1) shall submit to the Cor-

1 poration a statement, in a manner prescribed by the
2 Corporation, that—

3 “(A) identifies each eligible individual fil-
4 ing an application under paragraph (1) for a
5 disbursement of the individual’s national service
6 educational award under this subsection;

7 “(B) specifies the amounts for which such
8 eligible individuals are, consistent with para-
9 graph (6), qualified for disbursement under this
10 subsection;

11 “(C) certifies that (i) the institution of
12 higher education has in effect a program par-
13 ticipation agreement under section 487 of the
14 Higher Education Act of 1965 (20 U.S.C.
15 1094), and (ii) the institution’s eligibility to
16 participate in any of the programs under title
17 IV of such Act (20 U.S.C. 1070 et seq.) has not
18 been limited, suspended, or terminated; and

19 “(D) contains such provisions concerning
20 financial compliance as the Corporation may re-
21 quire.

22 “(3) DISBURSEMENT OF PAYMENTS.—Upon re-
23 ceipt of a statement from an institution of higher
24 education that complies with paragraph (2), the Cor-
25 poration shall, subject to paragraph (4), disburse the

1 total amount of the national service educational
2 awards for which eligible individuals who have sub-
3 mitted applications to that institution under para-
4 graph (1) are qualified. Such disbursement shall be
5 made by check or other means that is payable to the
6 institution and requires the endorsement or other
7 certification by the eligible individual.

8 “(4) MULTIPLE DISBURSEMENTS REQUIRED.—

9 The total amount required to be disbursed to an in-
10 stitution of higher education under paragraph (3)
11 for any period of enrollment shall be disbursed by
12 the Corporation in 2 or more installments, none of
13 which exceeds $\frac{1}{2}$ of such total amount. The interval
14 between the first and second such installment shall
15 not be less than $\frac{1}{2}$ of such period of enrollment, ex-
16 cept as necessary to permit the second installment to
17 be paid at the beginning of the second semester,
18 quarter, or similar division of such period of enroll-
19 ment.

20 “(5) REFUND RULES.—The Corporation shall,
21 by regulation, provide for the refund to the Cor-
22 poration (and the crediting to the national service
23 educational award of an eligible individual) of
24 amounts disbursed to institutions for the benefit of
25 eligible individuals who withdraw or otherwise fail to

1 complete the period of enrollment for which the as-
2 sistence was provided. Such regulations shall be con-
3 sistent with the fair and equitable refund policies re-
4 quired of institutions pursuant to section 484B of
5 the Higher Education Act of 1965 (20 U.S.C.
6 1091b). Amounts refunded to the Trust pursuant to
7 this paragraph may be used by the Corporation to
8 fund additional approved national service positions
9 under subtitle C.

10 “(6) MAXIMUM AWARD.—The portion of an eli-
11 gible individual’s total available national service edu-
12 cational award that may be disbursed under this
13 subsection for any period of enrollment shall not ex-
14 ceed the difference between—

15 “(A) the eligible individual’s cost of attend-
16 ance for such period of enrollment, determined
17 in accordance with section 472 of the Higher
18 Education Act of 1965 (20 U.S.C. 1087ll); and

19 “(B) the sum of (i) the student’s estimated
20 financial assistance for such period under part
21 A of title IV of such Act (20 U.S.C. 1070 et
22 seq.), and (ii) the student’s veterans’ education
23 benefits, determined in accordance with section
24 480(c) of such Act (20 U.S.C. 1087vv(c)).

1 “(d) USE OF EDUCATIONAL AWARD TO PARTICIPATE
2 IN APPROVED SCHOOL-TO-WORK PROGRAMS.—The Cor-
3 poration shall by regulation provide for the payment of
4 national service educational awards to permit eligible indi-
5 viduals to participate in school-to-work programs approved
6 by the Secretaries of Labor and Education.

7 “(e) INTEREST PAYMENTS DURING FORBEARANCE
8 ON LOAN REPAYMENT.—The Corporation shall provide by
9 regulation for the payment on behalf of an eligible individ-
10 ual of interest that accrues during a period for which such
11 individual has obtained forbearance in the repayment of
12 a qualified student loan (as defined in subsection (b)(6)),
13 if the eligible individual successfully completes his or her
14 required term of service (as determined under section
15 146(b)). Such regulations shall be prescribed after con-
16 sultation with the Secretary of Education.

17 “(f) EXCEPTION.—With the approval of the Director,
18 an approved national service program funded under sec-
19 tion 121, may offer participants the option of waiving
20 their right to receive a National Service Education Award
21 in order to receive an alternative post-service benefit fund-
22 ed by the program entirely with non-Federal funds.

23 “(g) DEFINITION OF INSTITUTION OF HIGHER EDU-
24 CATION.—Notwithstanding section 101 of this Act, for
25 purposes of this section the term ‘institution of higher

1 education' has the meaning provided by section 481(a) of
2 the Higher Education Act of 1965 (20 U.S.C. 1088(a)).”.

3 (b) TABLE OF CONTENTS.—Section 1(b) of the Na-
4 tional and Community Service Act of 1990 (Public Law
5 101-610; 104 Stat. 3127) is amended by striking the
6 items relating to subtitle D of title I of such Act and in-
7 serting the following new items:

“Subtitle D—National Service Trust and Provision of National Service
Educational Awards

“Sec. 145. Establishment of the National Service Trust.

“Sec. 146. Individuals eligible to receive a national service educational award
from the Trust.

“Sec. 147. Determination of the amount of the national service educational
award.

“Sec. 148. Disbursement of national service educational awards.”.

8 (c) CONFORMING AMENDMENTS.—

9 (1) ELIGIBILITY FOR SUBSIDIZED STAFFORD
10 LOANS.—Section 428(a)(2)(C)(i) of the Higher Edu-
11 cation Act of 1965 (20 U.S.C. 1078(a)(2)(C)(i)) is
12 amended by inserting after “parts C and E of this
13 title,” the following: “any national service edu-
14 cational award such student will receive under sub-
15 title D of title I of the National and Community
16 Service Act of 1990 (42 U.S.C. 12751 et seq.),”.

17 (2) FORBEARANCE IN THE COLLECTION OF
18 STAFFORD LOANS.—Section 428 of the Higher Edu-
19 cation Act of 1965 is amended—

20 (A) in subsection (b)(1)—

1 (i) by redesignating subparagraphs
2 (W), (X), and (Y) as subparagraphs (X),
3 (Y), and (Z), respectively; and

4 (ii) by inserting immediately after
5 subparagraph (V) the following new sub-
6 paragraph:

7 “(W)(i) provides that, upon written re-
8 quest, a lender shall grant a borrower forbear-
9 ance on such terms as are otherwise consistent
10 with the regulations of the Secretary, during
11 periods in which the borrower is serving in a
12 national service position, for which he or she re-
13 ceives a national service educational award
14 under the National Service Trust Act of 1993;

15 “(ii) provides that clauses (iii) and (iv) of
16 subparagraph (V) shall also apply to a forbear-
17 ance granted under this subparagraph; and

18 “(iii) provides that interest shall continue
19 to accrue on a loan for which a borrower re-
20 ceives forbearance under this subparagraph and
21 shall be capitalized or paid by the borrower;”;
22 and

23 (B) in subsection (c)(3)(A), by striking
24 “subsection (b)(1)(V)” and inserting “sub-
25 paragraphs (V) and (W) of subsection (b)(1)”.

1 (3) ELIGIBILITY FOR STAFFORD LOAN FOR-
2 GIVENESS.—Section 428J of the Higher Education
3 Act of 1965 (20 U.S.C. 1078–10) is amended—

4 (A) in subsection (b)(1), is amended by
5 striking “October 1, 1992” and inserting “Oc-
6 tober 1, 1989”; and

7 (B) in subsection (c), by adding at the end
8 the following new paragraph:

9 “(5) INELIGIBILITY OF NATIONAL SERVICE
10 EDUCATIONAL AWARD RECIPIENTS.—No student
11 borrower may, for the same volunteer service, receive
12 a benefit under both this section and subtitle D of
13 title I of the National and Community Service Act
14 of 1990 (42 U.S.C. 12751 et seq.).”.

15 (4) ELIGIBILITY FOR PERKINS LOAN FORGIVE-
16 NESS.—Section 465(a) of the Higher Education Act
17 of 1965 (20 U.S.C. 1087ee(a)) is amended by add-
18 ing at the end the following new paragraph:

19 “(6) No borrower may, for the same volunteer
20 service, receive a benefit under both this section and
21 subtitle D of title I of the National and Community
22 Service Act of 1990 (42 U.S.C. 12751 et seq.).”.

23 (5) IMPACT ON GENERAL NEEDS ANALYSIS.—
24 Section 480(j) of such Act (20 U.S.C. 1087vv(j)) is

1 amended by adding at the end the following new
2 paragraph:

3 “(3) Notwithstanding paragraph (1), any na-
4 tional service educational award such student will re-
5 ceive under subtitle D of title I of the National and
6 Community Service Act of 1990 (42 U.S.C. 12751
7 et seq.) shall not be taken into account in determin-
8 ing estimated financial assistance not received under
9 this title.”.



1 **TITLE I—PROGRAMS AND**
2 **RELATED PROVISIONS**
3 **Subtitle A—Programs**

4 **SEC. 101. FEDERAL INVESTMENT IN SUPPORT OF NA-**
5 **TIONAL SERVICE.**

6 (a) **TRANSFER OF EXISTING SUBTITLE.**—Title I of
7 the National and Community Service Act of 1990 (42
8 U.S.C. 12501 et seq.) is amended—

9 (1) by redesignating subtitle C (42 U.S.C.
10 12653 et seq.) as subtitle I;

11 (2) by inserting subtitle I (as redesignated by
12 paragraph (1) of this subsection) after subtitle H;
13 and

14 (3) by redesignating sections 120 through 136
15 as sections 199 through 199O, respectively.

16 (b) **ASSISTANCE PROGRAM AUTHORIZED.**—Title I of
17 the National and Community Service Act of 1990 (42
18 U.S.C. 12501 et seq.) is amended by inserting after sub-
19 title B the following new subtitle:

1 **“Subtitle C—National Service Trust**
2 **Program**

3 **“PART I—INVESTMENT IN NATIONAL SERVICE**

4 **“SEC. 121. AUTHORITY TO PROVIDE ASSISTANCE AND AP-**
5 **PROVED NATIONAL SERVICE POSITIONS.**

6 “(a) PROVISION OF ASSISTANCE.—The Corporation
7 for National Service may make grants to States, sub-
8 divisions of States, Indian tribes, public or private non-
9 profit organizations, and institutions of higher education
10 for the purpose of assisting the recipients of the grants—

11 “(1) to carry out full- or part-time national
12 service programs, including summer programs, de-
13 scribed in section 122(a); and

14 “(2) to make grants in support of other na-
15 tional service programs described in section 122(a)
16 that are carried out by other entities.

17 “(b) AGREEMENTS WITH FEDERAL AGENCIES.—The
18 Corporation may enter into a contract or cooperative
19 agreement with another Federal agency to support a na-
20 tional service program carried out by the agency. The sup-
21 port provided by the Corporation pursuant to the contract
22 or cooperative agreement may include the transfer to the
23 Federal agency of funds available to the Corporation
24 under this subtitle. A Federal agency receiving assistance
25 under this subsection shall not be required to satisfy the

1 matching funds requirements specified in subsection (e).
2 However, the supplementation requirements specified in
3 section 173 shall apply with respect to the Federal na-
4 tional service programs supported with such assistance. A
5 Federal agency receiving assistance under this subsection
6 shall consult with the State Commissions for those States
7 in which projects will be conducted in order to ensure that
8 the projects do not duplicate existing State or local pro-
9 grams.

*State/local
projects*

10 “(c) PROVISION OF APPROVED NATIONAL SERVICE
11 POSITIONS.—As part of the provision of assistance under
12 subsections (a) and (b), the Corporation shall—

13 “(1) approve the provision of national service
14 educational awards described in subtitle D for the
15 participants who serve in national service programs
16 carried out using such assistance; and

17 “(2) deposit in the National Service Trust es-
18 tablished in section 145(a) an amount equal to the
19 product of—

20 “(A) the value of a national service edu-
21 cational award under section 147; and

22 “(B) the total number of approved national
23 service positions to be provided.

24 “(d) FIVE PERCENT LIMITATION ON ADMINISTRA-
25 TIVE COSTS.—

1 “(1) LIMITATION.—Not more than 5 percent of
2 the amount of assistance provided to the original re-
3 cipient of a grant or transfer of assistance under
4 subsection (a) or (b) for a fiscal year may be used
5 to pay for administrative costs incurred by—

6 “(A) the recipient of the assistance; and

7 “(B) national service programs carried out
8 or supported with the assistance.

9 “(2) RULES ON USE.—The Corporation may by
10 rule prescribe the manner and extent to which—

11 “(A) assistance provided under subsection
12 (a) or (b) may be used to cover administrative
13 costs; and

14 “(B) that portion of the assistance avail-
15 able to cover administrative costs should be dis-
16 tributed between—

17 “(i) the original recipient of the grant
18 or transfer of assistance under such sub-
19 section; and

20 “(ii) national service programs carried
21 out or supported with the assistance.

22 “(e) MATCHING FUNDS REQUIREMENTS.—

23 “(1) REQUIREMENTS.—Except as provided in
24 section 140, the Federal share of the cost of carry-
25 ing out a national service program that receives the

1 assistance under subsection (a), whether the assist-
2 ance is provided directly or as a subgrant from the
3 original recipient of the assistance, may not exceed
4 75 percent of such cost.

5 “(2) CALCULATION.—In providing for the re-
6 maining share of the cost of carrying out a national
7 service program, the program—

8 “(A) shall provide for such share through
9 a payment in cash or in kind, fairly evaluated,
10 including facilities, equipment, or services; and

11 “(B) may provide for such share through
12 State sources, local sources, or other Federal
13 sources (other than the use of funds made
14 available under the national service laws).

15 “(3) COST OF HEALTH CARE.—In providing a
16 payment in cash under paragraph (2)(A) as part of
17 providing for the remaining share of the cost of car-
18 rying out a national service program, the program
19 may count not more than 85 percent of the cost of
20 providing a health care policy described in section
21 140(d)(2) toward such share.

22 “(4) WAIVER.—The Corporation may waive in
23 whole or in part the requirements of paragraph (1)
24 with respect to a national service program in any fis-
25 cal year if the Corporation determines that such a

1 waiver would be equitable due to a lack of available
2 financial resources at the local level.

3 **"SEC. 122. TYPES OF NATIONAL SERVICE PROGRAMS ELIGI-**
4 **BLE FOR PROGRAM ASSISTANCE.**

5 "(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—
6 The recipient of a grant under section 121(a) and each
7 Federal agency receiving assistance under section 121(b)
8 shall use the assistance, directly or through subgrants to
9 other entities, to carry out full- or part-time national serv-
10 ice programs, including summer programs, that address
11 unmet human, educational, environmental, or public safe-
12 ty needs. Subject to subsection (b)(1), these national serv-
13 ice programs may include the following types of national
14 service programs:

15 "(1) A community corps program that meets
16 unmet human, educational, environmental, or public
17 safety needs and promotes greater community unity
18 through the use of organized teams of participants
19 of varied social and economic backgrounds, skill lev-
20 els, physical and developmental capabilities, ages,
21 ethnic backgrounds, or genders.

22 "(2) A full-time, year-round youth corps pro-
23 gram or full-time summer youth corps program,
24 such as a conservation corps or youth service corps
25 (including the Public Lands Corps established under

1 the Public Lands Corps Act of 1993, the Urban
2 Youth Corps established under section 106 of the
3 National Service Trust Act of 1993, and other con-
4 servations corps or youth service corps that performs
5 service on Federal or other public lands or on Indian
6 lands or Hawaiian home lands), that—

7 “(A) undertakes meaningful service
8 projects with visible public benefits, including
9 natural resource, urban renovation, or human
10 services projects;

11 “(B) includes as participants youths and
12 young adults between the ages of 16 and 25, in-
13 clusive, including out-of-school youths and other
14 disadvantaged youths (such as youths with lim-
15 ited basic skills, youths in foster care who are
16 becoming too old for foster care, youths of lim-
17 ited English proficiency, and homeless youths,
18 and youths with disabilities) who are between
19 those ages; and

20 “(C) provides those participants who are
21 youths and young adults with—

22 “(i) crew-based, highly structured,
23 and adult-supervised work experience, life
24 skills, education, career guidance and

1 counseling, employment training, and sup-
2 port services; and

3 “(ii) the opportunity to develop citi-
4 zenship values and skills through service to
5 their community and the United States.

6 “(3) A program that provides specialized train-
7 ing to individuals in service-learning and places the
8 individuals after such training in positions, including
9 positions as service-learning coordinators, to facili-
10 tate service-learning in programs eligible for funding
11 under part I subtitle B.

12 “(4) A service program that is targeted at spe-
13 cific unmet human, educational, environmental, or
14 public safety needs and that—

15 “(A) recruits individuals with special skills
16 or provides specialized preservice training to en-
17 able participants to be placed individually or in
18 teams in positions in which the participants can
19 meet such unmet needs; and

20 “(B) brings participants together for addi-
21 tional training and other activities designed to
22 foster civic responsibility, increase the skills of
23 participants, and improve the quality of the
24 service provided.

1 “(5) An individualized placement program that
2 includes regular group activities, such as leadership
3 training and special service projects.

4 “(6) A campus-based program that is designed
5 to provide substantial service in a community during
6 the school term and during summer or other vaca-
7 tion periods through the use of—

8 “(A) students who are attending an insti-
9 tution of higher education, including students
10 participating in a work-study program assisted
11 under part C of title IV of the Higher Edu-
12 cation Act of 1965 (42 U.S.C. 2751 et seq.);

13 “(B) teams composed of such students; or

14 “(C) teams composed of a combination of
15 such students and community residents.

16 “(7) A preprofessional training program in
17 which students enrolled in an institution of higher
18 education—

19 “(A) receive training in specified fields,
20 which may include classes containing service-
21 learning;

22 “(B) perform service related to such train-
23 ing outside the classroom during the school
24 term and during summer or other vacation peri-
25 ods; and

1 “(C) agree to provide service upon gradua-
2 tion to meet unmet human, educational, envi-
3 ronmental, or public safety needs related to
4 such training.

5 “(8) A professional corps program that recruits
6 and places qualified participants in positions—

7 “(A) as teachers, nurses and other health
8 care providers, police officers, early childhood
9 development staff, engineers, or other profes-
10 sionals providing service to meet educational,
11 human, environmental, or public safety needs in
12 communities with an inadequate number of
13 such professionals;

14 “(B) that may include a salary in excess of
15 the maximum living allowance authorized in
16 subsection (a)(3) of section 140, as provided in
17 subsection (c) of such section; and

18 “(C) that are sponsored by public or pri-
19 vate nonprofit employers who agree to pay 100
20 percent of the salaries and benefits (other than
21 any national service educational award under
22 subtitle D) of the participants.

23 “(9) A program in which economically dis-
24 advantaged individuals who are between the ages of
25 16 and 24 years of age, inclusive, are provided with

1 opportunities to perform service that, while enabling
2 such individuals to obtain the education and employ-
3 ment skills necessary to achieve economic self-suffi-
4 ciency, will help their communities meet—

5 “(A) the housing needs of low-income fam-
6 ilies and the homeless; and

7 “(B) the need for community facilities in
8 low-income areas.

9 “(10) A national service entrepreneur program
10 that identifies, recruits, and trains gifted young
11 adults of all backgrounds and assists them in de-
12 signing solutions to community problems.

13 “(11) An intergenerational program that com-
14 bines students, out-of-school youths, and older
15 adults as participants to provide needed community
16 services, including an intergenerational component
17 for other national service programs described in this
18 subsection.

19 “(12) A program that is administered by a
20 combination of nonprofit organizations located in a
21 low-income area, provides a broad range of services
22 to residents of such area, is governed by a board
23 composed in significant part of low-income individ-
24 uals, and is intended to provide opportunities for in-
25 dividuals or teams of individuals to engage in com-

1 munity projects in such area that meet unaddressed
2 community and individual needs, including projects
3 that would—

4 “(A) meet the needs of low-income children
5 and youth aged 18 and younger, such as pro-
6 viding after-school ‘safe-places’, including
7 schools, with opportunities for learning and
8 recreation; or

9 “(B) be directed to other important
10 unaddressed needs in such area.

11 “(13) A community service program designed to
12 meet the needs of rural communities, using teams or
13 individual placements to address the development
14 needs of rural communities and to combat rural pov-
15 erty, including health care, education, and job train-
16 ing.

17 “(14) A program that seeks to eliminate hunger
18 in communities and rural areas through service in
19 projects—

20 “(A) involving food banks, food pantries,
21 and nonprofit organizations that provide food
22 during emergencies;

23 “(B) involving the gleaning of prepared
24 and unprepared food that would otherwise be
25 discarded as unusable so that the usable por-

1 tion of such food may be donated to food banks,
2 food pantries, and other nonprofit organiza-
3 tions;

4 “(C) seeking to address the long-term
5 causes of hunger through education and the de-
6 livery of appropriate services; or

7 “(D) providing training in basic health,
8 nutrition, and life skills necessary to alleviate
9 hunger in communities and rural areas.

10 “(15) Such other national service programs ad-
11 dressing unmet human, educational, environmental,
12 or public safety needs as the Corporation may des-
13 ignate.

14 “(b) QUALIFICATION CRITERIA TO DETERMINE ELI-
15 GIBILITY.—

16 “(1) ESTABLISHMENT BY CORPORATION.—The
17 Corporation shall establish qualification criteria for
18 different types of national service programs for the
19 purpose of determining whether a particular national
20 service program should be considered to be a na-
21 tional service program eligible to receive assistance
22 or approved national service positions under this
23 subtitle.

24 “(2) CONSULTATION.—In establishing qualifica-
25 tion criteria under paragraph (1), the Corporation

1 shall consult with organizations and individuals with
2 extensive experience in developing and administering
3 effective national service programs or regarding the
4 delivery of human, educational, environmental, or
5 public safety services to communities or persons.

6 “(3) APPLICATION TO SUBGRANTS.—The quali-
7 fication criteria established by the Corporation under
8 paragraph (1) shall also be used by each recipient of
9 assistance under section 121(a) that uses any por-
10 tion of the assistance to conduct a grant program to
11 support other national service programs.

12 “(4) ENCOURAGEMENT OF INTERGEN-
13 ERATIONAL COMPONENTS OF PROGRAMS.—The Cor-
14 poration shall encourage national service programs
15 eligible to receive assistance or approved national
16 service positions under this subtitle to establish, if
17 consistent with the purposes of the program, an
18 intergenerational component of the program that
19 combines students, out-of-school youths, and older
20 adults as participants to provide services to address
21 unmet human, educational, environmental, or public
22 safety needs.

23 “(c) NATIONAL SERVICE PRIORITIES.—

24 “(1) ESTABLISHMENT.—**[Note: Paragraph**
25 **(1) is from Senate version and contains**

1 **an amendment adding subparagraph (B)**
2 **that is not referred to in the drafting in-**
3 **structions]**

4 “(A) BY CORPORATION.—In order to con-
5 centrate national efforts on meeting certain
6 unmet human, educational, environmental, or
7 public safety needs and to achieve the other
8 purposes of this Act, the Corporation shall es-
9 tablish, and after reviewing the strategic plan
10 approved under section 192A(g)(1), periodically
11 alter priorities as appropriate regarding the
12 types of national service programs to be as-
13 sisted under subsection (b) or (d) of section 129
14 and the purposes for which such assistance may
15 be used.

16 “(B) BY STATES.—States shall establish,
17 and through the national service plan process
18 described in section 178(e)(1), periodically alter
19 priorities as appropriate regarding the national
20 service programs to be assisted under section
21 129(a)(1).

22 “(2) NOTICE TO APPLICANTS.—The Cor-
23 poration shall provide advance notice to potential ap-
24 plicants of any national service priorities to be in ef-

1 fect under this subsection for a fiscal year. The no-
2 tice shall specifically include—

3 “(A) a description of any alteration made
4 in the priorities since the previous notice; and

5 “(B) a description of the national service
6 programs that are designated by the Cor-
7 poration under section 133(d)(2) as eligible for
8 priority consideration in the next competitive
9 distribution of assistance under section 121(a).

10 “(3) REGULATIONS.—The Corporation shall by
11 regulation establish procedures to ensure the equi-
12 table treatment of national service programs that—

13 “(A) receive funding under this subtitle for
14 multiple years; and

15 “(B) would be adversely affected by annual
16 revisions in such national service priorities.

17 “(4) APPLICATION TO SUBGRANTS.—Any na-
18 tional service priorities established by the Cor-
19 poration under this subsection shall also be used by
20 each recipient of funds under section 121(a) that
21 uses any portion of the assistance to conduct a grant
22 program to support other national service programs.

1 **“SEC. 123. TYPES OF NATIONAL SERVICE POSITIONS ELIGI-**
2 **BLE FOR APPROVAL FOR NATIONAL SERVICE**
3 **EDUCATIONAL AWARDS.**

4 “The Corporation may approve of any of the fol-
5 lowing service positions as an approved national service
6 position that includes the national service educational
7 award described in subtitle D as one of the benefits to
8 be provided for successful service in the position:

9 “(1) A position for a participant in a national
10 service program described in section 122(a) that re-
11 ceives assistance under subsection (a) or (b) of sec-
12 tion 121.

13 “(2) A position for a participant in a program
14 that—

15 “(A) is carried out by a State, a sub-
16 division of a State, an Indian tribe, a public or
17 private nonprofit organization, an institution of
18 higher education, or a Federal agency; and

19 “(B) would be eligible to receive assistance
20 under section 121(a), based on criteria estab-
21 lished by the Corporation, but has not applied
22 for such assistance.

23 “(3) A position involving service as a VISTA
24 volunteer under title I of the Domestic Volunteer
25 Service Act of 1973 (42 U.S.C. 4951 et seq.).

1 “(4) A position facilitating service-learning in a
2 program described in section 122(a)(3) that is eligi-
3 ble for assistance under part I of subtitle B.

4 “(5) A position for a participant in the Civilian
5 Community Corps under subtitle E.

6 “(6) A position involving service as a crew lead-
7 er in a youth corps program or a similar position
8 supporting a national service program that receives
9 an approved national service position.

10 “(7) Such other national service positions as
11 the Corporation considers to be appropriate.

12 **“SEC. 124. TYPES OF PROGRAM ASSISTANCE.**

13 “(a) **PLANNING ASSISTANCE.**—The Corporation may
14 provide assistance under section 121 to a qualified appli-
15 cant that submits an application under section 130 for the
16 planning of a national service program. Assistance pro-
17 vided in accordance with this subsection may cover a pe-
18 riod of not more than 1 year.

19 “(b) **OPERATIONAL ASSISTANCE.**—The Corporation
20 may provide assistance under section 121 to a qualified
21 applicant that submits an application under section 130
22 for the establishment, operation, or expansion of a na-
23 tional service program. Assistance provided in accordance
24 with this subsection may cover a period of not more than

1 3 years, but may be renewed by the Corporation upon con-
2 sideration of a new application under section 130.

3 “(c) REPLICATION ASSISTANCE.—The Corporation
4 may provide assistance under section 121 to a qualified
5 applicant that submits an application under section 130
6 for the expansion of a proven national service program to
7 another geographical location. Assistance provided in ac-
8 cordance with this subsection may cover a period of not
9 more than 3 years, but may be renewed by the Cor-
10 poration upon consideration of a new application under
11 section 130.

12 “(d) APPLICATION TO SUBGRANTS.—The require-
13 ments of this section shall apply to any State or other
14 applicant receiving assistance under section 121 that pro-
15 poses to conduct a grant program using the assistance to
16 support other national service programs.

17 **“SEC. 125. TRAINING AND TECHNICAL ASSISTANCE.**

18 “(a) TRAINING PROGRAMS.—The Corporation may
19 conduct, directly or by grant or contract, appropriate
20 training programs regarding national service in order to—

21 “(1) improve the ability of national service pro-
22 grams assisted under section 121 to meet human,
23 educational, environmental, or public safety needs in
24 communities—

25 “(A) where services are needed most; and

1 “(B) where programs do not exist, or are
2 too limited to meet community needs, as of the
3 date on which the Corporation makes the grant
4 or enters into the contract;

5 “(2) promote leadership development in such
6 programs;

7 “(3) improve the instructional and pro-
8 grammatic quality of such programs to build an
9 ethic of civic responsibility;

10 “(4) develop the management and budgetary
11 skills of program operators; and

12 “(5) provide for or improve the training pro-
13 vided to the participants in such programs.

14 “(b) TECHNICAL ASSISTANCE.—[**Note: Rewrit-**
15 **ten to conform to drafting instructions]**To the
16 extent appropriate and necessary, the Corporation shall
17 make technical assistance available to States, Indian
18 tribes, labor organizations, organizations operated by
19 young adults, organizations serving economically dis-
20 advantaged individuals, and other entities described in sec-
21 tion 121 that desire—

22 “(1) to develop national service programs; or

23 “(2) to apply for assistance under such section
24 or under a grant program conducted using assist-
25 ance provided under such section.

1 **"SEC. 126. OTHER SPECIAL ASSISTANCE.**

2 **"(a) SUPPORT FOR STATE COMMISSIONS.—**

3 **"(1) ASSISTANCE AUTHORIZED.—**The Cor-
4 poration may make assistance available to assist a
5 State to establish or operate the State Commission
6 on National and Community Service required to be
7 established by the State under section 178.

8 **"(2) AMOUNT OF ASSISTANCE.—**The amount of
9 assistance that may be provided to a State Commis-
10 sion under this subsection, together with other Fed-
11 eral funds available to establish or operate the State
12 Commission, may not exceed—

13 **"(A)** 85 percent of the total cost to estab-
14 lish or operate the State Commission for the
15 first year for which the State Commission re-
16 ceives assistance under this subsection; and

17 **"(B)** such smaller percentage of such cost
18 as the Corporation may establish for the sec-
19 ond, third, and fourth years of such assistance
20 in order to ensure that the Federal share does
21 not exceed 50 percent of such costs for the fifth
22 year, and any subsequent year, for which the
23 State Commission receives assistance under this
24 subsection.

25 **"(b) DISASTER SERVICE.—**The Corporation may un-
26 dertake activities, including activities carried out through

1 part A of title I of the Domestic Volunteer Service Act
2 of 1973, to involve in disaster relief efforts youth corps
3 programs described in section 122(a)(2) and other pro-
4 grams that receive assistance under the national service
5 laws.

6 “(c) CHALLENGE GRANTS FOR NATIONAL SERVICE
7 PROGRAMS.—

8 “(1) ASSISTANCE AUTHORIZED.—The Cor-
9 poration may make challenge grants under this sub-
10 section to national service programs that receive as-
11 sistance under section 121.

12 “(2) SELECTION CRITERIA.—The Corporation
13 shall develop criteria for the selection of recipients of
14 challenge grants under this subsection, so as to
15 make the grants widely available to a variety of pro-
16 grams that—

17 “(A) are high-quality national service pro-
18 grams; and

19 “(B) are carried out by entities with dem-
20 onstrated experience in establishing and imple-
21 menting projects that provide benefits to par-
22 ticipants and communities.

23 “(3) AMOUNT OF ASSISTANCE.—A challenge
24 grant under this subsection may provide not more
25 than \$1 of assistance under this subsection for each

1 \$1 in cash raised by the national service program
2 from private sources in excess of amounts required
3 to be provided by the program to satisfy matching
4 funds requirements under section 121(e). The Cor-
5 poration shall establish a ceiling on the amount of
6 assistance that may be provided to a national service
7 program under this subsection.

8 **"PART II—APPLICATION AND APPROVAL**
9 **PROCESS**

10 **"SEC. 129. PROVISION OF ASSISTANCE AND APPROVED NA-**
11 **TIONAL SERVICE POSITIONS BY COMPETI-**
12 **TIVE AND OTHER MEANS.**

13 “(a) ALLOTMENTS OF ASSISTANCE AND APPROVED
14 POSITIONS TO STATES AND INDIAN TRIBES.—

15 “(1) ALLOTMENT OF ASSISTANCE TO CERTAIN
16 STATES.—[**Note: Senate version of para-**
17 **graph (1) (printed here) contains several**
18 **additional subparagraphs not referred to**
19 **in side-by-side. Does the Senate recede to**
20 **these new provisions?]**

21 “(A) IN GENERAL.—Of the funds allocated
22 by the Corporation for provision of assistance
23 under subsections (a) and (b) of section 121 for
24 a fiscal year, the Corporation shall make a
25 grant under section 121(a) (and a cor-

1 responding allotment of approved national serv-
2 ice positions) to each of the several States, the
3 District of Columbia, and the Commonwealth of
4 Puerto Rico that has an application approved
5 by the Corporation under section 133.

6 “(B) ALLOTMENT AMOUNTS.—Except as
7 provided in subparagraph (C), the amount allot-
8 ted as a grant to each such State under this
9 paragraph for a fiscal year shall be equal to—

10 “(i) in the first fiscal year for which
11 funds are appropriated under section
12 501(a)(2), an amount that bears the same
13 ratio to 40 percent of the allocated funds
14 for such fiscal year;

15 “(ii) in the second such fiscal year, an
16 amount that bears the same ratio to 45
17 percent of the allocated funds for such fis-
18 cal year; and

19 “(iii) in the third such fiscal year, an
20 amount that bears the same ratio to 50
21 percent of the allocated funds for such fis-
22 cal year,

23 as the population of the State bears to the total
24 population of the several States, the District of

1 Columbia, and the Commonwealth of Puerto
2 Rico.

3 “(C) LIMITATION.—In no case shall any
4 State receive a grant under this paragraph for
5 a fiscal year in an amount that is less than $\frac{1}{2}$
6 of 1 percent of the allocated funds for the fiscal
7 year.

8 “(2) ONE PERCENT ALLOTMENT FOR CERTAIN
9 TERRITORIES AND POSSESSIONS.—Of the funds allo-
10 cated by the Corporation for provision of assistance
11 under subsections (a) and (b) of section 121 for a
12 fiscal year, the Corporation shall reserve 1 percent
13 of the allocated funds for grants under section
14 121(a) to the Virgin Islands of the United States,
15 Guam, American Samoa, and the Commonwealth of
16 the Northern Mariana Islands upon approval of an
17 application by the Corporation under section 133.
18 Palau shall also be eligible for a grant under this
19 paragraph from the allotment until such time as the
20 Compact of Free Association with Palau is ratified.
21 The amount allotted as a grant to each such terri-
22 tory or possession under this paragraph for a fiscal
23 year shall be equal to the amount that bears the
24 same ratio to 1 percent of the allocated funds for
25 that fiscal year as the population of the territory or

1 possession bears to the total population of such ter-
2 ritories and possessions.

3 “(3) ONE PERCENT ALLOTMENT FOR INDIAN
4 TRIBES.—Of the funds allocated by the Corporation
5 for provision of assistance under subsections (a) and
6 (b) of section 121 for a fiscal year, the Corporation
7 shall reserve 1 percent of the allocated funds for
8 grants under section 121(a) to Indian tribes, to be
9 allotted by the Corporation on a competitive basis in
10 accordance with their respective needs.

11 “(4) EFFECT OF FAILURE TO APPLY.—If a
12 State or Indian tribe fails to apply for, or fails to
13 give notice to the Corporation of its intent to apply
14 for, an allotment under this subsection, the Cor-
15 poration shall use the amount that would have been
16 allotted under this subsection to the State or Indian
17 tribe—

18 “(A) to make grants (and provide ap-
19 proved national service positions in connection
20 with such grants) to other eligible entities
21 under section 121 that propose to carry out na-
22 tional service programs in the State or on be-
23 half of the Indian tribe; and

24 “(B) after making grants under subpara-
25 graph (A), to make a reallocation to other

1 States and Indian tribes with approved applica-
2 tions under section 130.

3 “(5) EFFECT OF STATE FAILURE TO LIMIT LI-
4 ABILITY.—[**Note: No reference in drafting**
5 **instructions to this House provision**]If, not
6 later than 2 years after the effective date of this
7 subtitle, a State fails to have in effect (and to certify
8 in its application that the State has in effect) a lim-
9 itation on liability that satisfies the requirements of
10 title V of the National Service Trust Act of 1993,
11 the allotment for such State shall be reduced by 5
12 percent, and the Corporation shall allot the amount
13 of the reduction among the States that have in ef-
14 fect (and so certify) such limitation.

15 “(b) RESERVATION OF APPROVED POSITIONS.—The
16 Corporation shall ensure that each individual selected dur-
17 ing a fiscal year for assignment as a VISTA volunteer
18 under title I of the Domestic Volunteer Service Act of
19 1973 (42 U.S.C. 4951 et seq.) or as a participant in the
20 Civilian Community Corps Demonstration Program under
21 subtitle E shall receive the national service educational
22 award described in subtitle D if the individual satisfies the
23 eligibility requirements for the award. Funds for approved
24 national service positions required by this paragraph for
25 a fiscal year shall be deducted from the total funding for

1 approved national service positions to be available for dis-
2 tribution under subsections (a) and (d) for that fiscal year.

3 “(c) RESERVATION FOR SPECIAL ASSISTANCE.—Sub-
4 ject to section 501(a)(2), of the funds allocated by the
5 Corporation for provision of assistance under subsections
6 (a) and (b) of section 121 for a fiscal year, the Cor-
7 poration may reserve such amount as the Corporation con-
8 siders to be appropriate for the purpose of making assist-
9 ance available under sections 125 and 126. The Cor-
10 poration may not reserve more than \$10,000,000 for a
11 fiscal year for challenge grants under section 126(c).

12 “(d) COMPETITIVE DISTRIBUTION OF REMAINING
13 FUNDS.—**[Note: Drafting instructions indicate**
14 **that paragraph (1) is identical in the two bills.**
15 **They are not.]**

16 “(1) STATE COMPETITION.—**[House Provi-**
17 **sion]** Of the funds allocated by the Corporation for
18 provision of assistance under subsections (a) and (b)
19 of section 121 for a fiscal year, the Corporation shall
20 use not less than 33⅓ percent of the allocated funds
21 to make grants to States on a competitive basis
22 under section 121(a).

23 “(1) STATE COMPETITION.—**[Senate Provi-**
24 **sion]** Of the funds allocated by the Corporation for
25 provision of assistance under subsections (a) and (b)

1 of section 121 for a fiscal year, the Corporation shall
2 use not less than 30 percent of the allocated funds
3 in the first fiscal year for which funds are appro-
4 priated under section 501(a)(2), not less than 27½
5 percent of the allocated funds in the second such fis-
6 cal year, and not less than 25 percent of the allo-
7 cated funds in the third such fiscal year, to make
8 grants to States (through the State Commissions)
9 on a competitive basis under section 121(a).

10 “(2) FEDERAL AGENCIES AND OTHER APPLI-
11 CANTS.—The Corporation shall distribute on a com-
12 petitive basis to subdivisions of States, Indian tribes,
13 public or private nonprofit organizations (including
14 labor organizations), institutions of higher edu-
15 cation, and Federal agencies the remainder of the
16 funds allocated by the Corporation for provision of
17 assistance under section 121 for a fiscal year, after
18 operation of paragraph (1) and subsections (a) and
19 (c).

20 “(3) LIMITATION ON DISTRIBUTION TO FED-
21 ERAL AGENCIES.—The Corporation may not provide
22 more than ⅓ of the funds available for competitive
23 distribution under paragraph (2) for a fiscal year to
24 Federal agencies under section 121(b).

1 “(4) PRIORITY LIMITATIONS.—The Corporation
2 may limit the categories of eligible applicants for as-
3 sistance under paragraph (2) consistent with the pri-
4 orities established by the Corporation under section
5 133(d)(2).

6 “(5) RESERVATION.—**[Note: No reference**
7 **to this Senate provision (numbered as**
8 **paragraph (4) in Senate text) in the draft-**
9 **ing instructions.]**

10 “(A) SUPPLEMENTAL AND OTHER
11 GRANTS.—In distributing the funds allocated by
12 the Corporation for provision of assistance
13 under section 121 for a fiscal year, after oper-
14 ation of subsections (a) and (c), the Chief Exec-
15 utive Officer shall reserve, from the funds avail-
16 able to make grants under paragraphs (1) and
17 (2), an amount that is not less than 2 percent
18 and not more than 5 percent of such funds (ex-
19 cept that such amount may not exceed
20 \$10,000,000), in order to make supplemental
21 grants as provided in subparagraph (B) and
22 grants as provided in subparagraph (C).

23 “(B) GRANTS TO ASSIST ENTITIES IN
24 PLACING APPLICANTS WHO ARE INDIVIDUALS
25 WITH A DISABILITY.—

1 “(i) IN GENERAL.—The Chief Execu-
2 tive Officer shall make grants from a por-
3 tion of the funds reserved under subpara-
4 graph (A) to entities that—

5 “(I) receive a grant to carry out
6 a national service program under
7 paragraph (1) or (2);

8 “(II) demonstrate that the entity
9 has received a substantial number of
10 applications for placement in the na-
11 tional service program of persons who
12 are individuals with a disability, as
13 defined in section 3(2) of the Ameri-
14 cans with Disabilities Act of 1990,
15 and who require a reasonable accom-
16 modation, as defined in section 101(9)
17 of such Act or auxiliary aids and serv-
18 ices, as defined in section 3(1) of such
19 Act, in order to perform national serv-
20 ice; and

21 “(III) demonstrate that addi-
22 tional funding would assist the na-
23 tional service program in placing a
24 substantial number of such individuals
25 with a disability as participants in

1 projects carried out through the pro-
2 gram.

3 “(ii) REQUIREMENTS.—Funds made
4 available through such a supplemental
5 grant under clause (i) shall be made avail-
6 able for the same purposes, and subject to
7 the same requirements, as funds made
8 available through a grant made under
9 paragraph (1) or (2).

10 “(C) GRANTS FOR OUTREACH TO INDIVID-
11 UALS WITH A DISABILITY.—

12 “(i) IN GENERAL.—From the portion
13 of the funds reserved under subparagraph
14 (A) that is not used to make grants under
15 subparagraph (B), the Chief Executive Of-
16 ficer shall make grants to public or private
17 nonprofit organizations to pay for the Fed-
18 eral share described in section 121(e) of—

19 “(I) providing information about
20 the programs specified in section
21 193A(d)(10) to such individuals with
22 a disability who desire to perform na-
23 tional service; and

24 “(II) enabling the individuals to
25 participate in activities carried out

1 through such programs, which may
2 include assisting the placement of the
3 individuals in approved national serv-
4 ice positions.

5 “(ii) APPLICATION.—To be eligible to
6 receive a grant under this subparagraph,
7 an organization described in clause (i)
8 shall submit an application to the Chief
9 Executive Officer at such time, in such
10 manner, and containing such information
11 as the Chief Executive Officer may require.

12 “(e) APPLICATION REQUIRED.—The allotment of as-
13 sistance and approved national service positions to a State
14 or Indian tribe under subsection (a), and the competitive
15 distribution of assistance under subsection (d), shall be
16 made by the Corporation only pursuant to an application
17 submitted by a State or other applicant under section 130
18 and approved by the Corporation under section 133.

19 “(f) APPROVAL OF POSITIONS SUBJECT TO AVAIL-
20 ABLE FUNDS.—The Corporation may not approve posi-
21 tions as approved national service positions under this
22 subtitle for a fiscal year in excess of the number of such
23 positions for which the Corporation has sufficient available
24 funds in the National Service Trust for that fiscal year,
25 taking into consideration funding needs for national serv-

1 ice educational awards under subtitle D based on com-
2 pleted service. If appropriations are insufficient to provide
3 the maximum allowable national service educational
4 awards under subtitle D for all eligible participants, the
5 Corporation is authorized to make necessary and reason-
6 able adjustments to program rules.

7 “(g) SPONSORSHIP OF APPROVED NATIONAL SERV-
8 ICE POSITIONS.—

9 “(1) SPONSORSHIP AUTHORIZED.—The Cor-
10 poration may enter into agreements with persons or
11 entities who offer to sponsor national service posi-
12 tions for which the person or entity will be respon-
13 sible for supplying the funds necessary to provide a
14 national service educational award. The distribution
15 of these approved national service positions shall be
16 made pursuant to the agreement, and the creation
17 of these positions shall not be taken into consider-
18 ation in determining the number of approved na-
19 tional service positions to be available for dis-
20 tribution under this section.

21 “(2) DEPOSIT OF CONTRIBUTION.—Funds pro-
22 vided pursuant to an agreement under paragraph
23 (1) and any other funds contributed to the Cor-
24 poration to support the activities of the Corporation
25 under the national service laws shall be deposited in

1 the National Service Trust established in section
2 145 until such time as the funds are needed.

3 **"SEC. 130. APPLICATION FOR ASSISTANCE AND APPROVED**
4 **NATIONAL SERVICE POSITIONS.**

5 "(a) TIME, MANNER, AND CONTENT OF APPLICA-
6 TION.—To be eligible to receive assistance under section
7 121 and approved national service positions for partici-
8 pants who serve in the national service programs to be
9 carried out using the assistance, a State, subdivision of
10 a State, Indian tribe, public or private nonprofit organiza-
11 tion, institution of higher education, or Federal agency
12 shall prepare and submit to the Corporation an application
13 at such time, in such manner, and containing such infor-
14 mation as the Corporation may reasonably require.

15 "(b) TYPES OF PERMISSIBLE APPLICATION INFOR-
16 MATION.—In order to have adequate information upon
17 which to consider an application under section 133, the
18 Corporation may require the following information to be
19 provided in an application submitted under subsection (a):

20 "(1) A description of the national service pro-
21 grams proposed to be carried out directly by the ap-
22 plicant using assistance provided under section 121.

23 "(2) A description of the national service pro-
24 grams that are selected by the applicant to receive
25 a grant from assistance requested under section 121

1 and a description of the process and criteria by
2 which the programs were selected.

3 “(3) A description of other funding sources to
4 be used, or sought to be used, for the national serv-
5 ice programs referred to in paragraphs (1) and (2),
6 and, if the application is submitted for the purpose
7 of seeking a renewal of assistance, a description of
8 the success of the programs in reducing their reli-
9 ance on Federal funds.

10 “(4) A description of the extent to which the
11 projects to be conducted using the assistance will ad-
12 dress unmet human, educational, environmental, or
13 public safety needs and produce a direct benefit for
14 the community in which the projects are performed.

15 “(5) A description of the plan to be used to re-
16 cruit participants, including youth with disabilities
17 and economically disadvantaged youth, for the na-
18 tional service programs referred to in paragraphs (1)
19 and (2).

20 “(6) A description of the manner in which the
21 national service programs referred to in paragraphs
22 (1) and (2) build on existing programs, including
23 Federal programs.

1 “(7) A description of the manner in which the
2 national service programs referred to in paragraphs
3 (1) and (2) will involve participants—

4 “(A) in projects that build an ethic of civic
5 responsibility and produce a positive change in
6 the lives of participants through training and
7 participation in meaningful service experiences
8 and opportunities for reflection on such experi-
9 ences; and

10 “(B) in leadership positions in implement-
11 ing and evaluating the program.

12 “(8) Measurable goals for the national service
13 programs referred to in paragraphs (1) and (2), and
14 a strategy to achieve such goals, in terms of—

15 “(A) the impact to be made in meeting
16 unmet human, educational, environmental, or
17 public safety needs; and

18 “(B) the service experience to be provided
19 to participants in the programs.

20 “(9) A description of the manner and extent to
21 which the national service programs referred to in
22 paragraphs (1) and (2) conform to the national serv-
23 ice priorities established by the Corporation under
24 section 122(c).

1 “(10) A description of the past experience of
2 the applicant in operating a comparable program or
3 in conducting a grant program in support of other
4 comparable service programs.

5 “(11) A description of the type and number of
6 proposed service positions in which participants will
7 receive the national service educational award de-
8 scribed in subtitle D and a description of the man-
9 ner in which approved national service positions will
10 be apportioned by the applicant.

11 “(12) A description of the manner and extent
12 to which participants, representatives of the commu-
13 nity served, community-based agencies with a dem-
14 onstrated record of experience in providing services,
15 and labor organizations contributed to the develop-
16 ment of the national service programs referred to in
17 paragraphs (1) and (2), including the identity of the
18 individual representing each appropriate labor orga-
19 nization (if any) who was consulted and the nature
20 of the consultation.

21 “(13) Such other information as the Cor-
22 poration may reasonably require.

23 “(c) REQUIRED APPLICATION INFORMATION.—An
24 application submitted under subsection (a) shall contain
25 the following information:

1 “(1) A description of the jobs or positions into
2 which participants will be placed using the assist-
3 ance provided under section 121, including descrip-
4 tions of specific tasks to be performed by such par-
5 ticipants.

6 “(2) A description of the minimum qualifica-
7 tions that individuals shall meet to become partici-
8 pants in such programs.

9 “(d) APPLICATION TO RECEIVE ONLY APPROVED
10 NATIONAL SERVICE POSITIONS.—

11 “(1) APPLICABILITY OF SUBSECTION.—This
12 subsection shall apply in the case of an application
13 in which—

14 “(A) the applicant is not seeking assist-
15 ance under subsection (a) or (b) of section 121,
16 but requests national service educational
17 awards for individuals serving in service posi-
18 tions described in section 123; or

19 “(B) the applicant requests national serv-
20 ice educational awards for service positions de-
21 scribed in section 123, but the positions are not
22 positions in a national service program de-
23 scribed in section 122(a) for which assistance
24 may be provided under subsection (a) or (b) of
25 section 121.

1 “(2) SPECIAL APPLICATION REQUIREMENTS.—

2 For the applications described in paragraph (1), the
3 Corporation shall establish special application re-
4 quirements in order to determine—

5 “(A) whether the service positions meet
6 unmet human, educational, environmental, or
7 public safety needs and meet the criteria for as-
8 sistance under this subtitle; and

9 “(B) whether the Corporation should ap-
10 prove the positions as approved national service
11 positions that include the national service edu-
12 cational award described in subtitle D as one of
13 the benefits to be provided for successful service
14 in the position.

15 “(e) SPECIAL RULE FOR STATE APPLICANTS.—

16 “(1) SUBMISSION BY STATE COMMISSION.—The
17 application of a State for approved national service
18 positions or for a grant under section 121(a) shall
19 be submitted by the State Commission.

20 “(2) COMPETITIVE SELECTION.—The applica-
21 tion of a State shall contain an assurance that all
22 assistance provided under section 121(a) to the
23 State will be used to support national service pro-
24 grams that were selected by the State on a competi-
25 tive basis. In making such competitive selections, the

1 State shall seek to ensure the equitable allocation
2 within the State of assistance and approved national
3 service positions provided under this subtitle to the
4 State taking into consideration such factors as the
5 location of the programs applying to the State, pop-
6 ulation density, and economic distress.

7 “(3) ASSISTANCE TO NONSTATE ENTITIES.—

8 The application of a State shall also contain an as-
9 surance that not less than 60 percent of the assist-
10 ance will be used to make grants in support of na-
11 tional service programs other than national service
12 programs carried out by a State agency. The Cor-
13 poration may permit a State to deviate from the per-
14 centage specified by this subsection if the State has
15 not received a sufficient number of acceptable appli-
16 cations to comply with the percentage.

17 “(f) SPECIAL RULE FOR CERTAIN APPLICANTS.—

18 “(1) WRITTEN CONCURRENCE.—In the case of
19 a program applicant that proposes to also serve as
20 the service sponsor, the application shall include the
21 written concurrence of any local labor organization
22 representing employees of the service sponsor who
23 are engaged in the same or substantially similar
24 work as that proposed to be carried out.

1 “(2) PROGRAM APPLICANT DEFINED.—For pur-
2 poses of this subsection, the term ‘program appli-
3 cant’ means—

4 “(A) a State, subdivision of a State, Indian
5 tribe, public or private nonprofit organization,
6 institution of higher education, or Federal
7 agency submitting an application under this
8 section; or

9 “(B) an entity applying for assistance or
10 approved national service positions through a
11 grant program conducted using assistance pro-
12 vided to a State, subdivision of a State, Indian
13 tribe, public or private nonprofit organization,
14 institution of higher education, or Federal
15 agency under section 121.

16 “(g) LIMITATION ON SAME PROJECT IN MULTIPLE
17 APPLICATIONS.—The Corporation shall reject an applica-
18 tion submitted under this section if a project proposed to
19 be conducted using assistance requested by the applicant
20 is already described in another application pending before
21 the Corporation.

22 “SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE
23 REQUIREMENTS.

24 “(a) IMPACT ON COMMUNITIES.—[Note: Page
25 missing in drafting instructions relating to

1 **this subsection. I used House provision.]** An ap-
2 plication submitted under section 130 shall include an as-
3 surance by the applicant that any national service pro-
4 gram carried out by the applicant using assistance pro-
5 vided under section 121 and any national service program
6 supported by a grant made by the applicant using such
7 assistance will—

8 “(1) address unmet human, educational, envi-
9 ronmental, or public safety needs through services
10 that provide a direct benefit to the community in
11 which the service is performed; and

12 “(2) comply with the nonduplication and
13 nondisplacement requirements of section 177.

14 “(b) IMPACT ON PARTICIPANTS.—**[Note: Page**
15 **missing in drafting instructions relating to**
16 **this subsection. I used House provision.]**An ap-
17 plication submitted under section 130 shall also include
18 an assurance by the applicant that any national service
19 program carried out by the applicant using assistance pro-
20 vided under section 121 and any national service program
21 supported by a grant made by the applicant using such
22 assistance will—

23 “(1) provide participants in the national service
24 program with the training, skills, and knowledge

1 necessary for the projects that participants are
2 called upon to perform; and

3 “(2) provide support services to participants,
4 such as the provision of appropriate information and
5 support—

6 “(A) to those participants who are com-
7 pleting a term of service and making the transi-
8 tion to other educational and career opportuni-
9 ties; and

10 “(B) to those participants who are school
11 dropouts in order to assist those participants in
12 earning the equivalent of a high school diploma.

13 “(c) CONSULTATION.—An application submitted
14 under section 130 shall also include an assurance by the
15 applicant that any national service program carried out
16 by the applicant using assistance provided under section
17 121 and any national service program supported by a
18 grant made by the applicant using such assistance will—

19 “(1) provide in the design, recruitment, and op-
20 eration of the program for broad-based input from—

21 “(A) the community served and potential
22 participants in the program; and

23 “(B) community-based agencies with a
24 demonstrated record of experience in providing
25 services and local labor organizations rep-

1 resenting employees of service sponsors, if these
2 entities exist in the area to be served by the
3 program;

4 “(2) prior to the placement of participants, con-
5 sult with any local labor organization representing
6 employees in the area who are engaged in the same
7 or similar work as that proposed to be carried out
8 by such program to ensure compliance with the
9 nondisplacement requirements specified in section
10 177; and

11 “(3) in the case of a program that is not fund-
12 ed through a State, consult with and coordinate ac-
13 tivities with the State Commission for the State in
14 which the program operates.

15 “(d) EVALUATION AND PERFORMANCE GOALS.—

16 “(1) IN GENERAL.—An application submitted
17 under section 130 shall also include an assurance by
18 the applicant that the applicant will—

19 “(A) arrange for an independent evalua-
20 tion of any national service program carried out
21 using assistance provided to the applicant under
22 section 121 or, with the approval of the Cor-
23 poration, conduct an internal evaluation of the
24 program;

1 “(B) apply measurable performance goals
2 and evaluation methods (such as the use of sur-
3 veys of participants and persons served), which
4 are to be used as part of such evaluation to de-
5 termine the impact of the program—

6 “(i) on communities and persons
7 served by the projects performed by the
8 program;

9 “(ii) on participants who take part in
10 the projects; and

11 “(iii) in such other areas as the Cor-
12 poration may require; and

13 “(C) cooperate with any evaluation activi-
14 ties undertaken by the Corporation.

15 “(2) EVALUATION.—Subject to paragraph (3),
16 the Corporation shall develop evaluation criteria and
17 performance goals applicable to all national service
18 programs carried out with assistance provided under
19 section 121.

20 “(3) ALTERNATIVE EVALUATION REQUIRE-
21 MENTS.—The Corporation may establish alternative
22 evaluation requirements for national service pro-
23 grams based upon the amount of assistance received
24 under section 121 or received by a grant made by
25 a recipient of assistance under such section. The de-

1 termination of whether a national service program is
2 covered by this paragraph shall be made in such
3 manner as the Corporation may prescribe.

4 “(e) LIVING ALLOWANCES AND OTHER INSERVICE
5 BENEFITS.—Except as provided in section 140(c), an ap-
6 plication submitted under section 130 shall also include
7 an assurance by the applicant that the applicant will—

8 “(1) ensure the provision of a living allowance
9 and other benefits specified in section 140 to partici-
10 pants in any national service program carried out by
11 the applicant using assistance provided under section
12 121; and

13 “(2) require that each national service program
14 that receives a grant from the applicant using such
15 assistance will also provide a living allowance and
16 other benefits specified in section 140 to participants
17 in the program.

18 “(f) SELECTION OF PARTICIPANTS FROM INDIVID-
19 UALS RECRUITED BY CORPORATION OR STATE COMMIS-
20 SIONS.—The Corporation may also require an assurance
21 by the applicant that any national service program carried
22 out by the applicant using assistance provided under sec-
23 tion 121 and any national service program supported by
24 a grant made by the applicant using such assistance will
25 select a portion of the participants for the program from

1 among prospective participants recruited by the Cor-
2 poration or State Commissions under section 138(d). The
3 Corporation may specify a minimum percentage of partici-
4 pants to be selected from the national leadership pool es-
5 tablished under section 138(e) and may vary the percent-
6 age for different types of national service programs.

7 **“SEC. 132. INELIGIBLE SERVICE CATEGORIES.**

8 “(a) IN GENERAL.—Except as provided in sub-
9 sections (b) and (c), an application submitted to the Cor-
10 poration under section 130 shall include an assurance by
11 the applicant that any national service program carried
12 out using assistance provided under section 121 and any
13 approved national service position provided to an applicant
14 will not be used to perform service that provides a direct
15 benefit to any—

16 “(1) business organized for profit;

17 “(2) labor union;

18 “(3) partisan political organization;

19 “(4) organization engaged in religious activities,
20 unless such service does not involve the use of assist-
21 ance provided under section 121 or participants—

22 “(A) to give religious instruction;

23 “(B) to conduct worship services;

1 “(C) to provide instruction as part of a
2 program that includes mandatory religious edu-
3 cation or worship;

4 “(D) to construct or operate facilities de-
5 voted to religious instruction or worship; or

6 “(E) to engage in any form of proselytiza-
7 tion; or

8 “(5) **[Note: This provision in Senate**
9 **version is not referred to in the drafting**
10 **instructions]** organization that expends more
11 than 20 percent of the annual budget of the organi-
12 zation, or whose primary purpose is, to influence
13 public policy or engage in legislative advocacy activi-
14 ties.

15 “(b) ADVOCACY ACTIVITIES.—**[Note: Sub-**
16 **sections (b), (c), and (d) of the Senate version**
17 **are not referred to in the drafting instruc-**
18 **tions]** Nothing in this section shall be construed to pre-
19 vent participants from engaging in advocacy activities un-
20 dertaken at their own initiative.

21 “(c) REGIONAL CORPORATION.—The requirement of
22 subsection (a) relating to an assurance regarding direct
23 benefits to businesses organized for profit shall not apply
24 with respect to a Regional Corporation, as defined in sec-
25 tion 3(g) of the Alaska Native Claims Settlement Act (43

1 U.S.C. 1602(g)), that is established in accordance with
2 such Act as a for-profit corporation but that is engaging
3 in nonprofit activities.

4 “(d) PROHIBITION ON CERTAIN POLITICAL ACTIVI-
5 TIES.—

6 “(1) IN GENERAL.—Except as provided in sub-
7 section (b) and paragraph (2), an application sub-
8 mitted to the Corporation under section 130 shall
9 include an assurance by the applicant that any na-
10 tional service program carried out using assistance
11 provided under section 121 and any approved na-
12 tional service position provided to an applicant will
13 not be used to—

14 “(A) provide political seminars, training,
15 instruction, lectures, classes, or speeches; or

16 “(B) assist political organizations, partisan
17 organizations, or political appointees.

18 “(2) POLITICAL APPOINTEES.—The require-
19 ment of paragraph (1) relating to an assurance re-
20 garding speeches shall not apply to political ap-
21 pointees who are responsible for the administration
22 of a national service program.

23 “(3) ENFORCEMENT.—If the Corporation deter-
24 mines that a national service program has failed to

1 comply with the assurances provided under para-
2 graph (1), the Corporation shall—

3 “(A) prohibit the program from recruiting
4 or selecting individuals to participate in the
5 program during the 2-year period beginning on
6 the date the Corporation determines the non-
7 compliance commenced; and

8 “(B) direct the program to terminate the
9 employment of the supervisors determined to be
10 involved in the noncompliance.

11 **“SEC. 133. CONSIDERATION OF APPLICATIONS.**

12 “(a) CORPORATION CONSIDERATION OF CERTAIN
13 CRITERIA.—The Corporation shall apply the criteria de-
14 scribed in subsections (c) and (d) in determining
15 whether—

16 “(1) to approve an application submitted under
17 section 130 and provide assistance under section
18 121 to the applicant; and

19 “(2) to approve service positions described in
20 the application as national service positions that in-
21 clude the national service educational award de-
22 scribed in subtitle D and provide such approved na-
23 tional service positions to the applicant.

24 “(b) APPLICATION TO SUBGRANTS.—

1 “(1) IN GENERAL.—A State or other entity
2 that uses assistance provided under section 121(a)
3 to support national service programs selected on a
4 competitive basis to receive a share of the assistance
5 shall use the criteria described in subsections (c) and
6 (d) when considering an application submitted by a
7 national service program to receive a portion of such
8 assistance or an approved national service position.

9 “(2) CONTENTS.—The application of the State
10 or other entity under section 130 shall contain—

11 “(A) a certification that the State or other
12 entity complied with these criteria in the selec-
13 tion of national service programs to receive as-
14 sistance;

15 “(B) a description of the jobs or positions
16 into which participants will be placed using
17 such assistance, including descriptions of spe-
18 cific tasks to be performed by such participants;
19 and

20 “(C) a description of the minimum quali-
21 fications that individuals shall meet to become
22 participants in such programs.

23 “(c) ASSISTANCE CRITERIA.—The criteria required
24 to be applied in evaluating applications submitted under
25 section 130 are as follows:

1 “(1) The quality of the national service pro-
2 gram proposed to be carried out directly by the ap-
3 plicant or supported by a grant from the applicant.

4 “(2) The innovative aspects of the national
5 service program, and the feasibility of replicating the
6 program.

7 “(3) The sustainability of the national service
8 program, based on evidence such as the existence—

9 “(A) of strong and broad-based community
10 support for the program; and

11 “(B) of multiple funding sources or private
12 funding for the program.

13 “(4) The quality of the leadership of the na-
14 tional service program, the past performance of the
15 program, and the extent to which the program
16 builds on existing programs.

17 “(5) The extent to which participants of the na-
18 tional service program are recruited from among
19 residents of the communities in which projects are to
20 be conducted, and the extent to which participants
21 and community residents are involved in the design,
22 leadership, and operation of the program.

23 “(6) **[Note: Please double check this**
24 **list to ensure compliance with drafting**
25 **instructions]**The extent to which projects would

1 be conducted in the following areas where they are
2 needed most:

3 “(A) Communities designated as enterprise
4 zones or redevelopment areas, targeted for spe-
5 cial economic incentives, or otherwise identifi-
6 able as having high concentrations of low-
7 income people.

8 “(B) Areas that are environmentally dis-
9 tressed.

10 “(C) Areas adversely affected by Federal
11 actions related to the management of Federal
12 lands that result in significant regional job
13 losses and economic dislocation.

14 “(D) Areas adversely affected by reduc-
15 tions in defense spending or the closure or re-
16 alignment of military installations.

17 “(E) Areas that have an unemployment
18 rate greater than the national average unem-
19 ployment for the most recent 12 months for
20 which satisfactory data are available.

21 “(7) In the case of applicants other than
22 States, the extent to which the application is consist-
23 ent with the application under section 130 of the
24 State in which the projects would be conducted.

1 “(8) Such other criteria as the Corporation con-
2 siders to be appropriate.

3 “(d) OTHER CONSIDERATIONS.—

4 “(1) GEOGRAPHIC DIVERSITY.—The Cor-
5 poration shall ensure that recipients of assistance
6 provided under section 121 are geographically di-
7 verse and include projects to be conducted in those
8 urban and rural areas in a State with the highest
9 rates of poverty.

10 “(2) PRIORITIES.—The Corporation may des-
11 ignate, under such criteria as may be established by
12 the Corporation, certain national service programs
13 or types of national service programs described in
14 section 122(a) for priority consideration in the com-
15 petitive distribution of funds under section
16 129(d)(2). In designating national service programs
17 to receive priority, the Corporation may include—

18 “(A) national service programs carried out
19 by another Federal agency;

20 “(B) national service programs that con-
21 form to the national service priorities in effect
22 under section 122(c);

23 “(C) innovative national service programs;

24 “(D) national service programs that are
25 well established in one or more States at the

1 time of the application and are proposed to be
2 expanded to additional States using assistance
3 provided under section 121;

4 “(E) grant programs in support of other
5 national service programs if the grant programs
6 are to be conducted by nonprofit organizations
7 with a demonstrated and extensive expertise in
8 the provision of services to meet human, edu-
9 cational, environmental, or public safety needs;

10 “(F) professional corps programs described
11 in section 122(a)(8); and

12 “(G) programs that—

13 “(i) received funding under subtitle D
14 of this Act, as in effect on the day before
15 the date of enactment of this subtitle;

16 “(ii) the Corporation determines to
17 meet the requirements of sections 142
18 (other than subsection (g)), 143, and 148
19 through 150 of this Act, as in effect on
20 such day, in addition to the requirements
21 of this subtitle; and

22 “(iii) include an evaluation compo-
23 nent.

24 “(3) ADDITIONAL PRIORITY.—In making a
25 competitive distribution of funds under section

1 129(d)(2), the Corporation may give priority consid-
2 eration to a national service program that is—

3 “(A) proposed in an application submitted
4 by a State Commission; and

5 “(B) not one of the types of programs de-
6 scribed in paragraph (2),
7 if the State Commission provides an adequate expla-
8 nation of the reasons why it should not be a priority
9 of such State to carry out any of such types of pro-
10 grams in the State.

11 “(4) REVIEW PANEL.—The Corporation shall—

12 “(A) establish panels of experts for the
13 purpose of securing recommendations on appli-
14 cations submitted under section 130 for more
15 than \$250,000 in assistance, or for national
16 service positions that would require more than
17 \$250,000 in national service educational
18 awards; and

19 “(B) consider the opinions of such panels
20 prior to making such determinations.

21 “(e) EMPHASIS ON AREAS MOST IN NEED.—In mak-
22 ing assistance available under section 121 and in providing
23 approved national service positions under section 123, the
24 Corporation shall ensure that not less than 50 percent of
25 the total amount of assistance to be distributed to States

1 under subsections (a) and (d)(1) of section 129 for a fiscal
2 year is provided to carry out or support national service
3 programs and projects that—

4 “(1) are conducted in areas described in any of
5 subparagraphs (A) through (D) **[Note: do you**
6 **mean to exclude subparagraph (E) of**
7 **paragraph (6)]** of subsection (c)(6) or on Federal
8 or other public lands, to address unmet human, edu-
9 cational, environmental, or public safety needs in
10 such areas or on such lands; and

11 “(2) place a priority on the recruitment of par-
12 ticipants who are residents of areas described in any
13 of subparagraphs (A) through (D) **[Note: do you**
14 **mean to exclude subparagraph (E) of**
15 **paragraph (6)]** of subsection (c)(6) or Federal or
16 other public lands.

17 “(f) REJECTION OF STATE APPLICATIONS.—

18 “(1) NOTIFICATION OF STATE APPLICANTS.—If
19 the Corporation rejects an application submitted by
20 a State Commission under section 130 for funds de-
21 scribed in section 129(a)(1), the Corporation shall
22 promptly notify the State Commission of the reasons
23 for the rejection of the application.

24 “(2) RESUBMISSION AND RECONSIDERATION.—

25 The Corporation shall provide a State Commission

1 notified under paragraph (1) with a reasonable op-
2 portunity to revise and resubmit the application. At
3 the request of the State Commission, the Cor-
4 poration shall provide technical assistance to the
5 State Commission as part of the resubmission proc-
6 ess. The Corporation shall promptly reconsider an
7 application resubmitted under this paragraph.

8 “(3) REALLOTMENT.—The amount of any
9 State’s allotment under section 129(a) for a fiscal
10 year that the Corporation determines will not be
11 provided for that fiscal year shall be available for
12 distribution by the Corporation as provided in para-
13 graph (3) of such subsection.

14 “SEC. 134. EVALUATION OF SUCCESS OF INVESTMENT IN
15 NATIONAL SERVICE.

**[Note: Drafting instructions require re-
moval of this House section, but reference is
made to “combining demographic and par-
ticipation of economically disadvantaged as
part of Durenberger Report.” What does this
mean?]**

16 “PART III—NATIONAL SERVICE PARTICIPANTS

17 “SEC. 137. DESCRIPTION OF PARTICIPANTS.

18 “(a) IN GENERAL.—For purposes of this subtitle, an
19 individual shall be considered to be a participant in a na-

1 tional service program carried out using assistance pro-
2 vided under section 121 if the individual—

3 “(1) meets such eligibility requirements, di-
4 rectly related to the tasks to be accomplished, as
5 may be established by the program;

6 “(2) is selected by the program to serve in a po-
7 sition with the program;

8 “(3) will serve in the program for a term of
9 service specified in section 139 to be performed be-
10 fore, during, or after attendance at an institution of
11 higher education;

12 “(4) is 17 years of age or older at the time the
13 individual begins the term of service;

14 “(5) has received a high school diploma or its
15 equivalent, agrees to obtain a high school diploma or
16 its equivalent (unless this requirement is waived
17 based on an individual education assessment con-
18 ducted by the program) and the individual did not
19 drop out of an elementary or secondary school to en-
20 roll in the program, or is enrolled in an institution
21 of higher education on an ability to benefit basis and
22 is considered eligible for funds under section 484 of
23 the Higher Education Act of 1965 (20 U.S.C.
24 1091); and

1 “(6) is a citizen or national of the United
2 States or lawful permanent resident alien of the
3 United States.

4 “(b) SPECIAL RULES FOR CERTAIN YOUTH PRO-
5 GRAMS.—An individual shall be considered to be a partici-
6 pant in a youth corps program described in section
7 122(a)(2) or a program described in section 122(a)(9)
8 that is carried out with assistance provided under section
9 121(a) if the individual—

10 “(1) satisfies the requirements specified in sub-
11 section (a), except paragraph (4) of such subsection;
12 and

13 “(2) is between the ages of 16 and 25, inclu-
14 sive, at the time the individual begins the term of
15 service.

16 “(c) WAIVER.—The Corporation may waive the re-
17 quirements of subsection (a)(5)(A) with respect to an indi-
18 vidual if the program in which the individual seeks to be-
19 come a participant conducts an independent evaluation
20 demonstrating that the individual is incapable of obtaining
21 a high school diploma or its equivalent.

22 **“SEC. 138. SELECTION OF NATIONAL SERVICE PARTICI-**
23 **PANTS.**

24 “(a) SELECTION PROCESS.—Subject to subsections
25 (b) and (c) and section 131(f), the actual recruitment and

1 selection of an individual to serve in a national service pro-
2 gram receiving assistance under section 121 or to fill an
3 approved national service position shall be conducted by
4 the State, subdivision of a State, Indian tribe, public or
5 private nonprofit organization, institution of higher edu-
6 cation, Federal agency, or other entity to which the assist-
7 ance and approved national service positions are provided.

8 “(b) NONDISCRIMINATION AND NONPOLITICAL SE-
9 LECTION OF PARTICIPANTS.—The recruitment and selec-
10 tion of individuals to serve in national service programs
11 receiving assistance under section 121 or to fill approved
12 national service positions shall be consistent with the re-
13 quirements of section 175.

14 “(c) SECOND TERM.—Acceptance into a national
15 service program to serve a second term of service under
16 section 139 shall only be available to individuals who per-
17 form satisfactorily in their first term of service.

18 “(d) RECRUITMENT AND PLACEMENT.—The Cor-
19 poration and each State Commission shall establish a sys-
20 tem to recruit individuals who desire to perform national
21 service and to assist the placement of these individuals in
22 approved national service positions, which may include po-
23 sitions available under titles I and II of the Domestic Vol-
24 unteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The
25 Corporation and State Commissions shall disseminate in-

1 formation regarding available approved national service
2 positions through cooperation with secondary schools, in-
3 stitutions of higher education, employment service offices,
4 State vocational rehabilitation agencies within the mean-
5 ing of the Rehabilitation Act of 1973 and other State
6 agencies that primarily serve individuals with disabilities,
7 and other appropriate entities, particularly those organiza-
8 tions that provide outreach to disadvantaged youths and
9 youths with disabilities.

10 “(e) NATIONAL LEADERSHIP POOL.—

11 “(1) SELECTION AND TRAINING.—From among
12 individuals recruited under subsection (d), the Cor-
13 poration may select individuals with significant lead-
14 ership potential, as determined by the Corporation,
15 to receive special training to enhance their leader-
16 ship ability. The leadership training shall be pro-
17 vided by the Corporation directly or through a grant
18 or contract.

19 “(2) EMPHASIS ON CERTAIN INDIVIDUALS.—In
20 selecting individuals to receive leadership training
21 under this subsection, the Corporation shall make
22 special efforts to select individuals who have
23 served—

24 “(A) in the Peace Corps;

25 “(B) as VISTA volunteers;

1 “(C) as participants in national service
2 programs receiving assistance under section
3 121;

4 “(D) as participants in programs receiving
5 assistance under subtitle D of the National and
6 Community Service Act of 1990, as in effect on
7 the day before the date of enactment of this
8 subtitle; or

9 “(E) as members of the Armed Forces of
10 the United States and were honorably dis-
11 charged from such service.

12 “(3) ASSIGNMENT.—At the request of a pro-
13 gram that receives assistance under the national
14 service laws, the Corporation may assign an individ-
15 ual who receives leadership training under para-
16 graph (1) to work with the program in a leadership
17 position and carry out assignments not otherwise
18 performed by regular participants. An individual as-
19 signed to a program shall be considered to be a par-
20 ticipant of the program.

21 “(f) EVALUATION OF SERVICE.—The Corporation
22 shall issue regulations regarding the manner and criteria
23 by which the service of a participant shall be evaluated
24 to determine whether the service is satisfactory and suc-

1 cessful for purposes of eligibility for a second term of serv-
2 ice or a national service educational award.

3 **"SEC. 139. TERMS OF SERVICE.**

4 “(a) IN GENERAL.—As a condition of receiving a na-
5 tional service education award under subtitle D, a partici-
6 pant in an approved national service position shall be re-
7 quired to perform full- or part-time national service for
8 at least one term of service specified in subsection (b).

9 “(b) TERM OF SERVICE.—

10 “(1) FULL-TIME SERVICE.—An individual per-
11 forming full-time national service in an approved na-
12 tional service position shall agree to participate in
13 the program sponsoring the position for not less
14 than 1,700 hours during a period of not less than
15 9 months and not more than 1 year.

16 “(2) PART-TIME SERVICE.—Except as provided
17 in paragraph (3), an individual performing part-time
18 national service in an approved national service posi-
19 tion shall agree to participate in the program spon-
20 soring the position for not less than 1,700 hours
21 during a period of—

22 “(A) not less than 1 year and not more
23 than 2 years; or

24 “(B) not less than 1 year and not more
25 than 3 years if the individual is enrolled in an

1 institute of higher education while performing
2 all or a portion of the service.

3 “(3) REDUCTION IN HOURS OF PART-TIME
4 SERVICE.—The Corporation may reduce the number
5 of hours required to be served to successfully complete
6 part-time national service to a level determined
7 by the Corporation, except that any reduction in the
8 required term of service shall include a corresponding
9 reduction in the amount of any national
10 service educational award that may be available
11 under subtitle D with regard to that service.

12 “(c) RELEASE FROM COMPLETING TERM OF SERV-
13 ICE.—

14 “(1) RELEASE AUTHORIZED.—A recipient of
15 assistance under section 121 or a program sponsor-
16 ing an approved national service position may re-
17 lease a participant from completing a term of service
18 in the position—

19 “(A) for compelling personal circumstances
20 as demonstrated by the participant; or

21 “(B) for cause.

22 “(2) EFFECT OF RELEASE FOR COMPELLING
23 CIRCUMSTANCES.—If a participant eligible for re-
24 lease under paragraph (1)(A) is serving in an ap-
25 proved national service position, the recipient of as-

1 sistance under section 121 or a program sponsoring
2 an approved national service position may elect—

3 “(A) to grant such release and provide to
4 the participant that portion of the national
5 service educational award corresponding to the
6 portion of the term of service actually com-
7 pleted, as provided in section 147(b); or

8 “(B) to permit the participant to tempo-
9 rarily suspend performance of the term of serv-
10 ice for a period of up to 2 years (and such addi-
11 tional period as the Corporation may allow for
12 extenuating circumstances) and, upon comple-
13 tion of such period, to allow return to the pro-
14 gram with which the individual was serving in
15 order to complete the remainder of the term of
16 service and obtain the entire national service
17 educational award.

18 “(3) EFFECT OF RELEASE FOR CAUSE.—A par-
19 ticipant released for cause may not receive any por-
20 tion of the national service educational award.

21 **“SEC. 140. LIVING ALLOWANCES FOR NATIONAL SERVICE**
22 **PARTICIPANTS.**

23 “(a) PROVISION OF LIVING ALLOWANCE.—

24 “(1) LIVING ALLOWANCE REQUIRED.—Subject
25 to paragraph (3), a national service program carried

1 out using assistance provided under section 121
2 shall provide to each participant who participates on
3 a full-time basis in the program a living allowance
4 in an amount equal or greater than the average an-
5 nual subsistence allowance provided to VISTA vol-
6 unteers under section 105 of the Domestic Volunteer
7 Service Act of 1973 (42 U.S.C. 4955).

8 “(2) LIMITATION ON FEDERAL SHARE.—The
9 amount of the annual living allowance provided
10 under paragraph (1) that may be paid using assist-
11 ance provided under section 121 and using any other
12 Federal funds shall not exceed 85 percent of the
13 total average annual provided to VISTA volunteers
14 under section 105 of the Domestic Volunteer Service
15 Act of 1973 (42 U.S.C. 4955).

16 “(3) MAXIMUM LIVING ALLOWANCE.—Except
17 as provided in subsection (c), the total amount of an
18 annual living allowance that may be provided to a
19 participant in a national service program shall not
20 exceed 200 percent of the average annual subsist-
21 ence allowance provided to VISTA volunteers under
22 section 105 of the Domestic Volunteer Service Act
23 of 1973 (42 U.S.C. 4955).

24 “(4) PRORATION OF LIVING ALLOWANCE.—The
25 amount provided as a living allowance under this

1 subsection shall be prorated in the case of a partici-
2 pant who is authorized to serve a reduced term of
3 service under section 139(b)(3).

4 “(5) WAIVER OR REDUCTION OF LIVING AL-
5 LOWANCE.—The Corporation may waive or reduce
6 the requirement of paragraph (1) with respect to
7 such national service program if such program dem-
8 onstrates that—

9 “(A) such requirement is inconsistent with
10 the objectives of the program; and

11 “(B) the amount of the living allowance
12 that will be provided to each full-time partici-
13 pant is sufficient to meet the necessary costs of
14 living (including food, housing, and transpor-
15 tation) in the area in which the program is lo-
16 cated.

17 “(6) EXEMPTION.—The requirement of para-
18 graph (1) shall not apply to any program which was
19 in existence on the date of enactment of the Na-
20 tional Service Trust Act of 1993.

21 “(7) EVALUATION OF LIVING ALLOWANCE.—

22 **[Note: This is to go into the Durenberger**
23 **report]**Not later than 2 years after the effective
24 date of this subsection, the Corporation shall ar-
25 range for an independent evaluation to determine

1 the levels of living allowances paid in all programs
2 under this subtitle, individually, by State, and by re-
3 gion. Such evaluation shall determine the effects
4 that such living allowances have had on the ability
5 of individuals to participate in such programs.

6 “(b) COVERAGE OF CERTAIN EMPLOYMENT-RELAT-
7 ED TAXES.—To the extent a national service program that
8 receives assistance under section 121 is subject, with re-
9 spect to the participants in the program, to the taxes im-
10 posed on an employer under sections 3111 and 3301 of
11 the Internal Revenue Code of 1986 (26 U.S.C. 3111,
12 3301) and taxes imposed on an employer under a work-
13 men’s compensation act, the assistance provided to the
14 program under section 121 shall include an amount suffi-
15 cient to cover 85 percent of such taxes based upon the
16 lesser of—

17 “(1) the total average annual subsistence allow-
18 ance provided to VISTA volunteers under section
19 105 of the Domestic Volunteer Service Act of 1973
20 (42 U.S.C. 4955); and

21 “(2) the annual living allowance established by
22 the program.

23 “(c) EXCEPTION FROM MAXIMUM LIVING ALLOW-
24 ANCE FOR CERTAIN ASSISTANCE.—A professional corps
25 program described in section 122(a)(8) that desires to

1 provide a living allowance in excess of the maximum allow-
2 ance authorized in subsection (a)(3) may still apply for
3 such assistance, except that—

4 “(1) any assistance provided to the applicant
5 under section 121 may not be used to pay for any
6 portion of the allowance;

7 “(2) the applicant shall apply for such assist-
8 ance only by submitting an application to the Cor-
9 poration for assistance on a competitive basis; and

10 “(3) the national service program shall be oper-
11 ated directly by the applicant and shall meet urgent,
12 unmet human, educational, environmental, or public
13 safety needs, as determined by the Corporation.

14 “(d) HEALTH INSURANCE.—

15 “(1) IN GENERAL.—A State or other recipient
16 of assistance under section 121 shall provide a basic
17 health care policy for each full-time participant in a
18 national service program carried out or supported
19 using the assistance if the participant is not other-
20 wise covered by a health care policy. Not more than
21 85 percent of the cost of a premium shall be pro-
22 vided by the Corporation, with the remaining cost
23 paid by the entity receiving assistance under section
24 121. The Corporation shall establish minimum
25 standards that all plans must meet in order to qual-

1 ify for payment under this part, any circumstances
2 in which an alternative health care policy may be
3 substituted for the basic health care policy, and
4 mechanisms to prohibit participants from dropping
5 existing coverage.

6 “(2) OPTION.—A State or other recipient of as-
7 sistance under section 121 may elect to provide from
8 its own funds a health care policy for participants
9 that does not meet all of the standards established
10 by the Corporation if the fair market value of such
11 policy is equal to or greater than the fair market
12 value of a plan that meets the minimum standards
13 established by the Corporation.

14 “(e) CHILD CARE.—

15 “(1) AVAILABILITY.—A State or other recipient
16 of assistance under section 121 shall—

17 “(A) make child care available for children
18 of each full-time participant who needs child
19 care in order to participate in a national service
20 program carried out or supported by the recipi-
21 ent using the assistance; or

22 “(B) provide a child care allowance to each
23 full-time participant in a national service pro-
24 gram who needs such assistance in order to
25 participate in the program.

1 “(2) GUIDELINES.—The Corporation shall es-
2 ablish guidelines regarding the circumstances under
3 which child care shall be made available under this
4 subsection and the value of any allowance to be pro-
5 vided.

6 “(f) INDIVIDUALIZED SUPPORT SERVICES.—A State
7 or other recipient of assistance under section 121 shall
8 provide auxiliary aids and services based on the individual-
9 ized need of a participant who is a qualified individual
10 with a disability.

11 “(g) WAIVER OF LIMITATION ON FEDERAL
12 SHARE.—The Corporation may waive in whole or in part
13 the limitation on the Federal share specified in this section
14 with respect to a particular national service program in
15 any fiscal year if the Corporation determines that such
16 a waiver would be equitable due to a lack of available fi-
17 nancial resources at the local level.

18 **“SEC. 141. NATIONAL SERVICE EDUCATIONAL AWARDS.**

19 “(a) ELIGIBILITY GENERALLY.—A participant in a
20 national service program carried out using assistance pro-
21 vided to an applicant under section 121 shall be eligible
22 for the national service educational award described in
23 subtitle D if the participant—

24 “(1) serves in an approved national service po-
25 sition; and

1 “(2) satisfies the eligibility requirements speci-
 2 fied in section 146 with respect to service in that ap-
 3 proved national service position.

4 “(b) SPECIAL RULE FOR VISTA VOLUNTEERS.—A
 5 VISTA volunteer who serves in an approved national serv-
 6 ice position shall be ineligible for a national service edu-
 7 cational award if the VISTA volunteer accepts the stipend
 8 authorized under section 105(a)(1) of the Domestic Vol-
 9 unteer Service Act of 1973 (42 U.S.C. 4955(a)(1)).”.

10 “(c) TABLE OF CONTENTS.—Section 1(b) of the Na-
 11 tional and Community Service Act of 1990 (Public Law
 12 101–610; 104 Stat. 3127) is amended—

13 (1) by striking the items relating to subtitle C
 14 of title I of such Act and inserting the following new
 15 items:

“Subtitle C—National Service Trust Program

“PART I—INVESTMENT IN NATIONAL SERVICE

“Sec. 121. Authority to provide assistance and approved national service posi-
 tions.

“Sec. 122. Types of national service programs eligible for program assistance.

“Sec. 123. Types of national service positions eligible for approval for national
 service educational awards.

“Sec. 124. Types of program assistance.

“Sec. 125. Training and technical assistance.

“Sec. 126. Other special assistance.

“PART II—APPLICATION AND APPROVAL PROCESS

“Sec. 129. Provision of assistance and approved national service positions by
 competitive and other means.

“Sec. 130. Application for assistance and approved national service positions.

“Sec. 131. National service program assistance requirements.

“Sec. 132. Ineligible service categories.

“Sec. 133. Consideration of applications.

“PART III—NATIONAL SERVICE PARTICIPANTS

“Sec. 137. Description of participants.
 “Sec. 138. Selection of national service participants.
 “Sec. 139. Terms of service.
 “Sec. 140. Living allowances for national service participants.
 “Sec. 141. National service educational awards.”;

1 and

2 (2) by inserting after the item relating to sec-
 3 tion 195O the following new items:

“Subtitle I—American Conservation and Youth Corps

“Sec. 199. Short title.
 “Sec. 199A. General authority.
 “Sec. 199B. Allocation of funds.
 “Sec. 199C. State application.
 “Sec. 199D. Focus of programs.
 “Sec. 199E. Related programs.
 “Sec. 199F. Public lands or Indian lands.
 “Sec. 199G. Training and education services.
 “Sec. 199H. Amount of award; matching requirement.
 “Sec. 199I. Preference for certain projects.
 “Sec. 199J. Age and citizenship criteria for enrollment.
 “Sec. 199K. Use of volunteers.
 “Sec. 199L. Post-service benefits.
 “Sec. 199M. Living allowance.
 “Sec. 199N. Joint programs.
 “Sec. 199O. Federal and State employee status.”.

4 (d) LIVING ALLOWANCE UNDER SUBTITLE I.—Sec-
 5 tion 199M(a) of the National and Community Service Act
 6 of 1990 (former section 133(a) of such Act as redesign-
 7 nated in subsection (a)(3) of this section) (42 U.S.C.
 8 12553(a)) is amended by striking paragraphs (1) and (2)
 9 and inserting the following new paragraphs:

10 “(1) LIVING ALLOWANCE REQUIRED.—Subject
 11 to paragraph (3), each participant in a full-time
 12 youth corps program that receives assistance under
 13 this subtitle shall receive a living allowance in an
 14 amount equal or greater than the average annual

1 subsistence allowance provided to VISTA volunteers
2 under section 105 of the Domestic Volunteer Service
3 Act of 1973 (42 U.S.C. 4955).

4 “(2) LIMITATION ON FEDERAL SHARE.—The
5 amount of the annual living allowance provided
6 under paragraph (1) that may be paid using assist-
7 ance provided under this subtitle, section 121, and
8 any other Federal funds shall not exceed 85 percent
9 of the total average annual subsistence allowance
10 provided to VISTA volunteers under section 105 of
11 the Domestic Volunteer Service Act of 1973 (42
12 U.S.C. 4955).

13 “(3) MAXIMUM LIVING ALLOWANCE.—The total
14 amount of an annual living allowance that may be
15 provided to a participant in a full-time youth corps
16 program that receives assistance under this subtitle
17 shall not exceed 200 percent of the average annual
18 subsistence allowance provided to VISTA volunteers
19 under section 105 of the Domestic Volunteer Service
20 Act of 1973 (42 U.S.C. 4955).

21 “(4) WAIVER OR REDUCTION OF LIVING AL-
22 LOWANCE.—The Corporation may waive or reduce
23 the requirement of paragraph (1) with respect to
24 such national service program if such program dem-
25 onstrates that —

1 “(A) such requirement is inconsistent with
2 the objectives of the program; and

3 “(B) the amount of the living allowance
4 that will be provided to each full-time partici-
5 pant is sufficient to meet the necessary costs of
6 living (including food, housing, and transpor-
7 tation) in the area in which the program is lo-
8 cated.

9 “(5) EXEMPTION.—The requirement of para-
10 graph (1) shall not apply to any program which was
11 in existence on the date of enactment of the Na-
12 tional Service Trust Act of 1993.

13 “(6) EVALUATION OF LIVING ALLOWANCE.—
14 **[Again: This is to go in the Durenberger**
15 **evaluation]**Not later than 2 years after the effec-
16 tive date of this subsection, the Corporation shall ar-
17 range for an independent evaluation to determine
18 the levels of living allowances paid in all programs
19 under this subtitle, individually, by State, and by re-
20 gion. Such evaluation shall determine the effects
21 that such living allowances have had on the ability
22 of individuals to participate in such programs.”.

23 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

24 (1) REFERENCES.—Subtitle I of title I of the
25 National and Community Service Act of 1990 (as so

1 redesignated by subsection (a)(1) of this section) is
2 amended by striking “Commission” each place it ap-
3 pears in sections 199A, 199B, 199C, 199D, 199F,
4 199H, 199I, 199M, and 199N (as redesignated in
5 subsection (a)(3) of this section) and inserting “Cor-
6 poration”.

7 (2) GENERAL AUTHORITY.—Section 199A of
8 such Act (as redesignated in subsection (a)(3) of
9 this section) (42 U.S.C. 12541) is amended—

10 (A) by striking “under section 102”; and

11 (B) by striking “, to the Secretary of the
12 Interior, or to the Director of ACTION” and
13 inserting “or to the Secretary of the Interior”.

14 (3) ALLOCATION.—Section 199B of such Act
15 (as redesignated in subsection (a)(3) of this section)
16 (42 U.S.C. 12542) is amended by striking “section
17 123” each place it appears and inserting “section
18 199C”.

19 (4) STATE APPLICATION.—Section 199C(a) of
20 such Act (as redesignated in subsection (a)(3) of
21 this section) (42 U.S.C. 12543(a)) is amended by
22 striking “section 122(b)” and inserting “section
23 199B(b)”.

24 (5) PUBLIC LANDS.—Section 199F(b) of such
25 Act (as redesignated in subsection (a)(3) of this sec-

1 tion) (42 U.S.C. 12546(b)) is amended by striking
2 “section 123” and inserting “section 199C”.

3 (6) PREFERENCE.—Section 199I(a) of such Act
4 (as redesignated in subsection (a)(3) of this section)
5 (42 U.S.C. 12549) is amended by striking “section
6 123” and inserting “section 199C”.

1 SEC. 102. NATIONAL SERVICE TRUST AND PROVISION OF
2 NATIONAL SERVICE EDUCATIONAL AWARDS.

3 (a) ESTABLISHMENT OF TRUST; PROVISION OF
4 AWARDS.—Subtitle D of title I of the National and Com-
5 munity Service Act of 1990 (42 U.S.C. 12571 et seq.) is
6 amended to read as follows:

7 **“Subtitle D—National Service**
8 **Trust and Provision of National**
9 **Service Educational Awards**

10 **“SEC. 145. ESTABLISHMENT OF THE NATIONAL SERVICE**
11 **TRUST.**

12 “(a) ESTABLISHMENT.—There is established in the
13 Treasury of the United States an account to be known
14 as the National Service Trust. The Trust shall consist
15 of—

16 “(1) from the amounts appropriated to the Cor-
17 poration and made available to carry out this sub-
18 title pursuant to section 501(a)(2), such amounts as
19 the Corporation may designate to be available for
20 the payment of—

21 “(A) national service educational awards;
22 and

23 “(B) interest expenses pursuant to section
24 148(e);

1 “(2) any amounts received by the Corporation
2 as gifts, bequests, devise, or otherwise pursuant to
3 section 196(a)(2); and

4 “(3) the interest on, and proceeds from the sale
5 or redemption of, any obligations held by the Trust.

6 “(b) INVESTMENT OF TRUST.—It shall be the duty
7 of the Secretary of the Treasury to invest in full the
8 amounts appropriated to the Trust. Except as otherwise
9 expressly provided in instruments concerning a gift, be-
10 quest, devise, or other donation and agreed to by the Cor-
11 poration, such investments may be made only in interest-
12 bearing obligations of the United States or in obligations
13 guaranteed as to both principal and interest by the United
14 States. For such purpose, such obligations may be ac-
15 quired (1) on original issue at the issue price, or (2) by
16 purchase of outstanding obligations at the marketplace.
17 Any obligation acquired by the Trust may be sold by the
18 Secretary at the market price.

19 “(c) EXPENDITURES FROM TRUST.—Amounts in the
20 Trust shall be available for payments of national service
21 educational awards in accordance with section 148.

22 “(d) REPORTS TO CONGRESS ON RECEIPTS AND EX-
23 PENDITURES.—Not later than March 1 of each year, the
24 Corporation shall submit a report to the Congress on the

1 financial status of the Trust during the preceding fiscal
2 year. Such report shall—

3 “(1) specify the amount deposited to the Trust
4 from the most recent appropriation to the Corpora-
5 tion, the amount received by the Corporation as gifts
6 or bequest during the period covered by the report,
7 and any amounts obtained by the Trust pursuant to
8 subsection (a)(3);

9 “(2) identify the number of individuals who are
10 currently performing service to qualify, or have
11 qualified, for national service educational awards;

12 “(3) identify the number of individuals whose
13 ability to claim national service educational awards
14 during the period covered by the report—

15 “(A) has been reduced pursuant to section
16 147(b); or

17 “(B) has lapsed pursuant to section
18 146(d); and

19 “(4) estimate the number of additional ap-
20 proved national service positions which the Corpora-
21 tion will be able to make available under subtitle C
22 on the basis of any accumulated surplus in the
23 Trust above the amount required to provide national
24 service educational awards to individuals identified
25 under paragraph (2), including any amounts avail-

1 able as a result of the circumstances referred to in
2 paragraph (3).

3 **“SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL**
4 **SERVICE EDUCATIONAL AWARD FROM THE**
5 **TRUST.**

6 “(a) ELIGIBLE INDIVIDUALS.—An individual shall
7 receive a national service educational award from the Na-
8 tional Service Trust if the individual—

9 “(1) successfully completes the required term of
10 service described in subsection (b) in an approved
11 national service position;

12 “(2) was 17 years of age or older at the time
13 the individual began serving in the approved na-
14 tional service position or was an out-of-school youth
15 serving in an approved national service position with
16 a youth corps program described in section
17 122(a)(2) or a program described in section
18 122(a)(9);

19 “(3) at the time the individual uses the national
20 service educational award—

21 “(A) has received a high school diploma, or
22 the equivalent of such diploma;

23 “(B)(i) is enrolled at an institution of
24 higher education on the basis of meeting the
25 standard described in paragraph (1) or (2) of

1 section 484(d) of the Higher Education Act of
2 1965 (20 U.S.C. 1091(d)); and

3 “(ii) meets the requirements of section
4 484(a) of such Act; or

5 “(C) has received a waiver described in
6 section 137(c); and

7 “(3) has received a high school diploma, or the
8 equivalent of such diploma, at the time the individ-
9 ual uses the national service educational award, un-
10 less this requirement has been waived based on an
11 individual education assessment conducted by the
12 program; and

13 “(4) is a citizen or national of the United
14 States or lawful permanent resident alien of the
15 United States.

16 “(b) TERM OF SERVICE.—The term of service for an
17 approved national service position shall not be less than
18 the full- or part-time term of service specified in section
19 139(b).

20 “(c) LIMITATION ON NUMBER OF TERMS OF SERV-
21 ICE FOR AWARDS.—Although an individual may serve
22 more than 2 terms of service described in subsection (b)
23 in an approved national service position, the individual
24 shall receive a national service educational award from the

1 National Service Trust only on the basis of the first and
2 second of such terms of service.

3 “(d) TIME FOR USE OF EDUCATIONAL AWARD.—

4 “(1) SEVEN-YEAR REQUIREMENT.—An individ-
5 ual eligible to receive a national service educational
6 award under this section may not use such award
7 after the end of the 7-year period beginning on the
8 date the individual completes the term of service in
9 an approved national service position that is the
10 basis of the award.

11 “(2) EXCEPTION.—The Corporation may ex-
12 tend the period within which an individual may use
13 a national service educational award if the Corpora-
14 tion determines that the individual—

15 “(A) was unavoidably prevented from
16 using the national service educational award
17 during the original 7-year period; or

18 “(B) performed another term of service in
19 an approved national service position during
20 that period.

21 “(e) SUSPENSION OF ELIGIBILITY FOR DRUG-RE-
22 LATED OFFENSES.—

23 “(1) IN GENERAL.—An individual who, after
24 qualifying under this section as an eligible individ-
25 ual, has been convicted under any Federal or State

1 law of the possession or sale of a controlled sub-
 2 stance shall not be eligible to receive a national serv-
 3 ice educational award during the period beginning
 4 on the date of such conviction and ending after the
 5 interval specified in the following table:

"If convicted of:	
The possession of a controlled substance:	Ineligibility period is:
1st conviction	1 year
2nd conviction	2 years
3rd conviction	indefinite
The sale of a controlled substance:	
1st conviction	2 years
2nd conviction	indefinite

6 “(2) REHABILITATION.—An individual whose
 7 eligibility has been suspended under paragraph (1)
 8 shall resume eligibility before the end of the period
 9 determined under such paragraph if the individual
 10 satisfactorily completes a drug rehabilitation pro-
 11 gram that complies with such criteria as the Cor-
 12 poration shall prescribe for purposes of this para-
 13 graph.

14 “(3) FIRST CONVICTIONS.—An individual whose
 15 eligibility has been suspended under paragraph (1)
 16 and is convicted of his or her first offense may re-
 17 sume eligibility before the end of the period deter-
 18 mined under such paragraph if the student dem-
 19 onstrates that he or she has enrolled or been accept-
 20 ed for enrollment in a drug rehabilitation program

1 that complies with such criteria as the Corporation
2 shall prescribe for purposes of this subsection.

3 “(4) DEFINITIONS.—As used in this subsection,
4 the term ‘controlled substance’ has the meaning
5 given in section 102(6) of the Controlled Substances
6 Act (21 U.S.C. 802(6)).

7 “(5) EFFECTIVE DATE.—This subsection shall
8 be effective upon publication by the Corporation in
9 the Federal Register of criteria prescribed under
10 paragraph (2) of this subsection.

11 “(f) AUTHORITY TO ESTABLISH DEMONSTRATION
12 PROGRAMS.—The Corporation may establish by regulation
13 demonstration programs for the creation and evaluation
14 of innovative volunteer and community service programs.

15 **“SEC. 147. DETERMINATION OF THE AMOUNT OF THE NA-**
16 **TIONAL SERVICE EDUCATIONAL AWARD.**

17 “(a) AMOUNTS GENERALLY.—Except as provided in
18 subsection (b), an individual described in section 146(a)
19 who successfully completes a required term of service in
20 an approved national service position shall receive a na-
21 tional service educational award having a value, for each
22 of not more than 2 of such terms of service, equal to 90
23 percent of—

24 “(1) one-half of the aggregate minimum basic
25 educational assistance allowance calculated under

1 sections 3013(d)(1) and 3015(b)(1) of title 38, Unit-
2 ed States Code (as in effect on July 28, 1993), for
3 a member of the Armed Forces who is entitled to
4 such an allowance under section 3011 of such title
5 and whose initial obligated period of active duty is
6 two years; less

7 “(2) one-half of the aggregate basic contribu-
8 tion required to be made by the member under sec-
9 tion 3011(b) of such title (as in effect on July 28,
10 1993).

11 “(b) AWARD FOR PARTIAL COMPLETION OF SERV-
12 ICE.—If an individual serving in an approved national
13 service position is released in accordance with section
14 139(c)(1)(A) from completing the term of service agreed
15 to by the individual, the Corporation may provide the indi-
16 vidual with that portion of the national service educational
17 award approved for the individual that corresponds to the
18 quantity of the term of service actually completed by the
19 individual.

20 **“SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDU-**
21 **CATIONAL AWARDS.**

22 “(a) IN GENERAL.—Amounts in the Trust shall be
23 available—

24 “(1) to repay student loans in accordance with
25 subsection (b);

1 “(2) to pay all or part of the cost of attendance
2 at an institution of higher education in accordance
3 with subsection (c);

4 “(3) to pay expenses incurred in participating
5 in an approved school-to-work program in accord-
6 ance with subsection (d); and

7 “(4) to pay interest expenses in accordance with
8 regulations prescribed pursuant to subsection (e).

9 “(b) USE OF EDUCATIONAL AWARD TO REPAY OUT-
10 STANDING STUDENT LOANS.—

11 “(1) APPLICATION BY ELIGIBLE INDIVID-
12 UALS.—An eligible individual under section 146 who
13 desires to apply his or her national service edu-
14 cational award to the repayment of qualified student
15 loans shall submit, in a manner prescribed by the
16 Corporation, an application to the Corporation
17 that—

18 “(A) identifies, or permits the Corporation
19 to identify readily, the holder or holders of such
20 loans;

21 “(B) indicates, or permits the Corporation
22 to determine readily, the amounts of principal
23 and interest outstanding on the loans;

24 “(C) specifies, if the outstanding balance is
25 greater than the amount disbursed under para-

1 graph (2), which of the loans the individual pre-
2 fers to be paid by the Corporation; and

3 “(D) contains or is accompanied by such
4 other information as the Corporation may re-
5 quire.

6 “(2) DISBURSEMENT OF REPAYMENTS.—Upon
7 receipt of an application from an eligible individual
8 of an application that complies with paragraph (1),
9 the Corporation shall, as promptly as practicable
10 consistent with paragraph (5), disburse the amount
11 of the national service educational award to which
12 the eligible individual is entitled. Such disbursement
13 shall be made by check or other means that is pay-
14 able to the holder of the loan and requires the en-
15 dorsement or other certification by the eligible indi-
16 vidual.

17 “(3) APPLICATION OF DISBURSED AMOUNTS.—
18 If the amount disbursed under paragraph (2) is less
19 than the principal and accrued interest on any quali-
20 fied student loan, such amount shall be applied ac-
21 cording to the specified priorities of the individual.

22 “(4) REPORTS BY HOLDERS.—Any holder re-
23 ceiving a loan payment pursuant to this subsection
24 shall submit to the Corporation such information as
25 the Corporation may require to verify that such pay-

1 ment was applied in accordance with this subsection
2 and any regulations prescribed to carry out this sub-
3 section.

4 “(5) NOTIFICATION OF INDIVIDUAL.—The Cor-
5 poration upon disbursing the national service edu-
6 cational award, shall notify the individual of the
7 amount paid for each outstanding loan and the date
8 of payment.

9 “(6) AUTHORITY TO AGGREGATE PAYMENTS.—
10 The Corporation may, by regulation, provide for the
11 aggregation of payments to holders under this sub-
12 section.

13 “(7) DEFINITION OF QUALIFIED STUDENT
14 LOANS.—As used in this subsection, the term ‘quali-
15 fied student loans’ means—

16 “(A) any loan made, insured, or guaran-
17 teed pursuant to title IV of the Higher Edu-
18 cation Act of 1965 (20 U.S.C. 1070 et seq.),
19 other than a loan to a parent of a student pur-
20 suant to section 428B of such Act (20 U.S.C.
21 1078–2); and

22 “(B) any loan made pursuant to title VII
23 or VIII of the Public Health Service Act (42
24 U.S.C. 292a et seq.).

1 “(8) DEFINITION OF HOLDER.—As used in this
2 subsection, the term ‘holder’ with respect to any eli-
3 gible loan means the original lender or, if the loan
4 is subsequently sold, transferred, or assigned to
5 some other person, and such other person acquires
6 a legally enforceable right to receive payments from
7 the borrower, such other person.

8 “(c) USE OF EDUCATIONAL AWARDS TO PAY CUR-
9 RENT EDUCATIONAL EXPENSES.—

10 “(1) APPLICATION BY ELIGIBLE INDIVIDUAL.—
11 An eligible individual under section 146 who desires
12 to apply his or her national service educational
13 award to the payment of current full-time or part-
14 time educational expenses [do not understand Sen-
15 ate language] shall, on a form prescribed by the
16 Corporation, submit an application to the institution
17 of higher education in which the student will be en-
18 rolled that contains such information as the Cor-
19 poration may require to verify the individual’s eligi-
20 bility.

21 “(2) SUBMISSION OF REQUESTS FOR PAYMENT
22 BY INSTITUTIONS.—An institution of higher edu-
23 cation that receives one or more applications that
24 comply with paragraph (1) shall submit to the Cor-

1 poration a statement, in a manner prescribed by the
2 Corporation, that—

3 “(A) identifies each eligible individual fil-
4 ing an application under paragraph (1) for a
5 disbursement of the individual’s national service
6 educational award under this subsection;

7 “(B) specifies the amounts for which such
8 eligible individuals are, consistent with para-
9 graph (6), qualified for disbursement under this
10 subsection;

11 “(C) certifies that (i) the institution of
12 higher education has in effect a program par-
13 ticipation agreement under section 487 of the
14 Higher Education Act of 1965 (20 U.S.C.
15 1094), and (ii) the institution’s eligibility to
16 participate in any of the programs under title
17 IV of such Act (20 U.S.C. 1070 et seq.) has not
18 been limited, suspended, or terminated; and

19 “(D) contains such provisions concerning
20 financial compliance as the Corporation may re-
21 quire.

22 “(3) DISBURSEMENT OF PAYMENTS.—Upon re-
23 ceipt of a statement from an institution of higher
24 education that complies with paragraph (2), the Cor-
25 poration shall, subject to paragraph (4), disburse the

1 total amount of the national service educational
2 awards for which eligible individuals who have sub-
3 mitted applications to that institution under para-
4 graph (1) are qualified. Such disbursement shall be
5 made by check or other means that is payable to the
6 institution and requires the endorsement or other
7 certification by the eligible individual.

8 “(4) MULTIPLE DISBURSEMENTS REQUIRED.—
9 The total amount required to be disbursed to an in-
10 stitution of higher education under paragraph (3)
11 for any period of enrollment shall be disbursed by
12 the Corporation in 2 or more installments, none of
13 which exceeds $\frac{1}{2}$ of such total amount. The interval
14 between the first and second such installment shall
15 not be less than $\frac{1}{2}$ of such period of enrollment, ex-
16 cept as necessary to permit the second installment to
17 be paid at the beginning of the second semester,
18 quarter, or similar division of such period of enroll-
19 ment.

20 “(5) REFUND RULES.—The Corporation shall,
21 by regulation, provide for the refund to the Corpora-
22 tion (and the crediting to the national service edu-
23 cational award of an eligible individual) of amounts
24 disbursed to institutions for the benefit of eligible in-
25 dividuals who withdraw or otherwise fail to complete

1 the period of enrollment for which the assistance
2 was provided. Such regulations shall be consistent
3 with the fair and equitable refund policies required
4 of institutions pursuant to section 484B of the
5 Higher Education Act of 1965 (20 U.S.C. 1091b).
6 Amounts refunded to the Trust pursuant to this
7 paragraph may be used by the Corporation to fund
8 additional approved national service positions under
9 subtitle C.

10 “(6) MAXIMUM AWARD.—The portion of an eli-
11 gible individual’s total available national service edu-
12 cational award that may be disbursed under this
13 subsection for any period of enrollment shall not ex-
14 ceed the difference between—

15 “(A) the eligible individual’s cost of attend-
16 ance for such period of enrollment, determined
17 in accordance with section 472 of the Higher
18 Education Act of 1965 (20 U.S.C. 1087ll); and

19 “(B) the sum of (i) the student’s estimated
20 financial assistance for such period under part
21 A of title IV of such Act (20 U.S.C. 1070 et
22 seq.), and (ii) the student’s veterans’ education
23 benefits, determined in accordance with section
24 480(c) of such Act (20 U.S.C. 1087vv(c)).

1 “(d) USE OF EDUCATIONAL AWARD TO PARTICIPATE
2 IN APPROVED SCHOOL-TO-WORK PROGRAMS.—The Cor-
3 poration shall by regulation provide for the payment of
4 national service educational awards to permit eligible indi-
5 viduals to participate in school-to-work programs approved
6 by the Secretaries of Labor and Education.

7 “(e) INTEREST PAYMENTS DURING FORBEARANCE
8 ON LOAN REPAYMENT.—The Corporation shall provide by
9 regulation for the payment on behalf of an eligible individ-
10 ual of interest that accrues during a period for which such
11 individual has obtained forbearance in the repayment of
12 a qualified student loan (as defined in subsection (b)(6)),
13 if the eligible individual successfully completes his or her
14 required term of service (as determined under section
15 146(b)). Such regulations shall be prescribed after con-
16 sultation with the Secretary of Education.

17 “(f) EXCEPTION.—With the approval of the Director,
18 an approved national service program funded under sec-
19 tion 121, may offer participants the option of waiving
20 their right to receive a National Service Education Award
21 in order to receive an alternative post-service benefit fund-
22 ed by the program entirely with non-Federal funds.

23 “(g) DEFINITION OF INSTITUTION OF HIGHER EDU-
24 CATION.—Notwithstanding section 101 of this Act, for
25 purposes of this section the term ‘institution of higher

1 education' has the meaning provided by section 481(a) of
2 the Higher Education Act of 1965 (20 U.S.C. 1088(a)).”.

3 (b) TABLE OF CONTENTS.—Section 1(b) of the Na-
4 tional and Community Service Act of 1990 (Public Law
5 101–610; 104 Stat. 3127) is amended by striking the
6 items relating to subtitle D of title I of such Act and in-
7 serting the following new items:

“Subtitle D—National Service Trust and Provision of National Service
Educational Awards

“Sec. 145. Establishment of the National Service Trust.

“Sec. 146. Individuals eligible to receive a national service educational award
from the Trust.

“Sec. 147. Determination of the amount of the national service educational
award.

“Sec. 148. Disbursement of national service educational awards.”.

8 (c) CONFORMING AMENDMENTS.—

9 (1) ELIGIBILITY FOR SUBSIDIZED STAFFORD
10 LOANS.—Section 428(a)(2)(C)(i) of the Higher Edu-
11 cation Act of 1965 (20 U.S.C. 1078(a)(2)(C)(i)) is
12 amended by inserting after “parts C and E of this
13 title,” the following: “any national service edu-
14 cational award such student will receive under sub-
15 title D of title I of the National and Community
16 Service Act of 1990 (42 U.S.C. 12751 et seq.),”.

17 (2) FORBEARANCE IN THE COLLECTION OF
18 STAFFORD LOANS.—Section 428 of the Higher Edu-
19 cation Act of 1965 is amended—

20 (A) in subsection (b)(1)—

1 (i) by redesignating subparagraphs
2 (W), (X), and (Y) as subparagraphs (X),
3 (Y), and (Z), respectively; and

4 (ii) by inserting immediately after
5 subparagraph (V) the following new sub-
6 paragraph:

7 “(W)(i) provides that, upon written re-
8 quest, a lender shall grant a borrower forbear-
9 ance on such terms as are otherwise consistent
10 with the regulations of the Secretary, during
11 periods in which the borrower is serving in a
12 national service position, for which he or she re-
13 ceives a national service educational award
14 under the National Service Trust Act of 1993;

15 “(ii) provides that clauses (iii) and (iv) of
16 subparagraph (V) shall also apply to a forbear-
17 ance granted under this subparagraph; and

18 “(iii) provides that interest shall continue
19 to accrue on a loan for which a borrower re-
20 ceives forbearance under this subparagraph and
21 shall be capitalized or paid by the borrower;”;
22 and

23 (B) in subsection (c)(3)(A), by striking
24 “subsection (b)(1)(V)” and inserting “subpara-
25 graphs (V) and (W) of subsection (b)(1)”.

1 (3) ELIGIBILITY FOR STAFFORD LOAN FOR-
2 GIVENESS.—Section 428J of the Higher Education
3 Act of 1965 (20 U.S.C. 1078–10) is amended—

4 (A) in subsection (b)(1), is amended by
5 striking “October 1, 1992” and inserting “Oc-
6 tober 1, 1989”; and

7 (B) in subsection (c), by adding at the end
8 the following new paragraph:

9 “(5) INELIGIBILITY OF NATIONAL SERVICE
10 EDUCATIONAL AWARD RECIPIENTS.—No student
11 borrower may, for the same volunteer service, receive
12 a benefit under both this section and subtitle D of
13 title I of the National and Community Service Act
14 of 1990 (42 U.S.C. 12751 et seq.).”.

15 (4) ELIGIBILITY FOR PERKINS LOAN FORGIVE-
16 NESS.—Section 465(a) of the Higher Education Act
17 of 1965 (20 U.S.C. 1087ee(a)) is amended by add-
18 ing at the end the following new paragraph:

19 “(6) No borrower may, for the same volunteer
20 service, receive a benefit under both this section and
21 subtitle D of title I of the National and Community
22 Service Act of 1990 (42 U.S.C. 12751 et seq.).”.

23 (5) IMPACT ON GENERAL NEEDS ANALYSIS.—
24 Section 480(j) of such Act (20 U.S.C. 1087vv(j)) is

1 amended by adding at the end the following new
2 paragraph:

3 “(3) Notwithstanding paragraph (1), any na-
4 tional service educational award such student will re-
5 ceive under subtitle D of title I of the National and
6 Community Service Act of 1990 (42 U.S.C. 12751
7 et seq.) shall not be taken into account in determin-
8 ing estimated financial assistance not received under
9 this title.”.

$$\begin{array}{r} 31 \\ 1 \ 325 \\ \underline{36} \end{array}$$

$$\begin{array}{r} 1950 \\ 1 \\ \underline{9750} \end{array}$$

$$\begin{array}{r} 11700 \\ \underline{2400} \end{array}$$

$$\begin{array}{r} 9306 \\ \underline{\quad} \end{array}$$

$$\begin{array}{r} 4650 \\ 2 \ 19300 \\ \underline{\quad} \end{array}$$

$$13$$

$$10$$

$$\begin{array}{r} 11700 \\ 1200 \\ \hline 10500 \end{array}$$