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NATIONAL SERVICE AND COMMUNITY VOLUNTEER ACT
Senator Nancy Landon Kassebaum

Summary of Primary Provisions

1. Federal Organizational Structure

The legislation creates a federal administrative entity, the Corporation for National and Community Service (Corporation). The purpose of the Corporation is to serve as the unifying, administrative structure for federal national service and volunteer programs.

- The Corporation is governed by a 9 member Board of Directors, including the Director of the Corporation who acts as the chief executive officer for the Corporation.
- The remaining 8 members of the Board of Directors are nominated by the President and Congress (equally divided) to serve in rotating 3 year terms.
- The Chairman of the Board is elected by the members of the Corporation.
- The Director of the Corporation is nominated by the President with the advice and consent of the Senate; the Director of the Corporation cannot serve as the Chairman of the Board of Directors.
- The Board is responsible for overseeing the operations of the Corporation and providing direction in the development of Corporation policies, procedures, regulations and operations.
- The Director of the Corporation is responsible for the day to day operations of the Corporation, including setting policies, procedures, and regulations.

The Corporation will be responsible for administering a variety of programs, new and existing. There will be two programmatic divisions within the Corporation--National Service and Volunteer Programs.

- National service requires a full time commitment for 1 year of service or part time for 2 years of service. Participants receive living allowances no less than the current minimum wage, as well as health care and child care benefits when necessary. Upon completion of the service commitment, participants receive stipends. National service participants can re-enroll in the program for up to 2 terms of service (2 years of full time service, 4 years of part time service).
- Volunteer programs include those which require only part time participation (can include summer only programs) not to exceed 6 months intervals, with unlimited re-enrollment at the volunteer's request. Participants can receive stipends at or below minimum wage and reimbursement of expenses.
- Included under the 2 divisions of the Corporation will be the following programs. (the 1 new federal program

authorized in this legislation is "national service" under the National Service designation below).

<u>National Service</u> - Conservation and Youth Service Corps
National Service Demonstration Projects
VISTA
VISTA Literacy Corps
Civilian Community Corps
National Service (new program)

<u>Volunteer Programs</u> - Serve America
Higher Education Innovative Programs
Student Community Service
ACTION Drug Alliance
Retired Senior Volunteer Program
Foster Grandparent Program
Senior Companion Program
Student Literacy Corps
Urban Community Service
Youth Conservation Corps
Points of Light Foundation
Innovative Projects for Community Service

- Programs not currently administered by federal departments (Interior, Agriculture, Education) will be transferred to the Corporation on October 1, 1993.
- Programs currently administered by federal departments will be required to coordinate their efforts with the Corporation, as evidenced by the Corporation's approval of grants prior to funding.
- The Corporation, working with the administrators of each of these programs, will have 2 years to fully integrate the programs into a unified national service and a consolidated volunteer program.
- At the end of the 2 year transition period, the categorical funding and administration of each of these programs will be transformed into a broader, more comprehensive structure--with 1 national service program providing equal benefits for participants, and three broad categories of volunteer programs (service learning, senior programs, and federal volunteer programs).

<u>2. State Organizational Structure</u>

The legislation provides broad autonomy for the states to administer federally funded national service and volunteer programs. The strength of community service, in the form of full time or volunteer service, is the ability of the service to respond to the unique needs of the community in which it is being performed. In order to ensure this responsiveness, the legislation creates State Commissions for National Service and Volunteer Programs (State Commissions), to distribute federal funds for national service and volunteer programs.

- Provisions in the legislation permit states to designate a new or existing entity to serve as the State Commission, and to determine the appropriate composition and administrative procedures for the Commission--with the approval of the Corporation.
- States establish their own priorities for determining the use of the federal grant funds, as part of a strategic plan submitted to the Corporation in applying for the federal funds.
- State Commissions are responsible for making grants available for local and statewide national service and volunteer programs.

3. Allocation of funds

Existing national service programs will continue to be funded according to any existing formula funding allocations during the 2 year transition period. Volunteer programs will be maintained under existing discretionary funding structures during this period.

- Any discretionary and new funding for national service is allocated as follows: 50% of the appropriated funds will be distributed to the states based on population, 30% of the appropriated funds will be used to make grants to the states on a competitive basis, and 20% will be distributed by the Corporation on a competitive basis to local communities, Indian tribes, public and private not-for-profit organizations, educational institutions, and federal agencies. There is a 1% set aside for Indian tribes and territories. This allocation will continue for all national service programs administered by the Corporation after the transition period.
- After the 2 year transitional period, funds for federal volunteer programs will be distributed as follows: 75% to the states based on population and 25% to be distributed to by the Corporation on a competitive basis to states, local communities, Indian tribes, and public and private not-for-profit organizations.

4. Stipends for National Service Participants

All of the existing national service type programs provide stipends to participants at the completion of their service commitment. The amount of these "post service stipends" range from $95 for each month of service (VISTA) to $5,000 yearly. Some of the programs restrict the use of the stipends for educational or other purposes, while others simply pay the stipends in cash.

- During the 2 year transition period, existing programs will continue to provide current levels of post-service benefits. However, post service stipends will be limited to educational purposes for participants in existing national service programs who begin service after the date of enactment of the legislation.

- Additional national service programs appropriated during the transition period will provide an educational stipend of $1,500 for each year of full time participation in national service; $750 for each year of part-time participation.
- The educational stipend can be used to pay off educational loans or to pay for additional educational activities.
- States or program sponsors can equally match that benefit with funds from non-federal sources.
- Funds are authorized for the Corporation to conduct demonstration programs to determine the most reasonable level of post service stipends for a successful national service program and the most efficient method for providing those benefits.
- The authorized levels for post service stipend demonstrations are $10 million for the first year and $20 million for year 2.
- The Corporation will report back to Congress after 18 months with the findings of the demonstrations and recommendations for legislative action.

5. Living allowances and other assistance for national service participants

Participants in existing national service programs funded by the federal government receive a living allowance and reimbursement for some job related expenses, such as transportation costs. The amount of the living allowance and the types of reimbursable expenses vary from program to program. Often, the amount of the living allowance is expressed in terms related to the VISTA program living allowance--which currently is the federal minimum wage. Some program provide additional assistance to participants such as health care insurance and help with child care.

- During the 2 year transition period, existing national programs will continue to provide current levels of assistance to participants.
- The new national service program created by this legislation provides participants with a living allowance of not less than the prevailing minimum wage, health care benefits, reimbursement for transportation expenses, and where necessary, child care assistance. States and/or program sponsors can use funds from non-federal sources to increase the living allowance to not more than 200% of the prevailing minimum wage.
- The federal government will reimburse 85% of the costs of the living allowances and other participant "benefits" Living allowances which exceed the minimum wage will be reimbursed at a rate of 85% of the actual costs, up to the prevailing minimum wage.

6. Service Learning Programs

To instill the value of volunteerism in today's youth, communities and schools have undertaken programs to involve school aged children community volunteer projects. These programs, referred to as service learning, link educational curriculum to the activities undertaken in the volunteer project. Children are provided the opportunity to use information learned in school in a constructive fashion, while meeting the needs of their local community

- The Corporation, in consultation with the Secretary of Education, will make formula and discretionary grants to states for planning and implementing service learning programs.
- The State Commissions are responsible for distributing the funds to local educational agencies and community based organizations.
- 90% of the funds for service learning programs will be distributed to the states; 1% set aside for Indian tribes and territories.
- The state allocations are determined using the following formula: 50% of the state formula funds are distributed based on the number of school aged youth in the state; 50% is distributed based on the amount of funds allocated to the state the previous fiscal year under Chapter 1 of Title I of the Elementary and Secondary Schools Act.
- The remaining funds are to be distributed by the Corporation on a competitive basis.

7. Authorization Amounts

The authorization levels for existing programs which are transferred to the Corporation are to remain stable during the transition period. These current (FY93) authorization levels and the fiscal year 1993 appropriation amounts are:

National Service	Authorization	Appropriation FY93
Conservation and Youth Service Corps	30.6 mil	22.5 mil
National Service Demonstration Projects	30.6 mil	22.5 mil
VISTA	56.0 mil	34.7 mil
VISTA Literacy Corps	10.5 mil	5.0 mil
Civilian Community Corps	30.0 mil	30.0 mil
TOTALS	157.7 MIL	114.7 MIL

Domestic Volunteer Services

Serve America	30.6 mil	16.2 mil
Higher Education Innovative Programs	w/ " "	5.1 mil
Student Community Service	2.2 mil	.9 mil
ACTION Drug Alliance	5.5 mil	.9 mil
Retired Senior Volunteer Program	53.1 mil	33.7 mil
Foster Grandparent Program	98.2 mil	64.8 mil
Senior Companion Program	48.7 mil	29.5 mil
Student Literacy Corps	10 mil	5.3 mil
Urban Community Service	20 mil	9.4 mil
Youth Conservation Corps	2-6 mil	2.0 mil#
Points of Light Foundation	5 mil	5.0 mil
Innovative Projects for Community Service	5 mil	1.4 mil
TOTALS	280.3 mil	174.2 MIL

no less than $2 million to be allocated for this program from the budgets of the Departments of Interior and Agriculture

Additional Funding for National Service Programs

	Year 1	Year 2
National Service Program - Includes:		
Training and Technical Assistance	10 mil	15 mil
Post Service Benefit Demonstrations	10 mil	20 mil
Support for State Commissions	10 mil	12 mil
Administrative Costs (Corporation 5%)	4.9 mil	9.2 mil
Formula and Discretionary Grants	63 mil	126.8 mil
TOTAL	**97.9 MIL**	**183 MIL**

At this appropriation level, approximately 5,000 new full time national service positions will be created in the first year; 10,000 the second year. The existing national service programs combined provide 20,000 full time national service positions.

Possible Compromises to Respond to Issues
Raised by Senator Kassebaum

DISCUSSION PAPER

I. Consolidation of programs

Following a 2-year transition period, Senator Kassebaum proposes to merge existing service programs into two divisions, as follows:

National Service Division: VISTA, VISTA Literacy Corps, Civilian Conservation Corps, new National Service program

Volunteer Division: Service-Learning Programs (Serve America, Higher Ed Innovative Programs, Student Literacy Corps, Urban Community Service, Innovative Projects for Community Service), Senior Programs (RSVP, Foster Grandparents, Senior Companions), and Federal Programs (Points of Light Foundation, Youth Conservation Corps in Interior and Agriculture)

All programs would be administered through state commissions, which would set priorities (line-item funding would be eliminated -- presumably there would be one line item for each of the following: national service division programs, education programs, senior programs, and federal programs.

Options

Basic option:

✓ • Reduce authorization period from five to three years;

✓ • Do not specify which programs go into which divisions, but require Corporation to develop three-year plan for streamlining administration of programs;

✓ • Allow state Corporation (ACTION) offices to shift up to 20 percent of funds among OAVP programs at the state level;

• Move the Innovative Projects for Community Service program and Urban Community Service from the Department of Education to the Corporation and merge with the Higher Education program; ED?

✓ • Provide that other programs listed consult with the Corporation in issuing regulations and determining criteria for funding;

✓ • Keep VISTA and VISTA Literacy Corps as in Senate bill;

- Provide that the Points of Light Foundation money be administered through the Corporation as in Senate bill;

- Fold CCC into new National Service program as a state or federal funding option, keeping authorizing language describing program;

#1
- Authorize a study to be completed at the end of three years regarding consolidation of programs and ask for recommendation regarding further merger of programs, including advisability of sending VISTA money through state commissions.

2. Same as option 1, plus allow states to use national service funds to operate VISTA programs.

? 3. Same as option 1, but prohibit states from using national service funds for individual placement programs that do not involve significant team activities. TL

II. State Organizational Structure

Senator Kassebaum proposes to loosen requirements in the Senate bill relating to the establishment of the state commission -- including required composition and representation from the Corporation -- and to give states greater authority over allocation of funding within the state. fed ex officio at minimum

Options

1. Make Corporation representative ex-officio, non-voting and provide for state commission to make recommendations regarding allocation of VISTA and OAVP program funds within the state. Require joint strategic plan to be developed between Corporation state office and state commission.

2. Same as option 1, plus drop all required categories of membership for state commissions.

III. Educational Awards

Senator Kassebaum proposes that after a two-year transition period, all national service programs (including VISTA) provide a $1500 award that can only be used for educational activities. The VISTA cash post-service stipend and CCC cash alternative would be dropped. Up to $10 million could be used for higher educational awards on a demonstration basis. (rough)

Options

1. Keep educational award as in Senate bill, but allow up to $10 million to be used for lower post-service benefits on a demonstration basis.

SK

2. Same as option 1, plus limit the amount of an educational institution's budget that can come from educational awards to 33 percent.

IV. Other issues

Senate Kassebaum proposes to decrease the authorization of new funding from $400 million to $100 million; to change the living allowance to the minimum wage; reconfigures the service-learning programs; and changes the allocation of all funds, after a transition period, to a formula -- 70 percent to state commissions, 25 percent for direct grants from the Corporation.

Cover plus 4 pages

TELECOPIER SHEET

EDUCATION OFFICE

COMMITTEE ON LABOR AND HUMAN RESOURCES

TO: Jack Lew

COMPANY: Office of Nat'l. Service

FAX NUMBER: (   ) 456-6420

FROM: Tom Sander

NOTES:

Return fax number: (202) 224-3533

If there are any problems with this transmission, please call (202) 224-5501.

• List of Changes Gov. Affairs would like

CHANGES DESIRED	RESOLUTION
1. Chairperson + head of Corp. separated	Done
2. Powers of Board made advisory	Done
3. Managing Dirs. not Presidentially appointed	Done
4. Enumerate that Managing Dirs. report to President of Corp.	Done
5. Change I.G. provision	
I.G. reports to Bd	Done
6. Indicate that Funds flow through State Commn.	Done
7. Indicate state responsibility for misfeasance of State Commn's	Done
8. Req. State Dir. of Operating Div. of Corp. to be on State Comm.	Done (ex officio)
9. Bd. elects its own Chair	Done
• Added functions/responsibilities of President of Corp.	
10. - preparing strat. plan	Done
11. - establish measurable goals	Done
12. - evaluate programs agst goals	Done
13. • Performance measurement report of Corp	Done
14. • Limit power of President to restructure away programs	Done

15. Give framework for developing personnel system — Done

16. Non forum shopping provision for applicants — Being drafted

17. Want list of eligible organizations on page 6 to include labor organizations — ~~[illegible]~~ Being drafted

Unresolved

	STATUS
• Tighten up purposes of Act	• Agree w/ policy — willing to accept input; digesting
• Eliminate retirement credit for VISTA Service	• Pending phone call with Kim Weaver, T. Sanders, Peace Corps
• Grant Accountability	• waiting for guidance on strengthening audit function (if necessary)
• Enumerate responsibilities of managing Dirs.	not yet done
• ACTION transfer/structure ~~[illegible]~~	Disagreement
– want no delineation that there will be heads of ACTION prgms in statute	– pressure to keep from ACTION, Hill staff of Labor Comm.
– want ACTION swallowed whole from outset	– think it will be unsuccessful first year — too political, sidetracking from focusing on growing programs
	what we are willing to do
	• willing as compromise to [illegible] give Labor Comm. power to hold oversight hearings on transfer
	– require President of Corp to submit transfer plan to Labor Comm.
	• have involved Dir. of ACTION with Pres. of Corp. in developing timetable for transfer within 9 months [illegible]
	• have offered outplacement assistance for anyone adversely affected (think this will be small)
	• have agreed to transfer in ACTION employees with civil service status
	• Guarantee that all ACTION employees will have jobs for at least 12 mos. from date of enactment.

1 done
2 OK in principle for guidance
1 waiting for phone call
1 waiting
2 disagreements

- ~~Do not~~ want fed. agencies to be able to apply for program $; only want them to be able to place ~~pay~~ ~~people~~ nat'l. svc. participants (with money coming directly from Corp. to participants)

- Raising admin. cost to 10% or 15%

Disagreement

- Have put a max. of 5% of funds which can go to fed. agencies
- Doesn't seem to be in their jurisdiction; policy question

- not in their jurisdiction
- providing $ to state Comm'n so this obviates need to increase 5% number

MEMORANDUM

To: Jack Lew

From: Shirley Sagawa

Re: Governmental Affairs Mocting

Date: June 10, 1993

Another fun meeting. The worst thing is, Kennedy may have already told Glenn he can have a sequential as long as all amendments are agreed to by both Committees. Here are the new issues:

Transfer all of ACTION, every employee.

Drop the managing directors. Or call them vice presidents, state that they report to the Corporation President and state which programs each is responsible for.

The only people from the Corporation to be confirmed by the Senate should be the Board and the President.

Do note specify that the position of VISTA and OAVP directors in law.

Specify a minimum number of FTEs in the IG office.

Increase admininstrative cap from 5%.

Why have a Trust fund?

Clarify the relationship of the Corporation to other agencies.

Clarify the ability of local labor organizations to apply.