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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
CREDIT AND CASH MANAGEMENT BRANCH

ROUTE SLIP

TO: Rick Allen

Take necessary action ☐

Approval signature ☐

Comment ☐

Prepare reply ☐

Discuss with me ☐

For your information ☐

See remarks below ☐

FROM: *Richard*
Richard Green

DATE: May 4, 1993

REMARKS

Re: Including the Corporation for National Service in the coverage of the Government Corporation Control Act (GCCA)

Attached are a couple of things that should help clarify the effect of having the Corporation covered by the GCCA. First, I have attached copies of 31 U.S.C. 9105 (Audits) and 31 U.S.C. 9106 (Management Reports). These are the applicable sections of the U.S. Code. Second, I have attached a page from a GAO report that provides a good description of the requirements, including a little on how they changed as a result of the CFO Act.

The "short" description of the requirements are:

- (1) the Inspector General is responsible for an annual audit of the Corporation's financial statements; and
- (2) the Corporation is responsible for preparing an annual management report to the Congress that includes the financial statements, the audit report, and a report on internal accounting and administrative control systems.

Let me know (X3066) if you have any questions.

31 § 9101

MONEY AND FINANCE

1989 Amendment

Par. (2)(L). Pub.L. 101-73, § 501(d), added subpar. (L).

Par. (2)(M). Pub.L. 101-73, § 511(b)(1), added subpar. (M).

Par. (3)(E). Pub.L. 101-73, § 307(e), struck out subpar. (E), which included the Federal Savings and Loan Insurance Corporation in the definition of "wholly owned Government corporation".

1987 Amendment

Par. (2)(K). Pub.L. 100-86, § 303, added subpar. (K).

Separability of Provisions

If any provision of Pub.L. 101-73 or the application thereof to any person or circumstance is held invalid, the remainder of Pub.L. 101-73 and the application of the provision to other persons

not similarly situated or to other circumstances not to be affected thereby, see section 1221 of Pub.L. 101-73, set out as a note under section 1811 of Title 12, Banks and Banking.

If any provision of Pub.L. 100-86 or the application thereof to any person or circumstances is held invalid, the remainder of Pub.L. 100-86 and the application of the provision to other persons not similarly situated or to other circumstances not to be affected thereby, see section 1205 of Pub.L. 100-86, set out as a note under section 226 of Title 12, Banks and Banking.

Legislative History

For legislative history and purpose of Pub.L. 100-86 see 1987 U.S. Code Cong. and Adm. News, p. 489. See, also, Pub.L. 101-73, 1989 U.S. Code Cong. and Adm. News, p. 86; Pub.L. 102-486, 1992 U.S. Code Cong. and Adm. News, p. 1953.

WEST'S FEDERAL PRACTICE MANUAL

Overseas Private Investment Corporation, see § 2167.

LAW REVIEW COMMENTARIES

Enhancing the value of the thrift franchise: A possible solution for the dilemma of the FSLIC?

C. Thomas Long, William J. Schilling, and Carol R. Van Cleef, 37 Catholic U.L.Rev. 385 (1988).

§ 9103. Budgets of wholly owned Government corporations

HISTORICAL AND STATUTORY NOTES

Explanatory Notes

In subsection (a), the word "President" is substituted for "Office of Management and Budget" because sections 101 and 102(a) of Reorganization Plan No. 2 of 1970 (eff. July 1, 1970, 84 Stat. 2085) designated the Bureau of the Budget as the Office of Management and Budget and transferred all functions of the Bureau to the President. The words "in a way, and before a date, the President prescribes by regulation for the budget program" are substituted for "under such rules and regulations as the President may establish as to the date of submission, the form and content, the classifications of data, and the manner in which such budget program shall be prepared and presented" to eliminate unnecessary words.

In subsection (b), before clause (1), the words "budget program" are substituted for "budget program shall be a business-type budget, or plan of operation" for consistency and to eliminate unnecessary words. In clause (1), the words "actual" and "completed" are omitted as surplus. In clause (2), the words "as are necessary or desirable", "types of", "together with", and "funds" are omitted as surplus. In clause (3), the words "as authorized by law" are omitted as surplus.

In subsection (c), the words "as changed" are substituted for "as modified, amended, or revised" to eliminate unnecessary words. The word "submit" is substituted for "transmitted" for consistency. The word "annual" is omitted as surplus. The word "thereafter" is added for clarity. The text of 31:848 (last par.) is omitted as unnecessary.

CROSS REFERENCES

Veterans' Canteen Service, preparation and submission of budget, see § 7806 of Title 38, Veterans' Benefits.

§ 9104. Congressional action on budgets of wholly owned Government corporations

HISTORICAL AND STATUTORY NOTES

Explanatory Notes

In subsection (a), the words "budget programs for wholly owned Government corporations" are substituted for "Budget programs" for clarity and

consistency. The words "legislation . . . be enacted", "as may be", "for expenditure", "corporate funds or other", "or limiting the use thereof", "as the Congress may determine", and "funds" are omitted as surplus.

§ 9105. Audits

(a)(1) The financial statements of Government corporations shall be audited by the Inspector General of the corporation appointed under the Inspector General Act

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(2) Audits ungenerally accept

(3) Upon com audits the statem corporation the House of Re tal Affairs of th

(4) The Comp

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(B) shall and Budget statement, the Comptre

(C) may discretion o Congress.

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(5) A Govern United States fi under this subs ments received States shall be

(b) Upon req corporation shal accounts, financ in use by the G of the United S under this secti

(c) Activities are in lieu of a that the Compt

(As amended Pub. VII, § 703, Jan. 6, 1006; Pub.L. 101- § 305, Nov. 15, 11

References in Text

The Inspector G in subsec. (a)(1), is 92 Stat. 1101, as Appendix 3 to Titl and Employees.

1990 Amendment

Pub.L. 101-576 substituting provisi ernment corporati corporation, indepe corporation, accordi ing standards; req committees; and s of audits, by Com requiring auditing ownership Govern troller General acc to commercial corp

MONEY AND FINANCE

not similarly situated or to other circumstances not to be affected thereby, see section 1221 of Pub.L. 101-73, set out as a note under section 1811 of Title 12, Banks and Banking.

If any provision of Pub.L. 100-86 or the application thereof to any person or circumstances is held invalid, the remainder of Pub.L. 100-86 and the application of the provision to other persons not similarly situated or to other circumstances not to be affected thereby, see section 1205 of Pub.L. 100-86, set out as a note under section 226 of Title 12, Banks and Banking.

Legislative History

For legislative history and purpose of Pub.L. 100-86 see 1987 U.S.Code Cong. and Adm.News, p. 489. See, also, Pub.L. 101-73, 1989 U.S.Code Cong. and Adm.News, p. 86; Pub.L. 102-486, 1992 U.S. Code Cong. and Adm. News, p. 1953.

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VIEW COMMENTARIES

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In subsection (b), before clause (1), the words "budget program" are substituted for "budget program shall be a business-type budget, or plan of operation" for consistency and to eliminate unnecessary words. In clause (1), the words "actual" and "completed" are omitted as surplus. In clause (2), the words "as are necessary or desirable", "types of", "together with", and "funds" are omitted as surplus. In clause (3), the words "as authorized by law" are omitted as surplus.

In subsection (c), the words "as changed" are substituted for "as modified, amended, or revised" to eliminate unnecessary words. The word "submit" is substituted for "transmitted" for consistency. The word "annual" is omitted as surplus. The word "thereafter" is added for clarity. The text of 31:848 (last par.) is omitted as unnecessary.

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budgets of wholly owned Government corpora-

AND STATUTORY NOTES

consistency. The words "legislation . . . be enacted", "as may be", "for expenditure", "corporate funds or other", "or limiting the use thereof", "as the Congress may determine", and "funds" are omitted as surplus.

of Government corporations shall be audited by
ation appointed under the Inspector General Act

MONEY AND FINANCE

31 § 9105

of 1978 (5 U.S.C.App.) or by an independent external auditor, as determined by the Inspector General or, if there is no Inspector General, by the head of the corporation.

(2) Audits under this section shall be conducted in accordance with applicable generally accepted government auditing standards.

(3) Upon completion of the audit required by this subsection, the person who audits the statement shall submit a report on the audit to the head of the Government corporation, to the Chairman of the Committee on Government Operations of the House of Representatives, and to the Chairman of the Committee on Governmental Affairs of the Senate.

(4) The Comptroller General of the United States—

(A) may review any audit of a financial statement conducted under this subsection by an Inspector General or an external auditor;

(B) shall report to the Congress, the Director of the Office of Management and Budget, and the head of the Government corporation which prepared the statement, regarding the results of the review and make any recommendation the Comptroller General of the United States considers appropriate; and

(C) may audit a financial statement of a Government corporation at the discretion of the Comptroller General or at the request of a committee of the Congress.

An audit the Comptroller General performs under this paragraph shall be in lieu of the audit otherwise required by paragraph (1) of this subsection. Prior to performing such audit, the Comptroller General shall consult with the Inspector General of the agency which prepared the statement.

(5) A Government corporation shall reimburse the Comptroller General of the United States for the full cost of any audit conducted by the Comptroller General under this subsection, as determined by the Comptroller General. All reimbursements received under this paragraph by the Comptroller General of the United States shall be deposited in the Treasury as miscellaneous receipts.

(b) Upon request of the Comptroller General of the United States, a Government corporation shall provide to the Comptroller General of the United States all books, accounts, financial records, reports, files, workpapers, and property belonging to or in use by the Government corporation and its auditor that the Comptroller General of the United States considers necessary to the performance of any audit or review under this section.

(c) Activities of the Comptroller General of the United States under this section are in lieu of any audit of the financial transactions of a Government corporation that the Comptroller General is required to make under any other law.

(As amended Pub.L. 100-86, Title IV, § 403, Aug. 10, 1987, 101 Stat. 609; Pub.L. 100-233, Title VII, § 703, Jan. 6, 1988, 101 Stat. 1706; Pub.L. 100-399, Title VI, § 602, Aug. 17, 1988, 102 Stat. 1006; Pub.L. 101-73, Title V, § 511(b)(2), Aug. 9, 1989, 103 Stat. 406; Pub.L. 101-576, Title III, § 305, Nov. 15, 1990, 104 Stat. 2853.)

HISTORICAL AND STATUTORY NOTES

References in Text

The Inspector General Act of 1978, referred to in subsec. (a)(1), is Pub.L. 95-452, Oct. 12, 1978, 92 Stat. 1101, as amended, which is set out in Appendix 3 to Title 5, Government Organization and Employees.

1990 Amendment

Pub.L. 101-576, amended section generally, substituting provisions relating to audits of Government corporations, by Inspector General of corporation, independent auditor, or head of corporation, according to accepted government auditing standards; requiring reports to congressional committees; and authorizing audits, and reviews of audits, by Comptroller General, for provisions requiring auditing of wholly owned and mixed-ownership Government corporations by Comptroller General according to principles applicable to commercial corporate transactions at least once

every 3 years; authorizing audits of Federal Asset Disposition Association and Federal Agricultural Mortgage Corporation at discretion of Comptroller General; requiring Comptroller General to use reports made by supervising agencies; allowing contracting for professional services; and authorizing necessary appropriations.

1989 Amendment

Subsec. (a)(2). Pub.L. 101-73, § 511(b)(2)(A), added sentence requiring the Comptroller General to audit the Resolution Funding Corporation annually.

Pub.L. 101-73, § 511(b)(2)(B), deleted "Federal Savings and Loan Insurance Corporation and" preceding "Federal home".

1988 Amendment

Subsec. (a)(4)(B)(i). Pub.L. 100-399 substituted "Corporation" for "Association".

31 § 9105

MONEY AND FINANCE

1987 Amendments

Subsec. (a)(3). Pub.L. 100-86, § 403, added par. (3).

Subsec. (a)(4). Pub.L. 100-233, § 703, added par. (4).

Effective Date of 1988 Amendment

Amendment by Pub.L. 100-399 effective as if enacted immediately after the enactment of Pub.L. 100-233, which was approved on Jan. 6, 1988, see section 1001(a) of Pub.L. 100-399, set out as a note under section 2002 of Title 12, Banks and Banking.

Separability of Provisions

If any provision of Pub.L. 101-73 or the application thereof to any person or circumstance is held invalid, the remainder of Pub.L. 101-73 and the application of the provision to other persons

not similarly situated or to other circumstances not to be affected thereby, see section 1221 of Pub.L. 101-73, set out as a note under section 1811 of Title 12, Banks and Banking.

If any provision of Pub.L. 100-86 or the application thereof to any person or circumstance is held invalid, the remainder of Pub.L. 100-86 and the application of the provision to other persons not similarly situated or to other circumstances not to be affected thereby, see section 1205 of Pub.L. 100-86, set out as a note under section 226 of Title 12, Banks and Banking.

Legislative History

For legislative history and purpose of Pub.L. 100-86 see 1987 U.S. Code Cong. and Adm. News, p. 489. See, also, Pub.L. 101-73, 1989 U.S. Code Cong. and Adm. News, p. 86; Pub.L. 101-576, 1990 U.S. Code Cong. and Adm. News, p. 4030.

§ 9106. Management reports

(a)(1) A Government corporation shall submit an annual management report to the Congress not later than 180 days after the end of the Government corporation's fiscal year.

(2) A management report under this subsection shall include—

- (A) a statement of financial position;
- (B) a statement of operations;
- (C) a statement of cash flows;
- (D) a reconciliation to the budget report of the Government corporation, if applicable;

(E) a statement on internal accounting and administrative control systems by the head of the management of the corporation, consistent with the requirements for agency statements on internal accounting and administrative control systems under the amendments made by the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255);

(F) the report resulting from an audit of the financial statements of the corporation conducted under section 9105 of this title; and

(G) any other comments and information necessary to inform the Congress about the operations and financial condition of the corporation.

(b) A Government corporation shall provide the President, the Director of the Office of Management and Budget, and the Comptroller General of the United States a copy of the management report when it is submitted to Congress.

(As amended Pub.L. 101-576, Title III, § 306(a), Nov. 15, 1990, 104 Stat. 2854.)

HISTORICAL AND STATUTORY NOTES

References in Text

The Federal Managers' Financial Integrity Act of 1982, referred to in subsec. (a)(2)(E), was repealed in the general revision of Title 31 by Pub.L. 97-258, Sept. 13, 1982, 96 Stat. 877, which enacted Title 31 into positive law. See, now, sections 1105, 1113 and 3512 of this title.

1990 Amendment

Pub.L. 101-576 amended section generally, substituting provisions relating to annual management report to Congress, due not later than 180 days after end of corporation's fiscal year, including statements of financial position, operations, cash flow, and internal accounting and administrative control systems, and reconciliation to budget report, report from audit under section 9105 of this title, and other necessary comments and information, with copies to be submitted to Presi-

dent, Director of Office of Management and Budget and Comptroller General, for provisions requiring Comptroller General to submit report on each audit under section 9105 of this title, due not later than 6.5 months after end of last year covered by audit, including statements of assets, liability, capital, surplus and deficit, surplus and deficit analysis, incomes and expenditures and sources and use of money, information on legality of each transaction, necessary comments and information, and other recommendations, with copies to be submitted to President, Secretary of Treasury and corporation.

Legislative History

For legislative history and purpose of Pub.L. 101-576, see 1990 U.S. Code Cong. and Adm. News, p. 4030.

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§ 9107. Account:

1982 Act

Revised Section

9107(a)

9107(b)

9107(c)(1)

9107(c)(2)

9107(c)(3)

§ 9108. Obligatio

1982 Act

Revised Section

9108(a)

9108(b)

9108(c)

9108(d)

Explanatory Notes

In subsection (a), before "Before" is substituted for "The words "bonds, note

§ 9109. Exclusion ter

Explanatory Notes

The word "President" rector of the Office of M because sections 101 and Plan No. 2 of 1970 (eff. 2085) designated the Bureau Office of Management and all functions of the Bureau words "with the approve omitted because of the "considers" is substituted sistency. The words "i budget program of such c

§ 9110. Standards ment-apon

(a) The Secretary and use of obligation

GAO

United States General Accounting Office

Accounting and Financial
Management Division

September 1991

The Chief Financial Officers Act: A Mandate for Federal Financial Management Reform

GAO/AFMD-12.19.4

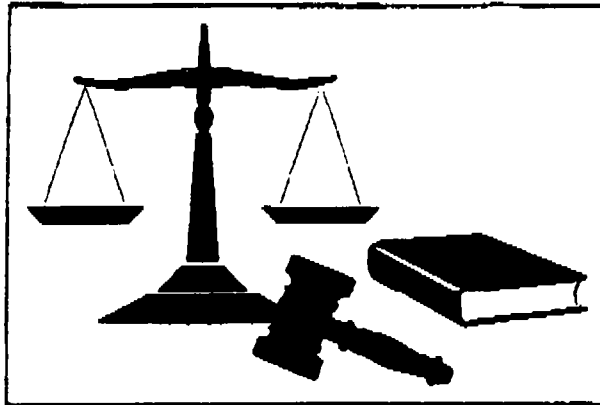
The CFO Act institutes changes in the financial management of government corporations, such as the Resolution Trust Corporation and the Federal Deposit Insurance Corporation.

First, government corporations are required to annually prepare a report on their internal accounting and administrative controls, consistent with the Federal Managers' Financial Integrity Act requirement for reports by executive agencies. These reports should be based on annual reviews of the corporation's controls. Whenever the reviews detect significant problems, the corporations should develop specific corrective action plans.

Prior to enactment of the CFO Act, the Government Corporation Control Act (31 U.S.C. 9105) required GAO to perform a financial statement audit of covered corporations at least once every 3 years. The CFO Act changes the timing and responsibility for these audits. Each corporation is now required to have its financial statements audited annually by the inspector general or by an independent public accountant. The Comptroller General retains the discretionary authority to conduct the audit.

The CFO Act also requires the head of the corporation to submit an annual management report to the President and the Congress no later than 180 days after the end of the corporation's fiscal year. To inform the Congress about the corporation's operations and financial condition, these reports are to include information such as the corporation's audited financial statements and report on internal controls.

COMMITTEE ON NATURAL RESOURCES
U.S. House of Representatives
Office of the General Counsel



TO: JACK LEW

FROM: CARRIE YOURD (225-7800)

DATE: 5/26

TIME:

A total of 12 pages, including this cover sheet, are being sent.

If there is a problem with this transmission, call (202) 225-7800.

If you need to fax something to us, our fax number is (202) 225-7169.

NOTES

THIS IS A DRAFT COPY. I WAS HOPING TO GET YOU A MORE UPDATED VERSION, BUT THAT MAY NOT BE AVAILABLE UNTIL NEXT WEEK.

WORTH NOTING IS THAT THIS WILL NOT BE A SEPARATE SUBTITLE, BUT INCORPORATED ELSEWHERE IN THE BILL.

IF YOU HAVE QUESTIONS, PLEASE CALL. DIANE SHUST & GENE SOFER SAID THEY HAVE MENTIONED THIS TO YOU ALREADY. THANKS.

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DRAFT E.L.C.

AMENDMENT TO H.R. 2010**OFFERED BY MR. MILLER OF CALIFORNIA**

(Page & line nos. refer to bill as introduced on 5/6/93)

Page 11, line 14, strike "including a" and insert "including the Public Lands Corps established under section 134 of the National Service Trust Act of 1993 and other".

Page 156, before line 6, add the following new subtitle:

1 **Subtitle C—Public Lands Corps of**
2 **the Department of the Interior**
3 **and the Department of Agri-**
4 **culture**

5 **SEC. 131. SHORT TITLE.**

6 This subtitle may be cited as the "Public Lands
7 Corps Act of 1993".

8 **SEC. 132. CONGRESSIONAL FINDINGS AND PURPOSE.**

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

10 (1) Conserving or developing natural and cul-
11 tural resources and enhancing and maintaining envi-
12 ronmentally important lands and waters through the
13 use of the Nation's young men and women in a Pub-
14 lic Lands Corps can benefit those men and women
15 by providing them with education and work opportu-

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1 nities, furthering their understanding and apprecia-
2 tion of the natural and cultural resources, and pro-
3 viding a means to pay for higher education or to
4 repay indebtedness they have incurred to obtain
5 higher education while at the same time benefiting
6 the Nation's economy and its environment.

7 (2) Many facilities and natural resources lo-
8 cated on public lands and on Indian reservations are
9 in disrepair or degraded and in need of labor inten-
10 sive rehabilitation, restoration, and enhancement
11 work which cannot be carried out by Federal agen-
12 cies at existing personnel levels.

13 (3) Youth conservation corps have established a
14 good record of restoring and maintaining these kinds
15 of facilities and resources in a cost effective and effi-
16 cient manner, especially when they have worked in
17 partnership arrangements with government land
18 management agencies.

19 (b) PURPOSE.—It is the purpose of this subtitle to—

20 (1) perform, in a cost-effective manner, con-
21 servation, rehabilitation, restoration, and improve-
22 ment work on public lands and Indian lands where
23 that work will not be performed by existing employ-
24 ees, and to assist government and tribal land man-
25 aging agencies in performing research and public

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1 education tasks associated with natural and cultural
2 resources on public lands and Indian lands;

3 (2) expose young men and women to public
4 service while furthering their understanding and ap-
5 preciation of the nation's natural and cultural re-
6 sources;

7 (3) expand educational opportunity by reward-
8 ing individuals who participate in national service
9 with an increased ability to pursue higher education
10 or job training; and

11 (4) stimulate interest among the nation's young
12 men and women in conservation careers by exposing
13 them to conservation professionals in land managing
14 agencies.

15 SEC. 133. DEFINITIONS.

16 For purposes of this subtitle:

17 (1) The term "Corps" means the Public Lands
18 Corps established under section 134.

19 (2) The term "public lands" means any lands
20 or waters (or interest therein) owned or adminis-
21 tered by the United States, except that such term
22 does not include any Indian lands.

23 (3) The term "qualified youth or conservation
24 corps" means any program established by a State or

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1 local government, by the governing body of any In-
2 dian tribe, or by a nonprofit organization that—

3 (A) is capable of offering meaningful, full-
4 time, productive work for individuals between
5 the ages of 16 and 25, inclusive, in a natural
6 or cultural resource setting;

7 (B) gives participants a mix of work expe-
8 rience, basic and life skills, education, training,
9 and support services; and

10 (C) provides participants with the oppor-
11 tunity to develop citizenship values and skills
12 through service to their community and the
13 United States.

14 (4) The term "Indian tribe" means any Indian
15 tribe, band, nation, or other group which is rec-
16 ognized as an Indian tribe by the Secretary of the
17 Interior. Such term also includes any Native village
18 corporation, regional corporation, and Native group
19 established pursuant to the Alaska Native Claims
20 Settlement Act (43 U.S.C. 1701 et seq.).

21 (5) The term "Indian" means a person who is
22 a member of an Indian tribe.

23 (6) The term "Indian lands" means any real
24 property owned by an Indian tribe, any real property
25 held in trust by the United States for Indian tribes,

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1 and any real property held by Indian tribes which is
2 subject to restrictions on alienation imposed by the
3 United States.

4 (7) The term "State" means any State of the
5 United States, the District of Columbia, the Com-
6 monwealth of Puerto Rico, Guam, the Virgin Is-
7 lands, American Samoa, and the Commonwealth of
8 the Northern Mariana Islands.

9 (8) The term "conservation, restoration, or re-
10 habilitation project" means any project for the con-
11 servation, restoration, or rehabilitation of natural,
12 cultural, historic, archaeological, recreational, or sce-
13 nic resources.

14 **SEC. 134. PUBLIC LANDS CORPS PROGRAM.**

15 (a) **ESTABLISHMENT OF PUBLIC LANDS CORPS.—**
16 There is hereby established in the Department of the Inte-
17 rior and the Department of Agriculture a Public Lands
18 Corps. The Corps shall consist of individuals between the
19 ages of 16 and 25, inclusive, who are enrolled as partici-
20 pants in the Corps by the Secretary of the Interior or the
21 Secretary of Agriculture. To be eligible for enrollment in
22 the Corps, an individual shall satisfy the criteria specified
23 in section 139(b) of the National and Community Service
24 Act of 1990. The Secretary of the Interior and the Sec-
25 retary of Agriculture may enroll such individuals in the

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1 Corps without regard to the civil service and classification
2 laws, rules, or regulations of the United States.

3 (b) QUALIFIED YOUTH OR CONSERVATION CORPS.—

4 The Secretary of the Interior and the Secretary of Agri-
5 culture are authorized to enter into contracts and coopera-
6 tive agreements with any qualified youth or conservation
7 corps to perform conservation, restoration, or rehabilita-
8 tion projects referred to in subsection (c).

9 (c) PROJECTS TO BE CARRIED OUT.—The Secretary
10 of the Interior and the Secretary of Agriculture may each
11 utilize the Public Lands Corps or any qualified youth or
12 conservation corps to carry out any conservation, res-
13 toration, or rehabilitation project which such Secretary is
14 authorized to carry out under other authority of law on
15 public lands or Indian lands.

16 (d) PREFERENCE FOR CERTAIN PROJECTS.—In se-
17 lecting a conservation, restoration, or rehabilitation
18 project to be carried out under this subtitle, the Secretary
19 of the Interior and the Secretary of Agriculture shall give
20 a preference to those projects which—

21 (1) will provide long-term benefits to the public;

22 (2) will instill in the enrollee involved a work
23 ethic and a sense of public service;

24 (3) will be labor intensive;

25 (4) can be planned and initiated promptly; and

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1 (5) will provide academic, experiential, and en-
2 vironmental education opportunities.

3 (e) CONSISTENCY.—Each conservation, restoration,
4 or rehabilitation project carried out under this subtitle on
5 any public lands or Indian lands shall be consistent with
6 the provisions of law and policies relating to the manage-
7 ment and administration of such lands, with all other ap-
8 plicable provisions of law, and with all management, oper-
9 ational, and other plans and documents which govern the
10 administration of the area.

11 SEC. 135. CONSERVATION CENTERS.

12 (a) ESTABLISHMENT AND USE.—The Secretary of
13 the Interior and the Secretary of Agriculture are each au-
14 thorized to provide such quarters, board, medical care,
15 transportation, and other services, facilities, supplies, and
16 equipment as such Secretary deems necessary in connec-
17 tion with the Public Lands Corps and conservation, res-
18 toration, or rehabilitation projects carried out under this
19 subtitle and to establish and use conservation centers
20 owned and operated by such Secretary for purposes of the
21 Public Lands Corps and such projects. Such Secretaries
22 shall establish basic standards of health, nutrition, sanita-
23 tion, and safety for all conservation centers established
24 under this section and shall assure that such standards
25 are enforced. Where necessary or appropriate, such Sec-

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1 retaries may enter into contracts and other appropriate
2 arrangements with State and local government agencies
3 and private organizations for the management of such
4 conservation centers.

5 (b) LOGISTICAL SUPPORT.—Each such Secretary
6 may make arrangements with the Secretary of Defense to
7 have logistical support provided by a military installation
8 near any conservation center, where feasible, including the
9 provision of temporary tent shelters where needed, trans-
10 portation, and residential supervision.

11 SEC. 136. LIVING ALLOWANCES AND TERMS OF SERVICE
12 FOR PARTICIPANTS.

13 (a) LIVING ALLOWANCES.—The Secretary of the In-
14 terior and the Secretary of Agriculture shall provide each
15 participant in the Public Lands Corps with a living allow-
16 ance in an amount not to exceed the maximum living al-
17 lowance authorized by section 140(a)(3) of the National
18 and Community Service Act of 1990 for participants in
19 a national service program assisted under subtitle C of
20 title I of such Act.

21 (b) TERMS OF SERVICE.—Each participant in the
22 Public Lands Corps shall agree to participate in the Corps
23 for a term of service established by the Secretary of the
24 Interior or the Secretary of Agriculture, as the case may
25 be, consistent with the terms of service required under sec-

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tion 139(b) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

SEC. 137. NATIONAL SERVICE EDUCATIONAL AWARDS FOR PARTICIPANTS.

(a) EDUCATIONAL BENEFITS AND AWARDS.—Each participant in the Public Lands Corps shall be eligible for a national service educational award in the manner prescribed in subtitle D of title I of the National and Community Service Act of 1990 if such participant complies with such requirements as may be established under this subtitle by the Secretary of the Interior or the Secretary of Agriculture respecting eligibility for the award. The period during which the award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

(b) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are participants in the Public Lands Corps, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant and eligible for a national service educational award under subsection (a).

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1 SEC. 138. NONDISPLACEMENT.

2 The nondisplacement requirements of section 177 of
3 the National and Community Service Act of 1990 shall
4 be applicable to all activities carried out by the Public
5 Lands Corps and to all activities carried out under this
6 subtitle by a qualified youth or conservation corps.

7 SEC. 139. FUNDING.

8 (a) COST SHARING.—

9 (1) PROJECTS BY QUALIFIED YOUTH OR CON-
10 SERVATION CORPS.—The Secretary of the Interior
11 and the Secretary of Agriculture are each authorized
12 to pay not more than 75 percent of the costs of any
13 conservation, restoration, or rehabilitation project
14 carried out pursuant to this subtitle on public lands
15 by a qualified youth or conservation corps. The re-
16 maining 25 percent of the costs of such a project
17 may be provided from nonfederal sources in the form
18 of funds, services, facilities, materials, equipment, or
19 any combination of the foregoing. No cost sharing
20 shall be required in the case of any conservation,
21 restoration, or rehabilitation project carried out on
22 Indian lands under this subtitle.

23 (2) PUBLIC LANDS CORPS.—A foundation asso-
24 ciated with a Federal land managing agency may
25 contribute to the costs of any conservation, res-
26 toration, or rehabilitation project carried out by the

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1 Public Lands Corps, but nothing in this subtitle
2 shall be construed to require any cost sharing for
3 any such project.

4 (b) FUNDS AVAILABLE UNDER NATIONAL AND COM-
5 MUNITY SERVICE ACT.—In order to carry out the Public
6 Lands Corps or to support qualified youth or conservation
7 corps under this subtitle, the Secretary of the Interior and
8 the Secretary of Agriculture shall be eligible to apply for
9 and receive assistance under section 121(b) of the Na-
10 tional and Community Service Act of 1990.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated such sums as may be
13 necessary to carry out this subtitle.

The Commission on National and Community Service

Catherine Milton, Executive Director

Facsimile Transmission

The National Press Building

529 14th Street, N.W.

Washington, D.C. 20045

Phone: (202) 724-0600

FAX: (202) 724-0608

PLEASE DELIVER TO: Jack Lew

or: General Counsel at CNS

FAX Number: 456 6420

Phone:

FROM: Terry Russell

Date: May 27, 1993

Re: CNCS grants to organizations affiliated with CNCS
Board members

We are transmitting a total of 4 pages, including this cover page.

Please Note: The information contained in this facsimile message is privileged and confidential, and is intended only for the use of the individual named above and others who have been specifically authorized to receive it. If you are not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, or if any problems occur with the transmission, please notify us immediately at the telephone number above.

Message:

F.Y.I here is a final version of the
Memo that was sent to Tom Sander.

MEMORANDUM

May 25, 1993

TO: Tom Sander
FROM: Chris Murphy
SUBJ: CNCS grants to organizations affiliated with CNCS Board members

This memo is to follow up on your recent inquiry regarding grants that the Commission on National and Community Service has made to organizations with whom Commission Board members have a relationship.

Of the 390 grants totaling \$166 million which the Commission has made during our two years of operation, seven grants for \$8.57 million or 5.2% of total Commission funds have been made to five organizations with whom Board members are associated. Each of these five organizations are leaders in their area of specialty within the service field. In each and every instance Board members took no part in the preparation of grant applications and recused themselves from all aspects of the grant review discussion and voting processes concerning programs with which they were associated.

Of the \$8.57 million in Commission funds that have gone to organizations with associations with Commission Board members, nearly all—\$7 million—went to expand the CITY YEAR program over a two year period. As you know, CITY YEAR is the nationally recognized full-time national service program—the only such program which was up and running on a small scale before Commission funding. Alan Khazei, the co-founder of CITY YEAR, served on the Board of Directors of the Commission until his resignation in January of this year. As in all instances where there is even a remote appearance of a conflict of interest on the part of our Board, Alan recused himself from voting on and participating in the discussion about this grant.

The remaining Commission funding that has gone to organizations with whom Board members have a relationship totals \$1,572,300. The break down is as follows:

Nonprofit Risk Management Center	\$118,300
Campus Outreach Opportunity League	\$377,000
Campus Compact	\$952,000
Indiana Consortium for Voluntary Service	\$125,000

The Nonprofit Risk Management Center was established last year to provide advice on legal matters relevant to the service field. The Commission awarded the Center a grant to develop six issue briefs for our grantees on

topics such as liability and workers compensation for service participants, and stipend and post-service benefit taxability. Commission Board member Shirley Sagawa recused herself from this grant when it was voted on at our Board meeting December 6, despite the fact that she was a new, volunteer Board member to the Nonprofit Risk Management Center at the time and did not attend her first Center Board meeting until December 10.

The Campus Outreach Opportunity League (COOL) is the only national, youth run, service-oriented network whose aim is to encourage and empower young people to participate in service programs to effect positive change in their communities. They are uniquely positioned to meet the needs of college students engaged in service. Like Alan Khazei, Board members Karen Young, who worked with the Campus Outreach Opportunity League at the time, and Wayne Meisel, who co-founded COOL ten years ago, recused themselves from any grant decisions relating to COOL. Karen Young is no longer on the Commission's Board.

An organization of college presidents committed to increasing and enhancing service opportunities on their campuses, Campus Compact is the only such organization working to institutionalize service on campuses across the country and to establish state networks of higher education institutions interested in advancing the service field. Commission Board member and President of Indiana University Tom Ehrlich, who also volunteers on the Campus Compact Board, recused himself from all Campus Compact related grants.

The Indiana Consortium for Voluntary Service was one of twenty three consortia or partnerships of institutions of higher education in fifteen states which the Commission funded last year. This grant was for a coordinated effort to expand campus-based service opportunities at six colleges and universities in Indiana. The program was run through Earlham College in Richmond, IN. Commission board member and president of Indiana University Tom Ehrlich played no part in the development of the Indiana Consortium proposal and recused himself from discussing or voting on this grant. In fact, Tom recused himself from all grant decisions related to higher education-based service programs.

From the outset, the Commission has utilized a peer review process, in which outside reviewers who are experienced in the service area and are from diverse backgrounds have independently reviewed and rated the grant applications. This process has been used in all of the Commissions' grant competitions. As is the case for all our grants, in each and every instance in which a grant was made to an organization even loosely affiliated with a Board member, the grant proposal underwent a thorough independent peer review. In addition, the Commission has turned down at least two proposals from organizations with whom Board members are affiliated.

The Commission was quite aware from the beginning of the need to avoid even the appearance of conflicts of interest. This was of particular importance because Congress had chosen two separate functions for the Commission. On the one hand, the Commission was mandated to perform an advisory role to Congress and the President concerning developments in national and community service (42 U.S.C. 12651 (c)(1)). It was for this reason in particular that Congress mandated that the Board of Directors should be composed of 21 members who have extensive experience in volunteer and service opportunity programs (42 U.S.C. 12651 (b)(1)(i)). At the same time, the Commission has had extensive grant making authorities. In order for the Commission to perform both of these functions, it was necessary to devise procedures to ensure that there was no conflict of interest concerning Board members who "have extensive experience in volunteer and service opportunity programs," and those programs themselves.

The Commission developed conflict of interest procedures, utilizing advice from the White House Counsel and the Office of Government Ethics. In essence, those procedures ensured that no member of the Board would take part in the preparation of any application for funds from the Commission. If any organization that was connected to a Board member, business associate or family applied, the Board member recused himself or herself from any discussion or vote in connection with the application. These rules were scrupulously adhered to.

**National and
Community
Service
Coalition**

1101 15th St. NW
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Washington, DC
20005

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(202) 296-4030 (fax)

MEMORANDUM

To: Eli Segal
Office of National Service
From: John Briscoe and Roger Landrum 
Co-Chairs, Coalition on National and Community Service
Date: 5/27/93

We have discussed the following recommendations with Gene Sofer of the House Education and Labor Committee who suggested that we send them to you as well.

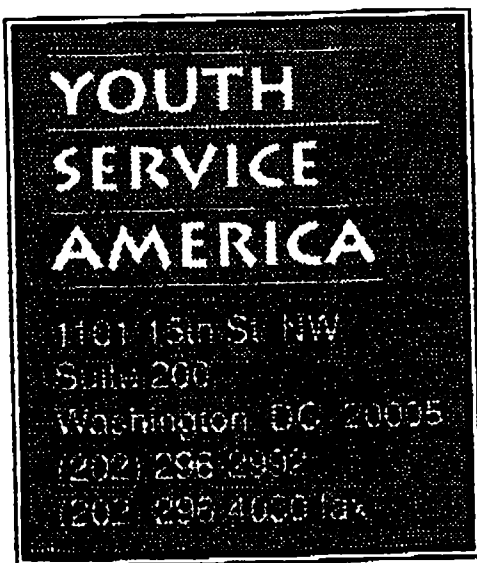
1. Regarding the structure of the proposed Corporation for National Service, the Coalition supports:
 - a. an increase in the size of the proposed Board of Directors of the Corporation in the range of 15-21 members;
 - b. selection of a board chairman and managing executive staff by the Board of Directors with accountability to the Board. (The objective of this recommendation is to provide a measure of stability and independence for the Corporation through changing presidential administrations.)
2. Regarding the State Commissions, the Coalition:
 - a. supports an increase in size of membership for the State Commissions in the range of 15-21 members.
3. Regarding division of grant funds between States and other entities, the Coalition:
 - a. supports allocation of one-third of grant funds by the Corporation directly to independent, national nonprofit organizations and federal agencies for multi-state programming, with federal agencies required to match Corporation funding on a basis determined by the Corporation Board.
4. Language in the Act should be strengthened to ensure participation by socially and economically disadvantaged Americans.

5. Regarding post-service benefits, the Coalition:

- a. supports flexibility of use with latitude for local programs to tailor post-service benefits following federal guidelines limited to educational opportunities, job training and economic stimulus;
- b. supports use for part-time education;
- c. supports deferment of payment of guaranteed student loans during participation in a National Service program;
- d. supports exclusion of income earned by National Service participants from qualifying for benefits under the Social Security Act and AFDC.

cc: Marty Rodgers
Tom Sander

Eli, Jack, Shirley —
These recommendations are limited
to Consensus positions of the Coalition.
I've gone over them in depth with
Ben, Roger and will discuss them
with Sander + Rodgers shortly.
Roger

FAX COVER SHEET

TO: ELI SEGAL
FIRM: ONS
FAX #: 456-6420
FROM: ROGER LANDRUM
DATE: 5-28-93
TIME: 9⁴⁵
OF PAGES: 3
(including cover)

COMMENTS: _____

**EVERYBODY CAN BE GREAT
BECAUSE EVERYBODY CAN SERVE**
MARTIN LUTHER KING, JR.

... NEWS FLASH ...

**LET'S PASS THE NATIONAL SERVICE TRUST ACT OF 1993!
CALL YOUR REPRESENTATIVES AND SENATORS TODAY!**



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American Federation of State, County and Municipal Employees, AFL-CIO

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San Antonio, Tex.

Garland W. Webb
Baton Rouge, La.

April 27, 1993

Jack Lew
Special Assistant to ✓
the President &
General Counsel
Office of National Service
The White House
Room 145
Old Executive Office Bldg.
Washington, DC 20500

Shirley Sagawa
Special Assistant to
the President
Office of National Service
The White House
Room 145
Old Executive Office Bldg.
Washington, DC 20500

Dear Mr. Lew and Ms. Sagawa:

Thank you for meeting with Phil, Nanine, and me last week. We were encouraged by the overall direction which the national service program is taking.

As you know, our major concerns are the provisions and programmatic elements which relate to displacement and substitution. We have recommended language concerning displacement, the grievance procedure, union notification and consultation/concurrence, protection of collective bargaining agreements, and project definition and requirements. We regard these elements as critical and their resolution will determine our support for the program. We hope we can see actual language on these matters as soon as possible this week.

On April 23 we discussed the idea of tighter union consultation/concurrence requirements for employers whose employees are represented by a union. While this is far more likely to be the case in the public sector than in nonprofit organizations, you should be aware that many of the larger nonprofit organizations are unionized. For example, AFSCME represents 60,000 employees in such organizations. Of course, the same requirements should apply to unionized nonprofits as to unionized public employers.

Also last Friday, we mentioned our concern for the status of the employees at ACTION, who would be transferred to the new Corporation for National Service. It is important that the wages, benefits and rights of these employees be protected. We are especially concerned about this in light

in the public service

Jack Lew
Shirley Sagawa
Page Two
April 27, 1993

of the Corporation's proposed "flexible personnel policies" about which we know very little. Attached are examples of employee protections used in other similar circumstances.

We continue to have questions about the stipend structure and the related issue of hours worked. As we pointed out, we believe that the higher the permissible stipend, the stronger the displacement and substitution possibilities.

We also think that permitting a range of stipends will make the program look more like a jobs program and can cause political problems. For example, will there be criteria for determining when a higher stipend is paid? What kind of equity issues will develop? If the stipend is tax exempt, what is the justification for providing tax exempt income of almost \$13,000 (based on 1500 hours) when full-time wage earners with the same income may have a tax liability and many full-time workers earn less? If the stipend is taxable, how is the program really different from a jobs program? Will participants with dependents be able to get the Earned Income Tax Credit if they otherwise qualify? While we are very sympathetic to the objective of enabling low-income parents to participate in the program, we think a better approach might be to consider alternative sources of income support.

In addition to these points, we have some additional questions or clarifications about the draft outline:

1. Term of Service: Is the 1500 hours for a year of full-time service a minimum or a maximum? If it is a minimum, full-time compensation could be more than \$12,750. Can a participant do four years of part-time service to earn two educational awards?
2. What is the Investment Fund for Quality and Innovation?
3. Educational Awards: Will there be any certification requirements for training providers to ensure that they will provide effective training or education?
4. Federal Reimbursement: As we understand it, the federal government will pay 85% of the stipend and health insurance, 100% of child care costs and 75% of all other costs. What is within the scope of "other costs"? Do these costs include other participant benefits, such as transportation, and equipment?

Jack Lew
Shirley Sagawa
Page Three
April 27, 1993

5. Eligible Programs: What are "national service entrepreneurship programs"?

6. Eligible Programs: What is the nature of the labor union exclusion? Could unions receive technical assistance, training, or program grants? Could public advocacy organizations sponsor participants?

7. Corporation for National Service: After appointments from among the members of the Commission are made, how many, if any, positions will be left?

We recognize the intense time pressures under which you are operating, and appreciate the time you have spent with us. We are very sensitive to your Friday deadline and are prepared to respond to draft provisions relating to our critical concerns as quickly as possible.

Sincerely,



Donald S. Wasserman

DSW/pjp

cc: Eli Segal, Assistant to the President and
Director of the Office of National Service

PUBLIC LAW 96-70—SEPT. 27, 1979

Panam

PANAMA CANAL ACT OF 1979

URBAN MASS TRANSPORTATION ACT OF 1964, AS AMENDED
Section 13(c)

It shall be a condition of any assistance under section 3 of this Act that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment to employees of acquired mass transportation systems and priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to section 5(2)(f) of the Act of February 4, 1967 (24 Stat. 379), as amended. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.

section. The code of conduct shall contain provisions substantially equivalent to those contained in part 735 of title 5 of the Code of Federal Regulations on the effective date of this Act. The code of conduct shall, at a minimum, contain provisions substantially equivalent to the following provisions of law:

- (1) the provisions of chapter 11 of title 18, United States Code, as amended, relating to bribery, graft, or conflicts of interest, as appropriate to the employees concerned;
- (2) section 7352 of title 5, United States Code, as amended;
- (3) sections 207, 208, 285, 508, 641, 645, 1001, 1917, and 2071 of title 18, United States Code, as amended;
- (4) section 5 of the Act of July 16, 1914 (31 U.S.C. 638a), as amended;
- (5) the Ethics in Government Act of 1978 (92 Stat. 1824), as amended; and
- (6) those provisions of the laws and regulations of the Republic of Panama which are substantially equivalent to those of the United States set forth in this subsection.

(c) The Commission shall investigate any allegations regarding the violation of the code of conduct adopted pursuant to subsection (b) of this section. The Commission may recommend that the President suspend from the performance of his duties any member of the Board of the Commission or any officer or employee of the Commission, pending judicial proceedings by appropriate authorities concerning such allegations.

(d) The President shall negotiate suitable arrangements with the Republic of Panama whereby each nation shall agree to take all measures within its legal authority to assure that members of the Board of the Commission comply with the code of conduct established pursuant to subsection (b) of this section. Without prejudice to such jurisdiction as the United States may have with respect to members of the Board, the provisions of law enumerated in subsection (b) of this section shall be enforced with respect to members of the Board only in accordance with such arrangements.

OFFICE OF OMBUDSMAN

SEC. 1113. (a) There is established within the Commission an Office of Ombudsman, to be directed by an Ombudsman, who shall be appointed by the Commission. It shall be the function of the Office of Ombudsman to receive individual complaints, grievances, requests, and suggestions of employees (and their dependents) of the Commission and other departments and agencies of the United States, including the Smithsonian Institution, conducting operations before the effective date of this Act in the area then comprising the Canal Zone concerning administrative problems, inefficiencies, and conflicts caused within departments and agencies of the United States, including the Smithsonian Institution, as a result of the implementation of the Panama Canal Treaty of 1977 and related agreements.

(b) The Ombudsman shall make findings and render assistance with respect to the complaints, grievances, requests, and suggestions submitted to the Office of Ombudsman, and shall make appropriate recommendations to the Commission or any other department or agency of the United States, including the Smithsonian Institution.

(c) The establishment of the Office of Ombudsman shall not affect any procedures for grievances, appeals, or administrative matters in any other provision of this Act, any other provision of law, or any

(e) The Office of Ombudsman shall terminate upon the termination of the Panama Canal Treaty of 1977. Termination.

CHAPTER 2—EMPLOYEES

Subchapter I—Panama Canal Commission Personnel

DEFINITIONS

SEC. 1201. As used in this chapter—

- (1) "Executive agency" has the meaning given that term in section 105 of title 5, United States Code;
- (2) "uniformed services" has the meaning given that term in section 2101(3) of title 5, United States Code;
- (3) "competitive service" has the meaning given that term in section 2102 of title 5, United States Code; and
- (4) "United States", when used in a geographic sense, means each of the several States and the District of Columbia.

22 USC 3641.

APPOINTMENT AND COMPENSATION; DUTIES

SEC. 1202. (a) In accordance with this chapter, the Panama Canal Commission may appoint without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, fix the compensation of, and define the authority and duties of, officers, agents, attorneys, and employees (other than the Administrator, Deputy Administrator, and Chief Engineer) necessary for the management, operation, and maintenance of the Panama Canal and its complementary works, installations, and equipment.

(b) Individuals serving in any Executive agency (other than the Commission) or the Smithsonian Institution, including individuals serving in the uniformed services, may, if appointed under this section or section 1103 or 1104 of this Act, serve as officers or employees of the Commission.

22 USC 3642.
5 USC 101 *et seq.*

TRANSFER OF FEDERAL EMPLOYEES

SEC. 1203. (a) The head of any agency may enter into agreements for the transfer or detail to the Commission of any employee of that agency serving under a permanent appointment. Any employee who so transfers or is so detailed shall, upon completion of the employee's tour of duty with the Commission, be entitled to reemployment with the agency from which the employee was transferred or detailed without loss of pay, seniority, or other rights or benefits to which the employee would have been entitled had the employee not been so transferred or been so detailed.

(b) For purposes of this section, the term "agency" means an Executive agency, the United States Postal Service, and the Smithsonian Institution.

(c) The Office of Personnel Management shall prescribe regulations to carry out the purposes of this section.

22 USC 3643

"Agency."

Regulations.

COMPENSATION OF INDIVIDUALS IN THE UNIFORMED SERVICES

SEC. 1204. (a) Except as provided in subsection (b) of this section, any individual who is serving in a position in the Commission and who is a member of a uniformed service shall continue to be paid basic pay by such uniformed service and shall not be paid by the

22 USC 3644.

(b) If the individual appointed as Administrator, Deputy Administrator, or Chief Engineer of the Commission is a member of a uniformed service, the amount of basic pay otherwise payable to the individual for service in that position shall be reduced, up to the amount of that basic pay, by the amount of the basic pay payable to the individual as a member of a uniformed service.

(c) The Commission shall annually pay to each uniformed service amounts sufficient to reimburse that uniformed service for any basic pay paid by that uniformed service to any member of that service during any period of service in the Commission by the member.

DEDUCTION FROM BASIC PAY OF AMOUNTS DUE FOR SUPPLIES OR SERVICES

645.

SEC. 1205. The Commission may deduct from the basic pay otherwise payable by the Commission to any officer or employee of the Commission or to any contractor of the Commission for transportation, board, supplies, or any other service. Any amount so deducted may be paid by the Commission to any contractor to whom it is due or may be credited by the Commission to any appropriation from which the Commission has expended such amount.

COST OF LIVING ALLOWANCE

646.

SEC. 1206. Effective beginning October 1, 1984, each officer and employee of the Commission who is a citizen of the United States and was employed by the Panama Canal Company or the Canal Zone Government on September 30, 1979, or who is an individual of any nationality recruited outside the Republic of Panama after September 30, 1979, may be paid an allowance to offset any increased cost of living which may result from the termination of the eligibility of the officer or employee and his dependents to use military postal services, sales stores, and exchanges. The amount of the allowance may be determined by the Commission.

EDUCATIONAL TRAVEL BENEFITS

647.

SEC. 1207. (a) The Commission shall provide by regulation for round-trip transportation between the Republic of Panama and the United States or, in the case of an employee described in paragraph (2) of this subsection, between the Republic of Panama and the country in which such employee is recruited, for undergraduate college education for dependents of employees of the Commission who—

(1) are United States citizens who were employed by the Panama Canal Company or the Canal Zone Government on September 30, 1979, or

(2) are recruited outside the Republic of Panama after that date.

(b) The regulations prescribed by the Commission under this section shall—

(1) provide eligibility requirements which must be met by such dependents to qualify for transportation under this section, including a requirement that all eligible dependents must be under 23 years of age; and

(2) limit the transportation provided to one round trip during

PRIVILEGES AND IMMUNITIES OF CERTAIN EMPLOYEES

SEC. 1208. The Secretary of Defense shall designate those officers and employees of the Commission and other individuals entitled to the privileges and immunities accorded under paragraph 3 of Article VIII of the Panama Canal Treaty of 1977. The Department of State shall furnish to the Republic of Panama a list of the names of such officers, employees, and other individuals and shall notify the Republic of Panama of any subsequent additions to or deletions from the list.

22 USC 3648.

INAPPLICABILITY OF CERTAIN BENEFITS TO CERTAIN NONCITIZENS

SEC. 1209. (a) Chapter 81 of title 5, United States Code, relating to compensation for work injuries, chapter 83 of such title 5, relating to civil service retirement, chapter 87 of such title 5, relating to life insurance, and chapter 89 of such title 5, relating to health insurance, are inapplicable to any individual—

22 USC 3649
5 USC 8101 et seq.

(1) who is not a citizen of the United States;

(2) whose initial appointment by the Commission occurs after October 1, 1979; and

5 USC 8301 et seq.
5 USC 8701 et seq.
5 USC 8901 et seq.

(3) who is covered by the Social Security System of the Republic of Panama pursuant to any provision of the Panama Canal Treaty of 1977 and related agreements.

(b) Subparagraph (B) of section 8701(a) of title 5, United States Code, defining the term employee for purposes of life insurance, is amended to read as follows:

Employee.

“(B) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone; or”.

(c) Clause (ii) of section 8901(1) of title 5, United States Code, defining the term employee for purposes of health insurance, is amended to read as follows:

Employee.

“(ii) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone;”.

Subchapter II—Wage and Employment Practices

DEFINITIONS

SEC. 1211. As used in this subchapter—

22 USC 3651.

(1) “agency” means—

(A) the Commission, and

(B) an Executive agency or the Smithsonian Institution, to the extent of any election in effect under section 1212(b)(2) of this Act;

(2) “position” means a civilian position in the Commission, or in any other agency if a substantial portion of the duties and responsibilities are performed in the Republic of Panama; and

(3) “employee” means an individual serving in a position.

**PANAMA CANAL EMPLOYMENT SYSTEM; MERIT AND OTHER
EMPLOYMENT REQUIREMENTS**

3652. SEC. 1212. (a) After considering any recommendations of the Commission, the President shall establish a Panama Canal Employment System. The Panama Canal Employment System shall—

(1) be established in accordance with and be subject to the provisions of the Panama Canal Treaty of 1977 and related agreements, the provisions of this chapter, and any other applicable provision of law;

(2) be based on the consideration of the merit of each employee or candidate for employment and the qualifications and fitness of the employee to hold the position concerned;

(3) conform, to the extent practicable and consistent with the provisions of this Act, to the policies, principles, and standards applicable to the competitive service; and

(4) in the case of employees who are citizens of the United States, provide for the appropriate interchange of those employees between positions under the Panama Canal Employment System and positions in the competitive service.

(b)(1) The Commission, and any Executive agency and the Smithsonian Institution to the extent of any election under paragraph (2) of this subsection, shall conduct their employment and pay practices relating to employees in accordance with the Panama Canal Employment System and regulations prescribed by, or under the authority of, the President in accordance with this subchapter.

(2) The head of any Executive agency and the Smithsonian Institution may elect to have the Panama Canal Employment System made applicable in whole or in part to personnel of that agency in the Republic of Panama.

(c) Subject to the provisions of this chapter, the President may, from time to time and after considering any recommendation of the Commission, amend or modify any provision of the Panama Canal Employment System, including any provision relating to selection for appointment, reappointment, reinstatement, reemployment, and retention, with respect to positions, employees, and candidates for employment.

(d) The President may, to the extent the President determines appropriate—

(1) exclude any employee or position from coverage under any provision of this subchapter; and

(2) notwithstanding section 1202 of this Act, extend to any employee, whether or not the employee is a citizen of the United States, the rights and privileges which are provided by applicable laws and regulations for citizens of the United States employed in the competitive service.

EMPLOYMENT STANDARDS

3653. SEC. 1213. The head of each agency shall establish written standards for—

(1) determining the qualifications and fitness of employees and of candidates for employment in positions; and

(2) selecting individuals for appointment, promotion, or transfer to positions.

The standards shall conform to the provisions of this subchapter, any

INTERIM APPLICATION OF CANAL ZONE MERIT SYSTEM

SEC. 1214. Notwithstanding any repeal made by this Act or any provision of this chapter, the provisions of subchapter III of chapter 7 of title 2 of the Canal Zone Code establishing the Canal Zone Merit System, together with the regulations prescribed thereunder, as in effect on September 30, 1979, shall continue in effect and shall apply with respect to employees until the Panama Canal Employment System is established and in effect pursuant to section 1212 of this Act.

BASIC PAY

SEC. 1215. (a) The head of each agency, in accordance with the provisions of this subchapter, shall establish, and from time to time may revise, the rates of basic pay for positions and employees in the agency.

(b) The rates of basic pay may be established and revised in relation to the rates of basic pay for the same or similar work performed in the United States or in such areas outside the United States as may be designated in the regulations prescribed under section 1223 of this Act.

(c) The head of each agency may make adjustments in rates of basic pay established under subsection (b) of this section in amounts not to exceed the amounts of the adjustments made from time to time by or under statute in the corresponding rates of basic pay for the same or similar work referred to in such subsection (b). The head of the agency may designate the effective date of any such adjustment, except that that date may not be earlier than the effective date of the adjustment in the corresponding rate of basic pay.

UNIFORM APPLICATION OF STANDARDS AND RATES

SEC. 1216. The standards established pursuant to section 1213 of this Act and the rates of basic pay established pursuant to section 1215 of this Act shall be applied without regard to whether the employee or individual concerned is a citizen of the United States or a citizen of the Republic of Panama.

RECRUITMENT AND RETENTION REMUNERATION

SEC. 1217. (a) In addition to basic pay, additional compensation may be paid, in such amounts as the head of the agency concerned determines, as an overseas recruitment or retention differential to any individual who—

(1) before October 1, 1979, was employed by the Panama Canal Company, by the Canal Zone Government, or by any other agency in the area then known as the Canal Zone;

(2) is an employee who was recruited on or after October 1, 1979, outside of the Republic of Panama for placement in the Republic of Panama; or

(3) is a medical doctor employed by the Department of Defense in the Republic of Panama or by the Commission; if, in the judgment of the head of the agency concerned, the recruitment or retention of the individual is essential.

(b) Any employee described in more than one paragraph of subsection (a) of this section may qualify for a recruitment or retention differential under only one of those paragraphs.

(c) Additional compensation provided under this section may not

22 USC 3654
76A Stat. 16.

22 USC 3655.

22 USC 3656.

Qualification
provisions.
22 USC 3657.

performed in the United States by individuals employed by the Government of the United States.

(d) Subchapter III of chapter 59 of title 5, United States Code, relating to overseas differentials and allowances, shall not apply with respect to any employee whose permanent duty station is in the Republic of Panama and who is employed by an agency.

BENEFITS BASED ON BASIC PAY

SEC. 1218. For the purpose of determining—

- (1) amounts of compensation for disability or death under chapter 81 of title 5, United States Code, relating to compensation for work injuries;
- (2) benefits under subchapter III of chapter 83 of title 5, United States Code, relating to civil service retirement;
- (3) amounts of insurance under chapter 87 of title 5, United States Code, relating to life insurance;
- (4) amounts of overtime pay or other premium pay;
- (5) annual leave benefits; and
- (6) any other benefits related to basic pay;

the basic pay of each employee shall include the rate of basic pay established for his position under section 1215 of this Act plus the amount of any additional compensation provided under section 1217 of this Act.

SALARY PROTECTION UPON CONVERSION OF PAY BASE

SEC. 1219. (a) In the case of any employee whose rate of basic pay is determined in relation to rates of basic pay for the same or similar work in the United States and which is converted to a rate of basic pay pursuant to section 1215(b) of this Act which is determined in relation to rates in areas other than the United States pursuant to such section 1215(b), the employee shall continue to receive a rate of basic pay not less than that to which the employee was entitled immediately before the conversion.

(b) This section shall cease to apply with respect to any employee if the employee is placed in a position—

- (1) for which the rate of basic pay is determined in relation to rates of basic pay in the United States pursuant to section 1215(b) of this Act; or
- (2) which is of a lower grade.

REVIEW AND ADJUSTMENT OF CLASSIFICATIONS, GRADES, AND PAY LEVEL

SEC. 1220. An employee may request at any time that the employee's agency—

- (1) review the classification of the employee's position or the grade or pay level for the employee's position, or both; and
- (2) revise or adjust that classification, grade or pay level, or both, as the case may be.

The request for review and revision or adjustment shall be submitted and adjudicated in accordance with the regularly established appeals procedures of the agency.

PANAMA CANAL BOARD OF APPEALS; DUTIES

SEC. 1221. (a) Subject to the provisions of this chapter, the President shall prescribe regulations establishing a Panama Canal Board of Appeals. The regulations shall provide for the number of members of

the Board and their appointment, compensation, and terms of office, the selection of a Chairman of the Board, the appointment and compensation of the Board's employees, and other appropriate matters relating to the Board.

(b) The Board shall review and determine the appeals of employees in accordance with section 1222 of this Act. The decisions of the Board shall conform to the provisions of this subchapter.

APPEALS TO BOARD; PROCEDURES; FINALITY OF DECISIONS

SEC. 1222. (a) An employee may appeal to the Panama Canal Board of Appeals from an adverse determination made by an agency under section 1220 of this Act. The appeal shall be made in writing within a reasonable time (as specified in regulations prescribed by, or under the authority of, the President) after the date of the transmittal by the agency to the employee of written notice of the adverse determination.

22 USC 3662.

(b) The Board may authorize, in connection with an appeal pursuant to subsection (a) of this section, a personal appearance before the Board by the employee, or by a representative of the employee designated for that purpose.

(c) After investigation and consideration of the evidence submitted, the Board shall—

- (1) prepare a written decision on the appeal;
- (2) transmit its decision to the agency concerned; and
- (3) transmit copies of the decision to the employee concerned or to the designated representative.

(d) The decision of the Board on any question or other matter relating to an appeal is final and conclusive. The agency concerned shall take action in accordance with the decision of the Board.

ADMINISTRATION BY THE PRESIDENT

SEC. 1223. (a) The President shall prescribe regulations necessary and appropriate to carry out the provisions of this subchapter and coordinate the policies and activities of agencies under this subchapter.

Regulations
22 USC 3663.

(b) The President may establish an office within the Commission as the successor to the Canal Zone Central Examining Office. The purpose of the office shall be to assist the President in—

Purpose

- (1) carrying out the President's coordination responsibility under subsection (a) of this section; and
- (2) implementing the provisions of the Panama Canal Treaty of 1977 and related agreements with respect to recruitment, examination, determination of qualification standards, and similar matters.

(c) The President may delegate any authority vested in the President by this subchapter and may provide for the redelegation of that authority.

Delegation of
authority.

APPLICABILITY OF CERTAIN LAWS

SEC. 1224. This chapter does not affect the applicability of—

22 USC 3664.

- (1) the provisions of title 5, United States Code, which relate to preference eligibles;
- (2) the provisions of title 5, United States Code, which relate to removal or suspension from the competitive service; and
- (3) the provisions of section 5544(a) of title 5, United States Code, which relate to wage-board overtime and Sunday rates,

with respect to classes of employees who were covered by those provisions on the date of the enactment of this Act.

MINIMUM LEVEL OF PAY; MINIMUM ANNUAL INCREASES

SEC. 1225. (a) Subsection (f) of section 13 of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(f)), relating to applicability to employees in foreign countries and certain United States possessions, is amended by striking out "Johnston Island; and the Canal Zone." and inserting in lieu thereof "and Johnston Island."

(b)(1) Effective October 1, 1979, each individual employed by an Executive agency or the Smithsonian Institution, whose permanent duty station is located within an area or installation in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements, shall be paid basic pay at a rate of not less than \$2.90 an hour.

(2) Effective on October 1 of each succeeding calendar year, the rate of basic pay for each individual referred to in paragraph (1) of this subsection whose basic pay is not fixed in relation to rates of basic pay for the same or similar work performed in the United States shall be increased by an amount equal to not less than 2 percent of the rate of basic pay for that individual in effect immediately before that date.

Subchapter III—Conditions of Employment and Placement

TRANSFERRED OR REEMPLOYED EMPLOYEES

SEC. 1231. (a)(1) With respect to any individual employed in the Panama Canal Company or the Canal Zone Government—

(A) who is transferred—

(i) to a position in the Commission; or

(ii) to a position in an Executive agency or in the Smithsonian Institution the permanent duty station of which is in the Republic of Panama (including the area known before October 1, 1979, as the Canal Zone); or

(B) who is separated by reason of a reduction in force on September 30, 1979, and is appointed to a position in the Commission before April 1, 1980;

the terms and conditions of employment set forth in paragraph (2) of this subsection shall be generally no less favorable, on or after the date of the transfer referred to in subparagraph (A) of this paragraph or the date of the appointment referred to in subparagraph (B) of this paragraph, as the case may be, than the terms and conditions of employment with the Panama Canal Company and Canal Zone Government on September 30, 1979, or, in the case of a transfer described in subparagraph (A)(ii) of this paragraph which takes place before that date, on the date of the transfer.

(2) The terms and conditions of employment referred to in paragraph (1) of this subsection are the following:

- (A) rates of basic pay;
- (B) tropical differential;
- (C) premium pay and night differential;
- (D) reinstatement and restoration rights;
- (E) injury and death compensation benefits;
- (F) leave and travel;
- (G) transportation and repatriation benefits;
- (H) group health and life insurance;
- (I) reduction-in-force rights;

(J) an employee grievance system, and the right to appeal adverse and disciplinary actions and position classification actions;

(K) veterans' preference eligibility;

(L) holidays;

(M) saved pay provisions; and

(N) severance pay benefits.

(3)(A) The provisions of this subsection shall take effect on the date of the enactment of this Act.

(B) No spending authority (as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974) provided for under this subsection shall take effect before October 1, 1979.

(C) Effective October 1, 1979, any individual who, but for subparagraph (B) of this paragraph, would have been entitled to one or more payments pursuant to this subsection for periods before October 1, 1979, shall be entitled, to the extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such payments.

(b) Any individual described in subsection (a)(1)(B) of this section who would have met the service requirement for early retirement benefits under section 8336(i) or 8339(d)(2) of title 5, United States Code (as amended by sections 1241(a) and 1242 of this Act, respectively), but for a break in service of more than 3 days immediately after September 30, 1979, shall be considered to meet that requirement. Any break in service by any such individual for purposes of section 8332 of such title 5 during the period beginning September 30, 1979, and ending on the date of the appointment referred to in such subsection (a)(1)(B) shall be considered a period of creditable service under such section 8332 for such individual, except that such period shall not be taken into account for purposes of determining average pay (as defined in section 8331(4) of such title 5) and no deduction, contribution, or deposit shall be required for that period under section 8334 of such title 5.

(c)(1) Section 5(c) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 903(c)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama, until the rates of basic compensation established under section 5(c) of such Act equal or exceed the rates of basic compensation then in effect for teachers who were so transferred.

(2) Section 6(a)(2) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 904(a)(2)) shall not apply with respect to any teacher who was employed by the Canal Zone Government school system on September 30, 1979, and who was transferred from such position to a teaching position which is under the Department of Defense Overseas Dependent School System and the permanent duty station of which is in the Republic of Panama.

(3)(A) The head of a department or agency of the United States may grant a sabbatical to any teacher to whom paragraph (1) of this subsection applies for not to exceed 11 months in order to permit the teacher to engage in study or uncompensated work experience which is in the United States and which will contribute to the teacher's development and effectiveness. Basic compensation shall be paid to teachers on sabbatical under this section in the same manner and to the same extent as basic compensation would have been paid to teachers on sabbatical while employed in the Canal Zone Govern-

Effective date

31 USC 1351

Effective date

Sabbatical leave

Compensation

ment school system on the day before the effective date of this Act. A sabbatical shall not result in a loss of, or reduction in, leave to which the teacher is otherwise entitled, credit for time or service, or performance or efficiency rating. The head of the department or agency may authorize in accordance with chapter 57 of title 5, United States Code, such travel expenses (including per diem allowance) as the head of the department or agency may determine to be essential for the study or experience.

(B) A sabbatical under this paragraph may not be granted to any teacher—

- (i) more than once in any 10-year period;
- (ii) unless the teacher has completed 7 years of service as a teacher; and
- (iii) if the teacher is eligible for voluntary retirement with a right to an immediate annuity.

(C)(i) Any teacher in a department or agency of the United States may be granted a sabbatical under this paragraph only if the teacher agrees, as a condition of accepting the sabbatical, to serve in the civil service upon the completion of the sabbatical for a period of two consecutive years.

(ii) Each agreement required under clause (i) of this subparagraph shall provide that in the event the teacher fails to carry out the agreement (except for good and sufficient reason as determined by the head of the department or agency that granted the sabbatical) the teacher shall be liable to the United States for payment of all expenses (including salary) of the sabbatical. The amount shall be treated as a debt due the United States.

(d) Sections 5595(a)(2)(iii), 5724(a)(3) and (4), and 8102(b) of title 5, United States Code, are each amended by striking out "Canal Zone" each place it appears and inserting in lieu thereof "areas and installations in the Republic of Panama made available to the United States pursuant to the Panama Canal Treaty of 1977 and related agreements (as described in section 8(a) of the Panama Canal Act of 1979)".

PLACEMENT

SEC. 1232. (a) Any citizen of the United States—

- (1) who, on March 31, 1979, was an employee of the Panama Canal Company or the Canal Zone Government;
 - (2) who separates or is scheduled to separate on or after such date for any reason other than misconduct or delinquency; and
 - (3) who is not placed in another appropriate position in the Government of the United States in the Republic of Panama;
- shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(b) Any citizen of the United States—

- (1) who, on March 31, 1979, was employed in the Canal Zone as an employee of an Executive agency (other than the Panama Canal Company or the Canal Zone Government) or the Smithsonian Institution;
- (2) whose position is eliminated as the result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and
- (3) who is not appointed to another appropriate position in the

shall, upon the employee's request, be accorded appropriate assistance for placement in vacant positions in the Government of the United States in the United States.

(c) The Office of Personnel Management shall establish and administer a Government-wide placement program for all eligible employees who request appointment to positions under this section.

(d) The provisions of this section shall take effect on the date of the enactment of this Act.

Effective date:
22 USC 3672
note

Subchapter IV—Retirement

EARLY RETIREMENT ELIGIBILITY

SEC. 1241. (a) Section 8336 of title 5, United States Code, is amended—

(1) in subsection (c), by inserting "(1)" after "(c)" and by adding at the end thereof the following new paragraph:

"(2) An employee is entitled to an annuity if the employee—
"(A) was a law enforcement officer or firefighter employed by the Panama Canal Company or the Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(B) is separated from the service before January 1, 2000, after becoming 48 years of age and completing 18 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 18 years."; and

(2) by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i)(1) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed by the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 3 days, from that time until separation, is entitled to an annuity if the employee is separated—

"(A) involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service, if the separation is a result of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; or

"(B) voluntarily, after completing 23 years of service or after becoming 48 years of age and completing 18 years of service.

"(2) An employee of the Panama Canal Commission or of an Executive agency conducting operations in the Canal Zone or Republic of Panama who is separated from the service before January 1, 2000, who was employed, at a permanent duty station in the Canal Zone, by any Executive agency other than the Canal Zone Government or the Panama Canal Company at any time during the period beginning March 31, 1979, and ending September 30, 1979, and who has had continuous Panama Canal service, without a break in service of more than 8 days, from that time until separation, is entitled to an annuity if—

"(A) the employee is separated involuntarily, after completing 20 years of service or after becoming 48 years of age and completing 18 years of service; and

"(B) the separation is the result of the implementation of any

"(3) For the purpose of this subsection—

"(A) 'Panama Canal service' means—

"(i) service as an employee of the Canal Zone Government, the Panama Canal Company, or the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or the Republic of Panama; and

"(B) 'Executive agency' includes the United States District Court for the District of the Canal Zone and the Smithsonian Institution."

(b)(1) The amendments made by this section shall take effect on the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1) of this subsection, would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to such extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

EARLY RETIREMENT COMPUTATION

SEC. 1242. (a) Section 8339(d) of title 5, United States Code, is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following new paragraphs:

"(2) The annuity of an employee retiring under this subchapter who was employed by the Panama Canal Company or Canal Zone Government on September 30, 1979, is computed with respect to the period of continuous Panama Canal service from that date, disregarding any break in service of not more than 3 days, by adding—

"(A) 2½ percent of the employee's average pay multiplied by so much of that service as does not exceed 20 years; plus

"(B) 2 percent of the employee's average pay multiplied by so much of that service as exceeds 20 years.

"(3)(A) In the case of an employee who has service as a law enforcement officer or firefighter to which paragraph (2) of this subsection applies, the annuity of that employee is increased by \$8 for each full month of that service which is performed in the Republic of Panama.

"(B) In the case of an employee retiring under this subchapter who—

"(i) was employed as a law enforcement officer or firefighter by the Panama Canal Company or Canal Zone Government at any time during the period beginning March 31, 1979, and ending September 30, 1979; and

"(ii) does not meet the age and service requirements of section 8336(c) of this title;

the annuity of that employee is increased by \$12 for each full month of that service which occurred before October 1, 1979.

"(C) An annuity increase under this paragraph does not apply with respect to service performed after completion of 20 years of service (or any combination of service) as a law enforcement officer or fire-

"(i) service as an employee of the Panama Canal Commission; or

"(ii) service at a permanent duty station in the Canal Zone or Republic of Panama as an employee of an Executive agency conducting operations in the Canal Zone or Republic of Panama; and

"(B) 'Executive agency' includes the Smithsonian Institution."

(b)(1) The amendments made by this section shall take effect on the date of the enactment of this Act, but no amount of annuity under chapter 83 of title 5, United States Code, accruing by reason of those amendments shall be payable for any period before October 1, 1979.

(2) Effective October 1, 1979, any individual who, but for paragraph (1) of this subsection, would have been entitled to one or more annuity payments pursuant to the amendments made by this section for periods before October 1, 1979, shall be entitled, to such extent or in such amounts as are provided in advance in appropriation Acts, to a lump sum payment equal to the total amount of all such annuity payments.

RETIREMENT UNDER SPECIAL TREATY PROVISIONS

SEC. 1243. (a)(1) Subject to subsection (b) of this section, and under such regulations as the President may prescribe, the Secretary of the Treasury shall pay to the Social Security System of the Republic of Panama, out of funds deposited in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund under section 8334(a)(2) of title 5, United States Code, such sums of money as may be necessary to aid in the purchase of a retirement equity in such System for each individual who—

(A) meets the requirements of paragraph (2) of this subsection;

(B) is separated from employment in the Panama Canal Company, the Canal Zone Government, or the Commission by reason of the implementation of any provision of the Panama Canal Treaty of 1977 and related agreements; and

(C) becomes employed in a position covered by the Social Security System of the Republic of Panama through the transfer of a function or activity to the Republic of Panama from the United States or through a job placement assistance program.

(2) This subsection applies with respect to any individual only if the individual—

(A) has been credited with at least 5 years of civilian service under section 8332 of title 5, United States Code, relating to creditable service for purposes of civil service retirement;

(B) is not eligible for an immediate retirement annuity under chapter 83 of title 5, United States Code, relating to civil service retirement, and elects not to receive a deferred annuity under that chapter based on any portion of that service; and

(C) elects to withdraw from the Civil Service Retirement and Disability Fund the individual's entire lump-sum credit (as defined in section 8331(8) of title 5, United States Code) and to transfer that amount to the Social Security System of the Republic of Panama pursuant to the special regime referred to in paragraph 3 of Article VIII of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977.

(b) The amount paid to the Social Security System of the Republic of Panama with respect to any individual under subsection (a) of this

"Executive agency."
5 USC 8339 note.
5 USC 8301.

Social Security System of the Republic of Panama, payment.
22 USC 3681.

Eligibility.

5 USC 8301.

Payment limitation.

(c)(1) Pursuant to paragraph 2(b) of Annex C to the Agreement in Implementation of Article IV of the Panama Canal Treaty of 1977, the President, or the President's designee, shall purchase from a source determined by the President to be appropriate, in accordance with such regulations as the President or the President's designee may prescribe, and to such extent or in such amounts as may be provided in advance in appropriation Acts, a nontransferable deferred annuity for the benefit of each employee of an agency or instrumentality of the Government of the United States in the Republic of Panama—

(A) who is not a citizen of the United States;

(B) who was employed on October 1, 1979, and during any period before that date by an agency or instrumentality of the Government of the United States at any permanent duty station in the Republic of Panama (including, with respect to employment before that date, the area then known as the Canal Zone);

(C) who, for any period of service with such agency or instrumentality before October 1, 1979, at any such permanent duty station was not covered, by reason of that service, by the United States Civil Service Retirement system or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama; and

(D) who, on October 1, 1979, is under a Federal retirement system and, on or before that date, has accrued in one or more agencies or instrumentalities of the United States a total of 5 years or more of service which—

(i) is creditable toward any Federal retirement system as in effect on October 1, 1979;

(ii) would have been creditable toward any such retirement system if the retirement system were in effect at the time of the service accrued by the employee; or

(iii) consists of any combination of service described in clauses (i) and (ii) of this subparagraph.

(2) The retirement annuity referred to in paragraph (1) of this subsection with respect to any employee will cover retroactivity, from October 1, 1979, all periods of service, described in subparagraph (D) of that paragraph, by that employee at any permanent duty station in the Republic of Panama (including the area known before that date as the Canal Zone) in agencies and instrumentalities of the Government of the United States during which that employee was not covered by the United States Civil Service Retirement System or any other Federal retirement system providing benefits similar to those retirement benefits provided by the Social Security System of the Republic of Panama.

OBLIGATION OF COMMISSION FOR UNFUNDED LIABILITY

SEC. 1244. Section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(1) Notwithstanding any other provision of law, the Panama Canal Commission shall be liable for that portion of any estimated increase in the unfunded liability of the fund which is attributable to any benefits payable from the Fund to or on behalf of employees and their survivors to the extent attributable to the amendments made by sections 1241 and 1242, and the provisions of sections 1231(b) and 1243(a)(1), of the Panama Canal Act of 1979.

"(2) The estimated increase in the unfunded liability referred to in

Personnel Management. The Secretary of the Treasury shall pay to the Fund from appropriations for that purpose the amount so determined in annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System."

CASH RELIEF TO CERTAIN FORMER EMPLOYEES

SEC. 1245. (a) The Commission, under the regulations prescribed by the President pursuant to the Act entitled "An Act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act", approved July 8, 1937, as amended (50 Stat. 478; 68 Stat. 17), may continue the payments of cash relief to those individual former employees of the Canal Zone Government or Panama Canal Company or their predecessor agencies not coming within the scope of the former Canal Zone Retirement Act whose services were terminated prior to October 5, 1958, because of unfitness for further useful service by reason of mental or physical disability resulting from age or disease. Subject to subsection (b) of this section, that cash relief may not exceed \$1.50 per month for each year of service of the employees so furnished relief, with a maximum of \$45 per month, plus the amount of any cost-of-living increases in such cash relief granted before October 1, 1979, pursuant to section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), nor be paid to any employee who, at the time of termination for disability prior to October 5, 1958, had less than 10 years' service with the Canal Zone Government, the Panama Canal Company, or their predecessor agencies on the Isthmus of Panama.

(b) An additional amount of \$20 per month shall be paid to each person who receives payment of cash relief under subsection (a) of this section and shall be allowed without regard to the limitations contained therein.

(c) Each cash relief payment made pursuant to this section shall be increased on the same effective date and by the same percent, adjusted to the nearest dollar, as civil service retirement annuities are increased under the cost-of-living adjustment provisions of section 8340(b) of title 5, United States Code. Such increase shall apply only to cash relief payments made after October 1, 1979, as increased by annuity increases made after that date under such section 8340(b).

(d) The Commission may pay cash relief to the widow of any former employee of the Canal Zone Government or the Panama Canal Company who, until the time of his death, receives or has received cash relief under subsection (a) of this section, under section 181 of title 2 of the Canal Zone Code (as in effect on September 30, 1979), or under the Act of July 8, 1937, referred to in such subsection (a). The term "widow" as used in this subsection includes only the following:

(1) a woman legally married to such employee at the time of his termination for disability and at his death;

(2) a woman who, although not legally married to such former employee at the time of his termination, had resided continuously with him for at least five years immediately preceding the employee's termination under such circumstances as would at common law make the relationship a valid marriage and who continued to reside with him until his death; and

(3) a woman who has not remarried or assumed a common-law relationship with any other person.

Cash relief granted to such a widow shall not at any time exceed 50 percent of the rate at which cash relief, inclusive of any additional

Disabled
employees.
22 USC 3682

76A Stat. 20.
"Widow."

payment under subsection (b) of this section, would be payable to the former employee were he then alive.

331.

(e) Subchapter III of chapter 83 of title 5, United States Code, applies with respect to those individuals who were in the service of the Canal Zone Government or the Panama Canal Company on October 5, 1958, and who, except for the operation of section 13(a)(1) of the Act entitled "An Act to implement item 1 of a Memorandum of Understanding attached to the treaty of January 25, 1955, entered into by the Government of the United States of America and the Government of the Republic of Panama with respect to wage and employment practices of the Government of the United States of America in the Canal Zone", approved July 25, 1958 (72 Stat. 405), would have been within the classes of individuals subject to the Act of July 8, 1937, referred to in subsection (a) of this section.

331 note.

APPLIANCES FOR EMPLOYEES INJURED BEFORE SEPTEMBER 7, 1916

3683.

SEC. 1246. Artificial limbs or other appliances may be purchased by the Commission, out of any funds appropriated to the Commission, for persons who were injured in the service of the Isthmian Canal Commission or of the Panama Canal before September 7, 1916.

Subchapter V—Leave

LEAVE FOR JURY OR WITNESS SERVICE

SEC. 1251. Section 6322(a) of title 5, United States Code, is amended—

- (1) by striking out "the Canal Zone, or"; and
- (2) by striking out "Islands," and inserting in lieu thereof "Islands, or the Republic of Panama."

Subchapter VI—Application to Related Personnel

LAW ENFORCEMENT; CANAL ZONE CIVILIAN PERSONNEL POLICY COORDINATING BOARD; RELATED EMPLOYEES

3691.

SEC. 1261. (a) For the purposes of sections 1206, 1231, 1232, 1241, and 1242 of this Act, including any amendment made by those sections, the United States Attorney for the District of the Canal Zone and the Assistant United States Attorneys and their clerical assistants, and the United States Marshal for the District of the Canal Zone and his deputies and clerical assistants shall be considered employees of the Commission.

(b) For the purposes of this Act, including any amendment made by this Act, the Executive Director of the Canal Zone Civilian Personnel Policy Coordinating Board, the Manager, Central Examining Office, and their staffs shall be considered to have been employees of the Panama Canal Company with respect to service in those positions before October 1, 1979, and as employees of the Commission with respect to service in those positions on or after that date.

ve date.
3691

(c) The provisions of this section shall take effect on the date of the enactment of this Act.

Subchapter VII—Labor-Management Relations

LABOR-MANAGEMENT RELATIONS

3701.

SEC. 1271. (a) Nothing in this Act shall be construed to affect the applicability of chapter 71 of title 5, United States Code, relating to

labor-management and employee relations, with respect to the Commission or the operations of any other Executive agency conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, except that in applying those provisions—

(1) the definition of "employee" shall be applied without regard to clause (i) of section 7103(a)(2) of such title 5 which relates to nationality and citizenship; and

(2) a unit shall be considered to be appropriate notwithstanding the fact that it includes any supervisor if that supervisor's position (or type of position) was, before October 1, 1979, represented before the Panama Canal Company by a labor organization that included employees who were not supervisors.

(b) Labor-management and employee relations of the Commission, other Executive agencies, and the Smithsonian Institution, their employees, and organizations of those employees, in connection with operations conducted in that area of the Republic of Panama which, on September 30, 1979, was the Canal Zone, shall be governed and regulated solely by the applicable laws, rules, and regulations of the United States.

CHAPTER 3—FUNDS AND ACCOUNTS

Subchapter I—Funds

CANAL ZONE GOVERNMENT FUNDS

SEC. 1301. On the effective date of this Act, any unexpended balances of the appropriation accounts appearing on the books of the United States Government as "Operating Expenses, Canal Zone Government (38-0116-0-1-806)" and "Capital Outlay, Canal Zone Government (38-0118-0-1-806)" shall be covered into the general fund of the Treasury, and any appropriations to which expenditures under such accounts have been chargeable before such effective date are repealed. The Commission may, to such extent or in such amounts as are provided in appropriation Acts to the Commission for such purpose, pay claims or make payments chargeable to such accounts, upon proper audit of such claims or payments. There are authorized to be appropriated to the Commission such funds as may be necessary to pay claims and make payments pursuant to this section.

22 USC 3711.

Appropriation
authorization

PANAMA CANAL COMPANY FUNDS; COMMISSION FUNDS

SEC. 1302. (a) On the effective date of this Act, the account appearing on the books of the United States Government as the "Panama Canal Company Fund (38-4060-0-3-403)" shall be terminated, and any unexpended balances under such account as of that date shall be covered into the Treasury in an account to be known as the "Panama Canal Commission Fund".

22 USC 3712.

(b) On or after the effective date of this Act, tolls for the use of the Panama Canal and all other receipts of the Commission that, before such effective date, would have been credited to the account appearing on the books of the Governments as the "Panama Canal Company Fund (38-4060-0-3-403)" shall be deposited in the Treasury in the Panama Canal Commission Fund.

(c)(1) No funds may be appropriated to or for the use of the Commission, nor may any funds be obligated or expended by the Commission for any fiscal year, unless such appropriation, obligation, or expenditure has been specifically authorized by law



The Commission
on
National and Community Service

Facsimile Transmission

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Message:

① The CAS memo
was given to me by the
Mems. State rep. at
meeting today
② Note re Kennan
- in case you need her
help -

CITIZENSHIP • ACTION • SERVICE**301-19th Avenue South • Minneapolis, Minnesota 55455 • 612.625.9505**

May 21, 1993

Larry Fonnest
Director, Office of Youth Programs
Minnesota Department of Natural Resources
500 Lafayette Road
St. Paul, Minnesota 55155-4004

Dear Mr. Fonnest:

Many thanks for agreeing to share our comments on the National Service Trust Act with your colleagues this coming week in Washington, DC. What follows are our overall comments about the legislation and our key points of interest. Please let me know if you need further clarification of these ideas.

As an association of young professionals organized to enhance our own capacity as well as that of other young citizens for ongoing democratic participation and community change, CAS supports the passing of National Service legislation. We are in favor of legislation that ensures:

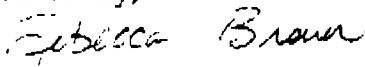
- **increased participation** through increased access and outreach to a diversity of local organizations and groups;
- **decision-making** by all those affected by the legislation, especially a strong youth voice;
- **adequate funding** so that new efforts may join with already existing organizations;
- **comprehensive training and evaluation** for all participants.

We propose strengthening the current National Service Trust Act to be consistent with these four key points. Attached are detailed recommendations and questions from our membership.

We will bring our comments to Senator Wellstone's staff next week and have been invited to present our analysis of the NSTA to the Governor's Task Force on Community Service in early June.

I look forward to your comments when you return from Washington. Again, thank you for including our ideas.

Sincerely,



Rebecca Breuer for CAS

enclosures

CAS Legislative Analysis National Service Trust Act 1993

Title 1. Programs and Provisions of the NSTA

Strengths:

- no upper age limit for participants (sec. 122)
- Corporation provides 85% of operating costs for state commissions in the first year (sec. 126)
- two-thirds of the funding is allocated by the states (sec. 129)
- application information must include "(7) the manner in which the program will develop an ethic of civic responsibility in participants; improve the lives of participants through training, meaning service experiences, and opportunities to reflect on those experiences; and offer the participants opportunities to design and lead programs... (12) the extent to which participants, representatives of the community served, community-based organizations and labor organizations contributed to the program's development." (sec. 130)
- funded programs responsible for selecting own participants based on non-discriminatory criteria (sec. 138)
- includes provision to prevent stipends from affecting eligibility for federal benefits, public assistance, etc. (sec. 140)
- provision to ensure nondisplacement of workers (sec. 117)

Recommendations for Improvement

- cap of 5% funding spent on administrative costs seems too low (sec 121)
- clarify whether VISTA and CCC participants are eligible for educational awards (sec. 129)
- clarify why the following is necessary: "not less than 60% of funded programs must be run by the state" (sec. 130)
- clarify what is meant by the "national leadership pool" (sec. 131)

Questions

- Does the legislation completely replace the National and Community Service Act of 1990?
- Have the best pieces of the NCSA been retained, and have the concerns/criticisms of the NCSA been addressed in the new language of the NSTA?
- Why does sec. 103 eliminate authority within existing ServeAmerica program for grants to be made by the State Educational Agency for community service programs for school drop-outs?
- What is a national service fellowship? Who is eligible? (sec. 104)

Title 2: Organization of State Commissions on Domestic Service

Strengths

- includes representatives from national service, local government and local labor organizations
- delineates where other members may be selected from

Recommendations for Improvement

- add to the required members of the State Commissions representatives from:
 - community based organizations
 - youth participant in service program
 - education
 - business groups and organizations

Title 2: Organization of the Corporation for National Service

Strengths

- includes people "with extensive experience in volunteer and service programs"
- includes people "who represent a broad range of viewpoints" and cultural diversity

Recommendations for Improvement

- add to the requirements for Corporation composition, similar to those recommendations for strengthening the state commissions.
- especially ensure strong youth voice and participation

Title 2: re VISTA and the Peace Corps

Questions

- clarify how the NSTA plans to build on VISTA and the Peace Corps

Title 3: Re-Authorization: NSTA 1990

Strengths

- Outreach to organizations not previously involved in addressing local needs such as labor unions and for-profit organizations.
- Revisions of program participation that prioritize the participation of younger and older individuals.
- The commitment to diverse participation in the program.
- Focus on intergenerational service.

Recommendations for Improvement

- It is critical that people from community based organizations, both those being served and those providing the service would have a voice in the decision of "National Priorities".
- We support the reauthorization of appropriations for the National And Community Service Act of 1990 regardless of the status of the Student Reform Act of 1993.
- We recommend comprehensive training on the local level for volunteers that will be working with "at risk" children.
- We recommend that community based organizations working directly with under-represented populations be a priority rather than the larger, well known organizations.

Questions

- How will the Director choose "National Priorities"? Who will have input into that decision?
- Will the appropriations of funds for the National Service Act be contingent on the Student Loan Reform Act of 1993?
- What will be the role of VISTA? What was the decision based on to place such a strong emphasis placed on VISTA programs and volunteers?
- What role will the Peace Corps play? What was the decision based on to place such a strong emphasis placed on Peace Corps volunteers?
- VISTA volunteers will not receive a stipend if they elect to receive a National Service Education Award. How is that the same or different from non-VISTA volunteers?
- Will the priority for funding be placed on national or local organizations?
- How will the addition to the Statement of Purpose for the VISTA Program be carried out? How will VISTA be restructured to achieve the goals in that statement?
- What will the ramifications of the repeal of authority to make student community service programs be?

Title 4: Technical and Conforming Amendments

Recommendations

- Rethink the name "Corporation".

Questions

- What will happen to ACTION programs , employees and volunteers?
- What will be the percentage of the total appropriation of funds that will go the Points of Light Foundation?

General Questions

- What does "National Service Programs" refer to?
- Who will provide training? Will it be on the national, state, or local level?
- What is the role of the Department of Defense? What is the National Defense Authorization Act 1993 and what is its role with the NSTA?

Student Loan Reform Act of 1993: possible funding source for the NSTA

Questions

- Where, exactly, will the proposed 3.37 billion dollars of net savings from a direct lending system go?
- Is National Service funding contingent upon this direct lending?
- Is NSTA funding "capped" at the level saved through direct loans?
- Is the funding transfer guaranteed?
- What are the "technical assumptions" in the President's budget upon which the projected savings are based? Are they realistic?

AMENDMENT TO H.R. 2010**OFFERED BY MR. MILLER OF CALIFORNIA**

(Page & line nos. refer to bill as introduced on 5/6/93)

Page 11, line 14, strike "including a" and insert "including the Public Lands Corps established under section 134 of the National Service Trust Act of 1993 and other".

Page 156, before line 6, add the following new subtitle:

*Follows
Service
American*

1 Subtitle C—Public Lands Corps of
2 the Department of the Interior
3 and the Department of Agri-
4 culture

5 SEC. 131. SHORT TITLE.

6 This subtitle may be cited as the "Public Lands
7 Corps Act of 1993".

8 SEC. 132. CONGRESSIONAL FINDINGS AND PURPOSE.

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

10 (1) Conserving or developing natural and cul-
11 tural resources and enhancing and maintaining envi-
12 ronmentally important lands and waters through the
13 use of the Nation's young men and women in a Pub-
14 lic Lands Corps can benefit those men and women
15 by providing them with education and work opportu-

1 nities, furthering their understanding and apprecia-
2 tion of the natural and cultural resources, and pro-
3 viding a means to pay for higher education or to
4 repay indebtedness they have incurred to obtain
5 higher education while at the same time benefiting
6 the Nation's economy and its environment.

7 (2) Many facilities and natural resources lo-
8 cated on public lands and on Indian reservations are
9 in disrepair or degraded and in need of labor inten-
10 sive rehabilitation, restoration, and enhancement
11 work which cannot be carried out by Federal agen-
12 cies at existing personnel levels.

13 (3) Youth conservation corps have established a
14 good record of restoring and maintaining these kinds
15 of facilities and resources in a cost effective and effi-
16 cient manner, especially when they have worked in
17 partnership arrangements with government land
18 management agencies.

19 (b) PURPOSE.—It is the purpose of this subtitle to—

20 (1) perform, in a cost-effective manner, con-
21 servation, rehabilitation, restoration, and improve-
22 ment work on public lands and Indian lands where
23 that work will not be performed by existing employ-
24 ees, and to assist government and tribal land man-
25 aging agencies in performing research and public

1 education tasks associated with natural and cultural
2 resources on public lands and Indian lands;

3 (2) expose young men and women to public
4 service while furthering their understanding and ap-
5 preciation of the nation's natural and cultural re-
6 sources;

7 (3) expand educational opportunity by reward-
8 ing individuals who participate in national service
9 with an increased ability to pursue higher education
10 or job training; and

11 (4) stimulate interest among the nation's young
12 men and women in conservation careers by exposing
13 them to conservation professionals in land managing
14 agencies.

15 **SEC. 133. DEFINITIONS.**

16 For purposes of this subtitle:

17 (1) The term "Corps" means the Public Lands
18 Corps established under section 134.

19 (2) The term "public lands" means any lands
20 or waters (or interest therein) owned or adminis-
21 tered by the United States, except that such term
22 does not include any Indian lands.

23 (3) The term "qualified youth or conservation
24 corps" means any program established by a State or

1 local government, by the governing body of any In-
2 dian tribe, or by a nonprofit organization that—

3 (A) is capable of offering meaningful, full-
4 time, productive work for individuals between
5 the ages of 16 and 25, inclusive, in a natural
6 or cultural resource setting;

7 (B) gives participants a mix of work expe-
8 rience, basic and life skills, education, training,
9 and support services; and

10 (C) provides participants with the oppor-
11 tunity to develop citizenship values and skills
12 through service to their community and the
13 United States.

14 (4) The term “Indian tribe” means any Indian
15 tribe, band, nation, or other group which is rec-
16 ognized as an Indian tribe by the Secretary of the
17 Interior. Such term also includes any Native village
18 corporation, regional corporation, and Native group
19 established pursuant to the Alaska Native Claims
20 Settlement Act (43 U.S.C. 1701 et seq.).

21 (5) The term “Indian” means a person who is
22 a member of an Indian tribe.

23 (6) The term “Indian lands” means any real
24 property owned by an Indian tribe, any real property
25 held in trust by the United States for Indian tribes,

1 and any real property held by Indian tribes which is
2 subject to restrictions on alienation imposed by the
3 United States.

4 (7) The term "State" means any State of the
5 United States, the District of Columbia, the Com-
6 monwealth of Puerto Rico, Guam, the Virgin Is-
7 lands, American Samoa, and the Commonwealth of
8 the Northern Mariana Islands.

9 (8) The term "conservation, restoration, or re-
10 habilitation project" means any project for the con-
11 servation, restoration, or rehabilitation of natural,
12 cultural, historic, archaeological, recreational, or sce-
13 nic resources.

14 **SEC. 134. PUBLIC LANDS CORPS PROGRAM.**

15 (a) ESTABLISHMENT OF PUBLIC LANDS CORPS.—
16 There is hereby established in the Department of the Inte-
17 rior and the Department of Agriculture a Public Lands
18 Corps. The Corps shall consist of individuals between the
19 ages of 16 and 25, inclusive, who are enrolled as partici-
20 pants in the Corps by the Secretary of the Interior or the
21 Secretary of Agriculture. To be eligible for enrollment in
22 the Corps, an individual shall satisfy the criteria specified
23 in section 139(b) of the National and Community Service
24 Act of 1990. The Secretary of the Interior and the Sec-
25 retary of Agriculture may enroll such individuals in the

Terms
of ?
Service

1 Corps without regard to the civil service and classification
2 laws, rules, or regulations of the United States.

3 (b) QUALIFIED YOUTH OR CONSERVATION CORPS.—

4 The Secretary of the Interior and the Secretary of Agri-
5 culture are authorized to enter into contracts and coopera-
6 tive agreements with any qualified youth or conservation
7 corps to perform conservation, restoration, or rehabilita-
8 tion projects referred to in subsection (c).

9 (c) PROJECTS TO BE CARRIED OUT.—The Secretary
10 of the Interior and the Secretary of Agriculture may each
11 utilize the Public Lands Corps or any qualified youth or
12 conservation corps to carry out any conservation, res-
13 toration, or rehabilitation project which such Secretary is
14 authorized to carry out under other authority of law on
15 public lands or Indian lands.

16 (d) PREFERENCE FOR CERTAIN PROJECTS.—In se-
17 lecting a conservation, restoration, or rehabilitation
18 project to be carried out under this subtitle, the Secretary
19 of the Interior and the Secretary of Agriculture shall give
20 a preference to those projects which—

- 21 (1) will provide long-term benefits to the public;
- 22 (2) will instill in the enrollee involved a work
23 ethic and a sense of public service;
- 24 (3) will be labor intensive;
- 25 (4) can be planned and initiated promptly; and

1 (5) will provide academic, experiential, and en-
2 vironmental education opportunities.

3 (e) CONSISTENCY.—Each conservation, restoration,
4 or rehabilitation project carried out under this subtitle on
5 any public lands or Indian lands shall be consistent with
6 the provisions of law and policies relating to the manage-
7 ment and administration of such lands, with all other ap-
8 plicable provisions of law, and with all management, oper-
9 ational, and other plans and documents which govern the
10 administration of the area.

11 **SEC. 135. CONSERVATION CENTERS.**

12 (a) ESTABLISHMENT AND USE.—The Secretary of
13 the Interior and the Secretary of Agriculture are each au-
14 thorized to provide such quarters, board, medical care,
15 transportation, and other services, facilities, supplies, and
16 equipment as such Secretary deems necessary in connec-
17 tion with the Public Lands Corps and conservation, res-
18 toration, or rehabilitation projects carried out under this
19 subtitle and to establish and use conservation centers
20 owned and operated by such Secretary for purposes of the
21 Public Lands Corps and such projects. Such Secretaries
22 shall establish basic standards of health, nutrition, sanita-
23 tion, and safety for all conservation centers established
24 under this section and shall assure that such standards
25 are enforced. Where necessary or appropriate, such Sec-

1 retaries may enter into contracts and other appropriate
2 arrangements with State and local government agencies
3 and private organizations for the management of such
4 conservation centers.

5 (b) LOGISTICAL SUPPORT.—Each such Secretary
6 may make arrangements with the Secretary of Defense to
7 have logistical support provided by a military installation
8 near any conservation center, where feasible, including the
9 provision of temporary tent shelters where needed, trans-
10 portation, and residential supervision.

11 **SEC. 136. LIVING ALLOWANCES AND TERMS OF SERVICE**
12 **FOR PARTICIPANTS.**

13 (a) LIVING ALLOWANCES.—The Secretary of the In-
14 terior and the Secretary of Agriculture shall provide each
15 participant in the Public Lands Corps with a living allow-
16 ance in an amount not to exceed the maximum living al-
17 lowance authorized by section 140(a)(3) of the National
18 and Community Service Act of 1990 for participants in
19 a national service program assisted under subtitle C of
20 title I of such Act.

21 (b) TERMS OF SERVICE.—Each participant in the
22 Public Lands Corps shall agree to participate in the Corps
23 for a term of service established by the Secretary of the
24 Interior or the Secretary of Agriculture, as the case may
25 be, consistent with the terms of service required under sec-

200⁰/0

tion 139(b) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

SEC. 137. NATIONAL SERVICE EDUCATIONAL AWARDS FOR PARTICIPANTS.

(a) EDUCATIONAL BENEFITS AND AWARDS.—Each participant in the Public Lands Corps shall be eligible for a national service educational award in the manner prescribed in subtitle D of title I of the National and Community Service Act of 1990 if such participant complies with such requirements as may be established under this subtitle by the Secretary of the Interior or the Secretary of Agriculture respecting eligibility for the award. The period during which the award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

(b) FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are participants in the Public Lands Corps, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant and eligible for a national service educational award under subsection (a).

1 SEC. 138. NONDISPLACEMENT.

2 The nondisplacement requirements of section 177 of
3 the National and Community Service Act of 1990 shall
4 be applicable to all activities carried out by the Public
5 Lands Corps and to all activities carried out under this
6 subtitle by a qualified youth or conservation corps.

7 SEC. 139. FUNDING.

8 (a) COST SHARING.—

9 (1) PROJECTS BY QUALIFIED YOUTH OR CON-
10 SERVATION CORPS.—The Secretary of the Interior
11 and the Secretary of Agriculture are each authorized
12 to pay not more than 75 percent of the costs of any
13 conservation, restoration, or rehabilitation project
14 carried out pursuant to this subtitle on public lands
15 by a qualified youth or conservation corps. The re-
16 maining 25 percent of the costs of such a project
17 may be provided from nonfederal sources in the form in kind
18 of funds, services, facilities, materials, equipment, or
19 any combination of the foregoing. No cost sharing
20 shall be required in the case of any conservation,
21 restoration, or rehabilitation project carried out on
22 Indian lands under this subtitle.

23 (2) PUBLIC LANDS CORPS.—A foundation asso-
24 ciated with a Federal land managing agency may
25 contribute to the costs of any conservation, res-
26 toration, or rehabilitation project carried out by the

1 Public Lands Corps, but nothing in this subtitle
2 shall be construed to require any cost sharing for
3 any such project.

4 (b) FUNDS AVAILABLE UNDER NATIONAL AND COM-
5 MUNITY SERVICE ACT.—In order to carry out the Public
6 Lands Corps or to support qualified youth or conservation
7 corps under this subtitle, the Secretary of the Interior and
8 the Secretary of Agriculture shall be eligible to apply for
9 and receive assistance under section 121(b) of the Na-
10 tional and Community Service Act of 1990.

Thus L
Congress

11 (c) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated such sums as may be
13 necessary to carry out this subtitle.



**National Association of
Service & Conservation Corps**

FAX TRANSMISSION SHEET

Date: 5/29 Time Written: _____

TO: Name: Jack Law
Organization: _____

Fax #: ()

FROM: L. Woll FAX: 202/737-6277
PHONE: 202/737-6272

No. of pages including this page 2 Please reply _____

MESSAGE: _____



**National Association of
Service & Conservation Corps**

May 24, 1993

**TO: Shirley Sagawa
Susan Stroud
Jack Lew**

FR: Lisa Woll

RE: National Service Trust Act of 1993

I hope this note finds all of you well. I thought you would be interested in seeing the recommendations/areas of concern that NASCC is submitting to the authorizing committees in response to the National Service Trust Act of 1993.

Broadly described, NASCC recommends the following:

***Enhanced language regarding the enrollment of disadvantaged/low-income youth and young adults and the involvement of low-income communities;**

***Ensuring that a key purpose of the Act is to expand and strengthen the existing network of programs with demonstrated experience in providing structured service opportunities with visible benefits to the participants and community. At the same time, duplication of effort should be avoided;**

***Providing greater funding at the state level and relaxing the population-based funding criteria;**

***Adding a provision which would allow the GED scholarship requirement to be waived for individuals who are assessed to be unable to achieve a GED;**

***Establishing a minimum living allowance for all programs;**

***Providing more information about the child care guidelines;**

***Developing more detailed legislative language about the responsibilities of the State Commissions;**

***Adding language that would increase the size of the Board of the Corporation for National Service as well as ensure that the Corporation Board and the State Commissions are more inclusive of existing programs.**

I would be happy to answer any questions you may have about our submission.

NASCC RESPONSE TO THE NATIONAL SERVICE TRUST ACT OF 1993 RECOMMENDATIONS AND AREAS OF CONCERN

Finding and Purposes: Low-Income Emphasis

p. 4, sec. 2(a)

To further emphasize low-income participants, we recommend adding this paragraph: "Residents of low-income communities, especially youth and young adults, can be empowered through their service to help provide future community leadership."

Findings and Purposes: Expand and Strengthen Existing Programs

p. 6, sec. 2(b)(6)

Add new para. 6 which reads: "expand and strengthen existing service programs with demonstrated experience in providing structured service opportunities with visible benefits to the participants and community." Existing paragraphs (6) and (7) are renumbered.

Agreements with federal agencies

p. 7, sec. 121(b)

In order to ensure that federal agencies utilize existing programs and do not duplicate effort, add this at the end of the first sentence: "Such federal agencies must consult with State Commissions in order to ensure that the federal program will not duplicate existing local or state programs. Federal programs are also encouraged to develop contracts and cooperative agreements with existing state and local programs."

Administrative Costs

p. 8, sec. 121(d)(1)

The five percent limitation on administrative costs is too low. We recommend a ceiling of 15%. A definition of administrative costs should be provided. We recommend using the JTPA definition of administrative costs (see attached definition).

Alteration of Youth Corps Definition

p. 11, sec. 122(a)(2)

Before "youth corps programs" insert the following: "full time, year-around or full-time summer" and strike "full-time" from before "service-projects."

Qualification Criteria to Determine Eligibility

p. 16, sec. 122(b)

Strike "organizations and individuals who are experts regarding national service" and substitute "organizations and individuals who have extensive experience in developing and administering effective national service programs."

Change in Priorities

p. 17, sec. 122(c)(2)(A) and (B)

At the end of (A), add the following language: "During the three-year grant cycle for any program, the Corporation cannot require programs to alter the priorities, but can send notices describing any new priorities they would like to encourage programs to address."

We recommend deleting (B) as programs should be chosen by quality, not by prioritizing one over the other.

State Commissions

p. 22, sec. 126(a)(2)

More information needs to be provided in this section. The language provides no information on whether the Commissions must have staff, whether there is a limitation on what can be spent, what their relationship with the ACTION state/regional offices will be, and how they are accountable to existing service programs in their state.

We recommend that State commissions utilize the demonstrated expertise of existing service programs to provide technical assistance to new national service programs within the state.

Challenge grants

p. 23, sec. 126(c)(1)

In line twelve, after "high-quality national service programs" insert: "with demonstrated experience in providing structured service opportunities with visible benefits to the participants and community."

Division of National and State Grants

p. 24, sec. 129

We urge that the allocation formula be changed from up to 1/3 national-2/3 state to up to 20% national-80% state.

Grants based on population

p. 24, sec. 129(a)(1)

There should be provision so that states do not receive a 33 1/3 percent grant regardless of the quality of their proposal. Therefore, we recommend the following changes:

In paragraph (1), sentence 2, after "shall be" add the following "at minimum a planning grant and at maximum an amount..." At the end of paragraph 1, add: "If a State or Indian tribe fails to produce a quality application, they are eligible to receive a small planning grant, but will not receive a grant based on their population."

Competitive grants

p. 27, sec. 129(d)(1)

Add at the end of the sentence: "Funding priority shall be given to programs with demonstrated experience in providing structured service opportunities with visible benefits to the participants and community."

Application Information

p. 30, sec. 130(b)(2)

Some states do not allow agencies to undertake a RFP unless the funds are already available. Thus, we recommend adding at the end of this sentence, "unless such a process conflicts with state or local law, regulation or policy."

Anti-Poverty Emphasis

p. 31, sec. 130(b)(4)

After "public safety needs," add the following: "particularly needs related to poverty."

Service Emphasis

p. 32, sec. 130(10)

After "comparable" add "service."

Information Included in Application

p. 33, sec. 130(12)

We recommend the following language so that youth corps are part of the application process. After "community-based agencies" insert "including representatives of existing state and local youth corps programs."

Assistance to Non-State Entities

p. 35, (3)

Add the following language: "State agencies which operate youth corps and distribute funds for local corps programs shall not be subject to this percentage limitation."

GED Requirement

p. 37, sec. 131(b)(2)(B)

Strike everything after participants and add "assist those participants with an educational development plan that makes progress towards a general equivalency diploma."

Evaluation and Performance Goals

p. 38, sec. 131(d)(1)

What will happen to these evaluations when they are completed? We recommend that evaluations be utilized as incentives to determine which programs are most effective, and thus most worthy of funding.

Selection of Participants

p. 40, sec. 131(f)

Some of our state corps require that all participants be state residents, so it is unclear whether national recruits could serve in these programs. Thus, we recommend that the following be added at the end of this paragraph: "unless such selection process conflicts with state or local law, regulation or policy."

p. 44, sec. 133(c)(6)(A)

Strike "high concentrations" and substitute "a high percentage."

p. 44, sec. 133(d)(1)

Strike "conducted in those urban and rural areas in" and substitute "conducted in those urban and rural areas within"

GED Requirement

p. 47, sec. 137(a)(5)

Some provision needs to be made so that programs can do an assessment of participants who are unable to ever achieve a GED, (such as developmentally disabled participants, etc.) and thus can be waived from the GED requirement. Thus we recommend that after "agrees to obtain a high school diploma or its equivalent" add "unless this requirement has been waived based on an individual education assessment conducted by the program. "

Terms of service

p. 51, sec. 139(b)

Strike "1,700 hours" and substitute "35 hours per week"

Living Allowances for Participants in Existing Programs

p. 52, sec. 140(a)

The Educational Awards section makes provision for requesting awards for individuals who are not "funded" by the national service program. Thus, corpsmembers in an existing corps can be grandfathered into the award and thus be equal with the corpsmembers who will be added with national service funding.

It would make sense to allow the same to be done with the living allowances (particularly as we also request a minimum living allowance). Thus, we recommend that language be added which would allow existing programs to apply for funds to bring the participants already in the program up to the living allowance that the participants under the national service program will be paid (in the event that they are below that level).

Minimum Living Allowances

p. 52, sec. 140

We urge that the Congress adopt a minimum living allowance. At the end of paragraph (a)(1), add the following: "except that no allowance may be less than the average annual subsistence allowance provided to VISTA volunteers."

Child Care

p. 57, sec. 140(e)(2)

More information is needed about what these child care guidelines will be. NASCC understands the need for child care and is supportive of such care, however, corps directors want Congress and the Administration to know that:

- *current corps efforts to find child care require an enormous amount of staff time and many corps lack the staff to undertake this effort;
- *many corps directors report that there are not sufficient numbers of quality, day care slots available in the areas in which they operate;
- *corps are concerned that child care costs will be so high that they will "eat-up" a great deal of the program budget.

GED Requirement

p. 62, sec. 146(a)(3)

After "educational award" add "unless this requirement has been waived based on an individual education assessment conducted by the program. "

Use of Educational Awards to Pay Current Educational Expenses**Use of Educational Awards for Full or Part-Time Education**

p. 68, sec. 148(c)

After "payment of current educational expenses" add "including job training or vocational education expenses, undertaken as a full or part-time student,"

Grievance Procedures

p. 148(f)

The legislation should allow state and local programs to bring grievances before the Corporation if they feel their problem has not been resolved at the state level. Additionally, the definition of parties

eligible to bring a grievance is overly broad. It will also be very costly to service programs to bear the cost of a lost arbitration. This language may preclude them from considering an action.

Composition and Membership of State Commissions

p. 157, sec. 178(c)(1)(A)

It is insufficient to require only one representative of a national service program. More representation should be required from the groups funded both by ACTION and the Commission. We recommend the following language: Strike (c)(1)(A)(B)(C) and substitute:

"The State Commission for a State shall include as voting members at least one representative from the each of the following categories, assuming that such programs exist in that state:

- (A) a youth corps program
- (B) VISTA program
- (C) Older American volunteer program
- (D) a service program for school-age youth
- (E) local governments in the state
- (F) local labor organizations

Additionally, at the end of (2)(D), add the following: "particularly services related to poverty."

Corporation for National Service Board of Directors

p. 166, sec. 192

Eleven Corporation board members are not enough. We recommend at least 16 and no more than 20. We recommend deleting the requirement that 8 members of the Corporation Board be appointed from the Commission Board. Additionally, there should be at least one representative of the corps community on the board.

After (2)(C), add the following: "particularly services related to poverty."

Additionally, it is not clear why the Board Chair and the Executive Director of the Corporation need to be the same person as it could negate a system of checks and balances.

JTPA Administrative Costs

Administrative program costs are that portion of necessary and allowable costs associated with the overall management and administration of the JTPA program and which are not directly related to the provision of services to participants or otherwise allowable to the direct-training or training-related and supportive services categories.

Cost of administration include:

- overall program management, program coordination, and general administrative functions;
- preparing program plans, budgets, schedules;
- monitoring of programs, projects, and related systems and processes;
- procurement activities;
- public relations;
- development and operation of systems and procedures for assuring compliance with requirements (including management information systems);
- preparing required program reports;
- resolving audit findings;
- program evaluation; and
- legal, accounting, audit, personnel, and property and payroll services.

Costs for goods and services required for administration of the program, such as rental or purchase of equipment, insurance, utilities, office supplies, postage, and rental and maintenance of office space.

Costs of organization-wide management functions.

Travel costs associated with program management or administrative activities.

Costs may be allocated to the benefitting cost category based on documented distributions of time worked and related costs.

Indirect and overhead costs shall be charged to administration.

Young People *for* National Service

(formerly the Young People's National Service Coalition)

Position Statement on the National Service Trust Act of 1993

Introduction

Young People for National Service ("YPFNS") is a grassroots, youth-led organization. Its goal is to mobilize and unite groups of diverse young people to foster a system of national service that inspires long-term community problem-solving and social change through inclusion of potential participants throughout the design and implementation processes. YPFNS's more than one thousand members generate both dialogue and action through outreach efforts, policy round-tables, and national, state and community forums in efforts to secure a comprehensive and effective national service program.

YPFNS applauds President Clinton's National Service Trust Act of 1993 as landmark legislation which will provide vital opportunities for many Americans to work through broadly diverse organizations to address the pressing educational, environmental and human needs throughout the United States.

Suggestions to Strengthen the National Service Trust Act of 1993

Enhance the Role of Young People

- mandate youth representation on the National Corporation and State Commissions;
- ensure participation from the following youth groups: participants in the K-12 service programs, college students, and out of school service participants; and
- create mechanisms to ensure the views of youth participants are involved throughout the design and implementation of the programs on a local level, as well as providing opportunities for structured reflection.

Ensure Outreach and Diversity of Programs and Participants

- develop state-level community outreach and training to ensure access and diversity in host communities and locally-based recipient organizations;
- guarantee participation of the public in the development and monitoring of the national service programs on state and local levels;
- fully effectuate the prohibition on discrimination by including sexual orientation in the non-discrimination requirements;
- guarantee the national service education award's impact by (1) increasing the amount of the award to \$6,500 with adjustments escalating the award as college tuition costs increase, and (2) permitting extensions to the five year education award limit which will ensure access by those who choose to attend low-cost institutions or to earn their degrees over a longer period of time;
- permit direct staff selection by the Board of the National Service Corporation; and
- assure availability of resources to increase program effectiveness in meeting GED requirements.

For more information, contact

YPFNS, MLK Station, Post Office Box 34603, Washington DC 20043
or call Malkia Lydia at 202/659-8475 or Diane Jackson at 202/234-2057.

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10 PAGES

EDUCATION OFFICE

COMMITTEE ON LABOR AND HUMAN RESOURCES

TO: SHIRLEY SAGAWA

COMPANY: _____

FAX NUMBER: () 456-2878

FROM: TOM SANDER

NOTES: Here are thoughts of Dwight Rasmussen as
related to me by Fran Butler. It sounds as
though there is a lot of support for
these changes from Gene as well as Judy
Wagner + Marty Rodgers.

Do you have comments?

Return fax number: (202) 224-3533

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

STATEMENT ON

THE PROPOSED "NATIONAL SERVICE TRUST ACT OF 1993 (H.R. 2010)

BY

DWIGHT RASMUSSEN, PRESIDENT
NATIONAL ASSOCIATION OF SENIOR COMPANION PROJECT DIRECTORS

May 25, 1993

Mr. Chairmen, Members of the Subcommittees, I am pleased to be here today to testify on the proposed "NATIONAL SERVICE TRUST ACT OF 1993 (H.R. 2010). I particularly want to speak to those provisions in the proposed legislation which impact on older persons in general, and those that impact on the Older American Volunteer Programs currently authorized by the Domestic Volunteer Service Act of 1973, as amended, and administered by ACTION.

My name is Dwight Rasmussen. I am the Director of both the Senior Companion and the Foster Grandparent Project in Salt Lake City, Utah. I am here in my capacity as President of the National Association of Senior Companion Project Directors, and today, I am also representing the National Association of Foster Grandparent Program Directors and the National Association of Retired Senior Volunteer Program (RSVP) Directors as well. I am accompanied by Frances F. Butler, Washington Representative for our three Associations, who is prepared to join me in responding to any questions you may have.

Together, our National Directors Associations represent the majority of the more than 1,100 project directors in communities around the nation who administer the Senior Companions, Foster Grandparents, and RSVP programs. The volunteer force in these programs combined approaches nearly 500,000!

- Currently over 10,000 Senior Companion volunteers are providing more than one million hours of service annually, working to prevent or delay the institutionalization of nearly 36,000 chronically ill elderly persons nationwide. Senior Companions play a critical role in providing long-term care by assisting adults with mental, emotional, and physical illnesses to achieve and maintain their fullest potential for independent living. Considering that the average cost for nursing home care is over \$30,000 per year and the average cost for a Senior Companion volunteer who serves 20 hours per week is approximately \$3,500 annually, the fiscal value and cost-effectiveness of this program becomes unquestionable.
- More than 23,000 Foster Grandparent volunteers provide 24 million hours of service annually to 77,000 children and teenagers with special or exceptional needs. These include babies born HIV positive, severely handicapped youngsters in special education settings, teenage parents, children enrolled in Head Start, children who have been abused or neglected, children residing in shelters for the homeless, and teenagers in the juvenile court system.
- This year over 450,000 older Americans volunteering through the Retired Senior Volunteer Program (RSVP) will assist more than 65,000 public and non-profit agencies meet critical community needs. RSVP volunteers contribute 78 million hours of service annually, providing such assistance as literacy enhancement, in-home care, assistance in homeless shelters, driving for meals on wheels, and working with children in a variety of intergenerational settings.

This year the Independent sector calculates the value of volunteer service at \$11.58 per hour. Using this figure, the value of services rendered to communities across this country by older volunteers in these three programs approximates \$1.3 billion annually -- yet the federal budget to support Senior Companions, Foster Grandparents, and RSVP is less than \$130 million annually.

④

T. Sander: we need to mandate that Fed. govt. to state action office, will state want to mandate it so state action D.I.R. people may need to change, state structure should remain.

• The proposed legislation further provides that a Corporation representative will be a voting member of the State Commission. It has been suggested that this "Corporation representative" will be a representative of the ACTION field structure, yet the proposed legislation lacks clarity as to the role of the ACTION field structure. The ACTION field structure offers the capacity to provide technical assistance to community-based programs as well as to monitor funding streams and provide for program evaluation, roles critical to the success of the new national service proposals. The strengths of this field structure should be utilized and built upon.

P. 188

We recommend that there be more clarity in the legislation as to the importance of the role of the ACTION field structure in relationship to the State Commissions, and that the ACTION field structure be officially represented on the State Commission.

Funding stream issues

no state Comm'n taking out of action grants

• Because of the lack of clarity in the legislation regarding the Corporation's field structure, questions have arisen about the funding stream of programs in the Federal Programs Division. Currently when a grant is made to an ACTION sponsor, no administrative overhead is taken from the grant by ACTION or its field offices. We seek assurances that this process will continue, and that state structures, such as State Commissions, we not take administrative overhead out of grants made by the Federal Programs Division.

We recommend that safeguards be included in the legislation to assure that Federal Programs grants are awarded directly to grantees, and to prohibit any other entity from diluting these grants by assigning administrative overhead expenses to them.

need to hear that state ACTION office remains

National Competitions

• The proposed legislation allocates one-third of its funding for national competition among subdivisions of States, public and not-for-profit organizations, institutions of higher education, and Federal Agencies. Clarity is needed as to how programs in the Corporation's Federal Programs Division -- including Foster Grandparent, Senior Companions, and RSVP can compete for these funds as well.

allowing Action to apply for funding P. 28

We recommend that, regarding national competition, the reference to "Federal agencies" should be qualified to read: "including programs in the Federal Programs Division of the Corporation."

Cora thinks OK

Support functions

• The proposed legislation includes provisions for training, research, evaluation, demonstration, and promotion in both the Investment and Federal Programs Divisions of the Corporation. In order to provide for maximum coordination and prevent unnecessary duplication, these functions should be administered in a separate program support arm of the Corporation.

Cora likes many liked friends of VISTA like

We recommend the addition of a third Division of the Corporation to provide for training, research, evaluation, demonstration, promotion, and other Corporation-wide support services. Provisions in the proposed legislation relating to these functions in the Federal Programs Division and those in the Investment Division should be moved to a new support Division. There should be a separate authorization of appropriations for this new support Division.

Clarity regarding administrative provisions in the Domestic Volunteer Service Act

• Sections 401 and 402 of the Domestic Volunteer Service Act provide for the administrative structure of programs currently operating under that Act. The proposed legislation lacks clarity regarding how that structure will be continued. Will there continue to be a Director of the Older American Volunteer Programs (redesignated National Senior Volunteer Corps)? Will there continue to be a separate individual responsible for administering Senior Companions, Foster Grandparents, and RSVP, as provided for currently in section 401 of the Domestic Volunteer Service Act, and which our National Directors Associations have long advocated?

The identity of these programs cannot be submerged in a bureaucratic structure. Their identity must be protected and promoted by the authorizing statute of the Corporation.

*P. 109
Amended
on P. 229
of bill*

The proposed legislation both repeals sections 401 and 402 of the Domestic Volunteer Service Act and later amends them. As these legislative drafting errors are corrected, we are concerned that the underlying principles established in sections 401 regarding program identity be retained.

- want to have a head of each program, don't care about head of OANP prgm.

Providing "flexibility" for an Administration which is supportive of service might be the undoing of these programs and this agenda in a less supportive political climate. This legislation must be crafted for the long term institutional support.

We recommend that this Committee reconcile conflicting provisions in H.R. 2010 regarding sections 401 and 402 of the Domestic Volunteer Service Act in a manner that preserves the Directors of VISTA and the Older American Volunteer Programs and separate individuals to head the Foster Grandparent, RSVP, and Senior Companions Programs.

Investment Division Issues relating to senior volunteers:

Intergenerational programs

• Intergenerational programs are one of 12 categories listed in the proposed Act which will be eligible for program assistance under the Investment Division. But since the Corporation Board can establish priorities among these twelve, we are concerned that this important focus may be lost. Particularly given the number of potential senior volunteers who could be involved as providers in programs under the Act, as well as older persons who might be recipients of youth service, and because insufficient attention has been given to intergenerational programming in the past, special consideration should be given to intergenerational programming under the proposed legislation.

PP. 9-15

We recommend that each of the categories listed as eligible for program assistance should include intergenerational action to the extent appropriate. Such a cross-cutting requirement would insure that rather than losing the intergenerational focus of the legislation, greater recognition will be given to the importance of this aspect of the legislation.

Head Start Assistance

• The proposed Act includes Subtitle H - "Investment for Quality & Innovation" which is similar to Subtitle E "Demonstration" programs in the National and Community Service Act. The new Subtitle H includes most of the old Subtitle E provisions, but, with respect to the "Assistance to Head Start" provisions that called for placement of Foster Grandparents in Head Start Centers, the new language refers only to "older adults" placements.

One of the strengths of involving Foster Grandparent volunteers in Head Start Centers is the consistency and intensity of their service. Foster Grandparents serve 20 hours per week, year round, and have an extremely low attrition rate. To dilute the Head Start Assistance provisions by

Gov. proposes old Subtitle E - mandates that CWS provide grants for at least 3 of 5 areas - old §166 language they like - like fact that §166 or §167 was more likely to get funding

deleting the reference to Foster Grandparents would reduce the effectiveness of this marvelous example of intergenerational partnership.

But the story gets even worse. Not only are the references to Foster Grandparents dropped, but the entire Head Start assistance provision is diluted by relegating it to one of many intergenerational programs that "may include" a program in which older adults provide services to children who participate in Head Start programs!

p. 223

We recommend that the provisions for Head Start Assistance from Subtitle E of the current National and Community Service Act legislation be substituted for the much weakened version proposed in H.R. 2010.

Federal Programs Division Issues relating to senior volunteers: *(these were picked fine)*

Mr. Chairmen, we are pleased that many of the recommendations which our National Directors Associations included in our testimony to the Subcommittee on Human Resources on March 24, 1993 have been picked up for inclusion in the the proposed National Service Trust Act of 1993. They, and other suggested legislative changes which we support, with our recommendations for changes noted, include the following:

- "Older American Volunteer Programs" are redesignated "National Senior Volunteer Corps."
- "Retired Senior Volunteer Program (RSVP)" is redesignated "Retired and Senior Volunteer Program (RSVP)" so as to include volunteers such as homemakers who may never have "retired" from the paid work force, and to include older volunteers may still be in the workforce.
- The minimum age for participation in RSVP is lowered from 60 to 55.

We recommend that provisions be included in the legislation to insure that the number of volunteers over the age of 60 does not diminish in order to make room for younger volunteers. *OK as is*

- Older persons who are in the work force can still participate in RSVP, Senior Companions, and the Foster Grandparent Program.
- Foster Grandparents are allowed to work with more than one child, as appropriate, depending on the project site. For instance, it would be difficult to restrict a Foster Grandparent volunteer to interaction with one child only in a school or child care situation.
- A stipend increase corresponding to cost of living increases is authorized during the four year reauthorization period for Foster Grandparent and Senior Companion volunteers.
- The Director is encouraged to enter into agreements with other Federal Agencies to partner RSVP and Foster Grandparents with Head Start; coordinate activities with the Administration on Aging In-home Care program, coordinate with the Department of Education for mentoring projects involving senior volunteers; and coordinate activities with the Environmental Protection Agency for senior involvement in environmental programs.

We recommend the addition of a specific provision relative to inter-Agency agreements with the Health Care Financing Administration's (HCFA) Medicaid Waiver program and the Senior Companion and Foster Grandparent programs. Volunteers in both these programs work with Medicaid recipients, be they handicapped children or the frail elderly. Integration of Senior Companions and Foster Grandparents in the Medicaid Waiver program would go a long way towards cutting the cost of community-based care, while providing new resources for expanded involvement by Senior Companion and Foster Grandparent volunteers.

*- encourage + promote agreements
- Give letters + approval about jurisdictional issues.*

- Programs of National Significance (PNS) categories are expanded to include categories we recommended, such as: seniors in environmental projects; ethnic outreach; criminal justice programs; and apprenticeship programs that match skilled older volunteers with young people in transition from school to the workforce.

With regard to the PNS provisions, the legislation includes the *elimination* of the requirement that one-third of new funding must be spent on PNS grants before being allocated for other purposes.

We recommend that the PNS earmarking in the current legislation be retained. This provision was included in the 1989 Domestic Volunteer Service Act Amendments by this Committee, under the sponsorship of Congressman Dale Kildee. As a result of this earmarking, over 300 PNS grants have been awarded since then, enabling existing projects, with grants in the \$5,000 to \$20,000 range, to expand the numbers of volunteers involved in national significance activities. We are confident that these grants never would have been made were it not for the earmarking. We feel strongly that it should be retained.

Gene
has
OK

- Authorizes provision of technical assistance to other nations about Domestic Volunteer Service Act programs. We support this provision. Our National Directors Associations have worked informally in the past to share the wealth of our experience in senior volunteerism with other nations. We have produced manuals with the American Association for International Aging on how to start RSVP, Foster Grandparent, and Senior Companion Programs in other nations. We have hosted international visitors at our projects so that they can see first hand the value of senior volunteerism. RSVP projects have even become involved in "sister city" type arrangements with similar projects in other nations. We support the systematic promotion of this kind of interaction such as is proposed in H.R. 2010.

- Provides copyright protection for the RSVP, Foster Grandparent, and Senior Companion Programs.

- Provides a five year Authorization of Appropriations, with minor funding increases authorized for the fiscal year beginning October, 1994.

We recommend a 10 percent authorization increase over current funding levels, rather than the amounts provided in the proposed bill. Ten percent is a reasonable authorization request level, given the Administration's pledge to expand these programs under the proposed legislation. It is important to keep in mind, too, that all three of these programs are important, cost effective tools for health care reform, as volunteers in each program are involved in efforts to relieve the drain on health care dollars through their service to the frail, the disabled, and the homebound.

Our recommendations for FY 1994 authorizations of appropriations are as follows (dollars in millions):

Rep. Martinez amendment		Directors Assns Recommendations	S. 919 H.R. 2010	current funding
RSVP	45	\$37.054	\$35.800	\$33.686
FGP	20	\$71.284	\$68.800	\$64.804
SCP	40	\$32.509	\$31.700	\$29.548

We recommend ten percent increases in the authorization levels each year for fiscal years 1995 through 1998, rather than the "such sums" provisions in the proposed legislation.

(8)

Gene said OK

We recommend the retention of the funding floor for the Older American Volunteer Programs that exists in current law, which stipulates that "there is authorized to be appropriated not less than the amount appropriated in the previous fiscal year."

language from old 5502(a)

additional concerns

- H.R. 2010 proposes a new part E of Title II of the Domestic Volunteer Service to fund innovative projects involving senior volunteers. There is no authorization of appropriations for this section.

We recommend that the proposed new part E of Title II of the Domestic Volunteer Service to fund innovative projects involving senior volunteers be included in Subtitle H -- the Demonstration authority -- which we propose be moved to a third "support division" in the Corporation. This will ensure that funding that might otherwise be available for Senior Companions, Foster Grandparents, and RSVP is not diverted for purposes of funding the proposed new title E, and it will ensure that programming for senior service is integrated throughout the Corporation's activities.

Gene in favor

- H.R. 2010 proposes a new section 426 of the Domestic Volunteer Service Act for a "Center for Research and Training." There is no authorization of appropriations for this section, rather, the legislation proposes that funding would come from VISTA and Senior volunteer program appropriations -- "not less than 1/2 percent or more than 1 percent." Since the function for research and training is one that cuts across Corporation activities, we have questions about the appropriateness of this placement in the legislation.

Gene in favor

We recommend that the proposed "Center for Research and Training" in the Federal Programs Division be moved to a new "support division" in the Corporation, and that a separate and meaningful authorization of appropriations be provided for this function that is so important to the success of the national service movement.

- H.R. 2010 includes an amendment to section 226 of the Domestic Volunteer Service Act regarding cost of living adjustments to sponsoring agencies operating Senior Companions, Foster Grandparents, and RSVP. The amendment would delete requirements in existing law that annual reports be made to the House Committee on Education and Labor and the Senate Labor and Human Resources Committee with regard to the extent of project needs for cost of living increases. Our Associations testified at the March hearing with regard to the importance of these reporting requirements to our programs. We sought relief after a decade of frozen grants and a lack of acknowledgement by ACTION Agency leadership concerning our cost of living needs. It was only after Congress required these reports that the Agency began to acknowledge the extent of the difficulties we faced at the local level. We continue to feel that these reporting requirements are vital to the continued health of our projects.

We recommend that the provisions in H.R. 2010 which would delete the section 226 reporting requirements be deleted, and that the reporting requirements be retained. To further strengthen section 226, we recommend that additional language be added to ensure that prior to funding new projects, cost of living adjustments must first be allocated to existing projects so that they will remain healthy and able to carry out their program responsibilities effectively and responsibly.

Gene suggested every two years

ACTION asked to have this deleted. Program directors think this is necessary to justify increased admin. costs.

9

additional suggested amendments to the Domestic Volunteer Service Act provisions in H.R. 2010

When our National Directors Associations testified in March, we made several additional suggestions for legislative changes relative to the reauthorization of the Domestic Volunteer Service Act which I would like to revisit today, as follows:

We recommend that H.R. 2010 be amended to include the following provisions:

- authorization for the development and use of bilingual recruitment and training materials.
- authorization for formal partnerships between the Corporation and the National Directors Associations so that we can utilize our experience and networks to enhance the National Senior Volunteer Corps programs as well as other senior volunteer initiatives of the Corporation.
- increase the current \$250,000 funding floor in section 221 of the Domestic Volunteer Service Act for promotion of Senior Companions, Foster Grandparents, and RSVP. We would be pleased to work with the Committee and ACTION to determine a reasonable, but responsible, higher figure.
- ensure that "non-ACTION" Senior Companions, Foster Grandparents, and RSVP volunteers and projects are considered full partners with regard to mandated stipend increases and eligibility to apply for special funding opportunities, such as Programs of National Significance grants and other funding opportunities made available through the Corporation.

Conclusion

Mr. Chairmen, this concludes my testimony on H.R. 2010. You can see that our National Directors Associations have given much thought to the proposed legislation. We urge you to give every consideration to our suggestions. They are born out of our experience in the field, our commitment to the power of older volunteers to make a difference in the lives of others in their communities.

Leadership

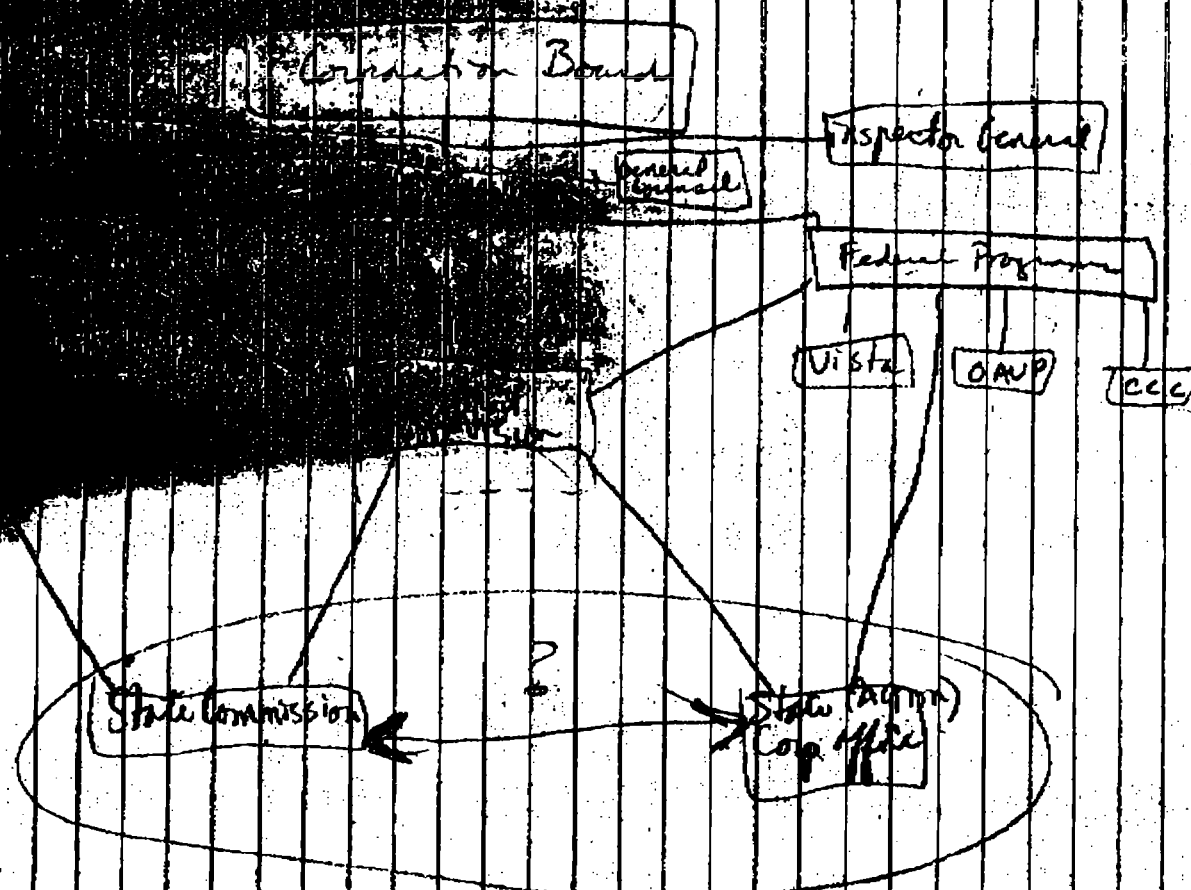
- want a good leader for the Operating Div. so it is seen as an equal partner.

Before closing, however, there is one important addition I must add to my testimony. That has to do with leadership. Those of us involved with ACTION over the past decade have suffered from lack of leadership at the agency -- from lack of a strong voice advocating for our programs. I think it is fair to say that had that leadership been present at ACTION when the National and Community Service Act legislation was considered in 1989, ACTION would have been the administering arm, and this Congress and this Administration would not be faced with the dilemma today of how to merge two federal volunteer agencies.

Let us learn from our past experience as we move forward now to make H.R. 2010, the proposed National Service Trust Act of 1993, the best it can be. If the proposed National Service Corporation is to thrive, it needs strong, visionary, inspirational leadership with full access to the President -- "a Sargent Shriver of the '90's." And if the Federal Programs Division of the Corporation is to thrive as a full partner in the Corporation, it needs strong, visionary, inspirational leadership. And if Senior Companions, Foster Grandparents, and RSVP are to reach their potential, they need that kind of leadership as well.

Our final request to this Committee is that as you exercise your oversight responsibility, you work to ensure that we get the best in leadership, because that is what we need and what our programs deserve.

Thank you for this opportunity to take part in the development of this landmark legislation.



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EDUCATION OFFICE

COMMITTEE ON LABOR AND HUMAN RESOURCES

TO: SHIRLEY SAGAWA

COMPANY: _____

FAX NUMBER: () 456-2878

FROM: TOM SANDER

NOTES: Here are thoughts of Dwight Rasmussen as
related to me by Fran Butler. It sounds as
though there is a lot of support for
these changes as from Gene as well as Judy
Wagner + Marty Rodgers.

Do you have comments?

Return fax number: (202) 224-3533

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

This year the Independent sector calculates the value of volunteer service at \$11.58 per hour. Using this figure, the value of services rendered to communities across this country by older volunteers in these three programs approximates \$1.3 billion annually -- yet the federal budget to support Senior Companions, Foster Grandparents, and RSVP is less than \$130 million annually.

④ T. under we need to mandate that Fed. rel. to state coordinate w/ state Action to mandate it so state Action D.I. people may need to change, state structure should remain.

• The proposed legislation further provides that a Corporation representative will be a voting member of the State Commission. It has been suggested that this "Corporation representative" will be a representative of the ACTION field structure, yet the proposed legislation lacks clarity as to the role of the ACTION field structure. The ACTION field structure offers the capacity to provide technical assistance to community-based programs as well as to monitor funding streams and provide for program evaluation, roles critical to the success of the new national service proposals. The strengths of this field structure should be utilized and built upon.

p. 188

We recommend that there be more clarity in the legislation as to the importance of the role of the ACTION field structure in relationship to the State Commissions, and that the ACTION field structure be officially represented on the State Commission.

Funding stream issues

no state Comm. taking \$ out of action grants

• Because of the lack of clarity in the legislation regarding the Corporation's field structure, questions have arisen about the funding stream of programs in the Federal Programs Division. Currently when a grant is made to an ACTION sponsor, no administrative overhead is taken from the grant by ACTION or its field offices. We seek assurances that this process will continue, and that state structures, such as State Commissions, we not take administrative overhead out of grants made by the Federal Programs Division.

We recommend that safeguards be included in the legislation to assure that Federal Programs grants are awarded directly to grantees, and to prohibit any other entity from diluting these grants by assigning administrative overhead expenses to them.

need to have that state ACTION office remains

National Competitions

• The proposed legislation allocates one-third of its funding for national competition among subdivisions of States, public and not-for-profit organizations, institutions of higher education, and Federal Agencies. Clarity is needed as to how programs in the Corporation's Federal Programs Division -- including Foster Grandparent, Senior Companions, and RSVP can compete for these funds as well.

allowing Action to apply for funding p. 28

We recommend that, regarding national competition, the reference to "Federal agencies" should be qualified to read: "including programs in the Federal Programs Division of the Corporation."

Gene thinks OK

Support functions

• The proposed legislation includes provisions for training, research, evaluation, demonstration, and promotion in both the Investment and Federal Programs Divisions of the Corporation. In order to provide for maximum coordination and prevent unnecessary duplication, these functions should be administered in a separate program support arm of the Corporation.

Gene likes Marty likes Grand of VISTA like

We recommend the addition of a third Division of the Corporation to provide for training, research, evaluation, demonstration, promotion, and other Corporation-wide support services. Provisions in the proposed legislation relating to these functions in the Federal Programs Division and those in the Investment Division should be moved to a new support Division. There should be a separate authorization of appropriations for this new support Division.

Clarity regarding administrative provisions in the Domestic Volunteer Service Act

• Sections 401 and 402 of the Domestic Volunteer Service Act provide for the administrative structure of programs currently operating under that Act. The proposed legislation lacks clarity regarding how that structure will be continued. Will there continue to be a Director of the Older American Volunteer Programs (redesignated National Senior Volunteer Corps)? Will there continue to be a separate individual responsible for administering Senior Companions, Foster Grandparents, and RSVP, as provided for currently in section 401 of the Domestic Volunteer Service Act, and which our National Directors Associations have long advocated?

The identity of these programs cannot be submerged in a bureaucratic structure. Their identity must be protected and promoted by the authorizing statute of the Corporation.

The proposed legislation both repeals sections 401 and 402 of the Domestic Volunteer Service Act and later amends them. As these legislative drafting errors are corrected, we are concerned that the underlying principles established in sections 401 regarding program identity be retained.

Providing "flexibility" for an Administration which is supportive of service might be the undoing of these programs and this agenda in a less supportive political climate. This legislation must be crafted for the long term institutional support.

We recommend that this Committee reconcile conflicting provisions in H.R. 2010 regarding sections 401 and 402 of the Domestic Volunteer Service Act in a manner that preserves the Directors of VISTA and the Older American Volunteer Programs and separate individuals to head the Foster Grandparent, RSVP, and Senior Companions Programs.

Investment Division Issues relating to senior volunteers:

Intergenerational programs

• Intergenerational programs are one of 12 categories listed in the proposed Act which will be eligible for program assistance under the Investment Division. But since the Corporation Board can establish priorities among these twelve, we are concerned that this important focus may be lost. Particularly given the number of potential senior volunteers who could be involved as providers in programs under the Act, as well as older persons who might be recipients of youth service, and because insufficient attention has been given to intergenerational programming in the past, special consideration should be given to intergenerational programming under the proposed legislation.

We recommend that each of the categories listed as eligible for program assistance should include intergenerational action to the extent appropriate. Such a cross-cutting requirement would insure that rather than losing the intergenerational focus of the legislation, greater recognition will be given to the importance of this aspect of the legislation.

Head Start Assistance

• The proposed Act includes Subtitle H - "Investment for Quality & Innovation" which is similar to Subtitle E "Demonstration" programs in the National and Community Service Act. The new Subtitle H includes most of the old Subtitle E provisions, but, with respect to the "Assistance to Head Start" provisions that called for placement of Foster Grandparents in Head Start Centers, the new language refers only to "older adults" placements.

One of the strengths of involving Foster Grandparent volunteers in Head Start Centers is the consistency and intensity of their service. Foster Grandparents serve 20 hours per week, year round, and have an extremely low attrition rate. To dilute the Head Start Assistance provisions by

FROM 000000000000
SUBTITLE E - mandates that CACS provide grants for at least 3 of 5 areas
- old §166 language they like
- like fact that §166 or §167 was more likely to get funding
600 - program making financing intergenerational 108(b)(1)(F)
deleting the reference to Foster Grandparents would reduce the effectiveness of this marvelous example of intergenerational partnership. (C)

But the story gets even worse. Not only are the references to Foster Grandparents dropped, but the entire Head Start assistance provision is diluted by relegating it to one of many intergenerational programs that "may include" a program in which older adults provide services to children who participate in Head Start programs!

8.123 We recommend that the provisions for Head Start Assistance from Subtitle E of the current National and Community Service Act legislation be substituted for the much weakened version proposed in H.R. 2010.

Federal Programs Division Issues relating to senior volunteers: (these were picked up fine)

Mr. Chairman, we are pleased that many of the recommendations which our National Directors Associations included in our testimony to the Subcommittee on Human Resources on March 24, 1993 have been picked up for inclusion in the the proposed National Service Trust Act of 1993. They, and other suggested legislative changes which we support, with our recommendations for changes noted, include the following:

- "Older American Volunteer Programs" are redesignated "National Senior Volunteer Corps."
- "Retired Senior Volunteer Program (RSVP)" is redesignated "Retired and Senior Volunteer Program (RSVP)" so as to include volunteers such as homemakers who may never have "retired" from the paid work force, and to include older volunteers may still be in the workforce.
- The minimum age for participation in RSVP is lowered from 60 to 55.

We recommend that provisions be included in the legislation to insure that the number of volunteers over the age of 60 does not diminish in order to make room for younger volunteers. OK as is

- Older persons who are in the work force can still participate in RSVP, Senior Companions, and the Foster Grandparent Program.
- Foster Grandparents are allowed to work with more than one child, as appropriate, depending on the project site. For instance, it would be difficult to restrict a Foster Grandparent volunteer to interaction with one child only in a school or child care situation.
- A stipend increase corresponding to cost of living increases is authorized during the four year reauthorization period for Foster Grandparent and Senior Companion volunteers.
- The Director is encouraged to enter into agreements with other Federal Agencies to partner RSVP and Foster Grandparents with Head Start; coordinate activities with the Administration on Aging In-home Care program, coordinate with the Department of Education for mentoring projects involving senior volunteers; and coordinate activities with the Environmental Protection Agency for senior involvement in environmental programs.

We recommend the addition of a specific provision relative to inter-Agency agreements with the Health Care Financing Administration's (HCFA) Medicaid Waiver program and the Senior Companion and Foster Grandparent programs. Volunteers in both these programs work with Medicaid recipients, be they handicapped children or the frail elderly. Integration of Senior Companions and Foster Grandparents in the Medicaid Waiver program would go a long way towards cutting the cost of community-based care, while providing new resources for expanded involvement by Senior Companion and Foster Grandparent volunteers.

- encourage + promote agreements
- Give letters + support about jurisdictional issues.

- Programs of National Significance (PNS) categories are expanded to include categories we recommended, such as: seniors in environmental projects; ethnic outreach; criminal justice programs; and apprenticeship programs that match skilled older volunteers with young people in transition from school to the workforce.

With regard to the PNS provisions, the legislation includes the *elimination* of the requirement that one-third of new funding must be spent on PNS grants before being allocated for other purposes.

We recommend that the PNS earmarking in the current legislation be retained. This provision was included in the 1989 Domestic Volunteer Service Act Amendments by this Committee, under the sponsorship of Congressman Dale Kildee. As a result of this earmarking, over 300 PNS grants have been awarded since then, enabling existing projects, with grants in the \$5,000 to \$20,000 range, to expand the numbers of volunteers involved in national significance activities. We are confident that these grants never would have been made were it not for the earmarking. We feel strongly that it should be retained.

Considers OK

- Authorizes provision of technical assistance to other nations about Domestic Volunteer Service Act programs. We support this provision. Our National Directors Associations have worked informally in the past to share the wealth of our experience in senior volunteerism with other nations. We have produced manuals with the American Association for International Aging on how to start RSVP, Foster Grandparent, and Senior Companion Programs in other nations. We have hosted international visitors at our projects so that they can see first hand the value of senior volunteerism. RSVP projects have even become involved in "sister city" type arrangements with similar projects in other nations. We support the systematic promotion of this kind of interaction such as is proposed in H.R. 2010.

- Provides copyright protection for the RSVP, Foster Grandparent, and Senior Companion Programs.

- Provides a five year Authorization of Appropriations, with minor funding increases authorized for the fiscal year beginning October, 1994.

We recommend a 10 percent authorization increase over current funding levels, rather than the amounts provided in the proposed bill. Ten percent is a reasonable authorization request level, given the Administration's pledge to expand these programs under the proposed legislation. It is important to keep in mind, too, that all three of these programs are important, cost effective tools for health care reform, as volunteers in each program are involved in efforts to relieve the drain on health care dollars through their service to the frail, the disabled, and the homebound.

Our recommendations for FY 1994 authorizations of appropriations are as follows (dollars in millions):

Rep. Martinez amendment		Directors Assns Recommendations	5.919 H.R. 2010	current funding
RSVP	45	\$37.054	\$35.800	\$33.686
FGP	20	\$71.284	\$68.800	\$64.804
SCP	40	\$32.509	\$31.700	\$29.548

We recommend ten percent increases in the authorization levels each year for fiscal years 1995 through 1998, rather than the "such sums" provisions in the proposed legislation.

We recommend the retention of the funding floor for the Older American Volunteer Programs that exists in current law, which stipulates that "there is authorized to be appropriated not less than the amount appropriated in the previous fiscal year."

Gene said OK
language
may
old
5502(a)

additional concerns

- H.R. 2010 proposes a new part E of Title II of the Domestic Volunteer Service to fund innovative projects involving senior volunteers. There is no authorization of appropriations for this section.

We recommend that the proposed new part E of Title II of the Domestic Volunteer Service to fund innovative projects involving senior volunteers be included in Subtitle H -- the Demonstration authority -- which we propose be moved to a third "support division" in the Corporation. This will ensure that funding that might otherwise be available for Senior Companions, Foster Grandparents, and RSVP is not diverted for purposes of funding the proposed new title E, and it will ensure that programming for senior service is integrated throughout the Corporation's activities.

Gene
in
favor

- H.R. 2010 proposes a new section 426 of the Domestic Volunteer Service Act for a "Center for Research and Training." There is no authorization of appropriations for this section, rather, the legislation proposes that funding would come from VISTA and Senior volunteer program appropriations -- "not less than 1/2 percent or more than 1 percent." Since the function for research and training is one that cuts across Corporation activities, we have questions about the appropriateness of this placement in the legislation.

We recommend that the proposed "Center for Research and Training" in the Federal Programs Division be moved to a new "support division" in the Corporation, and that a separate and meaningful authorization of appropriations be provided for this function that is so important to the success of the national service movement.

Gene in
favor

- H.R. 2010 includes an amendment to section 226 of the Domestic Volunteer Service Act regarding cost of living adjustments to sponsoring agencies operating Senior Companions, Foster Grandparents, and RSVP. The amendment would delete requirements in existing law that annual reports be made to the House Committee on Education and Labor and the Senate Labor and Human Resources Committee with regard to the extent of project needs for cost of living increases. Our Associations testified at the March hearing with regard to the importance of these reporting requirements to our programs. We sought relief after a decade of frozen grants and a lack of acknowledgement by ACTION Agency leadership concerning our cost of living needs. It was only after Congress required these reports that the Agency began to acknowledge the extent of the difficulties we faced at the local level. We continue to feel that these reporting requirements are vital to the continued health of our projects.

We recommend that the provisions in H.R. 2010 which would delete the section 226 reporting requirements be deleted, and that the reporting requirements be retained. To further strengthen section 226, we recommend that additional language be added to ensure that prior to funding new projects, cost of living adjustments must first be allocated to existing projects so that they will remain healthy and able to carry out their program responsibilities effectively and responsibly.

Gene
suggested
every
two
years

ACTION asked to have this
deleted. Program directors
think this is necessary
to justify increased admin. costs.

17:01 FROM 34562613 28

additional suggested amendments to the Domestic Volunteer Service Act provisions in H.R. 2010

When our National Directors Associations testified in March, we made several additional suggestions for legislative changes relative to the reauthorization of the Domestic Volunteer Service Act which I would like to revisit today, as follows:

We recommend that H.R. 2010 be amended to include the following provisions:

- marking*
- authorization for the development and use of bilingual recruitment and training materials.
 - authorization for formal partnerships between the Corporation and the National Directors Associations so that we can utilize our experience and networks to enhance the National Senior Volunteer Corps programs as well as other senior volunteer initiatives of the Corporation.
 - increase the current \$250,000 funding floor in section 221 of the Domestic Volunteer Service Act for promotion of Senior Companions, Foster Grandparents, and RSVP. We would be pleased to work with the Committee and ACTION to determine a reasonable, but responsible, higher figure.
 - ensure that "non-ACTION" Senior Companions, Foster Grandparents, and RSVP volunteers and projects are considered full partners with regard to mandated stipend increases and eligibility to apply for special funding opportunities, such as Programs of National Significance grants and other funding opportunities made available through the Corporation.
- Ford amendment*
- govt. pays cost of these increases in long-term temporary grants*

Conclusion

Mr. Chairmen, this concludes my testimony on H.R. 2010. You can see that our National Directors Associations have given much thought to the proposed legislation. We urge you to give every consideration to our suggestions. They are born out of our experience in the field, our commitment to the power of older volunteers to make a difference in the lives of others in their communities.

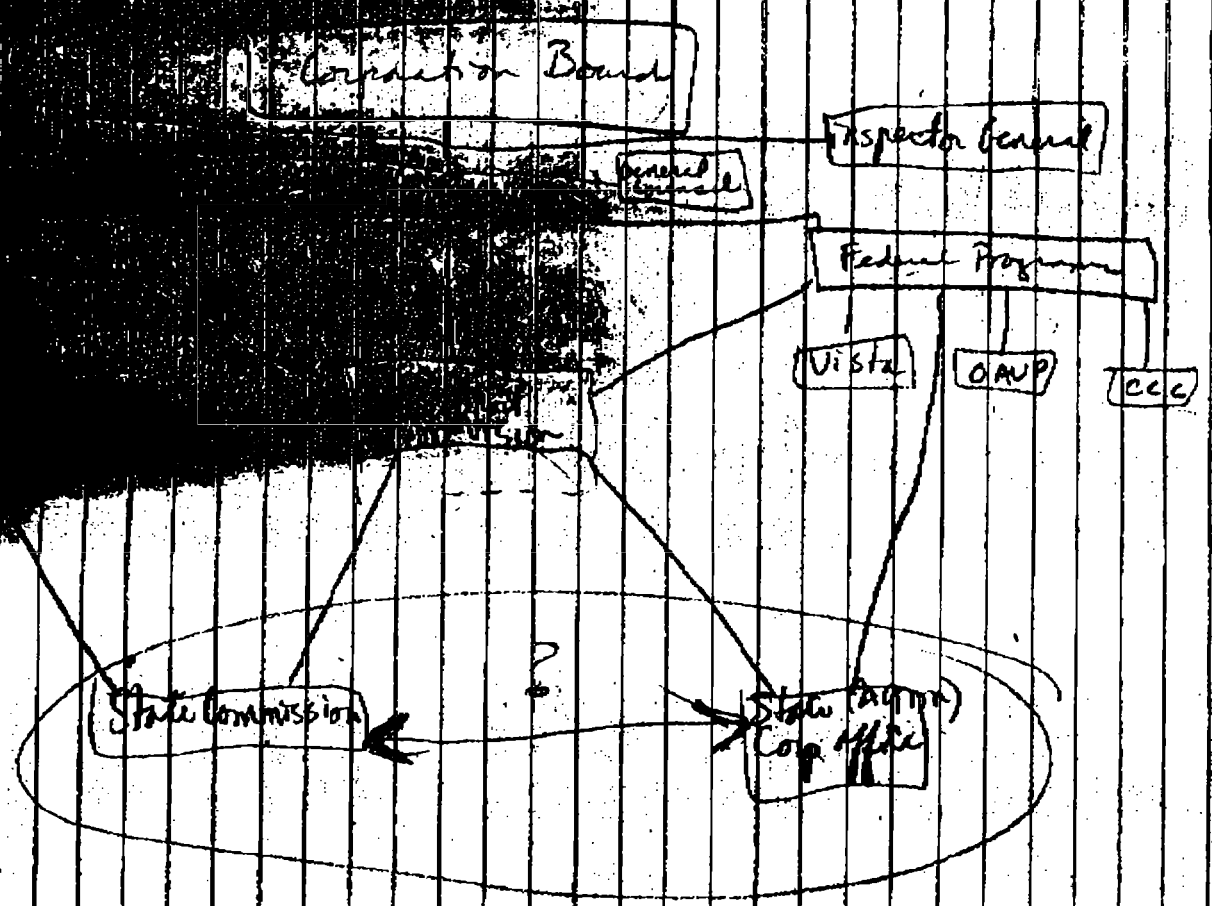
Leadership - want a good leader for the Operating Div. so it is seen as an equal partner.

Before closing, however, there is one important addition I must add to my testimony. That has to do with leadership. Those of us involved with ACTION over the past decade have suffered from lack of leadership at the agency -- from lack of a strong voice advocating for our programs. I think it is fair to say that had that leadership been present at ACTION when the National and Community Service Act legislation was considered in 1989, ACTION would have been the administering arm, and this Congress and this Administration would not be faced with the dilemma today of how to merge two federal volunteer agencies.

Let us learn from our past experience as we move forward now to make H.R. 2010, the proposed National Service Trust Act of 1993, the best it can be. If the proposed National Service Corporation is to thrive, it needs strong, visionary, inspirational leadership with full access to the President -- "a Sargent Shriver of the '90's." And if the Federal Programs Division of the Corporation is to thrive as a full partner in the Corporation, it needs strong, visionary, inspirational leadership. And if Senior Companions, Foster Grandparents, and RSVP are to reach their potential, they need that kind of leadership as well.

Our final request to this Committee is that as you exercise your oversight responsibility, you work to ensure that we get the best in leadership, because that is what we need and what our programs deserve.

Thank you for this opportunity to take part in the development of this landmark legislation.



13

Corporation for National Service

ACTION Personnel Issues

All ACTION personnel will fall into one of three categories after the Corporation is established:

- (1) employees who come to the Corporation through a formal transfer of function
- (2) employees who are hired by the Corporation under the new personnel system
- (3) employees who are not hired by or transferred to the Corporation who will have outplacement assistance

Policies Applicable to Former ACTION Personnel

- (1) ACTION personnel who are transferred will retain civil service status for the duration of their service in the transferred position.
- (2) All Corporation employees will be covered by Civil Service retirement and health plans.
- (3) Limitations on service for non-tenured Corporation employees are flexible and can accommodate the needs of present ACTION employees who are approaching retirement.
- (4) Outplacement assistance will be provided to ACTION employees who are neither transferred to the Corporation nor hired to fill other Corporation positions.
- (5) Corporation service will count towards years of service for purposes of future competition for civil service positions.

require no percent

auth no third

milller option

ceiling not floor

youth corps are included

Diane Shuss

John Lawrence

may call re interview

Amendments

Action applying to
Corp

George Miles - talk to Becerra

how to do corps

a/b list

(a) community corps

(b) youth corps

Ballbot / Karan Gargal

5/21/93

Sofer list

Part time service

1700 hrs

2 yrs

17 hrs for 50 weeks

3 yrs

10-12 hrs / week

VSSA

OK

~~Sp 9 called at 10:10 hrs~~

corps

NASC

Floor of minimum wage

wave?

R. Jordan 15% min wage as ^{flat} _{annual} L

child care for part time

flex to get out (X)

OK

US Youth
Corps

NO HS/GRD IN COLLEGE

- Dept of Education Re:
Ability to benefit test

Designation of loans to pay first (OK)

Notification of payment (Reqs)

Non-discrim. see preference

(No)

Student on the Board / Commission (see)

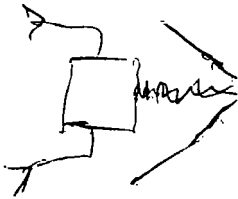
Stipends - higher for disabled (?) program cost

Volunteer
MO

portability -- Woolsey -- it offered I will
pass

Youth Volunteer Corps

Ed/State/Local unit on 1/3 Federal share
match - back to OMB



Unit # years of funding

NASC

~~WVMO~~

Fee for service -- report language

low income language for purposes

FQP

(1) Expand Board of Corporation

(2) Conflict of Interest

(3) Expand State Council

(4) Action field structure - (a) reporting
(b) or commission

(5) Overhead charges against grants

5 yrs

health + retirement

✓ tax

GED cost

Supplantation / the volunteers

Moral exhortation (including oral ^{p. 43} over)

Spinal rule - sponsor

ATTEMPT

p. 34

applicant vs service
, person on line 25