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[National Service Proposal-Comments on Discussion Outline, 3/93]

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Clinton National Service Proposal

Discussion Outline

The President's call to service extends from the youngest elementary students to our oldest citizens, and includes everything from part-time volunteer activities to full-time public service jobs. Toward this end, the President supports funding for service programs involving school-age youth and senior citizens, as well as professional corps programs such as the Police Corps and Teacher Corps designed to attract top candidates to public service jobs.

The centerpiece of the President's proposal is a national service program that will make it possible for college graduates and others to perform needed services in their communities by making it easier to pay back their student loans. All students will have the option of repaying their loans with a small percentage of their income over time, removing a significant obstacle to low-paying careers in public service. Some will have the opportunity to serve in national service positions in the areas of education, human services, environment, and public safety. This program is outlined below.

A. National Service Positions

Types of Placements: States and the federal government may approve placements in youth corps, specialized service corps, individual placements in non-profit organizations (through VISTA or nonfederal programs), and college service programs, with an emphasis on placements addressing national priority needs. A limited number of public service entrepreneurs would also be selected for participation. National Service positions may not displace paid workers.

Selection of Participants: A diverse group of recent college graduates, as well as college students and non-college bound youth, will be selected for participation by applying to and being accepted into a program offering approved national service positions. A national system to help match individuals with programs will be established.

Benefits: All participants will receive a minimum-wage stipend and health and child care benefits (if needed). Individuals serving after college would receive student loan forgiveness worth \$10,000 for each of two years of service, or the amount of their outstanding loans, whichever is less. Other participants would receive a post-service benefit of \$5,000 which can be used for higher education or employment training.

no afford
"system"
integration
of all
service
at all
levels
i.e. K-12

Plans
involvement
community
service
through
service
learning
experiences
program
priorities
Diverse
ethnic
from
E-15

444
K-12
should
be
included

Building an Infrastructure: Funding will be available for three types of grants: single-year venture capital grants may be made to individuals, states, and public or private non-profit organizations (including education institutions) for program start-up; states and public or private non-profit organizations operating programs may receive multi-year grants for program costs; and states and public or private non-profit organizations may receive grants to replicate proven existing programs.

Leveraging Nonfederal Funding: All program support and stipends will be made on a challenge basis and must be matched.

Federal role: The federal government will establish criteria for approved national service positions, allocate program resources, ensure against fraud and abuse, arrange for a national training program, coordinate service programs within the federal government, and provide training and technical assistance to states and programs.

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Phase-in: Participation is expected to reach at least 25,000 by the end of fiscal year 1994, increasing to at least 100,000 in 1997.

B. Income Contingent Loan Repayment

All borrowers will be able to repay their loans through income contingent repayments. This means that borrowers with higher incomes would repay more quickly, while lower-income borrowers would repay over a longer period of time. Student debt will not prevent borrowers from choosing lower-paying jobs for fear that they will not be able to repay their debt.

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Phase-in: Participation is expected to be approximately 30,000 in 1994, increasing to at least 100,000 in 1997.

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Jack -

is this most
current version?

Can I have
the most current?

Why aren't these
dated?!!

RA 3-5

NO

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NEWS RELEASE

COMMITTEE ON EDUCATION AND LABOR

William D. Ford (Michigan), Chairman

U.S. House of Representatives
Washington, D.C. 205152181 Rayburn House Office Building
(202) 225-4527FOR IMMEDIATE RELEASE
Monday, March 1, 1993

Contact: Mike Russell

CONGRESSMAN FORD PRAISES CLINTON'S NATIONAL SERVICE PROGRAM

Congressman William D. Ford of Michigan, chairman of the House Committee on Education and Labor, today applauded President Clinton's national service proposal. Accompanying Clinton to Rutgers University for the announcement of the program, Ford said, "The proposal has the double value of making a college education affordable and nurturing a more compassionate, public-spirited consciousness among our young people that will spread throughout the country."

Ford, whose committee will have responsibility for approving the national service program when it is sent to Congress, said he looked forward to working with the Administration to develop the program.

The president's proposal initially would involve 30,000 young people in 1994, increasing to at least 100,000 in 1997. Those who enter the program upon completion of college would receive a minimum-wage stipend, health and child care benefits where necessary, and student loan forgiveness of up to \$10,000 for each of the two years of their service. The federal government would fund state, local and private initiatives and existing programs. All federal funds would be leveraged with public and private matches.

Participants -- to include a diverse group of recent college graduates, college students and high school graduates -- would be placed in youth corps, non-profit organizations and college service programs that address pressing national and local problems. The participants will, for example, teach and assist in public schools, staff health clinics, join the police, and work on pollution cleanup and recycling projects.

"We have an opportunity to build a new, domestic Peace Corps, based on the successes and failures of the social programs we enacted in the 1960s," Ford said. "I am gratified that the president shares my commitment to making a college education available to every young person who wants one. Whatever endeavor our participants may choose in their lives, their perspectives will be broadened, and perhaps their career paths changed, by helping to rebuild our country after the neglect of the past decade."

THE WHITE HOUSE

WASHINGTON

March 2, 1993

MEMORANDUM FOR NATIONAL SERVICE POLICY GROUP

FROM: ELI J. SEGAL

SUBJECT: RESPONSE TO NATIONAL SERVICE INITIATIVE

The enclosed memo from Ed Kilgore represents the first substantive response from our outline. Since Ed is close to Senator Nunn and is very knowledgeable on the subject, we need to take a careful look at his thoughts.

Perhaps we should use this memo to schedule a meeting later this week to discuss the outline and figure out next steps including: a) broader distribution; b) drafting legislation; and c) other issues related to the legislative process.

Unless others have a problem, I suggest 10 a.m. on Thursday, March 4. Please let Karen Ewing know if you have a conflict with this time. Thanks.

EJS:ke

Distribution: Rick Allen
Peter Edelman
Bill Galston
Jack Lew ✓
Shirley Sagawa
Melanne Verveer

3/3

ELI —

HERE'S THE COVER
NOTE FROM ED KILGORE
RE: SAM NUUN + NATIONAL
SERVICE.

Thanks,
Paul Bogala

Jack
You might want
to file this top
sheet.



STATE OF GEORGIA
OFFICE OF THE GOVERNOR
ATLANTA 30334-0900

Zell Miller
GOVERNOR

Ed Kilgore
DIRECTOR OF INTERGOVERNMENTAL RELATIONS

FAX TRANSMITTAL

INTERGOVERNMENTAL RELATIONS
OFFICE OF THE GOVERNOR
245 STATE CAPITOL
ATLANTA, GEORGIA 30334-0900
(404) 651-7768
FAX: (404) 656-5947

TO: PAUL REGALA

WITH: _____

FAX #: _____

FROM: ED KILGORE

DATE: 3/2/93 # OF PAGES (including cover) 3

If problems receiving transmission, call Gayle at (404) 651-7768.

COMMENTS: PAUL - THIS ISSUE COULD
MAKE GAYS-IN-THE-MILITARY
LOOK LIKE A BRIEF DUST-UP,
NUNN-WISE. THERE'S AN
OBVIOUS COMPROMISE (SEE*) THAT
WOULD REASSURE NUNN & THE DLC WITHOUT
ABANDONING THE PRESIDENT'S COMMITMENTS.

3/2/93

THE WHITE HOUSE
WASHINGTON

ELH —

SOME USEFUL ADVICE
FROM A FORMER ADVISOR
TO SEN. NUNN (NOW WITH
GOV. MILLER).

KILGORE'S # IS
404/651-7768

THANKS,
Paul Bogala



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

ATLANTA 30334-0900

Zell Miller
GOVERNOR

March 2, 1993

Ed Kilgore
DIRECTOR OF INTERGOVERNMENTAL RELATIONS

MEMORANDUM

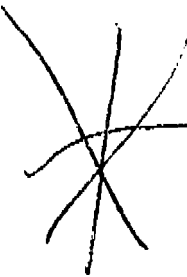
TO: Eli Segal
FROM: Ed Kilgore *ek*
SUBJECT: President's National Service Initiative

Congratulations on the initial unveiling of the President's national service proposal. It sounds like the Rutgers event was a great success, and the overall scope of the initiative appears to exceed all expectations.

I do have one very obvious concern about the proposal as outlined in the discussion draft your staff sent me last night, and I pass it on because you will immediately encounter it among national service supporters in Congress.

If the post-service benefit for post-college volunteers is potentially double that available to pre-college volunteers, then it is hard to imagine why anyone capable of gaining admission to college would serve first. It's like telling children they have a choice of broccoli or dessert as the first course of a meal, but if they start with dessert, they get twice as much.

Unless modified, this approach would probably make the ratio of post-college to pre-college volunteers about 90-10, with the pre-college pool being limited to non-college bound kids. Furthermore, it would virtually destroy the concept of educational assistance as an earned benefit.

The most obvious remedy would be to make the pre- and post-college benefits the same. Assuming the proposal is too far advanced for that kind of basic modification, the only alternative is to tightly link higher assistance for post-college service to critical service occupations that require post-secondary education --in other words, to stick to the ROTC model and require an explicit commitment to prepare for and then serve in a capacity of unquestioned social value, such as community policing or teaching in an inner-city school.

Under this approach, if you wanted unconditional educational aid regardless of your field of study or career path, and also preferred extensive options in service, then you would have to earn the benefits first.

ELI SEGAL, page 2

If the President is completely wedded to making post-college service an option for every young American, then at the very least you could lower the maximum loan forgiveness for post-college service to \$5,000 a year for unconditional assistance, with the higher benefit limited to those who made a specific service commitment requiring advanced training.

I strongly urge you to give an indication that some modification along these lines is at least a possibility. Otherwise, those like Senator Sam Nunn who believe pre-college service is more feasible economically and more significant politically and morally will likely dismiss the President's proposal as just another entitlement program with some offsetting benefits. In addition, an unrestricted post-college program with double the benefits of pre-college service would decimate participation in existing pre-college programs, including those established by the 1989 demonstration bill.

On another subject, I am intrigued by the potentially broader role of the state in supervising national service efforts that your discussion outline appears to suggest. I know you have briefed both the Democratic Governors and staff from the National Governors' Association. I would like to repeat the offer I made to Gloria Johnson several weeks ago, to put together a small group of staff representing Governors who are close to the President and very interested in national service, to meet with you and your staff to talk very specifically about the state role.