

# FOIA MARKER

**This is not a textual record. This is used as an  
administrative marker by the William J. Clinton  
Presidential Library Staff.**

---

**Collection/Record Group:** Clinton Presidential Records

**Subgroup/Office of Origin:** Legislative Affairs

**Series/Staff Member:** Jack Lew

**Subseries:**

---

**OA/ID Number:** 2392

**FolderID:**

---

**Folder Title:**

[National Service Trust Act-Comments] [3]

**Stack:**

**S**

**Row:**

**25**

**Section:**

**7**

**Shelf:**

**10**

**Position:**

**3**

1 does not make such a reservation, the qualified organiza-  
2 tion that receives the grant may use not more than 5 per-  
3 cent of the funds made available through the grant for  
4 administrative costs of programs carried out under this  
5 subpart.

6 **"Subpart C—Clearinghouse**

7 **"SEC. 118. SERVICE-LEARNING CLEARINGHOUSE.**

8 "(a) IN GENERAL.—The Corporation shall provide fi-  
9 nancial assistance, from funds appropriated to carry out  
10 subtitle G, to agencies described in subsection (b) to estab-  
11 lish a clearinghouse, which shall carry out activities, either  
12 directly or by ~~contract~~ with another such entity, with re-  
13 spect to information about service-learning.

*arrange-  
ment*

14 "(b) PUBLIC AND PRIVATE NONPROFIT AGENCIES.—  
15 Public and private nonprofit agencies that have extensive  
16 experience with service-learning, including use of adult vol-  
17 unteers to foster service-learning, shall be eligible to re-  
18 ceive assistance under subsection (a).

19 "(c) FUNCTION OF CLEARINGHOUSE.—An entity  
20 that receives assistance under subsection (a) may—

21 "(1) assist entities carrying out State or local  
22 service-learning programs with needs assessments  
23 and planning;

24 "(2) conduct research and evaluations concern-  
25 ing service-learning;

*Subtitle H?  
see p 111  
and p 114.*

1           “(3)(A) provide leadership development and  
2           training to State and local service-learning program  
3           administrators, supervisors, service sponsors, and  
4           participants; and

5           “(B) provide training to persons who can pro-  
6           vide the leadership development and training de-  
7           scribed in subparagraph (A);

8           “(4) facilitate communication among entities  
9           carrying out service-learning programs and partici-  
10          pants in such programs;

11          “(5) provide information, curriculum materials,  
12          and technical assistance relating to planning and op-  
13          eration of service-learning programs, to States and  
14          local entities eligible to receive financial assistance  
15          under this title;

16          “(6)(A) gather and disseminate information on  
17          successful service-learning programs, components of  
18          such successful programs, innovative youth skills  
19          curricula related to service-learning, and service-  
20          learning projects; and

21          “(B) coordinate the activities of the Clearing-  
22          house with appropriate entities to avoid duplication  
23          of effort;

1           “(7) make recommendations to State and local  
2           entities on quality controls to improve the quality of  
3           service-learning programs;

4           “(8) assist organizations in recruiting, screen-  
5           ing, and placing service-learning coordinators; and

6           “(9) carry out such other activities as the Cor-  
7           poration determines to be appropriate.

8           **“Subpart D—General Provisions**

9           **“SEC. 119. AVAILABILITY OF APPROPRIATIONS.**

10          “Of the aggregate amount appropriated to carry out  
11          this part for each fiscal year—

12                 “(1) a sum equal to 85 percent of such amount  
13                 shall be available to carry out subpart A; and

14                 “(2) a sum equal to 15 percent of such amount  
15                 shall be available to carry out subpart B.”.

16          (b) HIGHER EDUCATION INNOVATIVE PROJECTS.—  
17          Part II of subtitle B of title I of the National and Commu-  
18          nity Service Act of 1990 (42 U.S.C. 12531 et seq.) is  
19          amended to read as follows:

20          **“PART II—HIGHER EDUCATION INNOVATIVE**  
21                 **PROGRAMS FOR COMMUNITY SERVICE**

22          **“SEC. 120. HIGHER EDUCATION INNOVATIVE PROGRAMS**  
23                 **FOR COMMUNITY SERVICE.**

24                 “(a) PURPOSE.—It is the purpose of this part to ex-  
25          pand participation in community service by supporting in-

1 novative community service programs carried out through  
2 institutions of higher education, ~~acting as civic institutions~~  
3 to improve the health and well-being of neighboring com-  
4 munities.

5 “(b) GENERAL AUTHORITY.—The Corporation, ~~in~~

~~6 consultation with the Secretary of Education,~~ is author-  
7 ized to make grants to, and enter into contracts with, in-  
8 stitutions of higher education (including a combination of  
9 such institutions), and partnerships comprised of such in-  
10 stitutions and of other public agencies or nonprofit private  
11 organizations, to pay for the Federal share of the cost of—

12 “(1) enabling such an institution or partnership  
13 to create or expand an organized community service  
14 program that engenders a sense of social responsibil-  
15 ity and commitment to the community in which the  
16 institution is located, and provides projects for par-  
17 ticipants, who shall be students, faculty, administra-  
18 tion, or staff of the institution, or residents of the  
19 community;

20 “(2) supporting student-initiated and student-  
21 designed community service projects through the  
22 program;

23 “(3) facilitating the integration of community  
24 service carried out under the program into academic  
25 curricula, including integration of clinical programs

*We object  
to faculty,  
admin., and  
staff being  
participants*

*Higher Ed  
can get  
stipends.*

1 into the curriculum for students in professional  
2 schools, so that students can obtain credit for their  
3 community service projects;

4 “(4) supplementing the funds available to carry  
5 out work-study programs under part C of title IV of  
6 the Higher Education Act of 1965 (42 U.S.C. 2751  
7 et seq.) to support service-learning and community  
8 service through the community service program;

9 “(5) strengthening the service infrastructure  
10 within institutions of higher education in the United  
11 States through the program; and

12 “(6) providing for the training of teachers, pro-  
13 spective teachers, related education personnel, and  
14 community leaders in the skills necessary to develop,  
15 supervise, and organize service-learning.

16 “(c) FEDERAL SHARE.—

17 “(1) SHARE.—

18 “(A) IN GENERAL.—The Federal share of  
19 the cost of carrying out a community service  
20 project for which a grant or contract is awarded  
21 under this part may not exceed 50 percent.

22 “(B) CALCULATION.—Each recipient of as-  
23 sistance under this part shall comply with sec-  
24 tion 116(a)(2).

*elementary  
and  
secondary*

1           “(2) WAIVER.—The Chairperson may waive the  
2 requirements of paragraph (1) as provided in section  
3 116(b).

4           “(d) APPLICATION FOR GRANT.—

5           “(1) SUBMISSION.—To receive a grant or enter  
6 into a contract under this part, an institution or  
7 partnership described in subsection (b) shall pre-  
8 pare, submit to the Corporation, and obtain approval  
9 of, an application at such time and in such manner  
10 as the Chairperson may reasonably require.

11           “(2) CONTENTS.—An application submitted  
12 under paragraph (1) shall contain—

13           “(A) such information as the Chairperson  
14 may reasonably require, such as a description  
15 of—

16           “(i) the proposed program to be es-  
17 tablished with assistance provided under  
18 the grant or contract;

19           “(ii) the human, educational, environ-  
20 mental, or public safety service that par-  
21 ticipants will perform and the community  
22 need that will be addressed under such  
23 program;

1           “(iii) whether or not students will re-  
2           ceive academic credit for community serv-  
3           ice projects under the program;

4           “(iv) the procedure for training super-  
5           visors and participants and for supervising  
6           and organizing participants in such pro-  
7           gram;

8           “(v) the procedures to ensure that the  
9           program includes the age-appropriate  
10          learning component described in section  
11          114(d)(5)(B);

12          “(vi) the roles played by community  
13          members, including service recipients, in  
14          the design and implementation of the pro-  
15          gram; and

16          “(vii) the budget for the program;

17          “(B) assurances that—

18               “(i) prior to the placement of a partic-  
19               ipant, the applicant will consult with any  
20               local labor organization representing em-  
21               ployees in the area who are engaged in the  
22               same or similar work as that proposed to  
23               be carried out by such program, to prevent  
24               the displacement and protect the rights of  
25               such employees; and

1           “(ii) the applicant will comply with  
2           the nonduplication and nondisplacement  
3           provisions of section 177; and

4           “(C) such other assurances as the Chair-  
5           person may reasonably require.

6           “(e) PRIORITY.—

7           “(1) IN GENERAL.—In making grants and en-  
8           tering into contracts under subsection (b), the Cor-  
9           poration shall give priority to applicants that submit  
10          applications containing proposals that—

11           “(A) demonstrate the commitment of the  
12           institution of higher education, other than by  
13           demonstrating the commitment of the students,  
14           to supporting the community service projects  
15           carried out under the program;

16           “(B) specify the manner in which the insti-  
17           tution will promote faculty, administration, and  
18           staff participation in the community service  
19           projects;

20           “(C) specify the manner in which the insti-  
21           tution will provide service to the community  
22           through organized programs, including, where  
23           appropriate, clinical programs for students in  
24           professional schools;

} REFS.

1           “(D) describe any partnership that will  
2           participate in the community service projects,  
3           such as a partnership comprised of—

4                   “(i) the institution;

5                   “(ii)(I) a community-based agency;

6                   “(II) a local government agency; or

7                   “(III) a nonprofit entity that serves or  
8           involves school-age youth or older adults;  
9           or

10                   “(iii) a student organization;

11           “(E) demonstrate community involvement  
12           in the development of the proposal;

13           “(F) specify that the institution will use  
14           such assistance to strengthen the service infra-  
15           structure in institutions of higher education; or

16           “(G) with respect to projects involving de-  
17           livery of service, specify projects that involve  
18           leadership development of school-age youth.

19           “(2) DETERMINATION.—In giving priority to  
20           applicants under paragraph (1), the Corporation  
21           shall give increased priority to such an applicant for  
22           each characteristic described in subparagraphs (A)  
23           through (G) of paragraph (1) that is reflected in the  
24           application submitted by the applicant.

1       “(f) NATIONAL SERVICE EDUCATIONAL AWARD.—A  
2 participant in a program funded under this part shall be  
3 eligible for the national service educational award de-  
4 scribed in subtitle D, if the participant served in an ap-  
5 proved national service position.

6       “(g) DEFINITION.—Notwithstanding section  
7 101(28), as used in this part, the term ‘student’ means  
8 an individual who is enrolled in an institution of higher  
9 education on a full- or part-time basis.”.

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

“Subtitle B—School-Based and Community-Based Service-Learning Programs

“PART I—SERVE-AMERICA PROGRAMS

“SUBPART A—SCHOOL-BASED PROGRAMS FOR STUDENTS

- “Sec. 111. Authority to assist States and Indian tribes.
- “Sec. 111A. Authority to assist local applicants in nonparticipating States.
- “Sec. 111B. Authority to assist public or private nonprofit organizations.
- “Sec. 112. Grants and allotments.
- “Sec. 113. State or tribal applications.
- “Sec. 114. Local applications.
- “Sec. 115. Consideration of applications.
- “Sec. 115A. Participation of students and teachers from private schools.
- “Sec. 116. Federal, State, and local contributions.
- “Sec. 116A. Limitations on uses of funds.
- “Sec. 116B. Definitions.

“SUBPART B—COMMUNITY-BASED SERVICE PROGRAMS FOR SCHOOL-AGE  
YOUTH

- “Sec. 117. Definitions.
- “Sec. 117A. General authority.
- “Sec. 117B. State applications.
- “Sec. 117C. Local applications.
- “Sec. 117D. Consideration of applications.

“Sec. 117E. Federal, State, and local contributions.  
“Sec. 117F. Limitations on uses of funds.

“SUBPART C—CLEARINGHOUSE

“Sec. 118. Service-learning clearinghouse.

“SUBPART D—GENERAL PROVISIONS

“Sec. 119. Availability of appropriations.

“PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY  
SERVICE

“Sec. 120. Higher education innovative programs for community service.”

1 (d) TECHNICAL AND CONFORMING AMENDMENTS.—  
2 Section 172(a)(3)(A) of the National and Community  
3 Service Act of 1990 (42 U.S.C. 12632(a)(3)(A)) is amend-  
4 ed by striking “113(9)” and inserting “113(b)(1)(C)(v)”.

5 **SEC. 104. QUALITY AND INNOVATION ACTIVITIES.**

6 (a) REPEAL.—Subtitle E of title I of the National  
7 and Community Service Act of 1990 (42 U.S.C. 12591  
8 et seq.) is repealed.

9 (b) TRANSFER.—Title I of the National and Commu-  
10 nity Service Act of 1990 is amended—

11 (1) by redesignating subtitle H (42 U.S.C.  
12 12653 et seq.) as, and transferring such subtitle to,  
13 subtitle E;

14 (2) by inserting subtitle E (as so redesignated  
15 by paragraph (1) of this subsection) after subtitle D;  
16 and

17 (3) by redesignating sections 195 through 195O  
18 as sections 151 through 166, respectively.

1 (c) INVESTMENT FUND FOR QUALITY AND INNOVA-  
2 TION.—Title I of the National and Community Service Act  
3 of 1990 (as amended by subsection (b) of this section)  
4 is amended by adding at the end the following new sub-  
5 title:

6 **“Subtitle H—Quality and**  
7 **Innovation Activities**

8 **“SEC. 198. ADDITIONAL CORPORATION ACTIVITIES TO SUP-**  
9 **PORT NATIONAL SERVICE.**

10 “(a) METHODS OF CONDUCTING ACTIVITIES.—The  
11 Corporation may carry out this section directly or through  
12 grants, contracts, and cooperative agreements with other  
13 entities.

14 “(b) INNOVATION AND QUALITY IMPROVEMENT.—  
15 The Corporation may undertake activities to improve the  
16 quality of national service programs and to support inno-  
17 vative and model programs, including programs for rural  
18 youth, employer-based retiree programs, intergenerational  
19 programs, and programs sponsored by State Governors.  
20 An intergenerational program referred to in this sub-  
21 section may include a program in which older adults pro-  
22 vide services to children who participate in Head Start  
23 programs.

24 “(c) SUMMER PROGRAMS.—The Corporation may  
25 support service programs intended to be carried out be-

Define.  
A lot of  
schools  
are  
year-round.

1   tween May 1 and October 1, except that such a program  
2   may also include a year-round component.

3       “(d) COMMUNITY-BASED AGENCIES.—The Corpora-  
4   tion may provide training and technical assistance and  
5   other assistance to service sponsors and other community-  
6   based agencies that provide volunteer placements in order  
7   to improve the ability of such agencies to use participants  
8   and other volunteers in a manner that results in high-quality  
9   service and a positive service experience for the partici-  
10 pants and volunteers.

11       “(e) IMPROVE ABILITY TO APPLY FOR ASSIST-  
12 ANCE.—The Corporation may provide training and tech-  
13 nical assistance to individuals, programs, State edu-  
14 cational agencies, State commissions, local educational  
15 agencies, local governments, community-based agencies,  
16 and other entities to enable them to apply for funding  
17 under a national service law, to conduct high-quality pro-  
18 grams, to evaluate such programs, and for other purposes.

19       “(f) NATIONAL SERVICE FELLOWSHIPS.—The Cor-  
20 poration may award national service fellowships.

21       “(g) CONFERENCES AND MATERIALS.—The Corpora-  
22 tion may organize and hold conferences, and prepare and  
23 publish materials, to disseminate information and promote  
24 the sharing of information among programs for the pur-  
25 pose improving the quality of programs and projects.

^  
L of

1       “(h) PEACE CORPS AND FEDERAL PROGRAMS.—The  
2 Corporation may provide training assistance to selected in-  
3 dividuals who volunteer to serve in the Peace Corps or a  
4 program authorized under title I of the Domestic Volun-  
5 teer Service Act of 1973 (42 U.S.C. 4951 et seq.). The  
6 training shall be provided as part of the course of study  
7 of the individual at an institution of higher education and  
8 shall cover appropriate skills that the individual will use  
9 in the Peace Corps or VISTA.

10       “(i) PROMOTION AND RECRUITMENT.—The Corpora-  
11 tion may conduct a campaign to raise funds for the Na-  
12 tional Service Trust, and to promote and recruit partici-  
13 pants for programs that receive assistance under the na-  
14 tional service laws.

15       “(j) TRAINING.—The Corporation may support na-  
16 tional and regional participant and supervisor training, in-  
17 cluding training in specific types of service and in building  
18 a national service ethic.

19       “(k) RESEARCH.—The Corporation may support re-  
20 search on national service, including service-learning.

21       “(l) INTERGENERATIONAL SUPPORT.—The Corpora-  
22 tion may assist programs in developing a service compo-  
23 nent that combines students, out-of-school youths, and  
24 older adults as participants to provide needed community  
25 services.

*and other  
corporation  
programs*

*Is this  
enough  
basis  
for  
training?*

*this  
should  
set its  
own  
section.*

1       “(m) PLANNING COORDINATION.—The Corporation  
2 may coordinate community-wide planning among pro-  
3 grams and projects.

4       “(n) POINTS OF LIGHT FOUNDATION.—The Cor-  
5 poration may support the activities of the Points of Light  
6 Foundation under title III.

7       “(o) ESPRIT DE CORPS.—The Corporation may sup-  
8 port the development and dissemination of materials, in-  
9 cluding training materials and uniforms, designed to pro-  
10 mote unity and shared features among programs that re-  
11 ceive assistance under the national service laws.

12 **“SEC. 198A. CLEARINGHOUSES.**

13       “(a) ASSISTANCE.—The Corporation shall provide as-  
14 sistance to appropriate entities to establish one or more  
15 clearinghouses, including the clearinghouse described in  
16 section 118.

17       “(b) APPLICATION.—To be eligible to receive assist-  
18 ance under subsection (a), an entity shall submit an appli-  
19 cation to the Corporation at such time, in such manner,  
20 and containing such information as the Corporation may  
21 require.

22 **“SEC. 198B. PRESIDENTIAL AWARDS FOR SERVICE.**

23       “(a) PRESIDENTIAL AWARDS.—

24               “(1) IN GENERAL.—The President, acting  
25 through the Corporation, may make Presidential

1 awards for service to individuals providing signifi-  
2 cant service, and to outstanding service programs.

3 “(2) INDIVIDUALS AND PROGRAMS.—Notwith-  
4 standing section 101(17)—

5 “(A) an individual receiving an award  
6 under this subsection need not be a participant  
7 in a program authorized under this Act; and

8 “(B) a program receiving an award under  
9 this subsection need not be a program author-  
10 ized under this Act.

11 “(3) NATURE OF AWARD.—In making an award  
12 under this section to an individual or program, the  
13 President, acting through the Corporation—

14 “(A) is authorized to incur necessary ex-  
15 penses for the honorary recognition of the indi-  
16 vidual or program; and

17 “(B) is not authorized to make a cash  
18 award to such individual or program.

19 “(b) INFORMATION.—The President, acting through  
20 the Corporation, shall ensure that information concerning  
21 individuals and programs receiving awards under this sec-  
22 tion is widely disseminated.”.

23 (d) TABLE OF CONTENTS.—

24 (1) CIVILIAN COMMUNITY CORPS.—Section 1(b)  
25 of the National and Community Service Act of 1990

1 (Public Law 101-610; 104 Stat. 3127) is amended  
2 by striking the items relating to subtitle E of title  
3 I of such Act and inserting the following:

“Subtitle E—Civilian Community Corps

- “Sec. 151. Purpose.
- “Sec. 152. Establishment of Civilian Community Corps Demonstration Program.
- “Sec. 153. National service program.
- “Sec. 154. Summer national service program.
- “Sec. 155. Civilian Community Corps.
- “Sec. 156. Training.
- “Sec. 157. Service projects.
- “Sec. 158. Authorized benefits for Corps personnel under Federal law.
- “Sec. 159. Administrative provisions.
- “Sec. 160. Status of Corps members and Corps personnel under Federal law.
- “Sec. 161. Contract and grant authority.
- “Sec. 162. Responsibilities of other departments.
- “Sec. 163. Advisory board.
- “Sec. 164. Annual evaluation.
- “Sec. 165. Funding limitation.
- “Sec. 166. Definitions.”.

4 (2) QUALITY AND INNOVATION.—Section 1(b)  
5 of the National and Community Service Act of 1990  
6 (Public Law 101-610; 104 Stat. 3127) is amended  
7 by striking the items relating to subtitle H of title  
8 I of such Act and inserting the following:

“Subtitle H—Quality and Innovation Activities

- “Sec. 198. Additional corporation activities to support national service.
- “Sec. 198A. Clearinghouses.
- “Sec. 198B. Presidential awards for service.”.

9 (e) TECHNICAL AND CONFORMING AMENDMENTS.—

10 (1) NATIONAL DEFENSE AUTHORIZATION ACT  
11 FOR FISCAL YEAR 1993.—

12 (A) Section 1091(f)(2) of the National De-  
13 fense Authorization Act for Fiscal Year 1993

1 (Public Law 102-484) is amended by striking  
2 "195G" and inserting "158".

3 (B) Paragraphs (1) and (2) of section  
4 1092(b), and sections 1092(c), 1093(a), and  
5 1094(a) of such Act are amended by striking  
6 "195A" and inserting "152".

7 (C) Sections 1091(f)(2), 1092(b)(1), and  
8 1094(a), and subsections (a) and (c) of section  
9 1095 of such Act are amended by striking  
10 "subtitle H" and inserting "subtitle E".

11 (D) Section 1094(b)(1) and subsections (b)  
12 and (c)(1) of section 1095 of such Act are  
13 amended by striking "subtitles B, C, D, E, F,  
14 and G" and inserting "subtitles B, C, D, F, G,  
15 and H".

16 (2) NATIONAL AND COMMUNITY SERVICE ACT  
17 OF 1990.—

18 (A) Section 102 of the National and Com-  
19 munity Service Act of 1990 (42 U.S.C. 12512)  
20 is amended by striking "B, C, D, or E" and in-  
21 serting "B, C, D, or H".

22 (B) Subsections (b) and (c) of section 171  
23 of such Act (42 U.S.C. 12631) are amended by  
24 striking "B through E" and inserting "B, C, D,  
25 and H".

1 (C) Section 195B(a) of such Act (42  
2 U.S.C. 12635b(a)) is amended by striking  
3 “195A(a)” and inserting “152(a)”.

4 (D) Section 195C(a) of such Act (42  
5 U.S.C. 12635c(a)) is amended by striking  
6 “195A(a)” and inserting “152(a)”.

7 (E) Section 195D of such Act (42 U.S.C.  
8 12635d) is amended—

9 (i) in subsection (a), by striking  
10 “195H(c)(1)” and inserting “159(c)(1)”;

11 (ii) in subsection (c)(2), by striking  
12 “195H(c)(2)” and inserting “159(c)(2)”;

13 and

14 (iii) in subsection (d)(3), by striking  
15 “195K(a)(3)” and inserting “162(a)(3)”.

16 (F) Section 195E of such Act (42 U.S.C.  
17 12635e) is amended—

18 (i) in subsection (c)(1), by striking  
19 “195H(c)(2)” and inserting “159(c)(2)”;

20 and

21 (ii) in subsection (d), by striking  
22 “195K(a)(3)” and inserting “162(a)(3)”.

23 (G) Section 195H of such Act (42 U.S.C.  
24 12635h) is amended—

25 (i) in subsection (a)—

1 (I) by striking “195A” and in-  
2 serting “152”; and

3 (II) by striking “195” and in-  
4 serting “151”; and

5 (ii) in subsection (c)(2)(C)(i), by  
6 striking “195K(a)(2)” and inserting “sec-  
7 tion 162(a)(2)”.

8 (H) Section 195J(b)(1)(B) of such Act (42  
9 U.S.C. 12635j(b)(1)(B)) is amended by striking  
10 “195K(a)(3)” and inserting “162(a)(3)”.

11 (I) Section 195K(a)(2)(A) of such Act (42  
12 U.S.C. 12635k(a)(2)(A)) is amended by strik-  
13 ing “195(3)” and inserting “151(3)”.

14 (J) Section 195O of such Act (42 U.S.C.  
15 12635o) is amended—

16 (i) in paragraph (2), by striking  
17 “195D” and inserting “155”;

18 (ii) in paragraph (8), by striking  
19 “195A” and inserting “152”;

20 (iii) in paragraph (10), by striking  
21 “195D(d)” and inserting “155(d)”; and

22 (iv) in paragraph (11), by striking  
23 “195D(c)” and inserting “155(c)”.

1 **SEC. 105. DEFINITIONS.**

2 (a) IN GENERAL.—Section 101 of the National and  
3 Community Service Act of 1990 (42 U.S.C. 12511) is  
4 amended to read as follows:

5 **“SEC. 101. DEFINITIONS.**

6 “For purposes of this title:

7 “(1) ADULT VOLUNTEER.—The term ‘adult vol-  
8 unteer’ means an individual, such as an older adult,  
9 an individual with a disability, a parent, or an em-  
10 ployee of a business or public or private nonprofit  
11 agency, who—

12 “(A) works without financial remuneration  
13 in an educational institution to assist students  
14 or out-of-school youth; and

15 “(B) is beyond the age of compulsory  
16 school attendance in the State in which the edu-  
17 cational institution is located.

18 “(2) APPROVED NATIONAL SERVICE POSI-  
19 TION.—The term ‘approved national service position’  
20 means a national service position designated by the  
21 Corporation as a position that includes a national  
22 service educational award described in section 147  
23 as one of the benefits to be provided for successful  
24 service in the position.

25 “(3) CARRY OUT.—The term ‘carry out’, when  
26 used in connection with a national service program

*An individual  
with a  
disability  
may be  
6 years old.*

1 described in section 122, means the planning, estab-  
2 lishment, operation, expansion, or replication of the  
3 program.

4 “(4) CHAIRPERSON.—The term ‘Chairperson’  
5 means the Chairperson and Director of the Corpora-  
6 tion appointed under section 193.

7 “(5) COMMUNITY-BASED AGENCY.—The term  
8 ‘community-based agency’ means a private nonprofit  
9 organization that is representative of a community  
10 and that is engaged in meeting human, educational,  
11 environmental, or public safety community needs.

12 “(6) CORPORATION.—The term ‘Corporation’  
13 means the Corporation for National Service estab-  
14 lished under section 191.

*and  
community*

15 “(7) ECONOMICALLY DISADVANTAGED.—The  
16 term ‘economically disadvantaged’ has the same  
17 meaning given such term in section 4(8) of the Job  
18 Training Partnership Act (29 U.S.C. 1503(8)).

19 “(8) ELEMENTARY SCHOOL.—The term ‘ele-  
20 mentary school’ has the same meaning given such  
21 term in section 1471(8) of the Elementary and Sec-  
22 ondary Education Act of 1965 (20 U.S.C. 2891(8)).

23 “(9) INDIAN.—The term ‘Indian’ means a per-  
24 son who is a member of an Indian tribe.

1           “(10) INDIAN LANDS.—The term ‘Indian lands’  
2           means any real property owned by an Indian tribe,  
3           any real property held in trust by the United States  
4           for an Indian or Indian tribe, and any real property  
5           held by an Indian or Indian tribe that is subject to  
6           restrictions on alienation imposed by the United  
7           States.

8           “(11) INDIAN TRIBE.—The term ‘Indian tribe’  
9           means an Indian tribe, band, nation, or other orga-  
10          nized group or community, including any Native vil-  
11          lage, Regional Corporation, or Village Corporation,  
12          as defined in subsection (c), (g), or (j), respectively,  
13          of section 3 of the Alaska Native Claims Settlement  
14          Act (43 U.S.C. 1602 (c), (g), or (j)), that is recog-  
15          nized as eligible for the special programs and serv-  
16          ices provided by the United States under Federal  
17          law to Indians because of their status as Indians.

18          “(12) INSTITUTION OF HIGHER EDUCATION.—  
19          The term ‘institution of higher education’ has the  
20          same meaning given such term in section 1201(a) of  
21          the Higher Education Act of 1965 (20 U.S.C.  
22          1141(a)).

23          “(13) LOCAL EDUCATIONAL AGENCY.—The  
24          term ‘local educational agency’ has the same mean-  
25          ing given such term in section 1471(12) of the Ele-

1       mentary and Secondary Education Act of 1965 (20  
2       U.S.C. 2891(12)).

3               “(14) NATIONAL SERVICE LAWS.—The term  
4       ‘national service laws’ means this Act and the Do-  
5       mestic Volunteer Service Act of 1973 (42 U.S.C.  
6       4950 et seq.).

7               “(15) OUT-OF-SCHOOL YOUTH.—The term ‘out-  
8       of-school youth’ means an individual who—

9                       “(A) has not attained the age of 27;

10                      “(B) has not completed college or the  
11       equivalent thereof; and

12                      “(C) is not enrolled in an elementary or  
13       secondary school or institution of higher edu-  
14       cation.

15               “(16) PARTICIPANT.—

16                      “(A) IN GENERAL.—The term ‘participant’  
17       means—

18                      “(i) for purposes of subtitle C, an in-  
19       dividual in an approved national service  
20       position; and

21                      “(ii) for purposes of any other provi-  
22       sion of this Act, an individual enrolled in  
23       a program that receives assistance under  
24       this title.

1           “(B) RULE.—A participant shall not be  
2           considered to be an employee of the program in  
3           which the participant is enrolled.

4           “(17) PARTNERSHIP PROGRAM.—The term  
5           ‘partnership program’ means a program through  
6           which an adult volunteer, a public or private non-  
7           profit agency, an institution of higher education, or  
8           a business assists a local educational agency.

9           “(18) PROGRAM.—The term ‘program’, except  
10          when used as part of the term ‘academic program’,  
11          means a program described in section 111(a) (other  
12          than a program referred to in paragraph (3)(B) of  
13          such section), 117A(a), 120(b)(1), or 122(a) (other  
14          than a program referred to in paragraph (2)(B) of  
15          such section), in paragraph (1) or (2) of section  
16          152(b), or in section 198.

17          “(19) PROJECT.—The term ‘project’ means an  
18          activity, carried out through a program that receives  
19          assistance under this title, that results in a specific  
20          identifiable service or improvement.

21          “(20) SCHOOL-AGE YOUTH.—The term ‘school-  
22          age youth’ means an individual between the ages of  
23          5 and 18, inclusive.

24          “(21) SECONDARY SCHOOL.—The term ‘second-  
25          ary school’ has the same meaning given such term

1 in section 1471(21) of the Elementary and Second-  
2 ary Education Act of 1965 (20 U.S.C. 2891(21)).

3 “(22) SERVICE-LEARNING.—The term ‘service-  
4 learning’ means a method—

5 “(A) under which students or participants  
6 learn and develop through active participation  
7 in thoughtfully organized service that—

8 “(i) is conducted in and meets the  
9 needs of a community;

10 “(ii) is coordinated with an elemen-  
11 tary school, secondary school, institution of  
12 higher education, or community service  
13 program, and with the community; and

14 “(iii) helps foster civic responsibility;  
15 and

16 “(B) that—

17 “(i) is integrated into and enhances  
18 the academic curriculum of the students,  
19 or the educational components of the com-  
20 munity service program in which the par-  
21 ticipants are enrolled; and

22 “(ii) provides structured time for the  
23 students or participants to reflect on the  
24 service experience.

1           “(23) SERVICE-LEARNING COORDINATOR.—The  
2           term ‘service-learning coordinator’ means an individ-  
3           ual who provides services as described in section  
4           subsection (a)(3) or (b) of section 111.

5           “(24) SERVICE SPONSOR.—The term ‘service  
6           sponsor’ means an organization, or other entity, that  
7           has been selected to provide a placement for a par-  
8           ticipant.

9           “(25) STATE.—The term ‘State’ means each of  
10          the several States, the District of Columbia, the  
11          Commonwealth of Puerto Rico, the Virgin Islands,  
12          Guam, American Samoa, and the Commonwealth of  
13          the Northern Mariana Islands. The term also in-  
14          cludes Palau, until such time as the Compact of  
15          Free Association is ratified.

16          “(26) STATE COMMISSION.—The term ‘State  
17          Commission’ means a State Commission on National  
18          Service established pursuant to section 178.

19          “(27) STATE EDUCATIONAL AGENCY.—The  
20          term ‘State educational agency’ has the same mean-  
21          ing given such term in section 1471(23) of the Ele-  
22          mentary and Secondary Education Act of 1965 (20  
23          U.S.C. 2891(23)).

24          “(28) STUDENT.—The term ‘student’ means an  
25          individual who is enrolled in an elementary or sec-

1 tion 101(30) of the National and Community Service  
2 Act of 1990” and inserting “youth corps programs,  
3 as described in section 122(a)(1) of the National  
4 and Community Service Act of 1990”.

5 (5) Section 1201(p) of the Higher Education  
6 Act of 1965 (20 U.S.C. 1141(p)) is amended by  
7 striking “section 101(22) of the National and Com-  
8 munity Service Act of 1990” and inserting “section  
9 101(22) of the National and Community Service Act  
10 of 1990 (42 U.S.C. 12511(21))”.

## 11 **TITLE II—ORGANIZATIONS**

### 12 **SEC. 201. STATE COMMISSIONS ON NATIONAL SERVICE.**

13 (a) ESTABLISHMENT REQUIRED.—Subtitle F of title  
14 I of the National and Community Service Act of 1990 is  
15 amended by striking section 178 (42 U.S.C. 12638) and  
16 inserting the following new section:

#### 17 **“SEC. 178. ESTABLISHMENT OF STATE COMMISSIONS ON** 18 **NATIONAL SERVICE.**

19 “(a) ESTABLISHMENT REQUIRED.—To be eligible to  
20 receive a grant or allotment under subtitle B or C, or to  
21 receive a distribution of approved national service posi-  
22 tions under subtitle C, a State shall establish a State Com-  
23 mission on National Service that satisfies the require-  
24 ments of this section.

1       “(b) APPOINTMENT AND SIZE.—Except as provided  
2 in subsection (c)(2), the members of a State Commission  
3 for a State shall be appointed by the chief executive officer  
4 of the State. A State Commission shall consist of not less  
5 than 7 members and not more than 11 members.

6       “(c) COMPOSITION AND MEMBERSHIP.—

7               “(1) IN GENERAL.—Except as provided in para-  
8 graph (2), the members of a State Commission shall  
9 be appointed from among the following:

10               “(A) Representatives, including partici-  
11 pants, of national service programs, such as  
12 youth corps programs, service programs for  
13 school-age youth, programs in which older  
14 Americans are participants, and other national  
15 service programs.

16               “(B) Representatives of labor and business  
17 groups and community-based organizations.

18               “(C) Educators and experts regarding na-  
19 tional service or regarding the delivery of  
20 human, educational, environmental, and public  
21 safety services to communities and persons.

22               “(2) CORPORATION REPRESENTATIVE.—The  
23 representative of the Corporation designated under  
24 section 195(b) for a State shall be a full voting  
25 member of the State Commission for that State.

*This will  
be too small  
for large  
states,  
etc.*

*in K-12  
and  
higher  
education*

1           “(3) EX OFFICIO STATE REPRESENTATIVES.—

2           The chief executive officer of a State may appoint as  
3           nonvoting ex officio members of the State Commis-  
4           sion for the State not more than \_\_\_\_\_[number]  
5           representatives selected from among officers and em-  
6           ployees of State agencies operating community serv-  
7           ice, youth service, education, social service, senior  
8           service, and job training programs.

*Don't  
give  
specific  
number*

9           “(d) MISCELLANEOUS MATTERS.—

10           “(1) MEMBERSHIP BALANCE.—The chief execu-  
11           tive officer of a State shall ensure that the member-  
12           ship of the State Commission for the State is bal-  
13           anced according to political affiliation, race, ethnic  
14           background, age, and gender.

15           “(2) TERMS.—Each member of the State Com-  
16           mission for a State shall serve for a term of 3 years,  
17           except that the chief executive officer of a State  
18           shall initially appoint a portion of the members to  
19           terms of 1 year and 2 years.

20           “(3) VACANCIES.—As vacancies occur on a  
21           State Commission, new members shall be appointed  
22           by the chief executive of the State and serve for the  
23           remainder of the term for which the predecessor of  
24           such member was appointed. The vacancy shall not

1 affect the power of the remaining members to exe-  
2 cute the duties of the State Commission.

3 “(4) COMPENSATION.—A member of a State  
4 Commission shall not receive any additional com-  
5 pensation by reason of service on the State Commis-  
6 sion, except that the State may authorize the reim-  
7 bursement of travel expenses, including a per diem  
8 in lieu of subsistence, in the same manner as other  
9 employees serving intermittently in the service of the  
10 State.

11 “(5) CHAIRPERSON.—The members of a State  
12 Commission shall elect one of the voting members to  
13 serve as chairperson of the State Commission.

14 “(e) DUTIES OF A STATE COMMISSION.—The State  
15 Commission for a State shall be responsible for the follow-  
16 ing duties:

17 “(1) Preparation of the applications of the  
18 State under sections 117B and 130 for financial as-  
19 sistance.

20 “(2) Assist in the preparation of the application  
21 of the State educational agency for assistance under  
22 section 113.

23 “(3) Preparation of the application of the State  
24 under section 130 for the approval of national serv-

*Duties  
should  
include  
producing  
a Comprehensive  
State Plan*

1 ice positions that include the national service edu-  
2 cational award described in subtitle D.

3 “(5) Assist in the provision of health care and  
4 child care benefits under section 140 to participants  
5 in national service programs that receive assistance  
6 under section 121.

7 “(6) Development of a State system for the recruit-  
8 ment and placement of participants in national service  
9 programs that receive assistance under section 121 and  
10 dissemination of information concerning national service  
11 programs that receive assistance and approved national  
12 service positions..

13 “(7) Administration of any grant program in  
14 support of national service programs that is con-  
15 ducted by the State using assistance provided to the  
16 State under section 121, including oversight and  
17 evaluation of grant recipients.

18 “(8) Development of projects, training methods,  
19 curriculum materials, and other materials and activi-  
20 ties related to national service programs that receive  
21 assistance directly from the Corporation or from the  
22 State using assistance provided under section 121..

23 “(f) PROHIBITED ACTIVITY.—A State Commission  
24 may not directly carry out any national service program  
25 that receives assistance under section 121.

*These  
should  
be  
delegated  
Need  
simple  
authority*

*a Governor  
or*

1 “(g) APPROVAL OF STATE COMMISSION.—

2 “(1) SUBMISSION TO CORPORATION.—~~The~~ chief  
3 executive officer for a State shall notify the Corpora-  
4 tion of the establishment of the State Commission  
5 for the State. The notification shall include a de-  
6 scription of—

7 “(A) the composition and membership of  
8 the State Commission; and

9 “(B) the authority of the State Commis-  
10 sion regarding national service activities carried  
11 out by the State.

12 “(2) REJECTION.—The Corporation may reject  
13 a State Commission if the Corporation determines  
14 that the composition, membership, or duties of the  
15 State Commission do not comply with the require-  
16 ments of this section. If the Corporation rejects a  
17 State Commission under this paragraph, the Cor-  
18 poration shall promptly notify the State of the rea-  
19 sons for the rejection.

20 “(3) RESUBMISSION AND RECONSIDERATION.—  
21 The Corporation shall provide a State notified under  
22 paragraph (2) with a reasonable opportunity to re-  
23 vise the State Commission. At the request of the  
24 State, the Corporation shall provide technical assist-  
25 ance to the State as part of the revision process.

1 The Corporation shall promptly reconsider any re-  
2 submission of a notification under paragraph (1).

3 “(4) SUBSEQUENT CHANGES.—This subsection  
4 shall also apply to any change in the composition or  
5 duties of a State Commission made after approval of  
6 the Commission.” *Corporation?*

7 (b) TABLE OF CONTENTS.—Section 1(b) of the Na-  
8 tional and Community Service Act of 1990 (Public Law  
9 101-610; 104 Stat. 3127) is amended by striking the item  
10 relating to section 178 and inserting the following new  
11 item:

“Sec. 178. Establishment of State Commissions on National Service.”.

12 (c) EFFECTIVE DATE.—The amendments made by  
13 this section shall take effect on the date of the enactment  
14 of this Act.

15 (d) TRANSITIONAL PROVISIONS.—

16 (1) USE OF ALTERNATIVES TO STATE COMMIS-  
17 SION.—If a State does not have a State Commission  
18 on National Service that satisfies the requirements  
19 specified in section 178 of the National and Commu-  
20 nity Services Act of 1990, as amended by subsection  
21 (a), the Corporation for National Service may au-  
22 thorize another agency of the State to perform the  
23 duties otherwise reserved to a State Commission  
24 under subsection (e) of such section.

*Corporation  
doesn't  
need to  
be involve  
with  
every  
change*

1           (2) APPLICATION OF SUBSECTION.—This sub-  
2           section shall apply only during the 1-year period be-  
3           ginning on the date of the enactment of this Act.

4   **SEC. 202. INTERIM AUTHORITIES OF THE CORPORATION**  
5                   **FOR NATIONAL SERVICE AND ACTION AGEN-**  
6                   **CY.**

7           (a) NATIONAL AND COMMUNITY SERVICE ACT OF  
8   1990.—Subtitle G of title I of the National and Commu-  
9   nity Service Act of 1990 (42 U.S.C. 12651) is amended  
10 to read as follows:

11           **“Subtitle G—Corporation for**  
12                   **National Service**

13   **“SEC. 191. CORPORATION FOR NATIONAL SERVICE.**

14           “There is established a Corporation for National  
15 Service that shall administer the programs established  
16 under this Act. The Corporation shall be a Government  
17 corporation, as defined in section 103 of title 5, United  
18 States Code.

19   **“SEC. 192. BOARD OF DIRECTORS.**

20           “(a) COMPOSITION.—

21                   “(1) IN GENERAL.—There shall be in the Cor-  
22 poration a Board of Directors (referred to in this  
23 subtitle as the ‘Board’) that shall be composed of—

24                           “(A) 11 members, including the Chair-  
25                           person appointed under section 193, to be ap-

1 pointed by the President, by and with the ad-  
2 vice and consent of the Senate; and

3 “(B) the ex officio members described in  
4 paragraph (4).

5 “(2) QUALIFICATIONS.—

6 “(A) IN GENERAL.—To the maximum ex-  
7 tent practicable, the President shall appoint  
8 members—

9 “(i) who have extensive experience in  
10 volunteer and service programs, including  
11 programs not authorized under this title;

12 “(ii) who represent a broad range of  
13 viewpoints;

14 “(iii) who have expertise in the area  
15 of human, educational, environmental, or  
16 public safety service; and

17 “(iv) so that the Board shall be di-  
18 verse according to race, ethnicity, age, and  
19 gender, and shall have bipartisan represen-  
20 tation.

*LABOR ?*

21 “(B) GRANT APPLICANTS AND RECIPI-  
22 ENTS.—An individual who receives financial as-  
23 sistance to carry out activities under this Act  
24 during a period shall not be eligible to be ap-  
25 pointed to the Board during such period. An in-

1           dividual who is an applicant for such financial  
2           assistance may be appointed to the Board, but  
3           shall not participate in any decision involving  
4           such assistance.

5           “(3) INITIAL MEMBERS.—The members first  
6           appointed to the Board after the date of enactment  
7           of this section shall be appointed from among indi-  
8           viduals who served on the Board of Directors of the  
9           Commission on National and Community Service.

10          “(4) EX OFFICIO MEMBERS.—The Secretary of  
11          Education, the Secretary of Health and Human  
12          Services, the Secretary of Labor, the Secretary of  
13          the Interior, the Secretary of Agriculture, the Sec-  
14          retary of Housing and Urban Development, the Sec-  
15          retary of Defense, the Attorney General, and the  
16          Administrator of the Environmental Protection  
17          Agency shall serve as ex officio nonvoting members  
18          of the Board.

19          “(b) TERMS.—Each appointed member of the Board  
20          shall serve for a term of 3 years, except that 4 of the mem-  
21          bers first appointed to the Board after the date of enact-  
22          ment of this section shall serve for a term of 1 year and  
23          4 shall serve for a term of 2 years, as designated by the  
24          President.

1       “(c) VACANCIES.—As vacancies occur on the Board,  
2 new members shall be appointed by the President, by and  
3 with the advice and consent of the Senate, and serve for  
4 the remainder of the term for which the predecessor of  
5 such member was appointed. The vacancy shall not affect  
6 the power of the remaining members to execute the duties  
7 of the Board.

8       **“SEC. 192A. AUTHORITIES AND DUTIES OF THE BOARD OF**  
9                               **DIRECTORS.**

10       “(a) MEETINGS.—The Board shall meet not less than  
11 3 times each year. The Board shall hold additional meet-  
12 ings if 6 members of the Board request such meetings in  
13 writing.

14       “(b) QUORUM.—A majority of the appointed mem-  
15 bers of the Board shall constitute a quorum.

16       “(c) OFFICERS.—

17               “(1) VICE CHAIRPERSON.—The Board shall  
18 elect a Vice Chairperson from among its member-  
19 ship. The Vice Chairperson may conduct meetings of  
20 the Board in the absence of the Chairperson.

21               “(2) OTHER OFFICERS.—The Board may elect  
22 from among its membership such additional officers  
23 of the Board as the Board determines to be appro-  
24 priate.

1       “(d) EXPENSES.—While away from their homes or  
2 regular places of business on the business of the Board,  
3 members of such Board may be allowed travel expenses,  
4 including per diem in lieu of subsistence, as is authorized  
5 under section 5703 of title 5, United States Code, for per-  
6 sons employed intermittently in the Government service.

7       “(e) SPECIAL GOVERNMENT EMPLOYEES.—For pur-  
8 poses of the provisions of chapter 11 of part I of title 18,  
9 United States Code, and any other provision of Federal  
10 law, a member of the Board (to whom such provisions  
11 would not otherwise apply except for this subsection) shall  
12 be a special Government employee.

13       “(f) TORT CLAIMS.—For the purposes of the tort  
14 claims provisions of chapter 171 of title 28, United States  
15 Code, a member of the Board shall be considered to be  
16 a Federal employee.

17       “(g) DUTIES.—The Board shall—

18               “(1) prepare an annual strategic plan for the  
19 Corporation with respect to the grants, allotments,  
20 contracts, assistance, and payments described in sec-  
21 tion 193A(b)(4)(A), and with respect to such stand-  
22 ards, policies, procedures, programs, and initiatives  
23 as are necessary or appropriate to carry out this  
24 Act;

*Periodic  
not necessarily  
annual*

*We feel Bd  
should approve  
grants - Not  
chair - Also  
major contracts  
can be delegated  
to Directors*

1           “(2) make recommendations with respect to the  
2 regulations       established       under       section  
3 195(a)(3)(B)(i);

4           “(3)(A) review the actions of the Chairperson  
5 with respect to the personnel of the Corporation,  
6 and with respect to the standards, policies, proce-  
7 dures, programs, and initiatives; and

8           “(B) inform the Chairperson of any aspects of  
9 the actions that are not in compliance with the an-  
10 nual strategic plan described in paragraph (1) or the  
11 recommendations described in paragraph (2), or are  
12 not consistent with the objectives of this Act;

13           “(4) receive, and act on, the reports issued by  
14 the Inspector General of the Corporation;

15           “(5) advise the ~~Chairperson~~ *President* and the Congress  
16 concerning developments in national and community  
17 service that merit the attention of the Chairperson  
18 and the Congress;

19           “(6) provide for research with respect to na-  
20 tional and community service programs, including  
21 service-learning programs;

22           “(7) arrange for the evaluation of programs es-  
23 tablished under this Act, in accordance with section  
24 179;

1           “(8) disseminate information regarding the pro-  
2           grams and initiatives of the Corporation; and

3           “(9) carry out any other activities determined  
4           to be appropriate by the Chairperson.

5       “(h) ADMINISTRATION.—The Federal Advisory Com-  
6       mittee Act (5 U.S.C. App.) shall not apply with respect  
7       to the Board.

**8 "SEC. 193. CHAIRPERSON AND DIRECTOR.**

9           “(a) APPOINTMENT.—The Corporation shall be head-  
10 ed by an individual who shall serve as Chairperson of the  
11 Board and as Director of the Corporation, and who shall  
12 be appointed by the President, by and with the advice and  
13 consent of the Senate.

14       “(b) COMPENSATION.—The Chairperson shall be  
15 compensated at the rate provided for level III of the Exec-  
16 utive Schedule under section 5314 of title 5, United States  
17 Code.

18       “(c) REGULATIONS.—The Chairperson shall pre-  
19 scribe such rules and regulations as are necessary or ap-  
20 propriate to carry out this Act.

21 "SEC. 193A. AUTHORITIES AND DUTIES OF THE CHAIR-  
22 PERSON.

23       “(a) GENERAL POWERS AND DUTIES.—The Chair-  
24 person shall be responsible for the exercise of the powers  
25 and the discharge of the duties of the Corporation that

1 are not reserved to the Board, and shall have authority  
2 and control over all personnel of the Corporation.

3 “(b) DUTIES.—In addition to the duties conferred on  
4 the Chairperson under any other provision of this Act, the  
5 Chairperson shall—

6 “(1) submit a proposal to the Board regarding,  
7 and establish, such standards, policies, and proce-  
8 dures, as are necessary or appropriate to carry out  
9 this Act;

10 “(2) establish and administer such programs  
11 and initiatives as the Chairperson, acting on the rec-  
12 ommendation of the Board, may determine to be  
13 necessary or appropriate to carry out this Act;

14 “(3) consult with appropriate Federal agencies  
15 in administering such programs and initiatives;

16 “(4) on the recommendation of the Board—

17 “(A) make such grants and allotments,  
18 enter into such contracts, award such other fi-  
19 nancial assistance, and make such payments (in  
20 lump sum or installments, and in advance or by  
21 way of reimbursement, and in the case of finan-  
22 cial assistance otherwise authorized under this  
23 Act, with necessary adjustments on account of  
24 overpayments and underpayments), as are nec-  
25 essary or appropriate to carry out this Act; and

*I's all of  
this necessary  
in statute  
It seems  
overly  
bureaucratic*

1 “(B) suspend or terminate such payments  
2 in accordance with section 176;

3 “(5) prepare and submit to the Board an an-  
4 nual report, and such interim reports as may be nec-  
5 essary, describing the major actions of the Chair-  
6 person with respect to the personnel of the Corpora-  
7 tion, and with respect to such standards, policies,  
8 procedures, programs, and initiatives;

9 “(6) notify, and provide an explanation to, the  
10 Board regarding any substantial differences between  
11 the actions of the Chairperson and the strategic plan  
12 described in section 192A(g)(1); and

13 “(7) prepare and submit to the appropriate  
14 committees of Congress an annual report, and such  
15 interim reports as may be necessary, describing—

16 “(A) the services referred to in paragraph  
17 (1), and the money and property referred to in  
18 paragraph (2), of section 196(a) that have been  
19 accepted by the Corporation; and

20 “(B) the manner in which the Corporation  
21 used or disposed of such services, money, and  
22 property.

23 “(c) POWERS.—In addition to the authority conferred  
24 on the Chairperson under any other provision of this Act,  
25 the Chairperson may—

1           “(1) establish, alter, consolidate, or discontinue  
2 such organizational units or components within the  
3 Corporation as the Chairperson considers necessary  
4 or appropriate;

5           “(2) with the approval of the President—

6           “(A) arrange with and reimburse the heads  
7 of other Federal agencies for the performance  
8 of any of the provisions of this Act; and

9           “(B) as necessary or appropriate—

10           “(i) delegate any of the functions of  
11 the Chairperson under this Act, or, with  
12 the permission of the Board, any of the  
13 functions of the Board under this Act, to  
14 such heads of Federal agencies; and

15           “(ii) authorize the redelegation of  
16 such functions,

17           subject to provisions to assure the maximum  
18 possible liaison between the Corporation and  
19 such other agencies at all operating levels;

20           “(3) with their consent, utilize the services and  
21 facilities of Federal agencies without reimbursement,  
22 and, with the consent of any State or a political sub-  
23 division of a State, accept and utilize the services  
24 and facilities of the agencies of such State or sub-  
25 divisions without reimbursement;

*This is the same as # 4 on page 145, but not the approval of Pres. required*

1           “(4) allocate and expend, or transfer to other  
2       Federal agencies for expenditure, such funds made  
3       available under this Act as the Chairperson deter-  
4       mines to be necessary to carry out the provisions of  
5       this Act, including expenditure for construction, re-  
6       pairs, and capital improvements;

7           “(5) disseminate, without regard to the provi-  
8       sions of section 3204 of title 39, United States  
9       Code, data and information, in such form as the  
10      Chairperson shall determine to be appropriate to  
11      public agencies, private organizations, and the gen-  
12      eral public;

13          “(6) collect or compromise all obligations to or  
14      held by the Chairperson and all legal or equitable  
15      rights accruing to the Chairperson in connection  
16      with the payment of obligations in accordance with  
17      chapter 37 of title 31, United States Code (com-  
18      monly known as the ‘Federal Claims Collection Act  
19      of 1966’);

20          “(7) expend funds made available for purposes  
21      of this Act, without regard to any other law or regu-  
22      lation, for rent of buildings and space in buildings  
23      and for repair, alteration, and improvement of build-  
24      ings and space in buildings rented by the Chair-  
25      person;

1           “(8) sue [and be sued] in any court of record  
2           of a State having general jurisdiction or in any dis-  
3           trict court of the United States, [with respect to a  
4           civil action arising under this Act];

5           “(9) exercise the authorities of the Corporation  
6           under section 196; and

7           “(10) generally perform such functions and  
8           take such steps consistent with the objectives and  
9           provisions of this Act, as the Chairperson determines  
10          to be necessary or appropriate to carry out such pro-  
11          visions.

12          “(d) DELEGATION.—

13               “(1) DEFINITION.—As used in this subsection,  
14               the term ‘function’ means any duty, obligation,  
15               power, authority, responsibility, right, privilege, ac-  
16               tivity, or program.

17               “(2) IN GENERAL.—Except as otherwise pro-  
18               hibited by law or provided in this Act, the Chair-  
19               person may delegate any function under this Act,  
20               and authorize such successive redelegations of such  
21               function as may be necessary or appropriate. No del-  
22               egation of a function by the Chairperson under this  
23               subsection or under any other provision of this Act  
24               shall relieve such Chairperson of responsibility for  
25               the administration of such function.

1           “(3) FUNCTION OF BOARD.—The Chairperson  
2           may not delegate a function of the Board without  
3           the permission of the Board.

4           “(4) FULL-TIME FEDERAL EMPLOYEE.—The  
5           Chairperson may delegate a function under this Act  
6           only to a full-time Federal employee.

7           “(e) ACTION.—In an action described in subsection  
8           (c)(8)—

9           “(1) a district court referred to in such sub-  
10          section shall have jurisdiction of such a civil action  
11          without regard to the amount in controversy;

12          “(2) such an action brought by [or against]  
13          the Chairperson shall survive notwithstanding any  
14          change in the person occupying the office of Chair-  
15          person or any vacancy in that office;

16          “(3) no attachment, injunction, garnishment, or  
17          other similar process, mesne or final, shall be issued  
18          against the Chairperson or property under the con-  
19          trol of the Chairperson; and

20          “(4) [nothing in this section shall be construed  
21          to except litigation arising out of activities under  
22          this Act from the application of sections 509, 517,  
23          547, and 2679 of title 28, United States Code.]

24   **“SEC. 194. OFFICERS.**

25          “(a) MANAGING DIRECTORS.—

1           “(1) IN GENERAL.—There shall be in the Cor-  
2           poration 2 Managing Directors, who shall be ap-  
3           pointed by the President, by and with the advice and  
4           consent of the Senate.

5           “(2) COMPENSATION.—The Managing Direc-  
6           tors shall be compensated at the rate provided for  
7           level IV of the Executive Schedule under section  
8           5315 of title 5, United States Code.

9           “(3) DUTIES.—

10           “(A) FEDERAL PROGRAMS.—One of the  
11           Managing Directors shall be primarily respon-  
12           sible for the Federal programs carried out by  
13           the Corporation.

14           “(B) INVESTMENT PROGRAMS.—The other  
15           Managing Director shall be primarily respon-  
16           sible for the financial assistance programs car-  
17           ried out by the Corporation.

18           “(b) INSPECTOR GENERAL.—

19           “(1) OFFICE.—There shall be in the Corpora-  
20           tion an Office of the Inspector General.

21           “(2) APPOINTMENT.—Such Office shall be  
22           headed by an Inspector General appointed in accord-  
23           ance with the Inspector General Act of 1978, who  
24           shall report directly to the Board.

1           “(3) COMPENSATION.—The Inspector General  
2           shall be compensated at the rate provided for level  
3           IV of the Executive Schedule under section 5315 of  
4           title 5, United States Code.

5           “(4) DUTIES.—[To be supplied.]

6   **“SEC. 195. EMPLOYEES, CONSULTANTS, AND OTHER PER-**  
7           **SONNEL.**

8           “(a) EMPLOYEES.—

9           “(1) IN GENERAL.—The Chairperson may ap-  
10          point and determine the compensation of such em-  
11          ployees as the Chairperson determines to be nec-  
12          essary to carry out the duties of the Corporation.

13          “(2) TERMS.—

14               “(A) INITIAL TERM.—

15                   “(i) LENGTH OF TERM.—Such an em-  
16                   ployee shall be appointed for an initial  
17                   term that shall not exceed 5 years.

18                   “(ii) PROBATION PERIOD.—The  
19                   Chairperson shall take such action, includ-  
20                   ing the issuance of rules, regulations, and  
21                   directives, as shall provide, as nearly as  
22                   conditions of good administration warrant,  
23                   for a 1-year period of probation before  
24                   such an appointment becomes final.

1           “(B) ADDITIONAL TERMS.—Such an em-  
2           ployee may be appointed for one or more addi-  
3           tional terms, if the Chairperson determines that  
4           such an appointment is necessary to ensure the  
5           continuity of functions under this Act.

6           “(C) LIMITATIONS.—

7           “(i) IN GENERAL.—No such employee  
8           shall be appointed for a total period of  
9           more than 7 years, unless the Chairperson  
10          determines that special circumstances re-  
11          quire the appointment of an employee for  
12          a longer period.

13          “(ii) DETERMINATION.—The Chair-  
14          person may not delegate the authority to  
15          make the determination described in clause  
16          (i).

17          “(D) APPOINTMENT IN THE COMPETITIVE  
18          SERVICE AFTER EMPLOYMENT IN THE COR-  
19          PORATION.—

20          “(i) EMPLOYEES WITH NOT LESS  
21          THAN 3 YEARS OF EMPLOYMENT.—If an  
22          employee, other than a representative de-  
23          scribed in section 195(b), is separated  
24          from the Corporation on the basis of any  
25          requirement of this paragraph, and has

151

1 been continuously employed by the Corpora- ✓  
2 tion for a period of not less than 3 years,  
3 such period shall be treated as period of  
4 service in the competitive service for pur-  
5 poses of chapter 33 of title 5, United  
6 States Code.

7 “(ii) EMPLOYEES WITH NOT LESS  
8 THAN 1 BUT LESS THAN 3 YEARS OF EM-  
9 PLOYMENT.—If an employee, other than a  
10 representative described in section 195(b),  
11 is separated from the Corporation on the  
12 basis of any requirement of this para-  
13 graph, and has been continuously employed ✓  
14 by the Corporation for a period of not less  
15 than 1 year, but less than 3 years, such  
16 period shall be treated as period of service  
17 in the competitive service for purposes of  
18 chapter 33 of title 5, United States Code,  
19 until the date that is 3 years after the date  
20 of separation.

21 “(iii) DEFINITION.—As used in this  
22 subparagraph, the term ‘competitive serv-  
23 ice’ has the meaning given the term in sec-  
24 tion 2102 of title 5, United States Code.

25 “(3) APPOINTMENT AND COMPENSATION.—

1           “(A) IN GENERAL.—Except as provided in  
2           subparagraphs (B)(iv) and (C)(ii), the Chair-  
3           person may appoint and determine the com-  
4           pensation of employees under this subsection  
5           without regard to the provisions of title 5, Unit-  
6           ed States Code, governing appointments in the  
7           competitive service, and without regard to the  
8           provisions of chapter 51 and subchapter III of  
9           chapter 53 of such title relating to classification  
10          and General Schedule pay rates.

11           “(B) CORPORATION SELECTION AND COM-  
12          PENSATION SYSTEMS.—

13           “(i) ESTABLISHMENT OF SYSTEM.—

14           The Chairperson, after consultation with  
15           the Director of the Office of Personnel  
16           Management and after reviewing the rec-  
17           ommendations of the Board under section  
18           192A(g)(2), shall issue regulations estab-  
19           lishing selection and compensation systems  
20           for the Corporation.

21           “(ii) APPLICATION.—The Chairperson  
22           shall appoint and determine the compensa-  
23           tion of employees referred to in paragraph  
24           (1), other than representatives described in  
25           section 195(b), in accordance with the se-

*Regulations issued  
pursuant to  
this  
requirement  
shall  
provide  
sufficient  
flexibility for  
proper management*

1           lection and compensation systems referred  
2           to in clause (i).

3           “(iii) SELECTION SYSTEM.—The se-  
4           lection system shall include a scheme for  
5           the classification of positions in the Cor-  
6           poration, and shall provide for the selection  
7           of such an employee for such a position—

8                       “(I) through a competitive proc-  
9                       ess; and

10                      “(II) on the basis of the quali-  
11                      fications of applicants and the re-  
12                      quirements of the position.

13           “(iv) COMPENSATION SYSTEM.—The  
14           compensation system shall require that the  
15           compensation of such an employee be de-  
16           termined on the basis of the job perform-  
17           ance of the employee, and shall be consist-  
18           ent with the principles described in section  
19           5301 of title 5, United States Code. The  
20           rate of compensation for each employee  
21           compensated through the system shall not  
22           exceed the annual rate of basic pay payable  
23           for level IV of the Executive Schedule  
24           under section 5315 of title 5, United  
25           States Code.

1           “(C) SELECTION AND COMPENSATION OF  
2 CORPORATION REPRESENTATIVES.—

3           “(i) IN GENERAL.—The Chairperson  
4 may appoint and determine the compensa-  
5 tion of representatives described in section  
6 195(b) without regard to the selection and  
7 compensation systems described in sub-  
8 paragraph (B).

9           “(ii) LIMITATION ON COMPENSA-  
10 TION.—The rate of compensation for each  
11 representative described in section 195(b)  
12 shall not exceed the maximum rate of basic  
13 pay payable for GS-15 of the General  
14 Schedule under section 5332 of title 5,  
15 United States Code.

16       “(b) CORPORATION REPRESENTATIVE IN EACH  
17 STATE.—

18       “(1) DESIGNATION OF REPRESENTATIVE.—The  
19 Corporation shall designate 1 employee of the Cor-  
20 poration for each State or group of States to serve  
21 as the representative of the Corporation in the State  
22 or States and to assist the Corporation in carrying  
23 out the activities described in this Act in the State  
24 or States.

1           “(2) DUTIES.—The representative designated  
2           under this subsection for a State or group of States  
3           shall serve as the liaison between—

4           “(A) the Corporation and the State Com-  
5           mission that is established in the State or  
6           States; and

7           “(B) the Corporation and any subdivision  
8           of a State, Indian tribe, public or private non-  
9           profit organization, or institution of higher edu-  
10          cation, in the State or States, that is awarded  
11          a grant under section 121 directly from the  
12          Corporation.

13          “(3) MEMBER OF STATE COMMISSION.—The  
14          representative designated under this subsection for a  
15          State or group of States shall also serve as a voting  
16          member of the State Commission established in the  
17          State or States.

18          “(c) CONSULTANTS.—The Chairperson may procure  
19          the temporary and intermittent services of experts and  
20          consultants and compensate the experts and consultants  
21          ~~in accordance with~~ section 3109(b) of title 5, United  
22          States Code.

23          “(d) DETAILS OF PERSONNEL.—The head of any  
24          Federal department or agency may detail on a reimburs-  
25          able basis, or on a nonreimbursable basis for not to exceed

*Conflict  
of  
Interest*

*without  
regard to*

1 180 calendar days during any fiscal year, as agreed upon  
2 by the Chairperson and the head of the Federal agency,  
3 any of the personnel of that department or agency to the  
4 Corporation to assist the Corporation in carrying out the  
5 duties of the Corporation under this Act. Any detail shall  
6 not interrupt or otherwise affect the civil service status  
7 or privileges of the Federal employee.

8 “(e) ADVISORY COMMITTEES.—

9 “(1) ESTABLISHMENT.—The Chairperson may  
10 establish advisory committees in the Corporation to  
11 advise the Board with respect to national service is-  
12 sues, such as the type of programs to be established  
13 or assisted under the national service laws, priorities  
14 and criteria for such programs, and methods of con-  
15 ducting outreach for, and evaluation of, such pro-  
16 grams.

17 “(2) COMPOSITION.—Such an advisory commit-  
18 tee shall be composed of members appointed by the  
19 Chairperson, with such qualifications as the Chair-  
20 person may specify.

21 “(3) EXPENSES.—Members of such an advisory  
22 committee may be allowed travel expenses as de-  
23 scribed in section 192A(d).

24 “(4) STAFF.—The Chairperson is authorized to  
25 appoint and fix the compensation of such staff as

1 the Chairperson determines to be necessary to carry  
2 out the functions of the advisory committee, in ac-  
3 cordance with subsection (a)(3)(A), and without re-  
4 gard to the selection and compensation systems de-  
5 scribed in subsection (a)(3)(B). Such compensation  
6 shall not exceed the rate described in subsection  
7 (a)(3)(C)(ii).

8 **"SEC. 198. ADMINISTRATION.**

9 "(a) DONATIONS.—

10 "(1) SERVICES.—

11 "(A) VOLUNTEERS.—Notwithstanding sec-  
12 tion 1342 of title 31, United States Code, the  
13 Corporation may solicit and accept the vol-  
14 untary services of individuals to assist the Cor-  
15 poration in carrying out the duties of the Cor-  
16 poration under this Act, and may provide to  
17 such individuals the travel expenses described in  
18 section 192A(d).

19 "(B) LIMITATION.—Such a volunteer shall  
20 not be considered to be a Federal employee and  
21 shall not be subject to the provisions of law re-  
22 lating to Federal employment, including those  
23 relating to hours of work, rates of compensa-  
24 tion, leave, unemployment compensation, and  
25 Federal employee benefits, except that—

1           “(i) for the purposes of the tort  
2           claims provisions of chapter 171 of title  
3           28, United States Code, a volunteer under  
4           this subtitle shall be considered to be a  
5           Federal employee; and

6           “(ii) for the purposes of subchapter I  
7           of chapter 81 of title 5, United States  
8           Code, relating to compensation to Federal  
9           employees for work injuries, volunteers  
10          under this subtitle shall be considered to  
11          be employees, as defined in section  
12          8101(1)(B) of title 5, United States Code,  
13          and the provisions of such subchapter shall  
14          apply.

15          “(2) PROPERTY.—The Corporation may solicit,  
16          accept, use, and dispose of, in furtherance of the  
17          purposes of this Act, donations of any money or  
18          property, real, personal, or mixed, tangible or intan-  
19          gible, received by gift, devise, bequest, or otherwise.

20          “(3) RULES.—The Chairperson shall establish  
21          written rules setting forth the criteria to be used in  
22          determining whether the solicitation or acceptance of  
23          contributions of money or property, real, personal,  
24          or mixed, tangible or intangible, received by gift, de-  
25          vice, bequest, or otherwise (pursuant to paragraph

1 (2)) would reflect unfavorably upon the ability of the  
 2 Corporation or any employee of the Corporation to  
 3 carry out the responsibilities or official duties of the  
 4 Corporation in a fair and objective manner, or would  
 5 compromise the integrity of the programs of the  
 6 Corporation or any official involved in such pro-  
 7 grams.

8 "(4) DISPOSITION.—Upon completion of the  
 9 use by the Corporation of any affected property,  
 10 such completion shall be reported to the General  
 11 Services Administration and such property shall be  
 12 disposed <sup>without regard to</sup> ~~in accordance with~~ title II of the Federal  
 13 Property and Administrative Services Act of 1949  
 14 (40 U.S.C. 471 et seq.).

15 "(5) VOLUNTEER.—As used in this subsection,  
 16 the term 'volunteer' does not include a participant.

17 "(b) CONTRACTS.—Subject to the Federal Property  
 18 and Administrative Services Act of 1949, the Corporation  
 19 may enter into contracts, and cooperative and interagency  
 20 agreements, with Federal and State agencies, private  
 21 firms, institutions, and individuals to conduct activities  
 22 necessary to carry out the duties of the Corporation under  
 23 this Act."

24 (b) DOMESTIC VOLUNTEER SERVICE ACT OF  
 25 1973.—Section 401 of the Domestic Volunteer Service Act

instead insert  
the following:  
"The Corporation  
may adopt,  
amend or  
repeal such  
rules and  
regulations  
to enter into  
contracts, grants  
and other  
instruments, as  
deemed necessary  
to conduct  
activities to carry  
out the duties  
of the Corporation  
under this Act  
without regard to  
chapters 4 and 7  
of 41 USC and  
48 CFR, chapter  
1. The Corp-  
oration may  
determine and  
keep its own  
system of  
accounts and  
the forms and  
contents of its  
contracts, grants,  
documents, requests  
to its functions w/o regard  
to 5 CFR 1320 E.O. 12299  
and the Paperwork  
Reduction Act."

and other business  
and other or  
related  
w/o regard  
to 5 CFR 1320 E.O. 12299  
and the Paperwork  
Reduction Act."

1 of 1973 (42 U.S.C. 5041) is amended by inserting after  
2 the second sentence the following: "The Director shall re-  
3 port directly to the Chairperson of the Corporation for Na-  
4 tional Service."

5 (c) TRANSFER OF FUNCTIONS OF COMMISSION ON  
6 NATIONAL AND COMMUNITY SERVICE.—

7 (1) DEFINITIONS.—For purposes of this sub-  
8 section, unless otherwise provided or indicated by  
9 the context, each term specified in section 203(c)(1)  
10 shall have the meaning given the term in such sec-  
11 tion.

12 (2) TRANSFER OF FUNCTIONS.—There are  
13 transferred to the Corporation the functions that the  
14 Board of Directors or Executive Director of the  
15 Commission on National and Community Service ex-  
16 exercised before the effective date of this subsection  
17 (including all related functions of any officer or em-  
18 ployee of the Commission).

19 (3) APPLICATION.—The provisions of para-  
20 graphs (3) through (10) of section 203(c) shall  
21 apply with respect to the transfer described in para-  
22 graph (2), except that—

23 (A) for purposes of such application, ref-  
24 erences to the term "ACTION Agency" shall be  
25 deemed to be references to the Corporation; and

1 (B) paragraph (10) of such section shall  
2 not preclude the transfer of the members of the  
3 Board of Directors of the Commission to the  
4 Corporation if, on the effective date of this sub-  
5 section, the Board of Directors of the Corpora-  
6 tion has not been appointed.

7 (d) CONTINUING PERFORMANCE OF CERTAIN FUNC-  
8 TIONS.—The individuals who, on the day before the date  
9 of enactment of this Act, are performing any of the func-  
10 tions required by section 190 of the National and Commu-  
11 nity Service Act of 1990 (42 U.S.C. 12651), as in effect  
12 on such date, to be performed by the members of the  
13 Board of Directors of the Commission on National and  
14 Community Service may, subject to section 193A of the  
15 National and Community Service Act of 1990, as added  
16 by subsection (a) of this section, continue to perform such  
17 functions until the date on which such functions are as-  
18 signed to the Board of Directors of the Corporation for  
19 National Service. The service of such individuals as mem-  
20 bers of the Board of Directors of such Commission, and  
21 the employment of such individuals as special government  
22 employees, shall terminate on such date.

23 (e) JOB SEARCH ASSISTANCE.—The Chairperson  
24 shall establish a program to provide, or shall seek to enter  
25 into a memorandum of understanding with the Secretary

and JPM 162

1 of Labor to provide, job search and related assistance to  
2 employees of the ACTION agency who are not transferred  
3 to the Corporation for National Service under section  
4 203(c).

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

“Subtitle G—Corporation for National Service

“Sec. 191. Corporation for National Service.

“Sec. 192. Board of Directors.

“Sec. 192A. Authorities and duties of the Board of Directors.

“Sec. 193. Chairperson and Director.

“Sec. 193A. Authorities and duties of the Chairperson.

“Sec. 194. Officers.

“Sec. 195. Employees, consultants, and other personnel.

“Sec. 196. Administration.”.

10 (g) EFFECTIVE DATES.—

11 (1) IN GENERAL.—Except as provided in para-  
12 graph (2), the amendments made by this section  
13 shall take effect on October 1, 1993.

14 (2) ESTABLISHMENT AND APPOINTMENT AU-  
15 THORITIES.—Sections 191, 192, and 193 of the Na-  
16 tional and Community Service Act of 1990, as added  
17 by subsection (a), shall take effect on the date of en-  
18 actment of this Act.

1   **SEC. 203. FINAL AUTHORITIES OF THE CORPORATION FOR**  
2                   **NATIONAL SERVICE.**

3           (a) NATIONAL AND COMMUNITY SERVICE ACT OF  
4 1990.—

5           (1) APPLICATION.—Subtitle I of the National  
6 and Community Service Act of 1990 (as amended by  
7 section 202 of this Act) is amended in section 191,  
8 paragraphs (1) and (3) of section 192A(g), section  
9 193(c), subsections (b), (c) (other than paragraph  
10 (8)), and (d) of section 193A, subsections (a), (b),  
11 and (d) of section 195, and subsections (a) and (b)  
12 of section 196, by striking “this Act” each place the  
13 term appears and inserting “the national service  
14 laws”.

15           (2) GRANTS.—Section 192A(g) of the National  
16 and Community Service Act of 1990 (as added by  
17 section 202 of this Act) is amended—

18                   (A) by striking “and” at the end of para-  
19 graph (8);

20                   (B) by redesignating paragraph (9) as  
21 paragraph (10); and

22                   (C) by inserting after paragraph (8) the  
23 following:

24                   “(9) notwithstanding any other provision of  
25 law, make grants to or contracts with Federal or  
26 other public departments or agencies and private

1        nonprofit organizations for the assignment or refer-  
2        ral of volunteers under the provisions of the Domes-  
3        tic Volunteer Service Act of 1973 (except as pro-  
4        vided in section 108 of the Domestic Volunteer Serv-  
5        ice Act of 1973), which may provide that the agency  
6        or organization shall pay all or a part of the costs  
7        of the program; and”.

8        (b) AUTHORITIES OF ACTION AGENCY.—Sections  
9        401 and 402 of the Domestic Volunteer Service Act of  
10       1973 (42 U.S.C. 5041 and 5042) are repealed.

11       (c) TRANSFER OF FUNCTIONS FROM ACTION  
12       AGENCY.—

13            (1) DEFINITIONS.—For purposes of this sub-  
14        section, unless otherwise provided or indicated by  
15        the context—

16            (A) the term “Chairperson” means the  
17        Chairperson of the Corporation;

18            (B) the term “Corporation” means the  
19        Corporation for National Service, established  
20        under section 191 of the National and Commu-  
21        nity Service Act of 1990;

22            (C) the term “Federal agency” has the  
23        meaning given to the term “agency” by section  
24        551(1) of title 5, United States Code;

1 (D) the term "function" means any duty,  
2 obligation, power, authority, responsibility,  
3 right, privilege, activity, or program; and

4 (E) the term "office" includes any office,  
5 administration, agency, institute, unit, organi-  
6 zational entity, or component thereof.

7 (2) TRANSFER OF FUNCTIONS.—There are  
8 transferred to the Corporation such functions as the  
9 President determines to be appropriate that the Di-  
10 rector of the ACTION Agency exercised before the  
11 effective date of this subsection (including all related  
12 functions of any officer or employee of the ACTION  
13 Agency).

14 (3) DETERMINATIONS OF CERTAIN FUNCTIONS  
15 BY THE OFFICE OF MANAGEMENT AND BUDGET.—  
16 If necessary, the Office of Management and Budget  
17 shall make any determination of the functions that  
18 are transferred under paragraph (2).

19 (4) REORGANIZATION.—The Chairperson is au-  
20 thorized to allocate or reallocate any function trans-  
21 ferred under paragraph (2) among the officers of the  
22 Corporation.

23 (5) TRANSFER AND ALLOCATIONS OF APPRO-  
24 PRIATIONS AND PERSONNEL.—Except as otherwise  
25 provided in this subsection, the personnel employed

1 in connection with, and the assets, liabilities, con-  
2 tracts, property, records, and unexpended balances  
3 of appropriations, authorizations, allocations, and  
4 other funds employed, used, held, arising from,  
5 available to, or to be made available in connection  
6 with the functions transferred by this subsection,  
7 subject to section 1531 of title 31, United States  
8 Code, shall be transferred to the Corporation. Unex-  
9 pended funds transferred pursuant to this paragraph  
10 shall be used only for the purposes for which the  
11 funds were originally authorized and appropriated.

12 (6) INCIDENTAL TRANSFER.—The Director of  
13 the Office of Management and Budget, at such time  
14 or times as the Director shall provide, is authorized  
15 to make such determinations as may be necessary  
16 with regard to the functions transferred by this sub-  
17 section, and to make such additional incidental dis-  
18 positions of personnel, assets, liabilities, grants, con-  
19 tracts, property, records, and unexpended balances  
20 of appropriations, authorizations, allocations, and  
21 other funds held, used, arising from, available to, or  
22 to be made available in connection with such func-  
23 tions, as may be necessary to carry out the provi-  
24 sions of this subsection. The Director of the Office  
25 of Management and Budget shall provide for the ter-

1 mination of the affairs of all entities terminated by  
2 this subsection and for such further measures and  
3 dispositions as may be necessary to effectuate the  
4 purposes of this subsection.

5 (7) EFFECT ON PERSONNEL.—

6 (A) IN GENERAL.—Except as otherwise  
7 provided by this subsection, the transfer pursu-  
8 ant to this subsection of full-time personnel (ex-  
9 cept special Government employees) and part-  
10 time personnel holding permanent positions  
11 shall not cause any such employee to be sepa-  
12 rated or reduced in grade or compensation, or  
13 to have the benefits of the employee reduced,  
14 for 1 year after the date of transfer of such em-  
15 ployee under this subsection.

16 (B) EXECUTIVE SCHEDULE POSITIONS.—  
17 Except as otherwise provided in this subsection,  
18 any person who, on the day preceding the effec-  
19 tive date of this subsection, held a position com-  
20 pensated in accordance with the Executive  
21 Schedule prescribed in chapter 53 of title 5,  
22 United States Code, and who, without a break  
23 in service, is appointed in the Corporation to a  
24 position having duties comparable to the duties  
25 performed immediately preceding such appoint-

1           ment shall continue to be compensated in such  
2           new position at not less than the rate provided  
3           for such previous position, for the duration of  
4           the service of such person in such new position.

5           (C) TERMINATION OF CERTAIN POSI-  
6           TIONS.—Positions whose incumbents are ap-  
7           pointed by the President, by and with the ad-  
8           vice and consent of the Senate, the functions of  
9           which are transferred by this subsection, shall  
10          terminate on the effective date of this sub-  
11          section.

12          (8) SAVINGS PROVISIONS.—

13           (A) CONTINUING EFFECT OF LEGAL DOCU-  
14           MENTS.—All orders, determinations, rules, reg-  
15           ulations, permits, agreements, grants, contracts,  
16           certificates, licenses, registrations, privileges,  
17           and other administrative actions—

18                   (i) that have been issued, made,  
19                   granted, or allowed to become effective by  
20                   the President, any Federal agency or offi-  
21                   cial thereof, or by a court of competent ju-  
22                   risdiction, in the performance of functions  
23                   that are transferred under this subsection;  
24                   and

1                   (ii) that are in effect at the time this  
2                   subsection takes effect, or were final before  
3                   the effective date of this subsection and  
4                   are to become effective on or after the ef-  
5                   fective date of this subsection,  
6                   shall continue in effect according to their terms  
7                   until modified, terminated, superseded, set  
8                   aside, or revoked in accordance with law by the  
9                   President, the Chairperson, or other authorized  
10                  official, a court of competent jurisdiction, or by  
11                  operation of law.

12                (B) PROCEEDINGS NOT AFFECTED.—The  
13                provisions of this subsection shall not affect any  
14                proceedings, including notices of proposed rule-  
15                making, or any application for any license, per-  
16                mit, certificate, or financial assistance pending  
17                before the ACTION Agency at the time this  
18                subsection takes effect, with respect to func-  
19                tions transferred by this subsection but such  
20                proceedings and applications shall be continued.  
21                Orders shall be issued in such proceedings, ap-  
22                peals shall be taken therefrom, and payments  
23                shall be made pursuant to such orders, as if  
24                this subsection had not been enacted, and or-  
25                ders issued in any such proceedings shall con-

1           tinue in effect until modified, terminated, su-  
2           perseded, or revoked by a duly authorized offi-  
3           cial, by a court of competent jurisdiction, or by  
4           operation of law. Nothing in this subparagraph  
5           shall be deemed to prohibit the discontinuance  
6           or modification of any such proceeding under  
7           the same terms and conditions and to the same  
8           extent that such proceeding could have been  
9           discontinued or modified if this subsection had  
10          not been enacted.

11                 (C) SUITS NOT AFFECTED.—The provi-  
12           sions of this subsection shall not affect suits  
13           commenced before the effective date of this sub-  
14           section, and in all such suits, proceedings shall  
15           be had, appeals taken, and judgments rendered  
16           in the same manner and with the same effect  
17           as if this subsection had not been enacted.

18                 (D) NONABATEMENT OF ACTIONS.—No  
19           suit, action, or other proceeding commenced by  
20           or against the ACTION Agency, or by or  
21           against any individual in the official capacity of  
22           such individual as an officer of the ACTION  
23           Agency, shall abate by reason of the enactment  
24           of this subsection.

1 (E) ADMINISTRATIVE ACTIONS RELATING  
2 TO PROMULGATION OF REGULATIONS.—Any ad-  
3 ministrative action relating to the preparation  
4 or promulgation of a regulation by the AC-  
5 TION Agency relating to a function transferred  
6 under this subsection may be continued by the  
7 Corporation with the same effect as if this sub-  
8 section had not been enacted.

9 (9) SEVERABILITY.—If a provision of this sub-  
10 section or its application to any person or cir-  
11 cumstance is held invalid, neither the remainder of  
12 this subsection nor the application of the provision  
13 to other persons or circumstances shall be affected.

14 (10) TRANSITION.—The Chairperson is author-  
15 ized to utilize—

16 (A) the services of such officers, employ-  
17 ees, and other personnel of the ACTION Agen-  
18 cy with respect to functions transferred to the  
19 Corporation by this subsection; and

20 (B) funds appropriated to such functions  
21 for such period of time as may reasonably be  
22 needed to facilitate the orderly implementation  
23 of this subsection.

24 (d) EFFECTIVE DATE.—This section, and the amend-  
25 ments made by this section, shall take effect—

1 (1) 18 months after the date of enactment of  
2 this Act; or

3 (2) on such earlier date as the President deter-  
4 mines to be appropriate.

### 5 **TITLE III—HIGHER EDUCATION**

#### 6 **SEC. 301. HIGHER EDUCATION.**

7 **[To be supplied.]**

### 8 **TITLE IV—REAUTHORIZATION**

#### 9 **Subtitle A—National and** 10 **Community Service Act of 1990**

#### 11 **SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

12 **[To be supplied. Language should include carryover**  
13 **provisions and an advance funding provision similar to the**  
14 **following:**

15 **“(\_\_\_\_) ADVANCE FUNDING.—**

16 **“(1) IN GENERAL.—In order to afford the re-**  
17 **sponsible State, local, and Federal officers concerned**  
18 **adequate notice of available Federal financial assist-**  
19 **ance for programs under the [national service**  
20 **Acts], appropriations for grants, contracts, or other**  
21 **payments under any applicable program under such**  
22 **Acts are authorized to be included in the appropria-**  
23 **tion Act for the fiscal year preceding the fiscal year**  
24 **for which the appropriations are available for obliga-**  
25 **tion.**

1           “(2) APPLICATION.—In order to effect a transi-  
2       tion to the method of timing appropriation action  
3       described in paragraph (1), paragraph (1) shall  
4       apply notwithstanding that the initial application of  
5       the paragraph under such program will result in the  
6       enactment in the same year (whether in the same  
7       appropriation Act or otherwise) of two separate ap-  
8       propriations, one for the then current fiscal year and  
9       one for the succeeding fiscal year.”.]

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

12       **SEC. 411. SHORT TITLE; REFERENCES.**

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

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

1       **CHAPTER 1—VISTA AND OTHER ANTI-**  
2                   **POVERTY PROGRAMS**

3   **SEC. 421. PURPOSE OF THE VISTA PROGRAM.**

4       The last sentence of section 101 (42 U.S.C. 4951)  
5   is amended to read as follows: "In addition, the objective  
6   of this part is to generate the commitment of private sec-  
7   tor resources, to encourage volunteer service at the local  
8   level, and to strengthen local agencies and organizations  
9   to carry out the purpose set forth in this part."

10   **SEC. 422. SELECTION AND ASSIGNMENT OF VISTA VOLUN-**  
11                   **TEERS.**

12       (a) VOLUNTEER ASSIGNMENTS.—Section 103(a) (42  
13   U.S.C. 4953(a)) is amended—

14           (1) in the matter preceding paragraph (1), by  
15       striking "a public" ;

16           (2) in paragraph (2), by striking "and" at the  
17       end thereof;

18           (3) in paragraph (3), by striking "illiterate or  
19       functionally illiterate youth and other individuals,";

20           (4) in paragraph (5), by striking "and" at the  
21       end thereof;

22           (5) in paragraph (6)—

23               (A) by striking "or the Community Eco-  
24       nomic" and inserting "the Community Eco-  
25       nomic";

1 (B) by inserting “or other similar Acts”  
2 after “1981,”; and

3 (C) by striking the period and inserting “;  
4 and”; and

5 (6) by adding at the end thereof the following  
6 new paragraph:

7 “(7) in strengthening, supplementing, and ex-  
8 panding efforts to address the problem of illiteracy  
9 throughout the United States.”.

10 (b) RECRUITMENT PROCEDURES.—Section 103(b)  
11 (42 U.S.C. 4953(b)) is amended—

12 (1) by striking paragraphs (2), (4), (5) and (6);  
13 and

14 (2) by redesignating paragraphs (3) and (7) as  
15 paragraphs (2) and (3), respectively; and

16 (3) in paragraph (2) (as so redesignated), by  
17 striking “paragraph (7)” and inserting “paragraph  
18 (3)”; and

19 (4) in paragraph (3) (as so redesignated)—

20 (A) by striking “paragraph (4)” in sub-  
21 paragraph (A) and inserting “paragraph (2)”;  
22

23 (B) by striking subparagraphs (B) and  
(E);

1 (C) by redesignating subparagraphs (C),  
2 (D) and (F) as subparagraphs (B), (C) and  
3 (D), respectively;

4 (D) by striking subparagraph (B) (as so  
5 redesignated) and inserting the following new  
6 subparagraph: and

7 “(B) A sponsoring organization may recruit volun-  
8 teers for service under this part subject to final selection  
9 approval by the Director of ACTION.”.

10 (c) PUBLIC AWARENESS AND RECRUITMENT.—Sub-  
11 section (c) of section 103 (42 U.S.C. 4953(c)) is  
12 amended—

13 (1) in paragraph (1), to read as follows:

14 “(1) The Director shall conduct national and local  
15 public awareness and recruitment activities in order to  
16 meet the volunteer goals of the program. Such activities  
17 may include public service announcements, advertise-  
18 ments, publicity on loan deferments and cancellations  
19 available to VISTA Volunteers, maintenance of a toll-free  
20 telephone system, and provision of technical assistance for  
21 the recruitment of volunteers to programs and projects re-  
22 ceiving assistance under this part. Further, the Director  
23 shall take steps to recruit individuals 18 through 27 years  
24 of age, 55 years of age and older, recent graduates of in-

1 stitutions of higher education, and special skilled volun-  
2 teers.”;

3 (2) in paragraph (3), by adding at the end  
4 thereof the following new sentence: “In addition, the  
5 Director shall take steps to provide opportunities for  
6 returned Peace Corps Volunteers to serve in Vista.”;

7 (3) by striking paragraphs (4) and (5);

8 (4) by redesignating paragraphs (6) as para-  
9 graph (4); and

10 (5) by striking paragraph (4) (as so redesign-  
11 nated), and inserting the following new paragraph:

12 “(4) Beginning in fiscal year 1994 and for each fiscal  
13 year thereafter, for the purpose of carrying out this sub-  
14 section, the Director shall obligate such sums as necessary  
15 of the amounts appropriated for each fiscal year under  
16 section 501(a).”.

17 (d) COORDINATION WITH OTHER FEDERAL AGEN-  
18 CIES.—Section 103 (42 U.S.C. 4953) is amended by add-  
19 ing at the end thereof the following new subsection:

20 “(h) The Director of ACTION is encouraged to enter  
21 into agreements with other Federal agencies to use VISTA  
22 Volunteers in furtherance of program objectives that are  
23 consistent with the purposes described in section 101.”.

1 **SEC. 423. TERMS AND PERIODS OF SERVICE.**

2 (a) CLARIFICATION AND PERIODS OF SERVICE.—

3 Subsection (b) of section 104 (42 U.S.C. 4954(b)) is  
4 amended to read as follows:

5 “(b) Volunteers serving under this part may be en-  
6 rolled initially for not less than 1 year, nor more than 2  
7 years, except as provided for under subsection (e), except  
8 that volunteers serving under this part may be enrolled  
9 for periods of service of less than 1 year when the Director  
10 determines, on an individual basis, that a period of service  
11 of less than 1 year is necessary to meet a critical scarce  
12 skill need. Volunteers serving under this part may be  
13 reenrolled for periods of service in a manner to be deter-  
14 mined by the Director. No volunteer shall serve for more  
15 than a total of 5 years under this part.”.

16 (b) SUMMER PROGRAM.—Section 104 (42 U.S.C.  
17 4954) is amended by adding at the end thereof the follow-  
18 ing new subsection:

19 “(e) Notwithstanding any other provision under this  
20 part, the Director may enroll full-time VISTA Summer  
21 Associates for the summer months only, under the terms  
22 and conditions to be set by the Director. Such individuals  
23 must be assigned to projects that meet the criteria set  
24 forth in section 103(a). The Agency shall report on par-  
25 ticipants, costs, and accomplishments under the summer  
26 program separately. The limitation on funds appropriated

1 for grants and contracts, as contained in section 108, shall  
2 not apply to the summer program.”.

3 **SEC. 424. SUPPORT FOR VISTA VOLUNTEERS.**

4 (a) POSTSERVICE STIPEND.—Section 105(a)(1) (42  
5 U.S.C. 4955(a)(1)) is amended by striking the second sen-  
6 tence and inserting the following: “Such stipend shall not  
7 exceed \$95 per month in fiscal year 1994, but shall be  
8 set at a minimum of \$125 per month during the volun-  
9 teer’s service after October 1, 1994, assuming the avail-  
10 ability of funds to accomplish this increase. The Director  
11 may provide a stipend of a minimum of \$200 per month  
12 in the case of persons who have served for at least 1 year  
13 and who, in accordance with standards established in reg-  
14 ulations which the Director shall prescribe, have been des-  
15 ignated volunteer leaders on the basis of experience and  
16 special skills and a demonstrated leadership among volun-  
17 teers.”.

18 (b) SUBSISTENCE ALLOWANCE.—Section 105(b) (42  
19 U.S.C. 4955(b)) is amended—

20 (1) in paragraph (3)—

21 (A) by striking subparagraph (A);

22 (B) by striking the subparagraph of sub-  
23 paragraph (B); and

24 (C) by adding at the end thereof the fol-  
25 lowing new sentence: “The Director shall review

1           such adjustments on an annual basis to assure  
2           they are current.”; and  
3           (2) by striking paragraph (4).

4   **SEC. 425. PARTICIPATION OF YOUNGER AND OLDER PER-**  
5                   **SONS.**

6           Section 107 (42 U.S.C. 4957) is amended to read as  
7 follows:

8           “PARTICIPATION OF YOUNGER AND OLDER PERSONS  
9           “SEC. 107. In carrying out this part and part C, the  
10 Director shall take necessary steps, including the develop-  
11 ment of special projects, where appropriate, to encourage  
12 the fullest participation of individuals 18 through 27 years  
13 of age and individuals 55 years of age and older in the  
14 various programs and activities authorized under such  
15 parts.”.

16   **SEC. 426. LITERACY ACTIVITIES.**

17           Section 109 (42 U.S.C. 4959) is amended—

18           (1) in subsection (g)—

19                   (A) by striking paragraph (1); and

20                   (B) by striking the paragraph designation  
21 of paragraph (2); and

22           (2) in subsection (h), by striking paragraph (3).

23   **SEC. 427. APPLICATIONS FOR ASSISTANCE.**

24           Section 110 (42 U.S.C. 4960) is amended to read as  
25 follows:

1                   “APPLICATIONS FOR ASSISTANCE

2           “SEC. 110. The Director shall not deny assistance  
3 under this part to any project or program, or any public  
4 or private nonprofit organization, solely on the basis of  
5 the duration of the assistance such project, program, or  
6 organization has previously received under this part. The  
7 Director shall grant assistance under this part on the  
8 basis of merit and to accomplish the goals of the VISTA  
9 program, and shall consider the needs and requirements  
10 of existing projects as well as potential new projects.”.

11 **SEC. 428. REPEAL OF AUTHORITY FOR STUDENT COMMU-**  
12 **UNITY SERVICE PROGRAMS.**

13       Part B of title I (42 U.S.C. 4971 et seq.) is  
14 amended—

15           (1) in section 111 (42 U.S.C. 4971(a))—

16                   (A) by striking out subsection (a); and

17                   (B) by striking out the subsection designa-  
18 tion of subsection (b); and

19           (2) by repealing section 114 (42 U.S.C. 4974).

20 **SEC. 429. UNIVERSITY YEAR FOR VISTA.**

21       Part B of title I (42 U.S.C. 4971 et seq.) is  
22 amended—

23           (1) in the part heading to read as follows:

1           “PART B—UNIVERSITY YEAR FOR VISTA”;

2           (2) by striking “University Year for ACTION”  
3 each place that such appears in such part and in the  
4 Act and inserting “University Year for VISTA”;

5           (3) by striking “UYA” each place that such ap-  
6 pears in such part and in the Act and inserting  
7 “UYV”;

8           (4) in section 112 (42 U.S.C. 4972) by striking  
9 the section heading and inserting the following new  
10 section heading:

11   “AUTHORITY TO OPERATE UNIVERSITY YEAR FOR VISTA  
12                                   PROGRAM”; AND

13           (5) in section 113(a) (42 U.S.C. 4973(a))—

14           (A) by striking “of not less than the dura-  
15 tion of an academic year” and inserting “of not  
16 less than the duration of an academic semester  
17 or its equivalent”; and

18           (B) by adding at the end thereof the fol-  
19 lowing new sentence: “Volunteers may receive a  
20 living allowance and such other support or al-  
21 lowances as the Director determines appro-  
22 priate.”.

1   **SEC. 430. AUTHORITY TO ESTABLISH AND OPERATE SPE-**  
2                   **CIAL VOLUNTEER AND DEMONSTRATION**  
3                   **PROGRAMS.**

4       Section 122 (42 U.S.C. 4992) is amended to read as  
5 follows:

6       “AUTHORITY TO ESTABLISH AND OPERATE SPECIAL  
7       VOLUNTEER AND DEMONSTRATION PROGRAMS

8       “SEC. 122. (a) IN GENERAL.—The Director is au-  
9 thorized to conduct or award grants or contracts to public  
10 and nonprofit organizations for special volunteer programs  
11 or demonstration programs to encourage wider volunteer  
12 participation on a full-time, part-time, or short-term basis  
13 to further the purpose of this part, and to identify particu-  
14 lar segments of the poverty community which could benefit  
15 from volunteer and other antipoverty efforts. The assign-  
16 ment of volunteers under this section, and the provision  
17 of support for such volunteers, including any subsistence  
18 allowances and stipends, shall be on such terms and condi-  
19 tions as the Director shall determine but shall not exceed  
20 the level of support provided under section 105. Projects  
21 using nonstipend volunteers may also be supported under  
22 this section.

23       “(b) CRITERIA.—In carrying out the activities au-  
24 thorized under this section and section 123, the Director  
25 shall establish criteria and priorities to award grants and  
26 enter into contracts in each fiscal year. No grant or con-

1 tract exceeding \$100,000 shall be made under this part  
2 unless the grantee or contractor has been selected by a  
3 competitive process which includes public announcement  
4 of the availability of funds for such grant or contract, gen-  
5 eral criteria for the selection of recipients or contractors,  
6 and a description of the application process and applica-  
7 tion review process.”.

8 **SEC. 431. TECHNICAL AND FINANCIAL ASSISTANCE.**

9 Section 123 (42 U.S.C. 4993) is to read as follows:

10 “TECHNICAL AND FINANCIAL ASSISTANCE

11 “SEC. 123. The Director may provide technical and  
12 financial assistance to Federal agencies, State and local  
13 governments and agencies, private nonprofit organiza-  
14 tions, employers, and other private organizations which  
15 utilize or desire to utilize volunteers in carrying out the  
16 purpose of this part.”.

17 **SEC. 432. ELIMINATION OF SEPARATE AUTHORITY FOR**  
18 **DRUG ABUSE PROGRAMS.**

19 Section 124 (42 U.S.C. 4994) is repealed.

20 **CHAPTER 2—NATIONAL SENIOR**  
21 **VOLUNTEER CORPS**

22 **SEC. 441. NATIONAL SENIOR VOLUNTEER CORPS.**

23 (a) REFERENCES.—The Act is amended by striking  
24 “Older American Volunteer Programs” each place that  
25 such appears and inserting “National Senior Volunteer  
26 Corps.”.

1 (b) TITLE HEADING.—The heading for title II is  
2 amended to read as follows:

3 **“TITLE II—NATIONAL SENIOR**  
4 **VOLUNTEER CORPS”.**

5 **SEC. 442. THE RETIRED AND SENIOR VOLUNTEER PRO-**  
6 **GRAM.**

7 Section 200 (42 U.S.C. 5000) is amended by striking  
8 “retired senior volunteer program” each place that such  
9 appears in such section and the Act and inserting “retired  
10 and senior volunteer program”.

11 **SEC. 443. OPERATION OF THE RETIRED AND SENIOR VOL-**  
12 **UNTEER PROGRAM.**

13 (a) ELIGIBILITY FOR PARTICIPANTS IN THE PRO-  
14 GRAM.—Section 201(a) (42 U.S.C. 5001(a)) is  
15 amended—

16 (1) in the matter preceding paragraph (1), by  
17 inserting “and older working” after “retired”; and

18 (2) in paragraph (2), by striking “aged sixty”  
19 and inserting “aged fifty-five”.

20 (b) DELETION OF REQUIREMENT FOR STATE AGEN-  
21 CY REVIEW.—Section 201 (42 U.S.C. 5001) is amended—

22 (1) by striking subsection (c); and

23 (2) by redesignating subsection (d) as sub-  
24 section (c).

1   **SEC. 444. SERVICES UNDER THE FOSTER GRANDPARENT**  
2                   **PROGRAM.**

3       Section 211(a) (42 U.S.C. 5011(a)) is amended—

4           (1) by striking “receiving care in hospitals,  
5       homes for dependent and neglected children, or  
6       other establishments providing care for children with  
7       special needs” and inserting “receiving care in hos-  
8       pitals; residing in homes for dependent and ne-  
9       glected children; and participating in day care cen-  
10      ters, schools, Head Start projects, and a variety of  
11      other establishments and institutions providing serv-  
12      ices for children with special or exceptional needs”;  
13      and

14          (2) by inserting after the first sentence the fol-  
15      lowing new sentence: “Individual foster grand-  
16      parents may provide person-to-person services to one  
17      or more children depending upon the needs of the  
18      project and local site.”.

19   **SEC. 445. STIPENDS FOR LOW-INCOME VOLUNTEERS.**

20      Section 211(d) (42 U.S.C. 5011(d)) is amended in  
21      the second sentence by striking “Any stipend or allowance  
22      provided under this subsection shall not be less than \$2.20  
23      per hour until October 1, 1990, \$2.35 per hour during  
24      fiscal year 1991, and \$2.50 per hour and after October  
25      1, 1992,” and inserting “Any stipend or allowance pro-  
26      vided under this section shall not be less than \$2.45 per

1 hour on and after October 1, 1993, and shall be adjusted  
2 once during the period of 1993 through 1997 to account  
3 for inflation, as determined by the Director and rounded  
4 to the nearest five cents.”.

5 **SEC. 446. PARTICIPATION OF NON-LOW-INCOME PERSONS**  
6 **UNDER PARTS B AND C.**

7 Subsection (f) of section 211(f) (42 U.S.C. 5011(f))  
8 is amended to read as follows:

9 “(f) Individuals who are not low-income persons may  
10 serve as volunteers under parts B and C, in accordance  
11 with such regulations as the Director shall issue, at the  
12 discretion of the local project and without receiving any  
13 allowance, stipend, or other financial support except reim-  
14 bursement for transportation, meals, and out-of-pocket ex-  
15 penses incident to serving.”

16 **SEC. 447. CONDITIONS OF GRANTS AND CONTRACTS.**

17 Section 212 (42 U.S.C. 5012) is repealed.

18 **SEC. 448. EVALUATION OF THE SENIOR COMPANION PRO-**  
19 **GRAM.**

20 Paragraph (3) of section 213(c) (42 U.S.C.  
21 5013(c)(3)) is repealed.

22 **SEC. 449. AGREEMENTS WITH OTHER FEDERAL AGENCIES.**

23 Section 221(a) (42 U.S.C. 5021) is amended by add-  
24 ing at the end thereof the following new sentence: “The  
25 Director is encouraged to enter into agreements with the

1 Department of Health and Human Services to provide fos-  
2 ter grandparents in Head Start projects, to use Medicaid  
3 funds where cost-effective in involving Senior Companions  
4 in health care arrangements, and to promote in-home care  
5 in cooperation with the Administration on Aging, with the  
6 Department of Education to promote intergenerational tu-  
7 toring and mentoring for at-risk children, and with the  
8 Environmental Protection Agency to support conservation  
9 efforts.”.

10 **SEC. 450. PROGRAMS OF NATIONAL SIGNIFICANCE.**

11 Section 225 (42 U.S.C. 5025) is amended—

12 (1) in subsection (a)—

13 (A) by striking paragraph (1) and insert-  
14 ing the following new paragraph:

15 “(1) The Director is authorized to make grants under  
16 the programs authorized in parts A, B, and C of this title  
17 to support programs that address national problems that  
18 are also of local concern. The Director may, in any fiscal  
19 year, determine which programs of national significance  
20 will receive priority in that year.”;

21 (B) by striking “paragraph (10)” in para-  
22 graph (2)(B) and inserting “paragraphs (10)  
23 and (12)”; and

1 (C) by striking “and (10)” in paragraph  
2 (2)(C) and inserting “(10), (12), (15), and  
3 (16)”;

4 (2) in subsection (b), by adding at the end  
5 thereof the following new paragraphs:

6 “(12) Programs that address environmental  
7 needs.

8 “(13) Programs that reach out to organizations  
9 not previously involved in addressing local needs,  
10 such as labor unions and profit-making organiza-  
11 tions.

12 “(14) Programs that provide for ethnic out-  
13 reach.

14 “(15) Programs that support criminal justice  
15 activities.

16 “(16) Programs that involve older volunteers  
17 working with young people in apprenticeship pro-  
18 grams.”; and

19 (5) in subsection (d), by striking paragraph (1)  
20 and inserting the following new paragraph:

21 “(1) Except as provided in paragraph (2), in each  
22 fiscal year there shall be available to the Director to make  
23 grants under subsection (a) such sums as necessary.”.

1 **SEC. 451. ADJUSTMENTS TO FEDERAL FINANCIAL ASSIST-**  
2 **ANCE.**

3 Section 226 (42 U.S.C. 5026) is amended—

4 (1) by striking subparagraph (B) of subsection  
5 (a)(1) and all that follows through subsection (b);  
6 and

7 (B) by striking “(a)(1)(A)”.

8 **SEC. 452. ARRANGEMENTS WITH PRIVATE, PROFIT-MAKING**  
9 **ORGANIZATIONS.**

10 Part D of title II (42 U.S.C. 5021) is amended by  
11 adding at the end thereof the following new section:

12 “ARRANGEMENTS WITH PRIVATE, PROFIT-MAKING  
13 ORGANIZATIONS

14 “SEC. 228. The Director and grantees funded under  
15 this title may enter into arrangements with profit-making  
16 organizations so as to offer the services of Senior Compan-  
17 ions, Foster Grandparents, and Retired Senior Volunteers  
18 to those profit-making organizations, including their em-  
19 ployees and relatives, on the condition that all costs of the  
20 services, including administrative expenses, are paid for  
21 by the profit-making organization and that there is no im-  
22 pact on the ACTION funded project to provide services  
23 to the community under the grant.”.

24 **SEC. 453. DEMONSTRATION PROGRAMS.**

25 Title II is amended by adding at the end thereof the  
26 following new part:

1       “PART E—DEMONSTRATION PROGRAMS

2               “AUTHORITY OF DIRECTOR

3       “SEC. 231. The Director is authorized to make  
4 grants or contracts to public and nonprofit organizations,  
5 including the organizations funded under parts A, B, and  
6 C, for the purposes of demonstrating innovative activities  
7 involving older Americans as volunteers. The Director may  
8 support both nonstipend and stipended volunteers under  
9 this part. Funding may be provided for activities such  
10 as—

11               “(1) linking youth groups and older American  
12 organizations in volunteer activities;

13               “(2) involving older volunteers in programs and  
14 activities different from those currently supported in  
15 the community; and

16               “(3) testing whether older American volunteer  
17 programs may contribute to new objectives or cer-  
18 tain national priorities.

19               “PROHIBITION

20       “SEC. 232. The Director may not reduce the activi-  
21 ties, projects, or volunteers funded under the other parts  
22 of this title in order to support projects under this part.”.

23               **CHAPTER 3—ADMINISTRATION**

24       **SEC. 461. PURPOSE OF AGENCY.**

25       Section 401 (42 U.S.C. 5041) is amended by insert-  
26 ing after the first sentence the following: “This Agency

1 shall also promote the coordination of volunteer efforts  
2 among Federal, State, and local agencies and organiza-  
3 tions, exchange technical assistance information among  
4 them, and provide technical assistance to other nations  
5 concerning domestic volunteer programs within their coun-  
6 tries.”.

7 **SEC. 462. AUTHORITY OF THE DIRECTOR.**

8 Section 402 (42 U.S.C. 5042) is amended—

9 (1) in paragraphs (5) and (6), by inserting “so-  
10 licit and” before “accept” in each such paragraph;

11 (2) in paragraph (13), by striking “and” at the  
12 end thereof;

13 (3) by redesignating paragraph (14) as para-  
14 graph (15); and

15 (4) by inserting after paragraph (13) the fol-  
16 lowing new paragraph:

17 “(14) enter into arrangements with private,  
18 profit-making organizations under terms and condi-  
19 tions determined by the Director when such agree-  
20 ments will further the purposes of the Act; and”.

21 **SEC. 463. COMPENSATION FOR VOLUNTEERS.**

22 Section 404(c) (42 U.S.C. 5044(c)) is amended by  
23 inserting “from such volunteers or beneficiaries” after  
24 “compensation”.

1   **SEC. 464. REPEAL OF REPORT ON ANNUAL RECRUITMENT**  
2                           **PLAN.**

3           Section 407 (42 U.S.C. 5047) is repealed.

4   **SEC. 465. APPLICATION OF FEDERAL LAW.**

5           Section 415(b)(4)(A) (42 U.S.C. 5055(b)(4)(A)) is  
6 amended by striking “grade GS-7” and inserting “grade  
7 GS-5”.

8   **SEC. 466. EVALUATION OF PROGRAMS.**

9           Section 416 (42 U.S.C. 5056) is amended—

10           (1) in subsection (a)—

11                   (A) by striking “(including the VISTA Lit-  
12 eracy Corps which shall be evaluated as a sepa-  
13 rate program at least once every 3 years)” in  
14 the first sentence; and

15                   (B) by striking “at least once every 3  
16 years” in the second sentence and inserting  
17 “periodically”;

18           (2) in subsection (b) to read as follows:

19           “(b) In carrying out evaluations of ACTION’s pro-  
20 grams, the Director shall create appropriate management  
21 information systems that will summarize volunteer activi-  
22 ties and accomplishments across the programs supported  
23 under this Act. The Director shall report this information  
24 on a periodic basis.”; and

25           (3) by striking subsections (d), (e), (f), and (g).

1 **SEC. 467. NONDISCRIMINATION PROVISIONS.**

2 Section 417 (42 U.S.C. 5057) is amended to read as  
3 follows:

4 “NONDISCRIMINATION PROVISIONS

5 “SEC. 417. (a) IN GENERAL.—An individual with re-  
6 sponsibility for the operation of a project that receives as-  
7 sistance under this Act shall not discriminate against a  
8 participant or member of the staff of such project on the  
9 basis of race, color, national origin, sex, age, disability,  
10 or political affiliation of such participant or member.

11 “(b) FEDERAL FINANCIAL ASSISTANCE.—Any assist-  
12 ance provided under this Act shall constitute Federal fi-  
13 nancial assistance for purposes of title VI of the Civil  
14 Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX  
15 of the Education Amendments of 1972 (20 U.S.C. 1681  
16 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 701  
17 et seq.), the Age Discrimination Act of 1975 (42 U.S.C.  
18 6101 et seq.), and the regulations issued under such Acts.

19 (c) RELIGIOUS DISCRIMINATION.—

20 (1) IN GENERAL.—Except as provided in para-  
21 graph (2), an individual with responsibility for the  
22 operation of a project that receives assistance under  
23 this Act shall not discriminate on the basis of reli-  
24 gion against a participant or a member of the  
25 project staff who is paid with funds received under  
26 this Act.

1           (2) EXCEPTION.—Paragraph (1) shall not  
2       apply to the employment, with assistance provided  
3       under this Act, of any member of the staff of a  
4       project that receives assistance under this Act who  
5       was employed with the organization operating the  
6       project on the date the grant under this Act was  
7       awarded.

8       (d) RULES AND REGULATIONS.—The Director shall  
9       promulgate rules and regulations to provide for the en-  
10      forcement of this section that shall include provisions for  
11      summary suspension of assistance for not more than 30  
12      days, on an emergency basis, until notice and an oppor-  
13      tunity to be heard can be provided.”.

14   **SEC. 468. ELIMINATION OF SEPARATE REQUIREMENTS FOR**  
15                           **SETTING REGULATIONS.**

16       Section 420 (42 U.S.C. 5060) is repealed.

17   **SEC. 469. CLARIFICATION OF ROLE OF INSPECTOR GEN-**  
18                           **ERAL.**

19       Section 422 (42 U.S.C. 5062) is amended—

20           (1) in subsection (a), by inserting “and the In-  
21      specter General of ACTION” after “Director”; and

22           (2) in subsection (b), by inserting “, the Inspec-  
23      tor General of ACTION,” after “Director” each  
24      place that such appears.

1       “(c) IMPROPER USE.—

2               “(1) IN GENERAL.—Whoever, except as per-  
3       mitted by the laws of the United States and regula-  
4       tions issued by the Director—

5               “(A) uses the names ‘ACTION’, ‘National  
6       Senior Volunteer Corps’, ‘Retired and Senior  
7       Volunteer Program’ (or its acronym, ‘RSVP’),  
8       ‘Foster Grandparent Program’ (or its acronym,  
9       ‘FGP’), ‘Senior Companion Program’ (or its ac-  
10      ronym, ‘SCP’), or ‘Volunteers in Service to  
11      America’ (or its acronym, ‘VISTA’), as part of  
12      the business or firm name of a person, corpora-  
13      tion, partnership, association or other business  
14      entity; or

15              “(B) falsely advertises or represents, or  
16      publishes or displays any sign, symbol or adver-  
17      tisement reasonably calculated to convey the  
18      impression that the entity is affiliated with,  
19      funded by, or operating under the authority of  
20      ACTION or any of its locally funded programs;  
21      may be enjoined under an action filed by the Attor-  
22      ney General, upon a complaint by the Director.

23              “(2) EXCEPTION.—This section shall not make  
24      unlawful the use of any name or title which was law-  
25      ful on the date of enactment of this section.

1       “(d) DEFINITIONS.—For purposes of this section:

2               “(1) FOSTER GRANDPARENT PROGRAM.—The  
3       term ‘Foster Grandparent Program’ means the pro-  
4       gram established under part B of title II.

5               “(2) NATIONAL SENIOR VOLUNTEER CORPS.—  
6       The term ‘National Senior Volunteer Corps’ means  
7       the programs established under parts A, B, C, and  
8       E of title II.

9               “(3) RETIRED AND SENIOR VOLUNTEER PRO-  
10       GRAM.—The term ‘Retired and Senior Volunteer  
11       Program’ means the program established under part  
12       A of title II.

13               “(4) SENIOR COMPANION PROGRAM.—The term  
14       ‘Senior Companion Program’ means the program es-  
15       tablished under part C of title II.

16               “(5) VOLUNTEERS IN SERVICE TO AMERICA.—  
17       The terms ‘Volunteers in Service to America’ and  
18       ‘VISTA’ mean the program established under part A  
19       of title I.”.

20       **SEC. 471. CENTER FOR RESEARCH AND TRAINING.**

21       Title IV (as amended by section 470) is further  
22       amended by at the end thereof the following new section:

23               “CENTER FOR RESEARCH AND TRAINING

24       SEC. 427. There is established within ACTION a  
25       Center for Research and Training on Volunteerism. The  
26       Center shall carry out research concerning the impact of

1 volunteerism on individuals, organizations, and commu-  
2 nities. The Center shall provide training to help improve  
3 programs across the country. The Center may award  
4 grants to, or enter into contracts with, organizations in  
5 order to carry out its responsibilities.”.

6 **SEC. 472. DEPOSIT REQUIREMENT CREDIT FOR SERVICE AS**  
7 **A VOLUNTEER.**

8 (a) CIVIL SERVICE RETIREMENT SYSTEM.—

9 (1) CREDITABLE SERVICE.—Section 8332(j) of  
10 title 5, United States Code, is amended—

11 (A) in paragraph (1), by inserting “as a  
12 full-time volunteer enrolled in a program of at  
13 least 1 year’s duration under part A, B, or C  
14 of title I of the Domestic Volunteer Service Act  
15 of 1973,” after “Economic Opportunity Act of  
16 1964,”; and

17 (B) by adding at the end thereof the fol-  
18 lowing new paragraph:

19 “(3) The provisions of paragraph (1) relating to  
20 credit for service as a volunteer or volunteer leader  
21 under the Economic Opportunity Act of 1964 and  
22 the Domestic Volunteer Service Act of 1973 shall  
23 not apply to any period of service as a volunteer or  
24 volunteer leader of an employee or Member with re-  
25 spect to which the employee or Member has made

1 the deposit with interest, if any, required by section  
2 8334(1).”.

3 (2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOS-  
4 ITS.—

5 (A) Section 8334 of title 5, United States  
6 Code, is amended by adding at the end thereof  
7 the following new subsection:

8 “(1)(1) Each employee or Member who has performed  
9 service as a volunteer or volunteer leader under part A  
10 of title VIII of the Economic Opportunity Act of 1964 or  
11 as a full-time volunteer enrolled in a program of at least  
12 1 year’s duration under part A, B, or C of title I of the  
13 Domestic Volunteer Service Act of 1973, before the date  
14 of separation from service on which the entitlement to any  
15 annuity under this subchapter is based may pay, in ac-  
16 cordance with such regulations as the Office of Personnel  
17 Management shall issue, to the agency by which the em-  
18 ployee is employed or, in the case of a Member or a Con-  
19 gressional employee, to the Secretary of the Senate or the  
20 Clerk of the House of Representatives, as appropriate, an  
21 amount equal to 7 percent of the readjustment allowance  
22 paid to the employee or Member under section 803 of the  
23 Economic Opportunity Act of 1964 or section 105(a) or  
24 the Domestic Volunteer Service Act of 1973 for each pe-  
25 riod of service as such a volunteer or volunteer leader.

1       “(2) Any deposit made under paragraph (1) more  
2 than 2 years after the later of—

3               “(A) the date of enactment of this subsection;

4       or

5               “(B) the date on which the employee or Mem-  
6 ber making the deposit first becomes an employee or  
7 Member,

8 shall include interest on such amount, computed and com-  
9 puted annually beginning on the date of the expiration of  
10 the 2-year period. The interest rate that is applicable in  
11 computing interest in any year under this paragraph shall  
12 be equal to the interest rate that is applicable for such  
13 year under subsection (e).

14       “(3) Any payment received by an agency, the Sec-  
15 retary of the Senate, or Clerk of the House of Representa-  
16 tives under this subsection shall be immediately remitted  
17 to the Office of Personnel Management for deposit in the  
18 Treasury of the United States to the credit of the Fund.

19       “(4) The Director of ACTION shall furnish such in-  
20 formation to the Office to the Personnel Management as  
21 the Office may determine to be necessary for the adminis-  
22 tration of this subsection.”.

23               (B) Section 8334(e) of title 5, United  
24 States Code, is amended in paragraphs (1) and

1           (2) by striking “or (k)” each place that such  
2           appears and inserting “(k), or (l)”.

3           (b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—

4           (1) CREDITABLE SERVICE.—Section 8411 of  
5           title 5, United States Code, is amended—

6                   (A) in subsection (b)(3), by striking “sub-  
7           section (f)” and inserting “subsection (f) or  
8           (h)”; and

9                   (B) by adding at the end thereof the fol-  
10          lowing new subsection:

11          “(h) An employee or Member shall be allowed credit  
12          for services as a volunteer or volunteer leader under part  
13          A of title VIII of the Economic Opportunity Act of 1964,  
14          or as a full-time volunteer enrolled in a program of at least  
15          1 year’s duration under part A, B, or C of title I of the  
16          Domestic Volunteer Service Act of 1973, performed at any  
17          time prior to the separation from service entitlement to  
18          any annuity is based if the employee or Member has made  
19          a deposit with interest, if any, with respect to such service  
20          under section 8422(f).”.

21           (2) DEDUCTIONS, CONTRIBUTIONS.—Section  
22          8422 of title 5, United States Code, is amended by  
23          adding at the end thereof the following new sub-  
24          section:

1       “(f)(1) Each employee or Member who has performed  
2 service as a volunteer or volunteer leader under part A  
3 of title VIII of the Economic Opportunity Act of 1964,  
4 or as a full-time volunteer enrolled in a program or at  
5 least 1 year’s duration under part A, B, or C of title I  
6 of the Domestic Volunteer Service Act of 1973, before the  
7 date of the separation from service on which the entitle-  
8 ment to any annuity under this subchapter, or subchapter  
9 V of this chapter, is based may pay, in accordance with  
10 such regulations as the Office of Personnel Management  
11 shall issue, to the agency by which the employee is em-  
12 ployed or, in the case of Member or a congressional em-  
13 ployee, to the Secretary of the Senate or Clerk of the  
14 House of Representatives, as appropriate, an amount  
15 equal to 3 percent of the readjustment allowance paid to  
16 the employee or Member under title VIII of the Economic  
17 Opportunity Service Act of 1964 or title I of the Domestic  
18 Volunteer Service Act of 1973 for each period of service  
19 as such a volunteer or volunteer leader.

20       “(2) Any deposit made under paragraph (1) more  
21 than 2 years after the later of—

22               “(A) the date of enactment of this subsection,

23       or

1           “(B) the date on which the employee or Mem-  
2           ber making the deposit first becomes an employee or  
3           Member,

4 shall include interest on such amount computed and  
5 compounded annually beginning on the date of the expira-  
6 tion of the 2-year period. The interest rate that is applica-  
7 ble in computing interest in any year under this paragraph  
8 shall be equal to the interest rate that is applicable for  
9 such year under section 8334(e).

10          “(3) Any payment received by an agency, the Sec-  
11 retary of the Senate, or the Clerk of the House of Rep-  
12 resentatives under this subsection shall be immediately re-  
13 mitted to the Office of Personnel Management for deposit  
14 in the Treasury of the United States to the credit of the  
15 Fund.

16          “(4) The Director of ACTION shall furnish such in-  
17 formation to the Office of Personnel Management as the  
18 Office may determine to be necessary for the administra-  
19 tion of this subsection.”

20          (c) APPLICABILITY AND OTHER PROVISIONS.—

21               (1) APPLICABILITY.—

22                   (A) The amendments made by subsections  
23                   (a) and (b) shall apply with respect to credit for  
24                   service as a volunteer or volunteer leader under  
25                   the Economic Opportunity Act of 1964 or the

1 Domestic Volunteer Service Act of 1973 to indi-  
2 viduals who are entitled to an annuity on the  
3 basis of a separation from service occurring be-  
4 fore, on, or after the effective date of this Act.

5 (B) In the case of any individual whose en-  
6 titlement to an annuity is based on a separation  
7 from service occurring before the date of enact-  
8 ment of this Act, any increase in such individ-  
9 ual's annuity on the basis of a deposit made  
10 pursuant to section 8334(l) or section 8442(f)  
11 of title 5, United States Code, as amended by  
12 this Act, shall be effective only with respect to  
13 annuity payments payable for calendar months  
14 beginning after the date of enactment of this  
15 Act.

16 (C) In the case of any individual who is  
17 entitled to an annuity under subchapter III of  
18 chapter 83 of title 5, United States Code, credit  
19 for service under such subchapter III shall be  
20 subject to paragraphs (2) through (6).

21 (2) OLD AGE OR SURVIVOR'S ENTITLEMENT.—  
22 Subject to paragraph (3), in any case in which an  
23 individual described in paragraph (1)(C) is also enti-  
24 tled to old age or survivor's insurance benefits under  
25 section 202 of the Social Security Act (or would be

1       entitled to such benefits upon filing an application  
2       therefore), the amount of the annuity to which such  
3       individual is entitled under subchapter III of chapter  
4       83 of title 5, United States Code (after taking in ac-  
5       count service as a volunteer or volunteer leader  
6       under the Economic Opportunity Act of 1964 and  
7       the Domestic Volunteer Service Act of 1973) which  
8       is payable for any month shall be reduced by an  
9       amount determined by multiplying the amount of  
10      such old-age or survivor's insurance benefit for the  
11      determination month by a fraction—

12               (A) the numerator of which is the total of  
13              the wages (within the meaning of section 209 of  
14              the Social Security Act) for service as a volun-  
15              teer or volunteer leader under the Economic  
16              Opportunity Act of 1964 and the Domestic Vol-  
17              unteer Service Act of 1973 of such individual  
18              credited for years before the calendar year in  
19              which the determination month occurs, up to  
20              the contribution and benefit base determined  
21              under section 230 of the Social Security Act (or  
22              other applicable maximum annual amount re-  
23              ferred to in section 215(e)(1) of such Act for  
24              each year); and

1 (B) the denominator of which is the total  
2 of all wages described in subparagraph (A),  
3 plus all other wages (within the meaning of sec-  
4 tion 209 of such Act) and all self-employment  
5 income (within the meaning of section 211(b) of  
6 such Act) of such individual credited for years  
7 after 1936 and before the calendar year in  
8 which the determination month occurs, up to  
9 the contribution and benefit base (of such other  
10 amount referred to in section 215(e)(1) of such  
11 Act) for each such year.

12 (3) LIMITATION.—Paragraph (2) shall not re-  
13 duce the annuity of an individual below the amount  
14 of the annuity which would be payable to the indi-  
15 vidual for the determination month if service of a  
16 volunteer or volunteer leader under the Economic  
17 Opportunity Act of 1964 or the Domestic Volunteer  
18 Service Act of 1973 were not creditable in the com-  
19 putation of the individual's annuity for such month.

20 (4) DETERMINATION MONTH.—For purposes of  
21 this subsection, the term “determination month”  
22 means—

23 (A) the first month the individual de-  
24 scribed in paragraph (1)(C) is entitled to old-  
25 age or survivor's benefits under section 202(a)

1 of the Social Security Act (or would be entitled  
2 to such benefits upon filing an application  
3 therefore); or

4 (B) the first calendar month beginning  
5 after the date of enactment of this Act, in the  
6 case of any individual entitled to such benefits  
7 for such month.

8 (5) EFFECTIVE DATE.—The provisions of para-  
9 graphs (2) through (4) shall take effect with respect  
10 to any annuity payment payable under subchapter  
11 III of chapter 83 of title 5, United States Code, for  
12 calendar months beginning after the date of enact-  
13 ment of this Act.

14 (6) FURNISHING OF INFORMATION.—The Sec-  
15 retary of Health and Human Services shall furnish  
16 such information to the Office of Personnel Manage-  
17 ment as may be necessary to carry out the provi-  
18 sions of this subsection.

19 (7) ACTION TO INFORM INDIVIDUALS.—The Di-  
20 rector of the Office of Personnel Management shall  
21 take such action as may be necessary and appro-  
22 priate to inform individuals entitled to credit under  
23 this section for service as a volunteer or volunteer  
24 leader, or to have any annuity recomputed, or to

1 make a deposit under this section, of such entitle-  
2 ment.

3 **CHAPTER 4—AUTHORIZATION OF APPRO-**  
4 **PRIATIONS AND OTHER AMENDMENTS**

5 **SEC. 481. AUTHORIZATION OF APPROPRIATIONS FOR TITLE**

6 **I.**

7 Section 501 (42 U.S.C. 5081) is amended to read as  
8 follows:

9 **“NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS**

10 **“SEC. 501. (a) AUTHORIZATIONS.—**

11 **“(1) VOLUNTEERS IN SERVICE TO AMERICA.—**

12 There are authorized to be appropriated to carry out  
13 part A of title I, excluding sections 104(e) and 109,  
14 such sums as may be necessary for each of the fiscal  
15 years 1994 through 1998.

16 **“(2) SUMMER PROGRAM.—**There are authorized  
17 to be appropriated to carry out section 104(e), such  
18 sums as may be necessary for each of the fiscal  
19 years 1994 through 1998.

20 **“(3) LITERACY ACTIVITIES.—**There are author-  
21 ized to be appropriated to carry out section 109,  
22 such sums as may be necessary for each of the fiscal  
23 years 1994 through 1998.

24 **“(4) STUDENT COMMUNITY SERVICE PRO-**  
25 **GRAMS.—**There are authorized to be appropriated to  
26 carry out part B of title I, such sums as may be nec-

1       essary for each of the fiscal years 1994 through  
2       1998.

3           “(5) SPECIAL VOLUNTEER PROGRAMS.—There  
4       are authorized to be appropriated to carry out part  
5       C of title I, excluding section 125, such sums as may  
6       be necessary for each of the fiscal years 1994  
7       through 1998.

8           “(6) LITERACY CHALLENGE GRANTS.—There  
9       are authorized to be appropriated to carry out sec-  
10      tion 125, such sums as may be necessary for each  
11      of the fiscal years 1994 through 1998.

12          “(b) SUBSISTENCE.—The minimum level of allow-  
13      ances for subsistence required under section 105(b)(2), to  
14      be provided to each volunteer under this Act may not be  
15      reduced or limited in order to provide for an increase in  
16      the number of volunteer service years under part A of title  
17      I.

18          “(c) LIMITATION.—No part of the funds appro-  
19      priated to carry out part A of title I may be used to pro-  
20      vide volunteers or assistance to any program or project  
21      authorized under part B or C of title I, or under title II,  
22      unless the program or project meets the antipoverty cri-  
23      teria of part A of title I.

1       “(d) AVAILABILITY.—Amounts appropriated for part  
2 A of title I shall remain available for obligation for a 2-  
3 year period.

4       “(e) VOLUNTEER SERVICE REQUIREMENT.—Of the  
5 amounts appropriated under this section for parts A, B,  
6 and C of title I, including section 125, there shall first  
7 be available for part A of title I an amount not less than  
8 the amount necessary to provide 5,500 volunteer service  
9 years in fiscal year 1994, and 7,500 volunteer service  
10 years in each of fiscal years 1995, 1996, 1997, and 1998.  
11 If funds are insufficient to meet this requirement, the Di-  
12 rector shall submit a plan to the relevant authorizing and  
13 appropriations committees of Congress that will detail  
14 what is necessary to fully meet this requirement.”.

15 **SEC. 482. AUTHORIZATION OF APPROPRIATIONS FOR TITLE**

16 **II.**

17       Section 502 (42 U.S.C. 5082) is amended to read as  
18 follows:

19       “NATIONAL SENIOR VOLUNTEER CORPS

20       “SEC. 502. (a) RETIRED AND SENIOR VOLUNTEER  
21 PROGRAM.—There are authorized to be appropriated to  
22 carry out part A of title II, such sums as may be necessary  
23 for each of the fiscal years 1994 through 1998.

24       “(b) FOSTER GRANDPARENT PROGRAM.—There are  
25 authorized to be appropriated to carry out part B of title

1 II, such sums as may be necessary for each of the fiscal  
2 years 1994 through 1998.

3 “(c) SENIOR COMPANION PROGRAM.—There are au-  
4 thorized to be appropriated to carry out part C of title  
5 II, such sums as may be necessary for each of the fiscal  
6 years 1994 through 1998.

7 “(d) DEMONSTRATION PROGRAMS.—There are au-  
8 thorized to be appropriated to carry out part E of title  
9 II, such sums as may be necessary for each of the fiscal  
10 years 1994 through 1998.”.

11 **SEC. 483. AUTHORIZATION OF APPROPRIATIONS FOR TITLE**

12 **IV.**

13 Section 504 (42 U.S.C. 5084) is amended to read as  
14 follows:

15 “ADMINISTRATION AND COORDINATION

16 “SEC. 504 (a) IN GENERAL.—For each of the fiscal  
17 years 1994 through 1997, there are authorized to be ap-  
18 propriated for the administration of this Act as provided  
19 for in title IV, 20 percent of the total amount appropriated  
20 under sections 501, 502, and title VII with respect to such  
21 year.

22 “(b) EVALUATION AND CENTER FOR RESEARCH AND  
23 TRAINING.—For each of the fiscal years 1994 through  
24 1998, the Director is authorized to expend not less than  
25 one-half of 1 percent, nor more than 1 percent, from the

1 amounts appropriated under sections 501, 502, and title  
2 VII for the purposes prescribed in sections 416 and 427.”.

3 **SEC. 484. CONFORMING AMENDMENTS; COMPENSATION**  
4 **FOR VISTA FECA CLAIMANTS.**

5 Section 8143(b) of title 5, United States Code, is  
6 amended by striking “GS-7” and inserting “GS-5”.

7 **SEC. 485. REPEAL OF AUTHORITY FOR YOUTHBUILD PRO-**  
8 **GRAM.**

9 Title VII (42 U.S.C. 5051 et seq.) is repealed.

10 **SEC. 486. EFFECTIVE DATE.**

11 This subtitle shall become effective on October  
12 1, 1993, or on the date of enactment of this Act,  
13 whichever is later.

14 **TITLE V—TECHNICAL AND**  
15 **CONFORMING AMENDMENTS**

16 **SEC. 501. DEFINITION OF DIRECTOR.**

17 The Domestic Volunteer Service Act of 1973 is  
18 amended—

19 (1) in section 421 (42 U.S.C. 5061), by striking  
20 paragraph (1) and inserting the following new para-  
21 graph:

22 “(1) the term ‘Director’ means the Chairperson  
23 and Executive Director of the Corporation for Na-  
24 tional Service appointed under section 191C of the

1 National and Community Services Act of 1990;”;  
2 and

3 (2) in section 713 (42 U.S.C. 5091l) by striking  
4 paragraph (2) and inserting the following new para-  
5 graph:

6 “(2) DIRECTOR.—The term ‘Director’ means  
7 the Chairperson and Executive Director of the Cor-  
8 poration for National Service appointed under sec-  
9 tion 191C of the National and Community Services  
10 Act of 1990.”.

11 **SEC. 502. REFERENCES TO ACTION AND THE ACTION AGEN-**  
12 **CY IN THE NATIONAL SERVICE LAWS.**

13 (a) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—  
14 The Domestic Volunteer Service Act of 1973 is amended  
15 as follows:

16 (1) Section 2(b) (42 U.S.C. 4950(b)) is  
17 amended—

18 (A) by striking “ACTION, the Federal do-  
19 mestic volunteer agency,” and inserting “this  
20 Act”; and

21 (B) by striking “ACTION” and inserting  
22 “the Corporation for National Service”.

23 (2) Section 103(b) (42 U.S.C. 4953(b)) is  
24 amended—

1 (A) in paragraph (2)(A), by striking “the  
2 national headquarters of the ACTION Agency”  
3 and inserting “the Corporation”;

4 **【reference to regional employee】** (B) in  
5 paragraph (2)(C), by striking “the ACTION  
6 Agency” and inserting “the Corporation”;

7 (C) in paragraph (5)—

8 (i) by striking “the ACTION Agency”  
9 both places it appears and inserting “the  
10 Corporation”; and

11 (ii) by striking “of the Agency”; and

12 **【reference to regional office】** (D) in para-  
13 graph (6)—

14 (i) by striking “the ACTION Agency”  
15 and inserting “the Corporation”; and

16 (ii) by striking “the regional ACTION  
17 office” and inserting “the office of the  
18 Corporation”.

19 (3) Section 103(c)(1)(D) (42 U.S.C.  
20 4953(c)(1)(D)) is amended by striking “the AC-  
21 TION Agency” and inserting “the Corporation”.

22 (4) Section 105(b) (42 U.S.C. 4955(b)) is  
23 amended—

1           **【reference to regional office】** (A) in para-  
2           graph (3)(A), by striking “the ACTION Agen-  
3           cy” and inserting “the Corporation”; and

4           **【reference to regional office】** (B) in para-  
5           graph (4), by striking “the ACTION Agency”  
6           and inserting “the Corporation”.

7           (5) NOTE: Sections 111, 112, and 113 refer to  
8           the “University Year for ACTION (UYA)” program.  
9           What should be done about this reference?

10          (6) Section 125(b) (42 U.S.C. 4995(b)) is  
11          amended by striking “the ACTION Agency” and in-  
12          serting “the Corporation”.

13          (7) Section 225(e) (42 U.S.C. 5025(e)) is  
14          amended by striking “the ACTION Agency” and in-  
15          serting “the Corporation”.

16          (8) Section 403(a) (42 U.S.C. 5043(a)) is  
17          amended—

18                 (A) by striking “the ACTION Agency” the  
19                 first place it appears and inserting “the Cor-  
20                 poration under this Act”; and

21                 (B) by striking “the ACTION Agency” the  
22                 second place it appears and inserting “the Cor-  
23                 poration”.

1           (9) Section 407(5) (42 U.S.C. 5047(5)) is  
2           amended by striking “the ACTION Agency” and in-  
3           serting “the Corporation”.

4           (10) Section 408 (42 U.S.C. 5048) is amended  
5           by striking “the ACTION Agency” and inserting  
6           “the Corporation”.

7           (11) Section 416(f)(1) (42 U.S.C. 5056(f)(1))  
8           is amended by striking “ACTION Agency” and in-  
9           serting “Corporation”.

10          (12) Section 420(b) (42 U.S.C. 5060(b)) is  
11          amended by striking “the ACTION Agency” and in-  
12          serting “the Corporation”.

13          (13) Section 702(a) (42 U.S.C. 5091a(a)) is  
14          amended by striking “of the ACTION Agency”.

15          (b) NATIONAL AND COMMUNITY SERVICE ACT OF  
16          1990.—**[To be Added]**

17          **SEC. 503. REFERENCES TO ACTION AND THE ACTION AGEN-**  
18          **CY IN OTHER LAWS.**

19          (a) INSPECTOR GENERAL.—Section 8E(a)(2) of the  
20          Inspector General Act of 1978 (5 U.S.C. App.) is  
21          amended—

22                 (1) by striking “ACTION,”; and

23                 (2) by inserting “the Corporation for National  
24          Service,” after “the Consumer Product Safety Com-  
25          mission,”.

1 (b) PUBLIC HOUSING SECURITY.—Section 207(c) of  
2 the Public Housing Security Demonstration Act of 1978  
3 (Public Law 95–557; 92 Stat. 2093; 12 U.S.C. 1701z–  
4 6 note) is amended—

5 (1) in paragraph (3)(ii), by striking “Action”  
6 and inserting “the Corporation for National Serv-  
7 ice”; and

8 (2) in paragraph (4), by striking “Action” and  
9 inserting “the Corporation for National Service”.

10 (c) NATIONAL FOREST VOLUNTEERS.—Section 1 of  
11 the Volunteers in the National Forests Act of 1972 (16  
12 U.S.C. 558a) is amended by striking “Action” and insert-  
13 ing “the Corporation for National Service”.

14 (d) PEACE CORPS.—Section 2A of the Peace Corps  
15 Act (22 U.S.C. 2501–1) is amended by inserting after  
16 “the ACTION Agency” the following: “, the successor to  
17 the ACTION Agency,”.

18 (e) INDIAN ECONOMIC DEVELOPMENT.—Section 502  
19 of the Indian Financing Act of 1974 (25 U.S.C. 1542)  
20 is amended by striking “ACTION Agency” and inserting  
21 “the Corporation for National Service”.

22 (f) OLDER AMERICANS.—The Older Americans Act  
23 of 1965 is amended—

24 (1) in section 202(c)(1) (42 U.S.C. 3012(c)(1)),  
25 by striking “the Director of the ACTION Agency”

1 and inserting “the Corporation for National Serv-  
2 ice”;

3 (2) in section 203(a)(1) (42 U.S.C.  
4 3013(a)(1)), by striking “the ACTION Agency” and  
5 inserting “the Corporation for National Service”;  
6 and

7 (3) in section 422(b)(12)(C) (42 U.S.C.  
8 3035a(b)(12)(C)), by striking “the ACTION Agen-  
9 cy” and inserting “the Corporation for National  
10 Service”.

11 (g) VISTA SERVICE EXTENSION.—Section 101(c)(1)  
12 of the Domestic Volunteer Service Act Amendments of  
13 1989 (Public Law 101-204, 103 Stat. 1810; 42 U.S.C.  
14 4954 note) is amended by striking “Director of the AC-  
15 TION Agency” and inserting “Executive Director of the  
16 Corporation for National Service”.

17 (h) AGING RESOURCE SPECIALISTS.—Section 205(c)  
18 of the Older American Amendments of 1975 (Public Law  
19 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended—

20 (1) in paragraph (1)—

21 (A) by striking “the ACTION Agency,”  
22 and inserting “the Corporation for National  
23 Service,”; and

1 (B) by striking “the Director of the AC-  
2 TION Agency” and inserting “the Executive  
3 Director of the Corporation;

4 (2) in paragraph (2)(A), by striking “ACTION  
5 Agency” and inserting “Corporation”; and

6 (3) in paragraph (3), by striking subparagraph  
7 (A) and inserting the following new subparagraph:

8 “(A) the term ‘Corporation’ means the Cor-  
9 poration for National Service established by section  
10 191 of the National and Community Service Act of  
11 1990.”.

12 (i) PROMOTION OF PHOTOVOLTAIC ENERGY.—Sec-  
13 tion 11(a) of the Solar Photovoltaic Energy Research, De-  
14 velopment, and Demonstration Act of 1978 (42 U.S.C.  
15 5590) is amended by striking “the Director of ACTION,”.

16 (j) COORDINATING COUNCIL ON JUVENILE JUS-  
17 TICE.—Section 206(a)(1) of the Juvenile Justice and De-  
18 linquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1))  
19 is amended by striking “the Director of the ACTION  
20 Agency” and inserting “the Executive Director of the Cor-  
21 poration for National Service”.

22 (k) ENERGY CONSERVATION.—Section 413(b)(1) of  
23 the Energy Conservation and Production Act (42 U.S.C.  
24 6863(b)(1)) is amended by striking “the Director of the  
25 ACTION Agency,”.

1 (l) INTERAGENCY COUNCIL ON THE HOMELESS.—  
2 Section 202(a) of the Stewart B. McKinney Homeless As-  
3 sistance Act (42 U.S.C. 11312(a)) is amended by striking  
4 paragraph (12) and inserting the following new para-  
5 graph:

6 “(12) The Executive Director of the Corpora-  
7 tion for National Service, or the designee of the Ex-  
8 ecutive Director.”.

9 (m) ANTI-DRUG ABUSE.—Section 3601 of the Anti-  
10 Drug Abuse Act of 1988 (42 U.S.C. 11851) is amended  
11 by striking paragraph (6) and inserting the following new  
12 paragraph:

13 “(6) the term ‘Director’ means the Chairperson  
14 and Executive Director of the Corporation for Na-  
15 tional Service,”.

16 (n) ADMINISTRATION CHILDREN, YOUTH, AND FAMI-  
17 LIES.—Section 916(b) of the Claude Pepper Young Amer-  
18 icans Act of 1990 (42 U.S.C. 13212(b)) is amended by  
19 striking “the Director of the ACTION Agency” and in-  
20 serting “the Executive Director of the Corporation for Na-  
21 tional Service”.

22 **SEC. 504. DEFINITION OF CORPORATION.**

23 Section 421 of the Domestic Volunteer Service Act  
24 of 1973 (42 U.S.C. 5061) is amended—

1           (1) by striking “and” at the end of paragraph  
2           (6);

3           (2) by striking the period at the end of para-  
4           graph (7) and inserting “; and”; and

5           (3) by adding at the end the following new  
6           paragraph:

7           “(8) the term ‘Corporation’ means the Corpora-  
8           tion for National Service established under section  
9           191 of the National and Community Service Act of  
10          1990.”.

11   **SEC. 505. REFERENCES TO COMMISSION.**

12          **【To be supplied.】**

13   **SEC. 506. EFFECTIVE DATE.**

14          (a) ACTION.—The amendments made by sections  
15   501 through 503 shall take effect on the effective date  
16   of section 203.

17          (b) COMMISSION.—The amendments made by sec-  
18   tions 504 and 505 will take effect on October 1, 1993.

19          **【Other amendments to be supplied】**

## MEMORANDUM

To: Catherine  
From: Ruby  
Subject: Serve-America Funding Levels  
Date: April 26, 1993

My recommendation on the funding level for Serve-America is as follows:

- **Total Funding - \$46,000,000**

- \$ 460,000 - 1% for Indian Tribes
  - \$34,155,000 - 75% of remainder for allotments to States (approx. 2 x FY92 Level)
  - \$11,385,000 - 25% of remainder for model or innovative programs (This would be Leader States initiatives, demonstration projects, technical assistance projects, etc., and recipients could be community based organizations or States)

- **Justification**

The \$46 million figure will allow us to increase formula allotments to States by roughly 50 percent. This will allow the States, especially the smaller ones, to engage in more substantial training and capacity-building activities in addition to expanding their subgranting efforts.

I'd like to see the portion designated for model or innovative programs used to fund school-based and community-based efforts. These projects could include "field enhancement" activities carried out by Leader programs, technical assistance initiatives based on needs identified by the Corporation, summer programs like "Walkabout," and other special projects.

---

## 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: *Shirley Sagawa* of:

FAX Number: *456 2878* Phone:

FROM: *Terry Russell*

Date: *April 26 1993*

Re: *Comments not included in your first package.*

We are transmitting a total of 10 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:

---



O:\ALD\ALD93.244

**DISCUSSION DRAFT**

S.L.C.

28

1           “(2) ASSISTANCE TO NONSTATE ENTITIES.—

2 The application of a State shall also contain a guar-  
3 antee that not less than \_\_\_\_\_ percent of any as-  
4 sistance provided under section 121 to the State will  
5 be used to make grants in support of national serv-  
6 ice programs, other than national service programs  
7 carried out by a State agency, that were selected by  
8 the State on a competitive basis. The Corporation  
9 may permit a State to deviate from the percentage  
10 specified by this subsection if the State has not re-  
11 ceived a sufficient number of acceptable applications  
12 from national service programs to comply with the  
13 percentage.

Is this for  
70% all other  
or competitive  
grant to  
states?

14       “(e) **LIMITATION ON SAME PROJECT IN MULTIPLE**  
15 **APPLICATIONS.**—The Corporation may reject an applica-  
16 tion submitted under this section if a project proposed to  
17 be conducted using assistance requested by the applicant  
18 is already pending before the Corporation in another appli-  
19 cation.

20 "SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE RE-  
21 QUIREMENTS.

22       “(a) **IMPACT ON PARTICIPANTS.**—An application  
23 submitted under section 130 shall include a guarantee by  
24 the applicant that any national service program carried  
25 out by the applicant using assistance provided under sec-

O:\ALD\ALD93.244

## DISCUSSION DRAFT

S.L.C.

19

1 section to Indian tribes, the Virgin Islands, Guam,  
 2 American Samoa, and the Commonwealth of the  
 3 Northern Mariana Islands, to be allotted in accord-  
 4 ance with their respective needs, as determined by  
 5 the Corporation. Palau shall also be eligible for an  
 6 allotment under this paragraph until such time as  
 7 the Compact of Free Association with Palau is rati-  
 8 fied.

9 "(3) CORRESPONDING ALLOTMENT OF AP-  
 10 PROVED POSITIONS.—A State or Indian Tribe that  
 11 receives an allotment under paragraph (1) or (2) for  
 12 a fiscal year shall also receive a number of approved  
 13 national service positions in an amount that bears  
 14 the same ratio to the total number of approved na-  
 15 tional service positions to be available for that fiscal  
 16 year (excluding positions reserved for Corporation  
 17 programs under subsection (b)) as the amount of as-  
 18 sistance provided to the State or Indian Tribe under  
 19 paragraph (1) or (2) bears to the total of the funds  
 20 appropriated to the Corporation to provide assist-  
 21 ance under section 121 for that fiscal year.

22 "(4) EFFECT OF FAILURE TO APPLY.—If a  
 23 State fails to apply for an allotment under para-  
 24 graph (1), the Corporation may use the amount that  
 25 would have been provided under such paragraph,

still not  
clear what  
all partici-  
in a national  
service people  
will be  
eligible to  
receive the  
educational  
award.

#s do  
not equal  
slots. How  
does the  
main  
work?

Corps  
should  
decide.  
  
30% of the  
money does  
not create  
a demand  
for 30% of  
slots  
necessarily

make  
comparable  
to B1  
April 23, 1993

or fails to give notice to the  
Corporation of its intent to  
apply

ONALD\ALD83.244

## DISCUSSION DRAFT

S.L.C.

67

1           “(2) implementing, operating, or expanding  
2 school-based service-learning programs, which may  
3 include paying for the cost of the recruitment, train-  
4 ing, supervision, placement, salaries, and benefits of  
5 service-learning coordinators, through State distribu-  
6 tion of Federal funds made available under this sub-  
7 part to projects operated by local partnerships  
8 among—

9           “(A) local educational agencies; and

10           “(B) one or more community partners  
11 that—

12           “(i) shall include a public or private  
13 nonprofit organization, that will make  
14 projects available for participants, who  
15 shall be students; and

16           “(ii) may include a private for-profit  
17 business or private elementary or second-  
18 ary school;

19           “(3) planning of school-based service-learning  
20 programs through State distribution of Federal  
21 funds made available under this subpart to local  
22 educational agencies or elementary or secondary  
23 schools, which planning may include paying for the  
24 cost of—

*What about  
public school  
partnerships  
w/ other  
public schools?  
- cross age  
tutoring  
programs*

*or other  
educational  
agencies.  
high school  
to middle  
or grade  
school  
mentoring  
or tutoring.*

O:\ALD\ALD93.244

## DISCUSSION DRAFT

S.L.C.

68

1           “(A) the salaries and benefits of service-  
2           learning coordinators; or

3           “(B) the recruitment, training, supervision,  
4           and placement of service-learning coordinators  
5           who are participants in a program under sub-  
6           title C or receive a national service educational  
7           award under subtitle D,

8           who will identify the community partners described  
9           in paragraph (2)(B) and assist in the design and im-  
10          plementation of a program described in paragraph  
11          (2); and

12          “(4) implementing, operating, or expanding  
13          school-based service-learning programs involving  
14          adult volunteers to utilize service-learning to improve  
15          the education of students through State distribution  
16          of Federal funds made available under this part to  
17          local partnerships among—

18               “(A) local educational agencies; and

19               “(B) one or more public or private non-  
20               profit organizations or private for-profit busi-  
21               nesses,

22               that coordinate and operate projects for participants,  
23               who shall be students.

24          “(b) DUTIES OF SERVICE-LEARNING COORDINA-  
25          TOR.—A service-learning coordinator referred to in para-

*Again, this  
doesn't allow  
for school-  
school  
partnership  
is this  
intended?*

*or other educational agency*

O:\ALD\ALD93.244

## DISCUSSION DRAFT

S.L.C.

71

1           “(1) has experience with service-learning; and

2           “(2) was in existence 1 year before the date on  
3       which the organization submitted an application  
4       under section 114(a).

5       “(b) USE OF FUNDS.—Such an organization may use  
6       a grant made under subsection (a) to make grants to part-  
7       nerships described in section 111(a)(2) to implement, op-  
8       erate, or expand school-based service-learning programs as  
9       described in such section. *— and provide technical assistance and training.*

10   “SEC. 112. GRANTS AND ALLOTMENTS.

11       “(a) INDIAN TRIBES AND TERRITORIES.—Of the  
12       amounts appropriated to carry out this subpart for any  
13       fiscal year, the Corporation shall reserve an amount of not  
14       more than 1 percent for payments to Indian tribes, the  
15       Virgin Islands, Guam, American Samoa, and the Com-  
16       monwealth of the Northern Mariana Islands, to be allotted  
17       in accordance with their respective needs. The Corporation  
18       may also make payments from such amount to Palau, in  
19       accordance with its needs, until such time as the Compact  
20       of Free Association is ratified.

21       “(b) GRANTS AND ALLOTMENTS THROUGH  
22       STATES.—The Corporation shall use the remainder of the  
23       funds appropriated to carry out this subpart for any fiscal  
24       year as follows:

O:\ALD\ALD93.244

## DISCUSSION DRAFT

S.L.C.

73

1 (20 U.S.C. 2711 et seq.) bears to such alloca-  
2 tions to all States.

3 "(3) MINIMUM AMOUNT.—No State shall re-  
4 ceive, under paragraph (2), an allotment that is less  
5 than the allotment such State received for fiscal year  
6 1993 under section 112(b) of this Act, as in effect  
7 on the day before the date of enactment of this part.

8 If the amount of funds made available in a fiscal  
9 year to carry out paragraph (2) is insufficient to  
10 make such allotments, the Corporation shall make  
11 available sums from the [25 percent] described in  
12 paragraph (1) for such fiscal year to make such al-  
13 lotments.

14 "(4) DEFINITION.—Notwithstanding section  
15 101(25), for purposes of this subsection, the term  
16 'State' means each of the several States, the District  
17 of Columbia, the Commonwealth of Puerto Rico, and  
18 an Indian tribe.

19 "(c) REALLOTMENT.—If the Corporation determines  
20 that the allotment of a State or Indian tribe under this  
21 section will not be required for a fiscal year because the  
22 State or Indian tribe does not participate in programs  
23 under this subpart in such fiscal year, the Corporation  
24 shall, after making any grants under section 111A to a  
25 partnership, agency, or school described in such section,

*meeting the standard  
quality set by the  
Corporation  
[this reads  
like an  
entitlement  
program]*

*satisfactory*

*or does not  
standards set by the  
Corporation*

O:\ALD\ALD93.244

## DISCUSSION DRAFT

S.L.C.

74

1 make any remainder of such allotment available for real-  
 2 lotment to such other States, and Indian tribes, with ap-  
 3 proved applications submitted under section 113, as the  
 4 Corporation may determine to be appropriate.

5 "(d) EXCEPTION.—Notwithstanding subsections (a)  
 6 and (b), if less than \$20,000,000 is appropriated for any  
 7 fiscal year to carry out this subpart, the Corporation shall  
 8 award grants to States and Indian tribes, from the  
 9 amount so appropriated, on a competitive basis to pay for  
 10 the Federal share of the activities described in section 111.

11 "SEC. 113. STATE OR TRIBAL APPLICATIONS.

12 "(a) SUBMISSION.—To be eligible to receive a grant  
 13 under section 112(b)(1), an allotment under subsection  
 14 (a) or (b)(2) of section 112, a reallocation under section  
 15 112(c), or a grant under section 112(d), a State, acting  
 16 through the State educational agency, or an Indian tribe,  
 17 shall prepare, submit to the Corporation, and obtain ap-  
 18 proval of, an application at such time and in such manner  
 19 as the Chairperson may reasonably require.

20 "(b) CONTENTS.—An application that is submitted  
 21 under subsection (a) with respect to service-learning pro-  
 22 grams described in section 111 shall include—

23 "(1) a 3-year strategic plan for promoting serv-  
 24 ice-learning through the programs, which plan shall

*We feel that  
 an overall  
 comprehensive  
 state plan  
 should be  
 required  
 of state  
 commissions.*

APR 23, 1993

*Can the state  
 designate  
 another entity  
 if they  
 choose?*

*Will the  
 Corporation  
 give 3-yr  
 grant?*

O:\ALD\ALD93.244

## DISCUSSION DRAFT

S.L.C.

90

1 administrative costs of programs carried out under  
2 this subpart.

3 "(b) CAPACITY-BUILDING ACTIVITIES.—A State edu-  
4 cational agency or Indian tribe that receives a grant or  
5 allotment under this subpart for a fiscal year may reserve  
6 not less than 10 percent and not more than 15 percent  
7 of such funds, to build capacity through training, technical  
8 assistance, curriculum development, and coordination ac-  
9 tivities, described in section 111(a)(1).

10 "(c) LOCAL USES OF FUNDS.—Funds made available  
11 under this subpart may not be used to pay any stipend,  
12 allowance, or other financial support to any elementary or  
13 secondary school student who is a participant under this  
14 subtitle, except reimbursement for transportation, meals,  
15 and other reasonable out-of-pocket expenses directly relat-  
16 ed to participation in a program assisted under this sub-  
17 part.

18 "SEC. 116B. DEFINITIONS.

19 "As used in this subpart:

20 "(1) GRANTMAKING ENTITY.—The term  
21 'grantmaking entity' means an organization de-  
22 scribed in section 111B(a).

23 "(2) SCHOOL-BASED.—The term 'school-based'  
24 means based in an elementary school or a secondary  
25 school.

*Exception  
for  
summer  
program*

CM- FH

4/26/93

TO: Dick and Terry

FM: Jessica

RE: Admin issues in the new Act

Off the top of my head, these are a few of the administrative issues that may or may not need to be addressed in the new legislation, assuming that we will be a public corporation:

1. Will we still use GSA to broker our space, and have to pay them the SLUC fee which makes our cost approx. twice the amount of rent?

If we don't use GSA, do we have to take full responsibility for the lease without their cover? (i.e., if we grow out of this building before our 5-year lease is up, GSA takes responsibility for finding replacement). GSA also inspects to ensure that the building services are up to government code.

2. Will we be able to contract with GSA (or another agency) as a client agency and pay them to do our personnel and payroll processing? Will employees still have government benefits, retirement, insurance?

3. Will we still be able to use interagency agreements within the government. e.g., HHS to process grants, NSF to arrange for meetings?

4. Travel - will we be able to take part in the travel management program, including govt prices, govt credit cards, govt travel agency?

5. Procurement - will we still be able to buy off Federal Supply Schedules? Will we be able to use the government as our credit rating, enabling us to set up accounts with small businesses? Will we still contract with GSA (or another agency) to process all our payments and take responsibility for accounting and reporting to OMB, etc?

6. Office services - will we still use government arranged contracts for phone service, GPO, etc?

plied to this loan will be the difference between \$30 and the total of the amounts owed at a monthly rate on my other Perkins Loans.

((6) The Institution may permit me to pay less than the rate of \$30 per month for a period of not more than one year where necessary to avoid hardship to me unless that action would extend the repayment period in paragraph III(1).)

(7) The Institution may, upon my written request, reduce any scheduled repayments or extend the repayment period indicated in paragraph III(1), if, in its opinion, circumstances such as prolonged illness or unemployment prevent me from making the scheduled repayments. However, interest shall continue to accrue.

#### IV. Prepayment

(1) I may, at my option and without penalty, prepay all or any part of the principal, plus any accrued interest thereon, at any time.

(2) Amounts I repay in the academic year in which the loan was made will be used to reduce the amount of the loan and will not be considered a prepayment unless that year is also the year in which I am required to begin repayment on this loan.

(3) If I repay more than the amount due for any installment, the excess will be used to prepay principal unless I designate it as an advance payment of the next regular installment.

#### V. Default

(1) The Institution may, at its option, declare my loan to be in default and may demand immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges and collection costs if—

(A) I do not make a scheduled payment when due under the repayment schedule established by the Institution, and

(B) I do not submit to the Institution, on or before the date on which payment is due, documentation that I qualify for a deferment or cancellation described in Article VI, VII, VIII, IX, X, or XI of this agreement.

(2) I understand that if I default on my loan, the Institution may disclose that I have defaulted, along with other relevant information, to credit bureau organizations.

(3) Further, I understand that if I default on my loan and the loan is transferred to the Secretary for collection, the Secretary may disclose that I have defaulted, along with other relevant information, to credit bureau organizations.

(4) I understand that if I default on my loan, I will then lose my right to defer repayments.

(5) I understand that after the Institution accelerates the loan under paragraph V(1), I

will then lose my right to receive a cancellation of a portion of my loan for any teaching, volunteer or military service described in Articles VII, VIII and IX, performed after the date the Institution accelerated the loan.

(6) I understand that failure to pay this obligation under the terms agreed upon will prevent my obtaining additional student financial aid authorized under Title IV of the Higher Education Act of 1965, as amended, until I have made arrangements which are satisfactory to the Institution or the Secretary regarding the repayment of the loan.

#### VI. Deferment

(1) I understand that upon making a properly documented written request to the Institution, I may defer making scheduled installment payments, and will not be liable for any interest that might otherwise accrue, during the following periods:

(A) While I am enrolled and in attendance as at least a half-time student at an institution of higher education or at a comparable institution outside the United States approved for this purpose by the Secretary;

(B) For a period of three (3) years during which I am—

(i) On full-time active duty as a member of the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, or Coast Guard) or the National Oceanic and Atmospheric Administration Corps, or as an officer on full-time active duty in the Commissioned Corps of the United States Public Health Service;

(ii) In service as a volunteer under the Peace Corps Act,

(iii) A volunteer under the Domestic Volunteer Service Act of 1973 (ACTION programs),

(iv) A full-time volunteer in a tax-exempt organization performing service comparable to the service performed in the Peace Corps or under the Domestic Volunteer Service Act of 1973, or

(v) Temporarily totally disabled as established by an affidavit of a qualified physician, or unable to secure employment because I am providing care required by my dependent who is so disabled;

(C) For a period not in excess of two (2) years—

(i) After I receive a baccalaureate or professional degree during which time I am serving in an internship which is required in order that I may receive professional recognition required to begin my professional practice or service, or

(ii) Serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital or a health care facility that offers postgraduate training;

(D) For a period not in excess of one (1) year during which, if I am a mother of preschool age children, I have entered or reentered the work force, and am being paid at a rate which does not exceed \$1.00 above the minimum hourly wage established by section 6 of the Fair Labor Standards Act of 1938;

(E) For a period not in excess of six (6) months—

(i) That follows by six months or less a period during which I was enrolled as at least a half-time student at an eligible institution; and

(ii) During which I am pregnant, caring for my newborn baby, or caring for a child immediately after he or she was placed with me through adoption and I am neither attending an eligible institution of higher education nor gainfully employed; and

(F) During a six (6) month period immediately following the expiration of any deferment provided in paragraphs VI(1)(A) through VI(1)(E).

(2) The Institution may, upon my written request, defer my scheduled repayments if it determines that the deferment is necessary to avoid a financial hardship for me. Interest, however, will continue to accrue.

#### VII. Cancellation for Teaching

(1) I understand that upon making a properly documented written request to the Institution, I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon cancelled if I perform service—

(A) As a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year of service for funds under Chapter I of the Education Consolidation and Improvement Act of 1981, as amended, and which has been designated by the Secretary (after consultation with each State Department of Education) in accordance with the provisions of section 465(a)(2) of the Act as a school with a high concentration of students from low-income families. An official Directory of designated low-income schools is published annually by the Secretary.

(B) As a full-time teacher of handicapped children (including those who are mentally retarded, hard of hearing, deaf, speech and language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, have specific learning disabilities, or are otherwise health-impaired children, who by reason thereof require special education and related services) in a public or other nonprofit elementary or secondary school system.

(2) A portion of this loan will be cancelled for each completed year of teaching service at the following rates:

(A) 15 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year will be cancelled for each of the first and second complete academic years of the teaching service,

(B) 20 percent of the total principal amount plus interest on the unpaid balance accruing during that year for each of the third and fourth complete academic years of that teaching service, and

(C) 30 percent of the total principal amount plus interest on the unpaid balance accruing during that year for the fifth complete academic year of that teaching service.

#### VIII. Head Start Cancellation

(1) I understand that upon making a properly documented written request to the Institution, I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon cancelled if I perform service as a full-time staff member in a Head Start program if—

(A) That Head Start program is operated for a period which is comparable to a full school year in the locality, and

(B) My salary is not more than the salary of a comparable employee of the local educational agency.

(2) This loan will be cancelled at the rate to 15 percent of the total principal amount plus interest on the unpaid balance accruing during that year for each complete school year or equivalent period of service in a Head Start program.

(3) Head Start is preschool program carried out under the Head Start Act.

#### IX. Military Cancellation

(1) I understand that upon making a properly documented written request to the Institution, I am entitled to have up to 50 percent of the principal amount of this loan plus the interest thereon cancelled if I serve as a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the U.S.C.

(2) This loan will be cancelled at the rate of 12½ percent of the total principal amount plus interest on the unpaid balance accruing during that year for each complete year of such service.

#### X. Volunteer Service Cancellation

(1) I understand that upon making a properly documented written request to the Institution, I am entitled to have up to 70 percent of the amount of this loan plus the interest thereon cancelled if I perform service—

(A) As a volunteer under the Peace Corps Act; or

**PART I — TO BE COMPLETED BY BORROWER**

**PART II — TO BE COMPLETED BY CERTIFYING AUTHORITY**

**PART III—TO BE COMPLETED BY LENDING INSTITUTION**

**1. Complete and Submit in two copies.**

**RETURN TO:**

Account No. \_\_\_\_\_

**NATIONAL DEFENSE STUDENT LOAN**  
**Request for Postponement of Repayment Because of**  
**Teaching, Student, Armed Forces, Peace Corps, or Vista Status**

|                                         |                                                                    |
|-----------------------------------------|--------------------------------------------------------------------|
| Name of Borrower                        | Name and Address of Lending Institution<br>(City, State, Zip Code) |
| Address (Street, City, State, Zip Code) |                                                                    |

**INSTRUCTIONS**

At the time the scheduled repayment falls due, the borrower should forward one copy of this form to each institution to which he is obligated to make repayment of a National Defense Student Loan. This form will allow the institution to postpone payments until the completion of such status, at which time a deferment or cancellation form will be required.

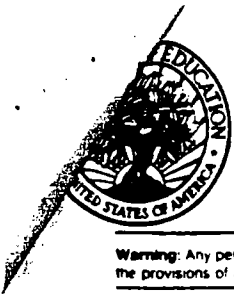
Part I — To be completed by the borrower only.

Part II — To be completed by the appropriate official in the school or institution of higher education in which the borrower is teaching, or by the registrar, commanding officer, or official of Peace Corps or VISTA.

The completed form is to be mailed by the certifying official directly to the fiscal officer of the institution from which the loan was secured.

**NOTE:** No postponement action is possible until this form reaches the lending institution.

|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                        |                       |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------------------|
| <b>Part I - Request for Suspension of Payment</b> | I declare that my status will be as I have checked below. I further declare that I expect to remain in that status for the time shown, and that I will claim deferment or cancellation at the end of the postponed time. I further understand and agree that if, for any reason, whether through my own doing or because of events beyond my control, I do not complete the status for the time shown, I will immediately begin payment of my loan principal and interest, including those payments which were postponed. |                        |                       |
|                                                   | This is to certify that I will be: (check appropriate item)                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |                       |
|                                                   | Pursuing at least a half-time course of study in an institution of higher education                                                                                                                                                                                                                                                                                                                                                                                                                                       | From (month and year)  | To (month and year)   |
|                                                   | A member of the Armed Forces                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Serial Number          | From (month and year) |
|                                                   | In Peace Corps Volunteer Service                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | From (month and year)  | To (month and year)   |
|                                                   | In Volunteer In Service To America (VISTA)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | From (month and year)  | To (month and year)   |
|                                                   | A full time teacher in an accredited elementary, secondary or school of higher education                                                                                                                                                                                                                                                                                                                                                                                                                                  | From (month and year)  | To (month and year)   |
|                                                   | Signature of Borrower                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Date                   |                       |
| <b>Part II - Certification of Status</b>          | I certify that the information stated in Part I above is true and correct. Person named above is:                                                                                                                                                                                                                                                                                                                                                                                                                         |                        |                       |
|                                                   | <div style="display: flex; justify-content: space-between;"> <span>Enrolled as at least a half-time student</span> <span>In Armed Forces</span> </div> <div style="display: flex; justify-content: space-between;"> <span>In Peace Corps Volunteer Service</span> <span>In Volunteers In Service to America (VISTA)</span> </div> <div style="display: flex; justify-content: space-between;"> <span>A full time teacher</span> </div>                                                                                    |                        |                       |
|                                                   | Signature (Registrar, Commanding Officer, Peace Corps Officer or VISTA officer) or school official where teaching is being performed                                                                                                                                                                                                                                                                                                                                                                                      | Date                   |                       |
|                                                   | Institution of higher education, military organization, Peace Corps Headquarters, VISTA Headquarters, or school system in which the borrower is teaching.                                                                                                                                                                                                                                                                                                                                                                 | Official Seal or Stamp |                       |
|                                                   | Address (city, state, and zip code)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                        |                       |



**REQUEST FOR DEFERMENT OF REPAYMENT  
GUARANTEED STUDENT LOAN PROGRAM (GSLP)  
(Includes the PLUS Program)**

For loans guaranteed under the Higher Education Act of 1965 (20 U.S.C. 1091 et seq.)

Warning: Any person who knowingly makes a false statement or misrepresentation in this form shall be subject to a fine of no more than \$10,000 or imprisonment for not more than five years, or both, under the provisions of Sec. 20 U.S.C. 1097.

**SECTION 1 TO BE COMPLETED BY BORROWER**

BORROWER NAME

SOCIAL SECURITY NUMBER

STREET ADDRESS

Deferment requested for:

CITY

STATE

ZIP

MM/DD/YY TO MM/DD/YY

I CERTIFY THAT I AM ELIGIBLE FOR DEFERMENT OF REPAYMENT BECAUSE I AM (circle one)

**NO  
TIME  
LIMITATION**

1. Pursuing full-time study at a school that is participating in the GSLP, a citizen or national of the United States and am studying at a school not located in the United States.
2. Receiving rehabilitation training under an approved program or scheduled to receive such training within 3 months. Note: certification of your status is necessary from both the government agency which recognizes the training program and the program in which you are participating. See back of this form for additional eligibility requirements.
3. Studying full time in an eligible graduate fellowship program. (See back of this form for additional eligibility requirements.)

**3 YR  
LIMITATION**

4. Serving on active duty status in the armed forces of the United States or an officer in the Commissioned Corps of the Public Health Service.
5. Serving as a full time volunteer under the Peace Corps Act or in an Action program under Title I of the Domestic Volunteer Service Act of 1973.
6. Serving as a full time volunteer in a tax exempt organization comparable to volunteer service in the Peace Corps or full-time volunteer service in an Action administered program. (See back of this form for additional eligibility requirements.)
7. Temporarily totally disabled (or am unable to work because of the care required of a spouse who is temporarily totally disabled). (See back of this form for additional eligibility requirements.)

**2 YR  
LIMITATION**

8. Serving in an internship or residency program approved by the Secretary of Education which must be successfully completed in order to receive recognition required to begin professional practice or service. I further certify that I have received a Baccalaureate or professional degree.

**1 YR  
LIMITATION**

9. Conscientiously seeking but unable to find full-time employment in the United States for a single period not to exceed one year. (See back for additional eligibility requirements.)

I claim exemption from payment of the principal on my guaranteed loan(s) during the period indicated above. I agree to notify the lender immediately upon termination of my claimed status. I further agree to provide documentation annually to support my continued deferment status, unless I have an unemployment deferment, in which case I must provide documentation at least once every six months to support my deferment status.

Unless I have checked the box below, if I am eligible for a post deferment grace period on some but not all my guaranteed loans. I agree to postpone repayment on the non-eligible loans, as described in the POST DEFERMENT GRACE PERIOD section on the back of this form.

SIGNATURE OF BORROWER

DATE

By checking the box below, I do not agree to the terms set forth on the back of this form and agree that I will begin repayment of my loan(s) disbursed on or after October 1, 1981, immediately following the end of any period of deferment; I will begin repayment of my loan(s) disbursed before October 1, 1981, six months later.

☐ I do not wish to postpone payments on my loans made on or after October 1, 1981, under the terms described on the back of this form.

**SECTION 2 CERTIFICATION OF STATUS**

NOTE: See reverse side for the title of official authorized to certify.

I certify that the above claimed status is correct for the period of \_\_\_\_\_ to \_\_\_\_\_ and that any additional conditions for eligibility as set forth on this form have been met. I DECLARE UNDER PENALTY OF PERJURY, UNDER THE LAWS OF THE UNITED STATES OF AMERICA, THAT THE FOREGOING IS TRUE AND CORRECT.

NAME OF ORGANIZATION

SIGNATURE OF OFFICIAL

ADDRESS

TITLE (SEE REVERSE SIDE)

DATE

( )

CITY

STATE

ZIP

AREA CODE/PHONE NUMBER

ED. SCHOOL CODE (IF APPLICABLE)

# ADDITIONAL REQUIREMENTS

## SECTION 1, ITEM 2: PURSUING REHABILITATION TRAINING PROGRAM

In order to be eligible to receive this deferment, Federal Regulations require the rehabilitation training program meet the following requirements:

- (1) Be recognized by a government agency with specific responsibilities for rehabilitation programs in the borrower's area.
- (2) Agree to provide services under a written individualized plan for the borrower's rehabilitation that is specific as to the date services are expected to end.
- (3) Structured in a way that requires a substantial commitment by borrower to his or her rehabilitation.

## SECTION 1, ITEM 3: PARTICIPATING IN A GRADUATE FELLOWSHIP PROGRAM

In order to be eligible to receive this deferment, Federal Regulations require that:

- (1) The fellowship program:
  - (i) Provide sufficient financial support to graduate fellows to allow for full-time study for at least six months;
  - (ii) Require, prior to award of that financial support, a written statement from each applicant which explains the applicant's objectives;
  - (iii) Require a graduate fellow to submit periodic reports, projects, or other evidence of the graduate fellow's progress; and
- (2) The borrower
  - (i) Hold at least a Baccalaureate Degree conferred by an institution of higher education;
  - (ii) Is engaged in full-time study, that may be independent of an educational or cultural institution, in an academic or professional subject area for which the borrower has shown an interest and ability;
  - (iii) Has been recommended by an institution of higher education for acceptance into the graduate fellowship program.

## SECTION 1, ITEM 6: SERVING AS A VOLUNTEER IN A TAX EXEMPT ORGANIZATION

In order to be eligible to receive this deferment, Federal Regulations require that:

- (1) The borrower serves in an organization which is exempt from taxation under Section 501 (C)(3) of the Internal Revenue Code of 1954.
- (2) The borrower provides service to low-income persons and their communities in order to assist them in eliminating poverty and poverty related, human, social and environmental conditions.
- (3) The borrower's compensation does not exceed the compensation received by a full-time volunteer in the Peace Corps or in a program administered by the Action agency. Compensation includes a subsistence allowance, necessary travel expenses and stipends.
- (4) The borrower, as part of his or her duties, does not give religious instruction, conduct worship services, engage in religious proselytizing, or engage in fund raising to support religious activities.
- (5) The borrower has agreed to serve on a full-time basis for a term of at least one year.

## SECTION 1, ITEM 7: TEMPORARILY TOTALLY DISABLED

In order to be eligible to receive this deferment, Federal Regulations require that:

- (1) The borrower who is "temporarily totally disabled" is one who, by reason of injury or illness, cannot be expected to be able to attend school or to be gainfully employed during an extended period of time needed to recover from such an injury or illness; or
- (2) The borrower's spouse, subject to the above definition, requires continuous nursing or similar services.

## SECTION 1, ITEM 9: UNEMPLOYMENT

In order to be eligible to receive this deferment, Federal Regulations require that:

- (1) The borrowers submit a written request signed and dated to the holder of the loan.
- (2) The request contain: a statement describing the borrowers' search for full-time employment; the borrower's latest permanent home address and/or temporary address; certification that the borrower has registered with a public or private employment agency; the borrower's agreement to notify the lender promptly when he or she becomes employed.

## SECTION 2, TITLE: AUTHORIZED CERTIFYING OFFICIALS OR ORGANIZATIONS

- (1) Registrar of School of Attendance
- (2) A State vocational rehabilitation agency;  
A State agency for mental health services;  
A State agency for drug abuse;  
A State agency for alcohol abuse treatment; or  
The Veterans Administration.
- (3) Fellowship program official
- (4) Commanding Officer
- (5) Peace Corps or Action Agency official
- (6) Tax exempt organization official
- (7) Physician
- (8) Internship program official

**P O S T D E F E R R E M E N T** **G R A C E** If I am eligible for a six-month post-deferment grace period on some but not all of my GSLP loans, I agree that, following any deferment period, the lender may postpone for six months my payments on loans made on or after October 1, 1981, which are not eligible for the post-deferment grace period. Under this agreement, the lender may consolidate my loans in a single repayment agreement, and I will not be required to make payments on two separate accounts each month when repayment commences. This means that for those loans on which payments are postponed:

- No payment of either principal or interest will be required during the six months following a period of deferment, and no bills or coupon books will be sent to me for those months;
- Interest will accrue during the six-month period;
- Unpaid accrued interest will be added to, and become part of, the outstanding principal balance of my loans at the end of the six-month period.

**D** Any payments I may make during this post-deferment grace period will first be applied to accrued interest, and then to the principal balance of my account.

# **1992 HIGHER EDUCATION ACT:**

## **NEW PROGRAM FOR CANCELLATION OF STAFFORD LOANS FOR THOSE WHO PERFORM COMMUNITY SERVICE**

### **SEC. 422. UNSUBSIDIZED LOANS; PERFORMANCE AGREEMENTS; LOAN FORGIVENESS.**

Part B of title IV of the Act is amended by inserting after section 428G the following new sections:

#### **"LOAN FORGIVENESS FOR TEACHERS, INDIVIDUALS PERFORMING NATIONAL COMMUNITY SERVICE AND NURSES**

"SEC. 428J. (a) STATEMENT OF PURPOSE.—It is the purpose of this section to encourage individuals to—

- "(1) enter the teaching and nursing profession; and
- "(2) perform national and community service.

#### **"(b) DEMONSTRATION PROGRAM.—**

"(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Health and Human Services, is authorized to carry out a demonstration program of assuming the obligation to repay a loan made, insured or guaranteed under this part (excluding loans made under sections 428A, 428B, or 428C) for any new borrower after October 1, 1992, who—

"(A) is employed as a full-time teacher—

"(i) in a school which qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools; and

"(ii) of mathematics, science, foreign languages, special education, bilingual education, or any other field of expertise where the State educational agency determines there is a shortage of qualified teachers;

"(B) agrees in writing to volunteer for service under the Peace Corps Act or under the Domestic Volunteer Service Act of 1973, or to perform comparable service as a full-time employee of an organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, if the borrower does not receive compensation which exceeds the greater of—

"(i) the minimum wage rate described in section 6 of the Fair Labor Standards Act of 1938; or

"(ii) an amount equal to 100 percent of the poverty line for a family of two (as defined in section 673(2) of the Community Services Block Grant Act); or

"(C) is employed full-time as a nurse in a public hospital, a rural health clinic, a migrant health center, an Indian Health Service, an Indian health center, a Native Hawaiian health center or in an acute care or long-term care facility.

"(2) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

#### **"(c) LOAN REPAYMENT.—**

"(1) IN GENERAL.—The Secretary shall assume the obligation to repay—

"(A) 15 percent of the total amount of Stafford loans incurred by the student borrower during such borrower's last 2 years of undergraduate education for the first or second academic year in which such borrower meets the requirements described in subsection (a);

"(B) 20 percent of such total amount for such third or fourth academic year; and

"(C) 30 percent of such total amount for such fifth academic year.

"(2) CONSTRUCTION.—Nothing in this subsection shall be construed to authorize the refunding of any repayment of a Stafford loan.

"(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

"(4) SPECIAL RULE.—In the case where a student borrower who is not participating in loan repayment pursuant to this section returns to an institution of higher education after graduation from an institution of higher education for the purpose of obtaining a teaching certificate, the Secretary is authorized to assume the obligation to repay the total amount of Stafford loans incurred for a maximum of 2 academic years

in returning to an institution of higher education for the purpose of obtaining a teaching certificate or additional certification. Such Stafford loans shall only be repaid for borrowers who qualify for loan repayment pursuant to the provisions of this section, and shall be repaid in accordance with the provisions of paragraph (1).

“(d) REPAYMENT OF ELIGIBILITY LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of Stafford loans which are subject to repayment pursuant to this section for such year.

“(e) APPLICATION FOR REPAYMENT.—Each eligible individual desiring loan repayment under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(f) DEFINITIONS.—For the purpose of this section the term ‘eligible lender’ has the same meaning given such term in section 435(d).

“(g) EVALUATION.—

“(1) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent national evaluation of the impact of the program assisted under this part on the fields of teaching, nursing, and community service.

“(2) COMPETITIVE BASIS.—The grant or contract described in paragraph (1) shall be awarded on a competitive basis.

“(3) CONTENTS.—The evaluation described in this section shall—

“(A) assess whether the program assisted under this section has brought into teaching, nursing, and community service a significant number of highly capable individuals who otherwise would not have entered such fields;

“(B) assess whether a significant number of students perform the service described in subsection (b) or opt to repay the loans instead of remaining in the career for which such student received loan repayment under this section;

“(C) identify the barriers to the effectiveness of the program assisted under this section;

“(D) assess the cost-effectiveness of such program in improving teacher, nursing, and community service worker quality and quantity and the ways to improve the cost-effectiveness of such program;

“(E) identify the reasons for which participants in the program have chosen to take part in such program; and

“(F) identify other areas of community service or employment which may serve as appropriate methods of loan repayment.

“(4) INTERIM EVALUATION REPORTS.—The Secretary shall prepare and submit to the President and the Congress such interim reports on the evaluation described in this section as the Secretary deems appropriate, and shall submit such a final report by January 1, 1997.

“(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$10,000,000 for fiscal year 1993 and such sums as may be necessary for each of the 4 succeeding fiscal years.”.

#### SEC. 432. EFFECTIVE DATES FOR AMENDMENTS TO PART B.

(b) NEW BORROWERS.—For purposes of the section, the term “new borrower” means, with respect to any date, an individual who on that date has no outstanding balance of principal or interest owing on any loan made, insured, or guaranteed under part B of title IV of the Act.

## PART 674—PERKINS LOAN PROGRAM

NOTE: An asterisk (\*) indicates provisions that are common to Parts 674, 675, and 676. The use of asterisks will assure participating institutions that a provision of one regulation is identical to the corresponding provisions in the other two.

### Subpart A—General Provisions

- Sec.
- 674.1 Purpose and identification of common provisions.
  - 674.2 Definitions.
  - \*674.3 Application.
  - 674.4 Allocation and reallocation.
  - 674.5—674.7 [Reserved]
  - 674.8 Program participation agreement.
  - 674.9 Student eligibility.
  - 674.10 Selection of students for loans.
  - 674.11 [Reserved]
  - 674.12 Loan maximums.
  - 674.13 Reimbursement to the Fund.
  - 674.14 Overaward.
  - \*674.15 Coordination with BIA grants.
  - 674.16 Making and disbursing loans.
  - 674.17 Federal interest in allocated funds—transfer of Fund.
  - 674.18 Use of funds.
  - 674.19 Fiscal procedures and records.
  - 674.20 Compliance with equal credit opportunity requirements.

### Subpart B—Terms of Loans

- 674.31 Promissory note.
- 674.32 Special terms: loans to less than half-time student borrowers.
- 674.33 Repayment.
- 674.34 Deferment of repayment—Perkins loans.
- 674.35 Deferment of repayment—Direct loans made on or after October 1, 1980.
- 674.36 Deferment of repayment—Direct loans made before October 1, 1980 and Defense loans.
- 674.37 Deferment procedures.
- 674.38 Postponement of loan repayments in anticipation of cancellation.
- 674.39 Treatment of loan repayments where cancellation, loan repayments, and minimum monthly repayments apply.

### Subpart C—Due Diligence

- 674.41 Due diligence—general requirements.
- 674.42 Contact with the borrower.
- 674.43 Billing procedures.
- 674.44 Address searches.
- 674.45 Collection procedures.
- 674.46 Litigation procedures.
- 674.47 Costs chargeable to the Fund.
- 674.48 Use of contractors to perform billing and collection or other program activities.
- 674.49 Bankruptcy of borrower.
- 674.50 Assignment of defaulted loans to the United States.

### Subpart D—Loan Cancellation

- 674.51 Special definitions.
- 674.52 Cancellation procedures.
- 674.53 Teacher cancellation—Direct and Perkins loans.
- 674.54 Teacher cancellation—Defense loans.
- 674.55 Cancellation for service in a Head Start program.
- 674.56 Cancellation for military service.
- 674.57 Cancellation for volunteer service—Perkins loans.
- 674.58 Cancellation for death or disability.
- 674.59 No cancellation for prior service—no repayment refunded.
- 674.60 Reimbursement to institutions for loan cancellation.

APPENDIX A TO PART 674—PROMISSORY NOTE—PERKINS LOAN

APPENDIX B TO PART 674—PROMISSORY NOTE—DIRECT LOAN

APPENDIX C TO PART 674—PROMISSORY NOTE—PERKINS LOAN—LESS THAN HALF-TIME STUDENT BORROWER

APPENDIX D TO PART 674—PROMISSORY NOTE—DIRECT LOAN—LESS THAN HALF-TIME STUDENT BORROWER

APPENDIX E TO PART 674—EXAMPLES FOR COMPUTING MAXIMUM PENALTY CHARGES (6 MONTHS UNPAID OVERDUE PAYMENTS) ON DIRECT LOANS MADE FOR PERIODS OF ENROLLMENT BEFORE JANUARY 1, 1986

AUTHORITY: 20 U.S.C. 1087aa-1087hh and 20 U.S.C. 421-429 unless otherwise noted.

### Subpart A—General Provisions

SOURCE: 52 FR 45747, Dec. 1, 1987, unless otherwise noted.

- § 674.1 Purpose and identification of common provisions.

(a) The Perkins Loan Program provides low-interest loans to financially needy students attending institutions

**§ 674.34 Deferment of repayment—Perkins loans.**

(a) The borrower may defer repayment on a Perkins Loan during the periods described in this section.

(b)(1) The borrower need not repay principal, and interest does not accrue, during a period after the commencement or resumption of the repayment period on a loan, when the borrower is at least a half-time student at—

(i) An institution of higher education; or

(ii) A comparable institution outside the U.S. approved by the Secretary for this purpose.

(2) The institution of higher education does not need to be participating in the Perkins Loan program for the borrower to qualify for a deferment.

(3) If a borrower is attending as at least a half-time regular student for a full academic year and intends to enroll as at least a half-time regular student in the next academic year, the borrower is entitled to deferment for 12 months.

(4) If an institution no longer qualifies as an institution of higher education, the borrower's deferment ends on the date the institution ceases to qualify.

(c) The borrower need not repay principal, and interest does not accrue, for any period not to exceed 3 years during which the borrower is—

(1) A member of the U.S. Army, Navy, Air Force, Marines, or Coast Guard or an officer in the Commissioned Corps of the U.S. Public Health Service (see § 674.56);

(2) On full-time active duty as a member of the National Oceanic and Atmospheric Administration Corps;

(3) A Peace Corps volunteer,

(4) A volunteer under Title I—Part A of the Domestic Volunteer Act of 1973 (ACTION programs);

(5) A full-time volunteer in service which the Secretary has determined is

comparable to service in the Peace Corps or under the Domestic Volunteer Act of 1973. The Secretary considers that a borrower is providing comparable service if he or she satisfies the following five criteria:

(i) The borrower serves in an organization which is exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code of 1954.

(ii) The borrower provides service to low-income persons and their communities to assist them in eliminating poverty and poverty-related human, social, and environmental conditions.

(iii) The borrower's compensation does not exceed the compensation received by a full-time volunteer in the Peace Corps or in a program administered by the ACTION agency. Compensation includes and allowance for subsistence, necessary travel expenses, and stipends.

(iv) The borrower, as part of his or her duties, does not give religious instruction, conduct worship service, engage in religious proselytizing, or engage in fundraising to support religious activities.

(v) The borrower has agreed to serve on a full-time basis for a term of at least one year.

(b) Temporarily totally disabled, as established by an affidavit of a qualified physician, or unable to secure gainful employment because the borrower is providing care, such as continuous nursing or other similar services, required by a dependent who is so disabled. As used in this paragraph—

(i) "Temporarily totally disabled", with regard to the borrower, means the inability by virtue of an injury or illness to attend an eligible institution or to be gainfully employed during a reasonable period of recovery; and

(ii) "Temporarily totally disabled", with regard to a disabled spouse or other dependent of a borrower, means requiring continuous nursing or other services from the borrower for a period of at least three months because of illness or injury.

(d)(1) The borrower need not repay principal, and interest does not accrue, for a period not to exceed two years during which time the borrower is serving an eligible internship.

(2) An eligible internship is one which—

(i) Requires the borrower to hold at least a baccalaureate degree before beginning the internship; and

(ii)(A) A State licensing agency requires an individual to complete as a prerequisite for certification for professional practice or service; or

(B) Is a part of an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital, or a health care facility that offers post-graduate training.

(3) To qualify for an internship deferment as provided in paragraph (c)(2)(ii)(A) of this section, the borrower must provide the institution with the following certifications:

(i) A statement from an official of the appropriate State licensing agency that successful completion of the internship program is a prerequisite for its certification of the individual for professional service or practice.

(ii) A statement from the organization with which the borrower is undertaking the internship program certifying—

(A) That a baccalaureate degree must be attained in order to be admitted into the internship program;

(B) That the borrower has been accepted into its internship program; and

(C) The anticipated dates on which the borrower will begin and complete the program.

(4) To qualify for an internship deferment as provided in paragraph (c)(2)(ii)(B) of this section, the borrower must provide the institution with a statement from an authorized official of the internship program certifying that—

(i) A baccalaureate degree must be attained in order to be admitted into the internship program;

(ii) The borrower has been accepted into its internship program; and

(iii) The internship of residency program in which the borrower has been accepted leads to a degree or certificate awarded by an institution of higher education, a hospital or a health care facility that offers post-graduate training.

(e) The borrower need not repay principal, and interest does not accrue, for a period not in excess of six months—

(i) During which the borrower is—

(i) Pregnant, caring for a newborn baby, or caring for a child immediately after placement of the child through adoption; and

(ii) Not attending an eligible institution of higher education or gainfully employed; and

(2) That begins not later than six months after a period in which the borrower was at least a half-time student at an eligible institution.

(f) The borrower need not repay principal, and interest does not accrue, for a period not in excess of one year during which the borrower—

(1) Is a mother of preschool age children;

(2) Has just entered or reentered the work force; and

(3) Is being compensated at a rate which is not more than \$1.00 over the minimum hourly wage established by section 6 of the Fair Labor Standards Act of 1938.

(g) The institution shall not include the deferment periods described in paragraphs (b), (c), (d), (e), and (f) of this section and the period described in paragraph (h) of this section when determining the 10-year repayment period.

(h) The borrower need not repay principal, and interest does not accrue, until six months after completion of any period during which the borrower is in deferment under paragraphs (b), (c), (d), (e), and (f) of this section.

(i) An institution may defer payments of principal and interest, but interest shall continue to accrue, if the institution determines this is necessary to avoid hardship to the borrower (see § 674.33(c)).

(Approved by the Office of Management and Budget under control number 1840-0535)

(Authority: 20 U.S.C. 1087dd)

(52 FR 45754, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988)

#### § 674.35 Deferment of repayment—Direct loans made on or after October 1, 1980.

(a) The borrower may defer repayment on a Direct Loan made on or

after October 1, 1980, during the periods described in this section.

(b)(1) The borrower need not repay principal, and interest does not accrue, during a period after the commencement or resumption of the repayment period on a loan, when the borrower is at least a half-time student at—

(i) An institution of higher education; or

(ii) A comparable institution outside the U.S. approved by the secretary for this purpose.

(2) The institution of higher education does not need to be participating in the Perkins Loan program for the borrower to qualify for a deferment.

(3) If a borrower is attending as at least a half-time regular student for a full academic year and intends to enroll as at least a half-time regular student in the next academic year, the borrower is entitled to deferment for 12 months.

(4) If an institution no longer qualifies as an institution of higher education, the borrower's deferment ends on the date the institution ceases to qualify.

(c) The borrower need not repay principal, and interest does not accrue, for a period of up to 3 years during which time the borrower is—

(1) A member of the U.S. Army, Navy, Air Force, Marines, or Coast Guard or an officer in the Commissioned Corps of the U.S. Public Health Service (see § 674.56);

(2) A Peace Corps volunteer;

(3) As volunteer under Title I—Part A of the Domestic Volunteer Act of 1973 (ACTION programs);

(4) A full-time volunteer in service which the Secretary has determined is comparable to service in the Peace Corps or under the Domestic Volunteer Act of 1973. The Secretary considers that a borrower is providing comparable service if he or she satisfies the following five criteria:

(i) The borrower serves in an organization which is exempt from taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1954.

(ii) The borrower provides service to low-income persons and their communities to assist them in eliminating

poverty and poverty-related human, social, and environmental conditions.

(iii) The borrower's compensation does not exceed the compensation received by a full-time volunteer in the Peace Corps or in a program administered by the ACTION agency. Compensation includes an allowance for subsistence, necessary travel expenses, and stipends.

(iv) The borrower, as part of his or her duties, does not give religious instruction, conduct worship service, engage in religious proselytizing, or engage in fundraising to support religious activities.

(v) The borrower has agreed to serve on a full-time basis for a term of at least one year.

(5)(i) Temporarily totally disabled, as established by an affidavit of a qualified physician, or unable to secure gainful employment because the borrower is providing care, such as continuous nursing or other similar services, required by a spouse who is so disabled.

(ii) "Temporarily totally disabled" with regard to the borrower, means the inability by virtue of an injury or illness to attend an eligible institution or to be gainfully employed during a reasonable period of recovery; and

(iii) "Temporarily totally disabled" with regard to a disabled spouse, means requiring continuous nursing or other services from the borrower for a period of at least three months because of illness or injury.

(d)(1) The borrower need not repay principal, and interest does not accrue, for a period not to exceed two years during which time the borrower is serving an eligible internship.

(2) An eligible internship is an internship—

(i) That requires the borrower to hold at least a bachelor's degree before beginning the internship program; and

(ii) That the State licensing agency requires the borrower to complete before certifying the individual for professional practice or service.

(3) To qualify for an internship deferment, the borrower shall provide to the institution the following certifications:

(i) A statement from an official of the appropriate State licensing agency that the internship program meets the provisions of paragraph (d)(2) of this section; and

(ii) A statement from the organization with which the borrower is undertaking the internship program certifying—

(A) The acceptance of the borrower into its internship program; and

(B) The anticipated dates on which the borrower will begin and complete the program.

(e) An institution may defer payments of principal and interest, but interest shall continue to accrue, if the institution determines this is necessary to avoid hardship to the borrower (see § 674.33(c)).

(f) The institution shall not include the deferment periods described in paragraphs (b), (c), and (d) of this section and the period described in paragraph (g) of this section when determining the 10-year repayment period.

(g) No repayment of principal or interest begins until six months after completion of any period during which the borrower is in deferment under paragraphs (a), (b), and (c) of this section.

(Approved by the Office of Management and Budget under control number 1840-0535)

(Authority: 20 U.S.C. 1087dd)

(52 FR 45754, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988)

#### § 674.36 Deferment of repayment—Direct loans made before October 1, 1980 and Defense loans.

(a) A borrower may defer repayment—

(1) On a Direct loan made before October 1, 1980 during the periods described in paragraphs (b) through (e) of this section; and

(2) On a Defense loan, during the periods described in paragraphs (b) through (f) of this section.

(b)(1) A borrower need not repay principal, and interest does not accrue, during a period after the commencement or resumption of the repayment period on a loan, when the borrower is at least a half-time student at—

(i) An institution of higher education; or

(ii) A comparable institution outside the U.S. approved by the Secretary for this purpose.

(2) The institution of higher education does not need to be participating in the Perkins Loan program for the borrower to qualify for a deferment.

(3) If a borrower is attending as at least a half-time regular student for a full academic year and intends to enroll as at least half-time regular student in the next academic year, the borrower is entitled to deferment for 12 months.

(4) If an institution no longer qualifies as an institution of higher education, the borrower's deferment ends on the date the institution ceases to qualify.

(c) A borrower need not repay principal, and interest does not accrue for a period of up to 3 years during which time the borrower is—

(1) A member of the U.S. Army, Navy, Air Force, Marines or Coast Guard (see § 674.56);

(2) A Peace Corps volunteer; or

(3) A volunteer under Title I—Part A of the Domestic Volunteer Act of 1973 (ACTION programs).

(d) The institution shall exclude the deferment periods described in paragraphs (b) (1) and (2) of this section when determining the 10-year repayment period.

(e) An institution may permit the borrower to defer payments of principal and interest, but interest shall continue to accrue, if the institution determines this is necessary to avoid hardship to the borrower (see § 674.33(c)).

(f) The institution may permit the borrower to defer payment of principal and interest, but interest shall continue to accrue, on a Defense loan for a total of 3 years after the commencement or resumption of the repayment period on a loan, during which he or she is attending an institution of higher education as a less-than-half-time regular student.

(Authority: 20 U.S.C. 425, 1087dd)

#### § 674.37 Deferment procedures.

(a)(1) To qualify for a deferment on a loan, a borrower shall submit to the

institution to which the loan is owed a written request for a deferment with documentation required by the institution, by the date that the institution establishes.

(2) If the borrower fails to meet the requirements of paragraph (a) (1) of this section, the institution may declare the loan to be in default, and may accelerate the loan.

(b)(1) The institution may grant a deferment to a borrower after it has declared a loan to be a default.

(2) As a condition for a deferment under this paragraph, the institution—

(i) Shall require the borrower to execute a written repayment agreement on the loan; and

(ii) May require the borrower to pay immediately some or all of the amounts previously scheduled to be repaid before the date on which the institution determined that the borrower had demonstrated that grounds for a deferment existed, plus late charges and collection costs.

(c) If the information supplied by the borrower demonstrates that for some or all of the period for which a deferment is requested, the borrower had retained in-school status or was within the initial grace period on the loan, the institution shall—

(1) Redetermine the date on which the borrower was required to commence repayment on the loan;

(2) Deduct from the loan balance any interest accrued and late charges added before the date on which the repayment period commenced, as determined in paragraph (c)(1) of this section; and

(3) Treat in accordance with paragraph (b) of this section, the request for deferment for any remaining portion of the period for which deferment was requested.

(Approved by the Office of Management and Budget under control number 1840-0535)

(Authority: 20 U.S.C. 425, 1087dd)

(52 FR 45754, Dec. 1, 1987, as amended at 53 FR 49147, Dec. 6, 1988)

pled to this loan will be the difference between \$30 and the total of the amounts owed at a monthly rate on my other Perkins Loans.

(6) The Institution may permit me to pay less than the rate of \$30 per month for a period of not more than one year where necessary to avoid hardship to me unless that action would extend the repayment period in paragraph III(1).

(7) The Institution may, upon my written request, reduce any scheduled repayments or extend the repayment period indicated in paragraph III(1), if, in its opinion, circumstances such as prolonged illness or unemployment prevent me from making the scheduled repayments. However, interest shall continue to accrue.

#### IV. Prepayment

(1) I may, at my option and without penalty, prepay all or any part of the principal, plus any accrued interest thereon, at any time.

(2) Amounts I repay in the academic year in which the loan was made will be used to reduce the amount of the loan and will not be considered a prepayment unless that year is also the year in which I am required to begin repayment on this loan.

(3) If I repay more than the amount due for any installment, the excess will be used to prepay principal unless I designate it as an advance payment of the next regular installment.

#### V. Default

(1) The Institution may, at its option, declare my loan to be in default and may demand immediate payment of the entire unpaid balance of the loan, including principal, interest, late charges and collection costs if—

(A) I do not make a scheduled payment when due under the repayment schedule established by the Institution, and

(B) I do not submit to the Institution, on or before the date on which payment is due, documentation that I qualify for a deferment or cancellation described in Article VI, VII, VIII, IX, X, or XI of this agreement.

(2) I understand that if I default on my loan, the Institution may disclose that I have defaulted, along with other relevant information, to credit bureau organizations.

(3) Further, I understand that if I default on my loan and the loan is transferred to the Secretary for collection, the Secretary may disclose that I have defaulted, along with other relevant information, to credit bureau organizations.

(4) I understand that if I default on my loan, I will then lose my right to defer repayments.

(5) I understand that after the Institution accelerates the loan under paragraph V(1), I

will then lose my right to receive a cancellation of a portion of my loan for any teaching, volunteer or military service described in Articles VII, VIII and IX, performed after the date the Institution accelerated the loan.

(6) I understand that failure to pay this obligation under the terms agreed upon will prevent my obtaining additional student financial aid authorized under Title IV of the Higher Education Act of 1965, as amended, until I have made arrangements which are satisfactory to the Institution or the Secretary regarding the repayment of the loan.

#### VI. Deferment

(1) I understand that upon making a properly documented written request to the Institution, I may defer making scheduled installment payments, and will not be liable for any interest that might otherwise accrue, during the following periods:

(A) While I am enrolled and in attendance as at least a half-time student at an institution of higher education or at a comparable institution outside the United States approved for this purpose by the Secretary;

(B) For a period of three (3) years during which I am—

(i) On full-time active duty as a member of the Armed Forces of the United States (Army, Navy, Air Force, Marine Corps, or Coast Guard) or the National Oceanic and Atmospheric Administration Corps, or as an officer on full-time active duty in the Commissioned Corps of the United States Public Health Service;

(ii) In service as a volunteer under the Peace Corps Act,

(iii) A volunteer under the Domestic Volunteer Service Act of 1973 (ACTION programs),

(iv) A full-time volunteer in a tax-exempt organization performing service comparable to the service performed in the Peace Corps or under the Domestic Volunteer Service Act of 1973, or

(v) Temporarily totally disabled as established by an affidavit of a qualified physician, or unable to secure employment because I am providing care required by my dependent who is so disabled;

(C) For a period not in excess of two (2) years—

(i) After I receive a baccalaureate or professional degree during which time I am serving in an internship which is required in order that I may receive professional recognition required to begin my professional practice or service, or

(ii) Serving in an internship or residency program leading to a degree or certificate awarded by an institution of higher education, a hospital or a health care facility that offers postgraduate training;

(D) For a period not in excess of one (1) year during which, if I am a mother of preschool age children, I have entered or reentered the work force, and am being paid at a rate which does not exceed \$1.00 above the minimum hourly wage established by section 6 of the Fair Labor Standards Act of 1938;

(E) For a period not in excess of six (6) months—

(i) That follows by six months or less a period during which I was enrolled as at least a half-time student at an eligible institution; and

(ii) During which I am pregnant, caring for my newborn baby, or caring for a child immediately after he or she was placed with me through adoption and I am neither attending an eligible institution of higher education nor gainfully employed; and

(F) During a six (6) month period immediately following the expiration of any deferment provided in paragraphs VI(1)(A) through VI(1)(E).

(2) The Institution may, upon my written request, defer my scheduled repayments if it determines that the deferment is necessary to avoid a financial hardship for me. Interest, however, will continue to accrue.

#### VII. Cancellation for Teaching

(1) I understand that upon making a properly documented written request to the Institution, I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon cancelled if I perform service—

(A) As a full-time teacher in a public or other nonprofit elementary or secondary school which is in the school district of a local educational agency which is eligible in such year of service for funds under Chapter I of the Education Consolidation and Improvement Act of 1981, as amended, and which has been designated by the Secretary (after consultation with each State Department of Education) in accordance with the provisions of section 465(a)(2) of the Act as a school with a high concentration of students from low-income families. An official Directory of designated low-income schools is published annually by the Secretary.

(B) As a full-time teacher of handicapped children (including those who are mentally retarded, hard of hearing, deaf, speech and language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, have specific learning disabilities, or are otherwise health-impaired children, who by reason thereof require special education and related services) in a public or other nonprofit elementary or secondary school system.

(2) A portion of this loan will be cancelled for each completed year of teaching service at the following rates:

(A) 15 percent of the total principal amount of the loan plus interest on the unpaid balance accruing during that year will be cancelled for each of the first and second complete academic years of the teaching service,

(B) 20 percent of the total principal amount plus interest on the unpaid balance accruing during that year for each of the third and fourth complete academic years of that teaching service, and

(C) 30 percent of the total principal amount plus interest on the unpaid balance accruing during that year for the fifth complete academic year of that teaching service.

#### VIII. Head Start Cancellation

(1) I understand that upon making a properly documented written request to the Institution, I am entitled to have up to 100 percent of the amount of this loan plus the interest thereon cancelled if I perform service as a full-time staff member in a Head Start program if—

(A) That Head Start program is operated for a period which is comparable to a full school year in the locality, and

(B) My salary is not more than the salary of a comparable employee of the local educational agency.

(2) This loan will be cancelled at the rate to 15 percent of the total principal amount plus interest on the unpaid balance accruing during that year for each complete school year or equivalent period of service in a Head Start program.

(3) Head Start is preschool program carried out under the Head Start Act.

#### IX. Military Cancellation

(1) I understand that upon making a properly documented written request to the Institution, I am entitled to have up to 50 percent of the principal amount of this loan plus the interest thereon cancelled if I serve as a member of the Armed Forces of the United States in an area of hostilities that qualifies for special pay under section 310 of Title 37 of the U.S.C.

(2) This loan will be cancelled at the rate of 12½ percent of the total principal amount plus interest on the unpaid balance accruing during that year for each complete year of such service.

#### X. Volunteer Service Cancellation

(1) I understand that upon making a properly documented written request to the Institution, I am entitled to have up to 70 percent of the amount of this loan plus the interest thereon cancelled if I perform service—

(A) As a volunteer under the Peace Corps Act; or

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
Washington, D.C. 20503

April 26, 1993

LEGISLATIVE REFERRAL MEMORANDUM

LRM #D-172  
DRAFT #204

TO: Legislative Liaison Officer -

see Comments Below

53, 137 - AGRICULTURE - Marvin Shapiro - (202)720-1516 - 312  
196 - COMMERCE - Michael A. Levitt - (202)482-3086 - 324  
14, 35, 98, 116, 117, 137 - DEFENSE - Samuel T. Brick, Jr. - (703)697-1305 - 325  
EDUCATION - John Kristy - (202)401-2670 - 207  
220 - ENERGY - Bob Rabben - (202)586-6718 - 209  
6, 53, 56, 111, 186, 205, 218, 221 - HHS - Frances White - (202)690-7760 - 328  
14, 53, 98, 213 - HUD - Edward J. Murphy, Jr. - (202)708-1793 - 215  
218, 129, 111, 121, 137 - INTERIOR - Ralph Hill - (202)208-6706 - 329  
36, 85, 146, 130, 139, 168, 194, 196 - JUSTICE - Faith Burton - (202)514-2141 - 217  
LABOR - Robert A. Shapiro - (202)219-8201 - 330  
19, 71, 126 - STATE - Bill Keppler - (202)647-2137 - 225  
35, 14, 48, 53, 204 - TREASURY - Richard S. Carro - (202)622-1146 - 228  
137, 186 - EPA - Thomas C. Roberts - (202)260-5414 - 326  
17 - FEMA - Spence W. Perry - (202)646-4105 - 327  
159 - GSA - William R. Ratchford - (202)501-0563 - 237  
NEC - Sonia Mathews - (202)456-6722 - 429  
18, 221 - ONDCP - David Rivait - (202)467-9870 - 257  
OPM - James N. Woodruff - (202)606-1424 - 331  
ACTION - Stewart A. Davis - (202)606-4833 - 244  
221 - ICH - George Ferguson - (202)708-1480 - 399  
48, 157, 158 - OGE - Jane Ley - (202)523-5377 - 261  
113, 177, 216 - PEACE CORPS - Bob Martin - (202)606-3114 - 254

FROM: JANET R. FORSGREN (for)  
Assistant Director for Legislative Reference

OMB CONTACT: Chris MUSTAIN (395-3923)  
Secretary's line (for simple responses): 395-7362

SUBJECT: ONS Draft Bill National Service Trust Act of  
1993

DEADLINE: COB April 27, 1993

COMMENTS: THE PRESIDENT WILL BE TRANSMITTING THE ATTACHED DRAFT BILL THIS FRIDAY, APRIL 30TH. We will assume no comment if we do not hear from you by the above deadline. YOU WILL NOT BE RECEIVING A CALL TO REQUEST YOUR COMMENTS. The above page numbers correspond to the bill text. Do not consider the page numbers to be a comprehensive list of what may be of interest to your agency.

OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

Please advise us if this item will affect direct spending or

**receipts for purposes of the the "Pay-As-You-Go" provisions of  
Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

**CC:**

Bell Sawhill  
Barbara Selfridge  
Larry Matlack  
Pam Van Wie  
Barry White  
53 - Keith Fontenot  
53 - Richard Bavier  
David Kleinberg  
46 - Victor Zafra  
56, 217 - Barry Clendenin  
Tom Stanners  
Barry Anderson  
Art Stigile  
Bob Damus  
Carol Rasco  
Bill Galston  
Tom Stack  
Suzanne Duval  
Rob Fairweather  
Shannah Koss  
Dan Chenok  
Peggy Young  
Chris Heiser  
Bob Rideout  
Bruce Beard  
Bob Tuccillo  
Jonathan Breul  
141, 156 - Bill McQuaid  
Vince Foster  
145 - Rob Veeder  
Connie Bowers  
Delphine Motley  
Janet Forsgren

You may **also respond** by (1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); (2) sending us a memo or letter; or (3) if you are an OASIS user in the Executive Office of the President, sending an E-mail message. Please **include** the LRM number shown above, and the **subject** shown below.

FROM: \_\_\_\_\_ (Date)  
 \_\_\_\_\_ (Name)  
 \_\_\_\_\_ (Agency)  
 \_\_\_\_\_ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

\_\_\_\_\_ Concur

\_\_\_\_\_ No objection

\_\_\_\_\_ No comment

\_\_\_\_\_ See proposed edits on pages \_\_\_\_\_

\_\_\_\_\_ Other: \_\_\_\_\_

\_\_\_\_\_ FAX RETURN of \_\_\_\_\_ pages, attached to this  
\_\_\_\_\_ response sheet

TO THE CONGRESS OF THE UNITED STATES

I am pleased to transmit today for your immediate consideration and enactment the National Service Trust Act of 1993. The Act represents innovative public policy founded on traditional American values: offering educational opportunity, demanding personal responsibility, and building the American community. In affirming these values, the Act rejects big bureaucracy -- instead reinventing government to unleash the ideas, the enthusiasm, and the initiative of the American people.

Throughout the presidential election last year, Americans of all backgrounds and political persuasions responded to the National Service Trust like few other ideas. The reasons are clear. Higher education is fundamental to the American Dream, but complex procedures have made it difficult for students to obtain education loans, and inflexible repayment plans have created great hardships in paying loans back. It is a basic American principle that individuals ought to pay back what they borrow, but today too many are unable or unwilling to do so. And finally, Americans today are yearning to reaffirm an American community that transcends race, region or religion -- and to tackle the problems that threaten our shared future.

The National Service Trust Act is designed to meet these basic American needs. It expands educational opportunity by overhauling and simplifying the student loan system, saving taxpayers billions of dollars and lowering interest rates at the same time. It rewards responsibility by changing the way that Americans pay for school, offering new loan repayment choices and the chance to pay through service. And the Act builds community by asking every American to join in lifting up America, through the new national service program and through revitalized and reinvented volunteer programs for Americans of all ages.

The overhaul of the student loan system will dramatically expand educational opportunity for all Americans. By gradually converting the guaranteed student loan program into a direct lending program, the Act will save \$4.2 billion over the next four years. These savings will partly be used to reduce interest rates on student loans by as much as one half a percent -- making student loans easier for more Americans to afford.

The overhaul will streamline the process as well. Most students will be able to obtain all their financial aid services through their financial aid offices -- a "one-stop shop" that reopens the doors to college through simpler procedures.

The program will also build a partnership dedicated to better service between government and institutions of higher education. While providing institutions with a modest fee for added administrative costs, the Act will minimize administrative burdens by allowing schools to use the services of alternative originators instead of originating loans themselves. When students are in school or repayment, postsecondary institutions

will not be responsible for servicing the loans; the Department of Education will contract these responsibilities out.

While direct lending simplifies borrowing, flexible repayment options will offer different repayment plans to suit different students' financial needs. With the availability of fixed, graduated and income-contingent schedules, and with the chance to switch from one plan to another at any time, students will be able to select the option that suits their situation. Long-term repayment plans will enable students to stretch their loans out over time, just as homeowners finance their mortgages over 30 years.

Through these measures, the Act will offer greater opportunity to those who borrow. But it will expect greater responsibility as well. All Americans will be expected to repay their loans in one of two ways. Those who enter the National Service Program will be able to pay off their loans with a year or two of service. Others will be expected to repay their loans through traditional or flexible repayment schedules.

America can not afford the current high default rates. The Act will require borrowers in danger of defaulting to enter a repayment schedule linked to their income. According to a plan it develops jointly with the Treasury Department, the Internal Revenue Service will be involved in collecting such loans. The Act will ensure that Americans repay what they owe.

The Act will build community by asking all Americans to join together and serve our country. By removing the obstacle of fixed high monthly payments, flexible repayment options will enable millions of Americans who borrow for school to take jobs that pay less but do more for the community, without ruining their finances. And through the new national service initiatives, the Act will revitalize the federal commitment to service -- by Americans at all ages. The Act enhances the Serve-America program for school-age youth, extends and improves the VISTA and Older Americans Volunteer Programs authorized under the Domestic Volunteer Service Act, and pulls all federal support for service under an innovative, entrepreneurial new umbrella, the Corporation for National Service. Through these efforts, the Act will help instill an ethic of community service in all elementary and secondary school students, encourage them to serve in their college years, and give them further opportunities later in their careers.

The centerpiece of the initiative to build community is the new national service trust. The Trust will offer hundreds of thousands of Americans the chance to pay for college by serving our country. Offering greater opportunity to those who take responsibility for our community, the Trust embodies the central tenants of this Act.

The Act establishes a definition of national service that is clear but broad. National service is work that addresses unmet educational, environmental, human or public safety needs. It

enhances the experience of those who serve, instilling an ethic of civic responsibility that completes a life and preserves our democracy. And national service does not displace or duplicate the functions of existing workers.

Building on the National and Community Service Act of 1990, and on the flourishing national service programs of nonprofit organizations and states, the initiative rejects a federal bureaucracy in favor of locally driven programs. And in the spirit of reinventing government, the Act is designed to empower those with the greatest expertise, interests and incentives to succeed in their work.

The Act establishes broad categories of eligibility and requirements for the use of educational awards; but it lets citizens of all backgrounds serve and use their awards where they see fit. While many participants will be recent college graduates, Americans will be eligible to enter the program at any time in their adult lives; there is a flexible minimum age of 16 -- dropouts will have to get their GED while in the program -- and no maximum. Both full-time and part-time service will be encouraged, and participants will be able to serve for one or two terms of service. Whatever their education level, those who complete a term of service will receive an award of \$6,500, roughly the average indebtedness of a graduate of four-year public university. The award will be payable toward past or present educational expenses in four- and two-year colleges, training programs, graduate and professional schools.

So that they can determine a limited wage that meets their recruiting needs, programs will be able to set stipends within a range based on the subsistence allowance for the VISTA program--roughly minimum wage. In addition to the award, health and child care will be provided to all participants who need them.

Rather than rely on a national placement system, the initiative will turn to local programs to determine their needs and select their participants accordingly on a nondiscriminatory basis. State and national information and recruitment systems will make programs easily accessible to all.

The Act establishes tough guidelines for excellence in programming -- meeting needs, encouraging citizenship, providing necessary training and support. It requires programs to develop measurable performance goals, and then to allow independent evaluations to test their success. But within these limits, the Act enables the people who will run programs to design them. The smallest community-based organizations and the largest federal agencies will be able to compete for funding. They will be able and encouraged to develop a variety of model programs, ranging from youth corps that enable at-risk youth to meet community needs, to pre-professional programs that give college students ROTC-like training and then placements in specific problem areas, to diverse community corps that involve Americans of all backgrounds in meeting common goals. The Act ensures that as time

passes, the programs that work receive most assistance -- and that there is venture capital for altogether new models as well.

The Act establishes broad guidelines to determine excellence in programming -- among them quality, innovation, replicability, sustainability, past record, and management quality. At the same time, the Act allows the managers who will be responsible for funding decisions to determine the relative weight of different elements, and to add new ones if they see fit.

With the economic market as model, there is competition at every level of the system: programs compete for state approval, states compete for federal approval, and programs at the national level compete against each other and states for federal approval. While 30 percent of program money will be allocated to states for grantmaking by formula, 20 percent will be allocated to states competitively, and the remaining 50 percent on a competitive basis to federal agencies, private non-profit organizations and states. To build public/private partnerships that have support far beyond government, the Act requires programs to make a cash match and to seek support from beyond government as time passes.

In organizational structure, the Act aims to reduce waste and promote an innovative, entrepreneurial government culture. At the federal level, the Act establishes a new government Corporation for National Service that combines two existing independent agencies, the Commission on National and Community Service and ACTION. With a small, bipartisan Board sharing power with a Chairperson, the Corporation will operate as much like a lean nonprofit corporation as a government agency. Flexible personnel policies, including pay-for-performance and a 5-year limit on most tenures, separate investment and operating divisions, and the ability to solicit private contributions will all help build a commitment to quality.

The state level will mirror the federal level and build a strong partnership between the two. State Commissions on National Service, appointed by governors, will be responsible for selecting programs to be funded by states. Like the Corporation Board, the Commissions will be composed of bipartisan, non-government officials. In order to ensure that grant-making decisions are distinct from operating efforts, the Commissions will not operate programs, though they may use a portion of their funds to support state agencies that do. A representative of the Corporation will sit on the State Commission to develop common policies and stop conflicts before they happen.

Opportunity, responsibility and community transcend politics. They are basic American ideals. Enactment of this legislation would express the nation's commitment to them and to our shared future. This legislation truly could be the best money the country ever spends. I urge the Congress to give the legislation a prompt and favorable consideration.

THE WHITE HOUSE

POLF

## QUES FOR RICK ALLAN

1. Costs for:
  - "National or State Recruitment System"
  - "Leadership Corp"
  - Stipend per student (assume from conversation \$7500 per year)
  - Educational allotment (you are assuming \$6500, but appears that could be up to \$13,000)
  - Health insurance per student and total costs of health insurance for program
  - Planning Grants (up to a year may strike some as excessive, especially if hope to produce significant results during first year)
  - Three-year Operational Grants (this may be hard to justify given your description of Eli's "give us a chance" one year approach)
  - Merger and Corporate reorganization costs (it looks as if what has been done here is to bring two organizations--ACTION and Commission--together without much indication of cost savings, i.e., the two structures appear to be relatively separate and independent, but with a new level of structure above them.)
2. Cost per placement in community service based on allocation of the above expenses. May want to narrow definition of costs attributable to a placement
3. Will the Federal student loan/grant programs currently in place stay intact except that some young people will be able to work off their payments through the procedure set forth in the proposed legislation?
4. At the bottom of page 3 of that which you faxed to us under Stipends, it is not clear whether the last sentence of the first bullet and the second bullet are directly related. If they are, the implication is that programs can provide within guidelines up to twice the stipended amount, hence generating competition for the best and brightest young people and in some cases can provide stipends that go beyond twice the \$7500 stipulated amount.
5. With regard to "access to health insurance", if a young person "can" be covered under parent's policy, will the legislation require same? Obviously cost implications depend on answer. It should be noted in this respect that many nonprofits don't provide health insurance or adequate coverage. New requirement via national service may create equity and cost problems.
6. Under programs - Eligibility, query whether the intent of this paragraph is to exclude any programs or to be inclusive. There is also a question here as to whether any caring institution that is related to a religious body, for example, a church Day Care Center, will be ineligible for assignment of young people. The same question can be raised with regard to a labor union

community service program.

7. Will the grants provided to State Commissions require matching?
8. Is the grant to a State based on the population of that State or are there 50 equal grants? Does the State grant include the stipends and the educational allotments or is that provided by the Feds over and above the State grant?
9. It appears from the way this draft is structured, that the educational trust fund is an additional title to the existing commission legislation. Is that the intent?
10. Do the other titles like Service Learning, Serve America, etc., reflect an intent to increase resources available or maintenance of status quo?

Look forward to working with you on these and other conceptual issues that may arise.