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RESPONSE TO LEGISLATIVE REFERRAL MEMORANDUM

If your response to this request for views is simple (e.g., concur/no comment) we prefer that you respond by faxing us this response sheet. If the response is simple and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a secretary.

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.

TO: Chris MUSTAIN
Office of Management and Budget
Fax Number: (202) 395-6148
Analyst/Attorney's Direct Number: (202) 395-3923
Branch-Wide Line (to reach secretary): (202) 395-7362

FROM: April 27, 1993 (Date)
John Seal, Acting Director (Name)
ACTION (Agency)
606-4880 (Telephone)

SUBJECT: ONS Draft Bill National Service Trust Act of 1993

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 _____
X Other: Comments are included in the attached.
_____ FAX RETURN of 4 pages, attached to this response sheet



OFFICE OF THE DIRECTOR

1100 VERMONT AVENUE, NW
WASHINGTON, DC 20525

April 26, 1993

Mr. Jack Lew
General Counsel
Office of National Service
The White House
Washington, D.C. 20500

Dear Mr. Lew:

Thank you for the opportunity to comment on the discussion draft of a bill to establish the national service program.

In general, the bill reflects the outline of the national service proposal that we commented upon earlier. Hence, we will limit our comments to several specific concerns and observations regarding organizational matters, program issues, and technical issues presented by the specifics of the bill.

Organizational Issues

We have a number of concerns about the drafting of subtitle G. In general, we believe that the current draft does not provide for a combination of two agencies (ACTION and the Commission on National and Community Service) into a newly structured organization, but rather leaves the impression that ACTION will be absorbed by a revised Commission structure.

(1) First, with respect to the composition of the Board of the new Corporation, we recommend strongly that the initial members not be limited to the existing members of the Commission on National and Community Service (p. 137), but that up to five, and no less than three, of the members reflect the older American and anti-poverty emphases of ACTION's current programs, which will be part of the Corporation. Further, this bill should not restrict the President's authority to make appointments with the advice and consent of the Senate.

We also believe that an ex-officio member should have the authority to vote and to designate a representative and alternate. This "model" works well in other federal Corporations (e.g., Pennsylvania Avenue Development Corporation), and would help promote active participation by federal agencies with the ability to promote the national service agenda.

(2) Second, we note that the Inspector General of the Corporation requires appointment by the President but not Senate confirmation. This differs from the practice in other Federal departments. For your information, ACTION's current Inspector

ACTION'S MISSION

To stimulate voluntary citizen participation in addressing the needs of American communities, particularly those of the poor, the disadvantaged and the elderly

General is a member of the SES and is appointed by the Director. The conforming amendments (p. 217) may be inadequate.

(3) Third, we believe that the process outlined for the transfer of functions from ACTION to the new Corporation will result in severe disruptions. The bill outlines a process to occur 18 months after the date of enactment or an earlier date to be determined by the President. The bill further states that the functions to be transferred shall be determined at a future, unspecified date. As currently drafted, we will have a situation where for some unspecified period of time any Agency "function" might be terminated, with other "functions" being transferred. It will be extremely difficult to manage the organization, its programs, and its personnel under such a fluid environment.

We believe the bill should be specific about any functions to be transferred, and that all ACTION functions should be transferred to the Corporation. This does not imply that the functions should continue to be performed as they are currently carried out; however, the functions do relate to the administration of the Agency's programs which are being transferred to the Corporation.

(4) Fourth, we believe that any current employee with career civil service status transferred to the Corporation should retain that status indefinitely. This will help retain excellent employees, promote a smooth transition, and remove any potential opposition to this aspect of the proposal. This approach would also reduce the programmatic and administrative disruption that will otherwise result.

(5) Fifth, the bill should cover the retirement and other benefits (e.g., leave) available to employees transferred to the Corporation, as well as new employees.

(6) Sixth, we do not believe there is a need for a seven-year, term limitation on appointments, even with the authority to deal with individual exceptions. No private organization would create a situation where an excellent employee would be asked to leave solely because he or she has reached an arbitrary number of years with the organization.

Program Issues

(7) We believe that the types of national service programs eligible for assistance under section 122 should specifically include ACTION's older American programs. We believe that the types of programs listed under subsections (a)(4) and (a)(11)

allow for such participation. We would also note that under priorities (page 36), item (E) would also include older American programs. Making a more explicit statement about older American participation will strengthen national service and promote support for the activity.

(8) We believe that there should be a one-to-one correspondence between funded service slots and the availability of educational awards. The statutory language on this point is unclear, but this should be an explicit goal.

Further, we endorse the reservation of approved positions under VISTA and the Civilian Conservation Corps Demonstration Program for national service education awards. The "exception" on page 20, however, implies that under a situation of insufficient funds, no reservation of slots will be made for those programs. Although we agree that a reservation of slots in such an instance would be inappropriate, we also believe that the programs should be given an equal priority for whatever slots are available.

(9) We note that federal funds for the living allowance for national service participants shall not exceed the lesser of two categories, one of which is 85 percent of the total average annual subsistence allowance and stipend under VISTA (page 44). An unintended effect of this provision will be to make more difficult any expansion of these allowances within the VISTA program, because the impact of any increase will be to raise the matching funds required by state and local organizations in other programs administered by the Corporation. This approach combines two separate issues, the amount of the living allowance and the costs that should be shared by participating organizations. We recommend that these issues be treated separately.

(10) We support the service year floor in VISTA but note that the current FY 1994 budget needs to be amended to support this floor.

Technical and Miscellaneous Issues

We note several issues that need to be addressed in final editing.

(11) The bill both amends sections 401 and 402 of the Domestic Volunteer Service Act and repeals them.

(12) The bill specifies that the Director of ACTION shall report to the Chair of the Corporation for National Service, but does not make clear that this is for an interim period until such time as the functions of the organization are transferred to the Corporation.

-4-

(13) Page 212, line 17 should read, "years 1994 through 1998, there are authorized..."

(14) Page 209, lines 24 and 25 should read: "(4) University Year for VISTA.--".

Again, thank you for the opportunity to comment on this discussion draft. These points will also be made as part of the Office of Management and Budget's legislative consultation process once we have studied the section-by-section analysis and other material which was received this afternoon.

Sincerely,



John Seal
Acting Director

cc: Rick Allen
Phil Caplan

April 28, 1993

MEMORANDUM FOR: Jack Lew, Office of National Service
THROUGH: Janet Forsgren *JRF*
FROM: Chris Mustain, ^{CM}OMB Legislative Reference
SUBJECT: Comments received to date on National Service
Trust Act of 1993

Attached are the comments received on the National Service draft bill. I will forward to you any additional comments as soon as we receive them. HHS, OPM, HUD, and DOL may provide comments today. Please call if you have any questions at x3923.

cc: Bernie Martin
Barbara Selfridge
Larry Matlack
Pam Van Wie
Barry White
Judy Grew
Connie Bowers

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 -

AGRICULTURE - Marvin Shapiro - (202)720-1516 - 312
COMMERCE - Michael A. Levitt - (202)482-3086 - 324-Comments (Ken Blum) 4/27
DEFENSE - Samuel T. Brick, Jr. - (703)697-1305 - 325-Comment (Sam Brick) 4/27
EDUCATION - John Kristy - (202)401-2670 - 207-Comments (Jack Kristy) 4/27
ENERGY - Bob Rabben - (202)586-6718 - 209-No Comment (Ted Pulliam) 4/27
HHS - Frances White - (202)690-7760 - 328
HUD - Edward J. Murphy, Jr. - (202)708-1793 - 215
INTERIOR - Ralph Hill - (202)208-6706 - 329
JUSTICE - Faith Burton - (202)514-2141 - 217
LABOR - Robert A. Shapiro - (202)219-8201 - 330
STATE - Bill Keppler - (202)647-2137 - 225-No Objection (Bill Keppler) 4/27
TREASURY - Richard S. Carro - (202)622-1146 - 228-Comments (Karen Carro) 4/27
EPA - Thomas C. Roberts - (202)260-5414 - 326
VA - Robert Coy - (202)535-8113 - 229
FEMA - Spence W. Perry - (202)646-4105 - 327
GSA - William R. Ratchford - (202)501-0563 - 237-Comments (W. Ratchford) 4/27
NEC - Sonia Mathews - (202)456-6722 - 429-Concurs (Bonnie Dean) 4/27
ONDCP - David Rivait - (202)467-9870 - 257
OPM - James N. Woodruff - (202)606-1424 - 331
CNCS - Terry Russell - (202)724-0600 -
ACTION - Stewart A. Davis - (202)606-4833 - 244-Comments (Stewart Davis) 4/27
ICH - George Ferguson - (202)708-1480 - 399-No Objection (George Ferguson) 4/27
OGE - Jane Ley - (202)523-5377 - 261-No Comment (Steve McIlleary) 4/27
PEACE CORPS - Bob Martin - (202)606-3114 - 254-Comments (Bob Martin) 4/27

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.

CC:

Bell Sawhill
Barbara Selfridge } Comments (Firm) 4/27
Larry Matlack }
Pam Van Wie }
Barry White - Comments (Judy Grew) 4/27
Keith Fontenot
Richard Bavier - Comments 4/27
David Kleinberg
Victor Zafra - Comment (Erik Johnson) 4/27
Barry Clendenin - No Comment 4/26
Tom Stanners
Barry Anderson
Art Stigile
Bob Damus
Carol Rasco
Bill Galston
Tom Stack
Suzanne Duval
Rob Fairweather - No Comment (Mark Kizme.) 4/27
Shannah Koss } Comments (Steve Simenuk) 4/27
Dan Chenok }
Peggy Young
Chris Heiser
Bob Rideout - Comments (Guy Rogut) 4/27
Bruce Beard
Bob Tuccillo
Jonathan Breul
Bill McQuaid
Vince Foster
Rob Veeder
Connie Bowers
Delphine Motley
Janet Forsgren

Note to Chris Mustain

From: Judy Grew 

Subject: Discussion Draft Bill National Service Trust Act of 1993

Following are Education branch comments on the bill. Bayla White commented on a previous draft; where her concerns were not addressed, I repeated them.

p. 18: The allotment of one percent to be shared between Indian tribes and the territories does not follow the usual way that these set-asides work -- the Indian tribes usually do not compete with the territories.

p. 30 and beyond: The use of the term "guarantee" is not defined -- would applicants who do not meet the "guarantee" need to repay their awards? The usual term we see is "assurance."

p. 38: There are supposed to be supplementation requirements under a Section 173 -- we did not find a section with that number.

p. 48: Why are lines 24-26 bracketed? Interest and proceeds from the sale or redemption of obligations held by the trust are used for program purposes in other programs. This should remain in the bill.

p. 53: Please distribute for comment the definition of "means-tested programs," which is not specified here. We are particularly interested to see if student financial aid falls under this category.

pp. 54-56: It would be a lot easier to give the participant the educational award and have the participant pay loans with it. You can maintain the requirement that the holder of the loan report back to the Corporation to make sure that the participant uses the educational award to pay their loans.

p. 56: There is no policy rationale to exclude any types of educational loans from the definition of qualified student loans. Participants should be able to repay bank loans outside of the Federal programs, State loans, institutional loans, community organization loans, etc. The only exception may be loans from family members.

p. 59: Clarify that refunds from schools to the Corporation for participants who withdraw or fail to complete their programs may be used to give awards to other participants.

pp. 61-63: Almost the entire piece relating to conforming amendments to ED's student loan programs is bracketed. What is

there does not make sense. Please share with this branch the revised draft language when it is written.

p. 65: The text says the funds may be used for implementing statewide programs, but the rest of the sections dealing with these funds indicate that they are to be used for project activities, that will be less than Statewide in scope and certainly will not be consistent in design or implementation throughout a given State. (Comment made on previous draft)

p. 66: This is the first of several references to the use of the Federal funds for preservice training. Why is preservice training (which generally refers to training provided in undergraduate or graduate curricula) relevant in this State grant program? Shouldn't the training supported be for staff involved in the projects (that is, in-service) and not for the training of persons who may never participate in any aspect of the State or local project receiving funds? (Comment made on previous draft)

p. 72: Why are there two separate pots of money under this subpart: 25% that is used for direct grants to SEAs and 75% that is a formula grant to SEAs? The bill seems to require an SEA to submit an application under each pot of money. The application submitted under each must contain exactly the same information and be used for exactly the same purposes. (Comment made on previous draft)

p. 74: The applicant has to provide a 3-year plan in the application, but it isn't clear whether the Director is approving a 3 year application or a one-year application. If the former, what updates are required to get funds in Year 2 or 3? If the latter, what documentation is required in the 2nd and any succeeding year's application? (Comment made on previous draft)

p. 76: Nothing is specified on what will be done with the evaluations. No reports are provided to Washington; no reports to Congress. (Similar comment made on previous draft)

p. 77: What is meant by the term "federally assisted education specialists in the State" and how do those differ from SEA employees or LEA employees? (Comment made on previous draft)

p. 78: What is a "service learning network" -- no definition or proposed activities are provided. This seems to be another example of the substantial bureaucratic structures being created in this legislation. (Similar comment made on previous draft)

p. 81: A local advisory committee is another example of bureaucratic structures in this bill. (Comment made on previous draft)

p. 82: Preservice training is not something that local school districts engage in for supervisors, teachers, and certainly not

for participants (who are in-school). (Comment made on previous draft)

p. 85: Which should priority be given to projects that meet only one of the 4 priorities listed? That is the meaning of or on l. 15. If you would like project to address all four priorities, change the "or" to "and." (Similar comment made on previous draft)

p. 87: Are the benefits being extended to teachers in private schools constitutional under the First Amendment? (comment made on previous draft)

p. 88: The State or local match ought not to be provided from other Federal resources. It ought to be a State or local match. (Comment made on previous draft)

p. 89: Why is a waiver necessary, when in-kind contributions including facilities and services (presumably of volunteers as well as paid State or local staff)? (Comment made on previous draft)

p. 121: The definition of "economically disadvantaged" if used in determining which students in public school can participate in activities financed through this bill may cause difficulties. Schools do not keep the kind of information on welfare status, or family income that would be required to determine eligibility on an **individual** basis. (Comment made on previous draft)

p. 123: The definition of Out-of-school youth, as written, includes anyone below the age of 27 who is working (either full- or part-time): why, since those over the age of compulsory school attendance and not in school are covered in the definition of adult? Also, there is no definition provided of "college" -- it could mean a 4 year degree program, a 2 year program, or even a certificate program from a junior or community college. (Comment made on previous draft)

p. 124: Consult with the Bureau of the Census regarding your definition of "school-age youth." ED's definition is ages 5 to 17, inclusive, and the Census may have structured its surveys based on that definition. Census data on enrollments for ages 5 to 18 inclusive may not be available for making your formula allocations.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

26-Apr-1993 04:26pm

TO: Christopher J. Mustain
FROM: Richard B. Bavier
Office of Mgmt and Budget, HRVL
CC: Barbara S. Selfridge
SUBJECT: National Service Trust Act draft

Current AFDC regulations provide for disregard of education assistance for educational purposes, but not for living expenses. Sec 147(d) of the bill extends that exclusion to cover all national education service awards. That provision seems to have an AFDC pay-go cost attached to it.

On the other hand, I didn't find any provision for excluding the living allowance of a national service participant. Payments to VISTA volunteers (up to a minimum wage equivalent) currently are excluded in AFDC.

In Sec 129(b), if there aren't more than 200 percent of the number of education awards needed for VISTA and CCC participants, then awards for this group are not to be reserved. Does that mean that this group gets none? They don't seem to fit anywhere in the allocation of awards to States.

Sec 140(c) appears to create a health insurance guarantee, and Sec 140(d) appears to create a child care guarantee. Funding for health insurance must be in the assistance provided by this program. Child care funding is not mentioned.

I don't see the point of either guarantee. The connection of the health care guarantee with the health reform proposal is not clear. In addition, 140(c) applies an impractical standard. The assistance has to include an amount for a basic package for any full-timer "who does not otherwise have access to health insurance." What does "otherwise have access" mean? Is it simply that the person is not covered? If someone isn't covered by health insurance because he prefers not to pay the cost, does this person have access? Must dependents also have access?

The child care subsidy seems unrelated to the national service purpose. Currently, AFDC recipients have child care paid for when they pursue education and employment activities. The child care provision in this bill would seem to be aimed at single parents who are not on welfare but have low incomes. (Presumably, single

parents with higher incomes will not volunteer because they don't need the education award.)

I haven't heard any rationale for the national service bill where the participation of non-welfare single mothers is prominent. If it is important to make sure that single parents are not excluded because of child care costs, language permitting use of funds for this purpose would be preferable to the guarantee in the current draft.

inserted

3B E X E C U T I V E O F F I C E O F T H E P R E S I D E N T O B

27-Apr-1993 02:43pm

3B TO:OB Christopher J. Mustain

3B TO:OB Pamela B. VanWie

3B FROM:OB Raymond P. Kogut

3B OB Office of Mgmt and Budget, GMD

3B CC:OB Robert B. Rideout

3B CC:OB Debra L. Williams

3B CC:OB Carol S. Johnson

3B SUBJECT:OB DLRM #D-172, ONS Draft Bill National Service Trust Act.

I have several comments to offer on the personnel related provisions in the legislation:

Page 150, Section 195(a)(2)(B) should be reworded to "(B) Appointment Extensions.--The appointment of an employee may be extended if the Chairperson determines that such an extension is

necessary to ensure the continuity of functions under this Act.

Page 150, Sec. 195(a)(2)(D)(i) and (ii) use the phrase "is separated from the Corporation on the basis of any requirement of this paragraph" which I do not understand. The intent is to provide for Corporation employees to be appointed by another agency to a position in the competitive service after they have served beyond their probationary period.

- on transfers (no break in service), only after completing 1 or more years of service with the Corporation.

- on appointments after a break in service (like reinstatement)

- if 3 or more years of Corporations service, may be appointed at any time by another agency

- if more than one year but less than three years of Corporation service, may be appointed (reinstated) only within 3 years of date of separation from the Corporation.

Page 153, Section 195(a)(3)((B)(iii). Remove the phrase "shall include a scheme for the classification of positions in the Corporation, and" since it more appropriately belongs in the next part, (iv) Compensation System. Incorporate that phrase into (iv), and modify to soften reference to job performance, such as:

"(iv) Compensation System.--The compensation system shall include a scheme for the classification of positions in the Corporation and require that an employee's compensation be determined based in

part on job performance and consistent with the principles described in section 5301 of title 5, United States Code. The rate of compensation....."

Page 199, Section 472. Deposit Requirement Credit for Service as a Volunteer. Our comments here are the same as those provided on identical provisions included in the Peace Corps authorization bill on LMR #D-92 to Annette Rooney.

We have no objection to granting service credit in CSRS for Vista volunteer or volunteer leader service. However, the bill would require a reduction of the retiree's annuity at age 62 by a trivial amount -- Action's share of the social security benefit of that annuitant/former volunteer. The reduction would provide no real savings, yet it would complicate administration of the program. For this reason, we recommend deleting sub-section (c)(1)(C) and (c)(2) through (6) on pages 205 through 208.

Also, as we commented on the similar proposal of the Peace Corps, we also recommend rewriting sub-section (b) Federal Employees Retirement System (page 202). We prefer to provide service credit only in cases where Vista volunteers/leaders interrupt a career in the Federal service. This would be consistent with an interest in encouraging mid-career Federal employees to volunteer.

Furthermore, it would prevent giving away service credit to those who volunteer at a young age, without any awareness of or interest in Federal employment.

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**

ROUTE SLIP

TO Chris Mustain	Take necessary action	_____
_____	Approval or signature	_____
_____	Comment	_____
_____	Prepare reply	_____
_____	Discuss with me	_____
_____	For your information	_____
_____	See remarks below	xxx
FROM Pamela B. VanWie, LVE	DATE April 27, 1993	_____

REMARKS

Here are the comments from the Labor branch on the National Service bill.

Thanks for waiting.

COMMENTS ON THE NATIONAL SERVICE LEGISLATION

- p. 6 L.7 Should "to" be "too" or dropped from the sentence?
- p. 9 L 9 (B) should be (C)
- p. 13 L 8 Read in conjunction with section 424(a) [p. 179], we are unclear if VISTA volunteers would receive the educational award in place of or in addition to the VISTA readjustment (post service) allowance.
- p. 19-20 Section 129 (a) (4) Failure to Apply. If a State fails to apply for assistance, how will the Corporation go about making grants to other organizations within the State? Will the Corporation solicit grant applications or increase amounts to already existing organizations? We assume the latter, but could not tell by the language.
- p. 20-21 Section 129 (b) is unclear. Here is how we read it: Only if the total number of national service positions that will be available (that will be funded) is 2 times greater than the number of VISTA and CCC positions will the VISTA and CCC positions receive the educational award. Is this what was intended? If possible, you may want to change the wording to make it more clear.
- p. 21 L 8 While we understand the intent of this section, Administrations try not to restrict their flexibility by setting floors on activities. If one is necessary, we recommend it be low so that the program retains as much flexibility as possible in using its resources.
- p. 24 L 1 Can the Federal government ask sponsors to contribute the deposit for the educational award to the trust? How much and when are they asked to contribute it?
- p. 38 L 18 Insert "to" in between respect and assistance.
- p. 43 L 13 This paragraph discusses what would be called a hardship release from the program. However, the bill does not address the release of those participants that are not complying with the rules and regulations of the program. Do you want to add a section that states something like those released "for cause" would not be eligible for the benefit? See also section 147 (b) for the same qualifier.
- p. 46 L 6 Program organizations are being asked to fund 15% of a participants health benefit while the Corporation pays 85%. ACTION currently pays for all of the VISTA health benefit. Was this intentional or an oversight?
- p. 46 L 12 This language guarantees child care for welfare recipients. If it is important to make sure that non-welfare single parents are not excluded because of child

care costs, language permitting the use of the funds for this purpose would be preferable to the guarantee in the current draft.

- p. 53 Section 147 (c) and (d) exclude the education award from taxation and from determining eligibility for Federal means-tested programs. We understand the purpose, but are exploring whether this has PAYGO consequences. Also, will these provisions throw this bill into the tax and agriculture committees? You will know best, but we assume you do not want multi-committee referrals. (See also page 62 provisions)
- p. 57 L 15 Is this SLC style? We would write out "one" rather than "1". Also the same on page 59, line 5 and page 148, line 2.
- p 114 L9 We understand why this provision is in the bill, but believe the Corporation should not fund uniforms for programs. The development and dissemination of training and other materials can be funded by Corporation funds but why shouldn't uniforms come from the funds raised by the program? While we are sure you've considered this, we wonder if the public might not consider uniforms a frivolous expense.
- p 136 L 22 This is a dicey problem for the Corporation. This section states that an individual who (whose organization) received financial assistance to carry out activities under this Act during a period shall not be eligible to be appointed to the Board during such period. However, the next sentence continues to say that an individual who is an applicant for such financial assistance may be appointed to the Board but shall not participate in any decision involving such assistance. What if the individual's organization, who is appointed to the Board, then receives financial assistance, is the individual required to relenquish his place on the board in line with the first sentence? While we assume not from the draft language, there is nonetheless a strong potential for charges of (or perceptions of) conflicts of interest. Chinese walls are not possible in this situation and revisions may not be sufficient. Can there be stronger safeguards built in? If we had a good suggestion we would provide it.
- p 137 L5 For smooth transition reasons we understand the purpose of this provision. However, the Corporation is going to be a brand new organization. Why shouldn't it have a brand new Board that does not have any preconceived notions about how things work? Some members should be required rather than having all members of the new Board be members from the CNCS.
- p 150 L 1 The use of the word term is confusing. On page 149, line 15, a term (eventhough "initial) is specified to be 5 years. On page 150, line 7, it states that no such employee shall be appointed for a total of more than 7 years. Are the additional terms one year terms? We assume so, but do not find the explanation in the draft.

- p 151 L 7 See Ray Kogut's comments
- p 155 L 13 We believe there may be a conflict of interest problem with the representative designated under this subsection serving as voting member of the State Commission. Perhaps the representative should serve as an ex-officio member.
- p 156 L 8 In accordance with the guidance we have received for implementing E.O. 12838, "Termination and Limitation of Federal Advisory Committees", we recommend deleting this section. Additional advisory committees are not necessary if the Corporation already has an 11 member board.
- p 161 L 23 OPM should be listed in place of DOL. (OPM usually has a contractor that they recommend.) The section by section analysis states that, "Job search assistance will be provided for any personnel from ACTION or the Commission who do not become employees of the Corporation. The bill language states on page 162 that assistance will be provided to the employees of ACTION who are not transferred to the Corporation. These need to be consistent. The bill language should be changed to reflect what is in the section by section if that is what was intended..
- p 172 L 15 Institutionally, we usually do not support advance funding provisions. The Commission and ACTION have worked out their grant cycles without advance funding. We recommend a regular appropriation but if something else is needed, we suggest Forward Funding like that used in the JTPA and education programs. Resources are made available for obligation in July of the fiscal year providing the planning cushion and better coordination with the school year cycle. Forward Funding makes it easier to work on a grant year/program year basis.
- p 177 L 6 Vista should be capitalized to read "VISTA".
- p 179 Section 424. These provisions drive up the cost of VISTA and are not accounted for in the budget. They will reduce levels of participation. See also page 186, section 445, Stipends for Older American Volunteers.
- p 190 L 14 This is a new provision in the DVSA. We assume this has been well vetted since we would expect labor organizations to be concerned with RSVP, SCP and FGP services being offered to profit-making organizations at cost.
- p 198 L 20 We have no objections to the intent of this provision but believe there are third party organizations that are currently studying the impact of volunteerism on individuals, organizations and communities that could do this work. Why set up a bureaucracy when there could be contracting?
- p 199 L 6 See Ray Kogut's comments

- p 209 L 24 We thought this section was repelaed earlier in the bill. If so, no authorization is needed.
- p 211 L 4 As noted elsewhere, Adminstrations usually do not like to set floors of activity. Hence we believe floors should not be set for the VISTA volunteers. This was always a problem for ACTION in the past. The Corporation should see how many VISTA volunteers it can fund and how many VISTA volunteers can be recruited.
- p 213 L 23 Throughout Title V the terms Chairperson and Executive Director are used. In the previous sections of the legislation the head of the Corporation is usually referred to as the Chairperson. All references to the Chairperson and Executive Director of the Corporation should be changed to list only "Chairperson".

APR 20 '93 12:20

220 P02

HUD has reviewed the National Service Trust Act of 1993 and has the following comments.

1. Eligibility of Public Housing Agencies. Among the eligible grantees listed in section 121 of the National and Community Service Act of 1990 (hereafter "NCSA"), as it would be amended by section 101 of the bill, are "public and private nonprofit organizations." The term does not appear to be defined; we do not find it in the general definitions in section 101 of NCSA, as that section would be amended by section 105 of the bill, or in the funding provisions of proposed section 129(d)(2) of NCSA.

If it is not clear that these "public * * * organizations" (or "public * * * nonprofit organizations"?) do include local housing authorities, we would recommend their specific inclusion in the bill. In most States, such authorities, most commonly called PHAs ("public housing agencies" -- see section 3(b)(6) of the United States Housing Act of 1937, 42 USC 1437a(b)(6) -- are special purpose governments and do not constitute "subdivisions of States," the general governmental term found in proposed section 121 of NCSA.

The point has real meaning, since such participants (Volunteers) could accomplish much in the context of the federally assisted public housing program. In fact, HUD and the Peace Corps are currently developing a Memorandum of Understanding to maximize their joint interests and relationships insofar as they can be promoted by the work of RPCVs (Returned Peace Corps Volunteers) in public housing projects. Comparable promise is on the bill's horizon.

2. National Service? There is something about this legislation that does not have the ring of "national service," notwithstanding the nomenclature. Most of such distance in connotation is undoubtedly explainable by the fact that to make such service meaningful in a major way, it is necessary to establish the kind of pass-through funding mechanisms found in the bill. Nevertheless, the bill does not have the "feel" of "national service" that the Peace Corps or VISTA service does. Rather, it looks more like State and local service, with Federal funding.

As noted, this is probably unavoidable. Perhaps changing the designation of "participants" to "Volunteers" might help, by signaling the character of previous Federal national service programs. Just an observation.

3. Use of National Service Education Awards. It is unclear whether this bill authorizes use of National Service Education Awards for proprietary schools that teach technical skills. If such use is not already authorized, we recommend authorizing it.

Contact Person: Mike Moran

Subdivisions
of States
for

LRM #D-172

RESPONSE TO LEGISLATIVE REFERRAL MEMORANDUM

If your response to this request for views is simple (e.g., concur/no comment) we prefer that you respond by faxing us this response sheet. If the response is simple and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a secretary.

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.

TO: Chris MUSTAIN
Office of Management and Budget
Fax Number: (202) 395-6148
Analyst/Attorney's Direct Number: (202) 395-3923
Branch-Wide Line (to reach secretary): (202) 395-7362

FROM: April 28, 1993 (Date)
John Seal, Acting Director (Name)
ACTION (Agency)
606-4928 (Telephone)

SUBJECT: ONS Draft Bill National Service Trust Act of
1993

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
 x Other: Comments from ACTION's Inspector General
 are attached.
FAX RETURN of 1 pages, attached to this
 response sheet

EXECUTIVE OFFICE OF THE PRESIDENT
Office of Management and Budget
Legislative Reference Division
Labor, Welfare and Personnel Branch
Washington, DC 20503

Facsimile Transmission

Sender's FAX Number (202) 395-6148
Sender's Phone Number (202) 395-3803

TO:	AGENCY:	FAX Phone	Recipient's Phone
Jack Lew	ONS		

* * * * *

FROM: *Connie J. Bowers*

DATE: Wed Apr 28, 1993 11:37am

No. of Pages (including transmittal sheet): 0

COMMENTS:

NATIONAL SERVICE DRAFT BILL -- STUDENT LOAN FORBEARANCE

I understand that you believe that the loan forbearance section that appears in the direct student loan draft bill is incorrect and that it more appropriately belongs in the National Service bill. I presume you will include the language there and are suggesting that we advise the Dept. of Education to delete it from the direct loan bill? You should be aware of two issues regarding this section that have come out of our clearance process:

1. The NEC (Ellen Seidman) has suggested the the definition of "forbearance" be amended so that interest will continue to accrue and be capitalized during the period of forbearance. She suggests adding the following clause to the definition, "than previously

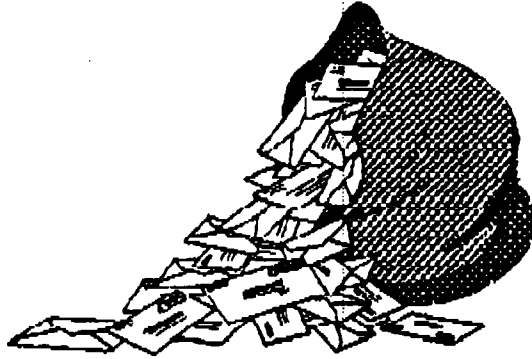
scheduled, except that interest shall continue to accrue during any such cessation, extension, or period during which smaller payments are accepted."

2. Barry White and ED have worked on this Section further, and ED proposes to change the draft language as shown in the attachment.

cc: Jack Kristy
Barry White
Allen Seidman

OFFICE OF MANAGEMENT AND BUDGET

*Legislative Reference Division
Labor - Welfare - Personnel Branch*

Facsimile Transmittal Sheet**FROM:** Chris Mustain**DATE:**4/28**PHONE:** 395-3923**FAX:** 395-6148**TO:** Jack Lew**TIME:** 3:50**PAGES SENT (including transmittal sheet):**6**COMMENTS:**

Further comments on the National
Service Draft bill. I expect to send
HHS comments within the hour.

PLEASE CALL THE PERSON(S) NAMED ABOVE FOR IMMEDIATE PICK-UP.

~~DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT~~

1 "except that no borrower shall be eligible for a deferment under
2 this subparagraph, or a loan made under this part (other than a
3 Federal Direct PLUS Loan, or a Federal Direct Consolidation
4 Loan), while serving in a medical internship or residency
5 program;

6 "(B) not in excess of three years during which
7 the borrower is seeking and unable to find full-time employment;
8 or

9 "(C) not in excess of three years during which
10 the Secretary determines, in accordance with regulations
11 prescribed under section 435(c), that the borrower has
12 experienced or will experience an economic hardship, regardless
13 of the reason for such hardship.

14 "(f) FORBEARANCE.--(1)(A) A borrower of a loan made under
15 this part shall be eligible for forbearance, as defined in
16 subparagraph (B), which shall be granted by the Secretary if the
17 borrower is willing but unable to make scheduled loan payments.

18 "(B) The term "forbearance" means permitting the
19 temporary cessation of payments, allowing an extension of time
20 for making payments, or temporarily accepting smaller payments
21 than previously scheduled.

22 "(2) ~~(A)~~ A borrower of a loan made under this part who
23 is serving in a National Service position (cite) shall be
24 eligible for forbearance granted by the Secretary, ^(b) which, for
25 purposes of this paragraph, ^{"forbearance"} shall mean the temporary cessation of

V-22

*during periods in
which the borrower
is serving in such position*

~~DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT DRAFT~~

1 payments unless the borrower selects another option described in
2 paragraph (1)(B).

3 ~~"(B) The length of the forbearance granted by the~~
4 ~~borrower under subparagraph (A) shall equal the length of time~~
5 ~~remaining in the period of service, if the borrower is not~~
6 ~~eligible to receive a deferment under subparagraph (A), or such~~
7 ~~length of time remaining after the borrower has exhausted his or~~
8 ~~her eligibility for such deferment?];~~

9 "(C) Any interest that accrues during the service
10 described in subparagraph (A) shall be paid by the National
11 Service Trust.

12 "(9) FEDERAL DIRECT CONSOLIDATION LOANS.--A borrower of a
13 loan made under this part may only consolidate such loan with the
14 loans described in subsections (a)(4) and (d)(1)(C) of section
15 428C under the terms and conditions established by the Secretary
16 under this part, including a variety of repayment plans such as
17 the plans described in subsection (d)(1) of this section.

18 "(h) BORROWER DEFENSES.--Notwithstanding any other
19 provision of State or Federal law, the Secretary shall specify in
20 regulations (except as authorized under section 459(a)) which
21 acts or omissions of an institution of higher education a
22 borrower may assert as a defense to repayment of a loan made
23 under this part, except that in no event may a borrower recover
24 from the Secretary, in any action arising from or relating to a
25 loan made under this part, an amount in excess of the amount such

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET****ROUTE SLIP**

TO Jack Lew	Take necessary action	_____
_____	Approval or signature	_____
_____	Comment	_____
_____	Prepare reply	_____
_____	Discuss with me	_____
_____	For your information	_____
_____	See remarks below	xxx
FROM Pamela B. VanWie, LVE	DATE April 28, 1993	

REMARKS

Larry and I were discussing the Bill this morning. We did not remember seeing in the National Service portion of the bill any mention of who (what organization) will pay the interest payments on student loans while students, who have loans, are serving as participants in a national service program. Is it in the Education portion of the Bill?

Thanks.

OFFICE OF MANAGEMENT AND BUDGET

*Legislative Reference Division
Labor - Welfare - Personnel Branch*

Facsimile Transmittal Sheet**FROM:** Chris Mustain**DATE:** 4/28**PHONE:** 395-3923**FAX:** 395-6148**TO:**

Jack Lew

TIME: 6:05**PAGES SENT (including transmittal sheet):**13**COMMENTS:**

OPM Comments. The fax I received was not easy to read in some parts. If you have difficulties, please contact Jim Woodruff at OPM at 606-1424.

PLEASE CALL THE PERSON(S) NAMED ABOVE FOR IMMEDIATE PICK-UP.

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), ^{— (D) in the first and second sentences} 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 ^{(E) in the last sentence} by inserting "or under the Domestic

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

200

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, ^{or as a volunteer or} 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 of 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, ^{or section} for each pe-
25 riod of service as such a volunteer or volunteer leader.

volunteer lead
under chapter
34 of title

2504(c) or
2505(d) of
title 22

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DISCUSSION DRAFT

S.L.C

201

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-~~ *compounded*
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,~~ *and the Peace Corps*
20 ~~shall furnish such in-~~
21 ~~formation to the Office to the Personnel Management as~~
22 ~~the Office may determine to be necessary for the adminis-~~
23 ~~tration of this subsection."~~

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

202

1 (8) by striking "or (k)" each place ^{it} ~~that such~~
2 appears and inserting "(k), or (l)".

3 (b) FEDERAL EMPLOYERS 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 service 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, ^{or as a volunteer} performed at any
17 time prior to the separation from service ^{on which} 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)."

*The Peace
Corps Act
or volunteer
leader
under
34 of title
2*

21 (2) DEDUCTIONS, CONTRIBUTIONS.—Section
22 8423 of title 5, United States Code, is amended by
23 adding at the end thereof the following new sub-
24 section:

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DISCUSSION DRAFT

S.L.C.

203

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 of 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, ^{or as a volunteer or} before the
 7 date of the separation from service on which the entitle- ^{volunteer leader under}
 8 ment to any annuity under this subchapter, or subchapter ^{[Chapter 34}
 9 V of this chapter, is based may pay, in accordance with ^{of title 32]}
 10 such regulations as the Office of Personnel Management
 11 shall issue, ~~to the agency by which the employee is em-~~
 12 ~~ployed, in the case of a 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 8 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, ^{or section 2504(c) or} for each period of service ^{2505(1) of}
 19 as such a volunteer or volunteer leader. ^{He 22}

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 ~~"(2) 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 ^{and the Peace Corps}
17 "(4) The Directors of ACTION shall furnish such in-
18 formation to the Office of Personnel Management as the
19 Office may determine to be necessary for the administra-
20 tion of this subsection."

21 (c) APPLICABILITY AND OTHER PROVISIONS.—

22 (1) APPLICABILITY.—

23 ~~(a)~~ The amendments made by subsections
24 (a) ~~and (2)~~ shall apply with respect to credit for
25 service as a volunteer or volunteer leader under
 the Economic Opportunity Act of 1964 or the

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DISCUSSION DRAFT

205

*R.I. Corps Act
or The Peace Corps Act
34 of title 22*

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.~~

16 (b) In the case of any individual who is
17 entitled to an annuity under subchapter III of ~~chapter 83~~ *of title 5*
18 chapter 83 of title 5, ~~United States Code~~, *commencing before the date of enactment of this Act*, credit
19 for service under such subchapter III shall be
20 subject to paragraphs (2) through (6), ~~and~~
Section 7352 (j) (1) of title 5 shall not apply
to such individual. Any annuity increase resulting
from application of the prior sentence shall be offset
only with respect to annuity payments payable
for calendar months beginning after the effective
date of this Act.

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

O:\ALD\ALD93.244

~~DISCUSSION DRAFT~~~~205~~*R.I. Peace Corps Act
or The Peace Corps Act
34 of title 22*

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.

205(A)

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10

(B) In the case of any individual whose entitlement to an annuity is based on a separation from service occurring before the ^{effective} date of enactment of this Act, any increase in such individual's annuity on the basis of a deposit made pursuant to ~~section 8442(f)~~ or section 8442(f)

11

12

13

14

15

of title 5, United States Code, as amended by this Act, shall be effective only with respect to annuity payments payable for calendar months beginning after the ^{effective} date of enactment of this Act.

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24

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(2) OLD AGE OR SURVIVOR'S ENTITLEMENT.—

Subject to paragraph (3), in any case in which an individual described in paragraph (1)(C) is also entitled to old age or survivor's insurance benefits under section 202 of the Social Security Act (or would be

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

(A) the numerator of which is the total of the wages (within the meaning of section 209 of the Social Security Act) for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964, ^[section 42 of AFLE 42] and the Domestic Volunteer Service Act of 1973, ^{and chapter 34 of AFLE 42} of such individual credited for years before the calendar year in which the determination month occurs, up to the contribution and benefit base determined under section 230 of the Social Security Act, ^{[such} (or other applicable maximum annual amount referred to in section 215(e)(1) of such Act, ^{base} for each year); and

APR 23, 1973

OVALDIALDR3 244

DISCUSSION DRAFT

S.L.C.

207

(B) the denominator of which is the total of all wages described in subparagraph (A), plus all other wages (within the meaning of section 209 of such Act ^[section 409 of title 42] and all self-employment income (within the meaning of section 311(b) ^[Section 411(b) of title 42] of such Act) of such individual credited for years after 1936 and before the calendar year in which the determination month occurs, up to the contribution and benefit base (of such other amount referred to in section 315(a)(1) of such Act ^[Section 415(a)(1) of title 42]) for each such year.

(3) ~~Limitations~~ ^(A) Paragraph (2) shall not reduce the annuity of an individual below the amount of the annuity which would be payable to the individual for the determination month if ^{section 5532(j) of title 5 applied to the individual for such month} ~~volunteer or volunteer leader under the Economic Opportunity Act of 1964 or the Domestic Volunteer Service Act of 1975 were not creditable in the computation of the individual's annuity for such month.~~

(4) DETERMINATION MONTH.—For purposes of this subsection, the term "determination month" means—

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

208

[section 402(a) of Title 42]

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 (6) 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 88 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 **RIATIONS AND OTHER AMENDMENTS**

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

6 **I.**

7 Section 501 (42 U.S.C. 5061) 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-



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE GENERAL COUNSEL

395-6418

Division of Legislative Counsel
(Telephone # - 401-2670)

Telefax Transmittal Sheet
(Telefax # - 401-3769)

TO: Connie Bowers / Janet Forsgren
FROM: Jack Kristy
DATE/TIME: 4/27
PAGES SENT (including transmittal) 11
COMMENTS:

Last ED comments on
National Service bill and
section-by-section.

103D CONGRESS
1ST SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and
referred to the Committee on _____

A BILL

To amend the National and Community Service Act of 1990
to establish a Corporation for National Service, enhance
opportunities for national service, ~~and~~ provide national
service educational awards to persons participating in
such service, and for other purposes. *establish a FDSCP*

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “National Service Trust Act of 1993”.

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

Sec. 1. Short title; table of contents.

TITLE I—PROGRAMS

- Sec. 101. Federal investment in support of national service.
- Sec. 102. National Service Trust and provision of national service educational awards.
- Sec. 103. Amendments to programs for students and out-of-school youth.
- Sec. 104. Quality and innovation activities.
- Sec. 105. Definitions.

TITLE II—ORGANIZATION

- Sec. 201. State Commissions on National Service.

TITLE III—HIGHER EDUCATION

- Sec. 301. Higher education.

TITLE IV—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

- Sec. 401. Authorization of appropriations.

Subtitle B—Domestic Volunteer Service Act of 1978

- Sec. 411. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

- Sec. 421. Purpose of the VISTA program.
- Sec. 422. Selection and assignment of VISTA volunteers.
- Sec. 423. Terms and periods of service.
- Sec. 424. Support for VISTA volunteers.
- Sec. 425. Participation of younger and older persons.
- Sec. 426. Literacy activities.
- Sec. 427. Applications for assistance.
- Sec. 428. Repeal of authority for student community service programs.
- Sec. 429. University year for VISTA.
- Sec. 430. Authority to establish and operate special volunteer and demonstration programs.
- Sec. 431. Technical and financial assistance.
- Sec. 432. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

- Sec. 441. National Senior Volunteer Corps.
- Sec. 442. The Retired and Senior Volunteer Program.
- Sec. 443. Operation of the Retired and Senior Volunteer Program.
- Sec. 444. Services under the Foster Grandparent Program.
- Sec. 445. Stipends for low-income volunteers.
- Sec. 446. Participation of non-low-income persons under parts B and C.
- Sec. 447. Conditions of grants and contracts.
- Sec. 448. Evaluation of the Senior Companion Program.
- Sec. 449. Agreements with other Federal agencies.
- Sec. 450. Programs of national significance.
- Sec. 451. Adjustments to Federal financial assistance.
- Sec. 452. Arrangements with private, profit-making organizations.
- Sec. 453. Demonstration programs.

CHAPTER 3—ADMINISTRATION

< insert ED's
bill

1 "SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDU-
2 CATIONAL AWARDS.

3 "(a) IN GENERAL.—Amounts in the Trust shall be
4 available—

5 "(1) to repay student loans in accordance with
6 subsection (b);

7 "(2) to pay all or part of the cost of attendance
8 at an institution of higher education in accordance
9 with subsection (c); and

10 "(3) to pay expenses incurred in participating
11 in an apprenticeship program in accordance with
12 subsection (d).

13 "(b) USE OF EDUCATIONAL AWARD TO REPAY OUT-
14 STANDING STUDENT LOANS.—

15 "(1) APPLICATION BY ELIGIBLE INDIVID-
16 UALS.—An eligible individual under section 146 who
17 desires to apply his or her national service edu-
18 cational award to the repayment of qualified student
19 loans shall submit, on a form prescribed by the Cor-
20 poration, an application to the Corporation that—

21 "(A) identifies, or permits the Corporation
22 to identify readily, the holder or holders of such
23 loans;

24 "(B) indicates, or permits the Corporation
25 to determine readily, the amounts of principal
26 and interest outstanding on the loans; and

ED's part
provides for
Trust to pay
interest
during absence
while borrower
is providing
service yet
that isn't
mentioned
shouldn't it
be specifically
authorized
by this
statute?

1 cational award that may be disbursed under this
2 subsection for any period of enrollment shall not ex-
3 ceed the difference between—

4 “(A) the eligible individual’s cost of attend-
5 ance for such period of enrollment, determined
6 in accordance with section 472 of the Higher
7 Education Act of 1965 (20 U.S.C. 1087u); and

8 “(B) the sum of (i) the student’s estimated
9 financial assistance for such period ~~pursuant to~~ ^{in purposes} of
10 ~~part A~~ of title IV of such Act (~~20 U.S.C. 1070~~
11 ~~et seq.~~), and (ii) the student’s veterans’ edu-
12 cation benefits, determined in accordance with
13 section 480(c) of such Act (20 U.S.C.
14 1087vv(c)).

15 “(7) [Other to be supplied].—

16 “(d) USE OF EDUCATIONAL AWARD TO PARTICIPATE
17 IN APPRENTICESHIP PROGRAMS.—The Corporation shall
18 by regulation provide for the payment of national service
19 educational awards to permit eligible individuals to partici-
20 pate in recognized and approved apprenticeship programs.
21 Such regulations shall—

22 (1) [conditions for regulations to be supplied
23 on basis of labor initiatives].

24 “(e) GENERAL ADMINISTRATIVE PROVISIONS.—

— ~~Est.~~ ^{Fin.} ~~Assistance~~ ^{is} ~~not~~ ^{defined} ⁱⁿ ^{HEA.} ^{It is} ^{defined} ^{for} ^{FFEL} ^{purpose,} ^{in 34 CFR} ^{\$682.200} ^(12/18/92) ^{Fed. Reg.}

O:\ALD\ALD93.244

DISCUSSION DRAFT

S.L.C.

63

1 “(5) INELIGIBILITY OF NATIONAL SERVICE
2 EDUCATIONAL AWARD RECIPIENTS.—No student
3 borrower ~~who~~ may, for the same volunteer service,
4 receive a benefit under both this section and subtitle
5 D of title I of the National and Community Service
6 Act of 1990 (42 U.S.C. 12751 et seq.).” [Note: as-
7 sumes prevention of double benefit for service will
8 occur at time of service, not at time of loan repay-
9 ment. How will this be implemented and coordinated
10 between Corporation and Sec. of Ed.?

11 (5) IMPACT ON ELIGIBILITY FOR PERKINS LOAN
12 FORGIVENESS.—Section 465(a) of the Higher Edu-
13 cation Act of 1965 (20 U.S.C. 1087ee(a)) is amend-
14 ed by adding at the end the following new para-
15 graph:

16 “(6) No borrower ~~who~~ may, for the same volun-
17 teer service, receive a benefit under both this section
18 and subtitle D of title I of the National and Commu-
19 nity Service Act of 1990 (42 U.S.C. 12751 et
20 seq.).” [Note: assumes prevention of double benefit
21 for service will occur at time of service, not at time
22 of loan repayment. How will this be implemented
23 and coordinated between the Corporation and the
24 college to whom the loan is repaid?]

I wouldn't
worry
about it
since unless
Cong. reports
significant
changes (from
\$4285) no one
will get
benefits
under that
section.
Also, that
section only
provides
forgiveness
for last 2
yrs of
undergraduate
education.
Do you
want to
bar these
from getting
any
additional
benefits
under this
law as a
supplement.

O:\ALD\ALD93.244

DISCUSSION DRAFT

S.L.C.

122

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 (48 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-

W.D.
one is proprietor
§ 148(g) - one
uses a different definition of IHE - DO they want to be consistent?

Illustrative Comments

*** In general, the section by section needs to be expanded — to explain*
NATIONAL SERVICE TRUST ACT OF 1993 *clearly and in*
greater detail what the bill

SUMMARY

The National Service Trust Act of 1993 has five titles.

Title I contains programs: the new national service program offering educational awards in return for service; amendments to service programs for school-age youth and students in institutions of higher education; and an investment fund to promote quality and innovation in programming. Title I amends the National and Community Service Act of 1990 ("NCSA").

Title II establishes the organizational framework for these programs: State Commissions on National Service and a Federal Corporation for National Service. Title II also amends the NCSA.

Title III replaces the guaranteed student loan program with a federal direct student loan program, makes available flexible repayment of loans to all borrowers, and simplifies the student loan system while expanding access. Title III contains amendments to the Higher Education Act of 1965.

Title IV reauthorizes the NCSA and the Domestic Volunteer Service Act of 1973 ("DVSA"), amends DVSA, and authorizes appropriations for titles I and II of the Act.

Title V contains the technical and conforming amendments.

** Since this bill has not yet been enacted, it is more appropriate to use the subjunctive, i.e., to describe what the bill would do.*

SECTION-BY-SECTION SUMMARY

** Section 1.* Short title; and table of contents.

The short title of the bill is the National Service Trust Act of 1993.

Explain briefly what programs you are removing from the NCSA.

TITLE I — PROGRAMS

Subtitle C — National Service Program

Section 101. Federal investment in support of national service.

of the bill would
 Section 101 replaces *title I of* Subtitle C of the NCSA with a new National Service Program, as follows:

~~PART I — INVESTMENT IN NATIONAL SERVICE~~

Proposed part I of Subtitle C of title I of the NCSA would...
~~Section 121. Authority to provide assistance to national service programs.~~

Proposed section 121 of the NCSA would...

** It is difficult to distinguish sections of the bill from proposed sections of the NCSA. Please make this clear throughout the section-by-section.*

The Corporation for National Service ("Corporation") is authorized to provide assistance to national service programs and to provide educational awards to participants in approved programs. Organizations eligible to apply for such assistance include nonprofit organizations, institutions of higher education, school districts, local governments, states, and federal agencies.

Programs may not use more than 5 percent of their program assistance for administrative costs.

Section 122. Types of national service programs eligible for program assistance.

A variety of national service programs will be ^{Proposed} eligible to receive funding. All programs must provide opportunities to perform full- or part-time service that meets unmet human, educational, environmental, or public safety needs. Section 122 of the NCSA lists a number of examples of qualified programs, to which the Corporation may add others: (1) diverse community corps; (2) youth corps; (3) service-learning programs; (4) specialized services programs; (5) individualized placement programs with regular group activities; (6) campus-based programs; (7) preprofessional programs with summer training while in college; (8) professional corps; (9) youthbuild programs; (10) national service entrepreneurship programs; (11) intergenerational programs.

In consultation with experts in the fields, ^{and} the Corporation will establish different quality criteria for different types of programs. The Corporation's criteria ^{which Act? the NCSA?} will apply to all grants made under the Act, including grants by states and other programs operating subgranting programs.

The Corporation will also establish priorities to focus national service programs on meeting particular unmet human, educational, environmental, or public safety needs. The Corporation will provide notice of these priorities and changes as they are made. These priorities will be applied in funding decisions made by the Corporation, states, or other subgranting programs.

Section 123. Types of national service positions eligible for approval for national service educational awards.

All participants in programs that receive operating assistance will be eligible to receive educational awards. In addition, participants in certain other service programs will be eligible for educational awards. The following categories, to which the Corporation add others, will be eligible to receive educational awards: (1) positions as participants in programs receiving assistance under Section 121; (2) positions in approved

may proposed ² of the NCSA

national service programs not receiving federal operating assistance; (3) positions as VISTA volunteers; (4) positions as service-learning coordinators in programs receiving assistance under the Serve-America program; (5) positions in the Civilian Conservation Corps; (6) positions on the staff of approved national service programs; (7) certain positions as employees in jobs meeting unmet needs, that are unlikely to be filled in the next 6 months, and are located in economically disadvantaged areas.

Section 124. Types of program assistance.

The Corporation is authorized to make several kinds of grants: planning grants for up to one year; operational assistance and replication assistance. Operation and replication assistance may be for three years and is renewable. States and other organizations operating grant programs may provide the same types of assistance through sub-grants.

Section 125. Training and technical assistance.

The Corporation is authorized to provide training and technical assistance, either directly or by grant or contract. Training programs will help national service programs meet unmet needs, develop leaders, instill an ethic of civic responsibility in participants, improve management and budgetary skills, and enhance the training of participants. Technical assistance will help applicants develop programs and apply for assistance.

Section 126. Other special assistance.

The Corporation may also provide assistance to States in order to establish State commissions, to corps and other national service programs in order to provide disaster relief, and to high-quality model programs as challenge grants, which would offer \$1 of assistance for every \$1 raised from private sources. Funding for these purposes would be subject to a limited authorization of appropriations.

Note: Some section headings are capitalized while others are not. Please make consistent.

PART II -- APPLICATION AND APPROVAL PROCESS

Section 129. Provision of Assistance and Approved National Service Positions by Competitive and Other Means.

National service programs must apply to the Corporation through State Commissions on National Service ("State Commissions") or directly. The Corporation may only distribute such funds as are available in each fiscal year. Funds allocated for educational awards will be maintained in a separate National Service Trust and will not be available for program expenses.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE SECRETARY

DRAFT

Dear Colleague:

turning?

President Clinton will soon send a bill to Congress on national service and student loan reform. Many of you have been hearing misleading reports of these proposals, put out by organizations with a major financial stake in the status quo. I write to you today to clarify the student loan portion of this bill.

Our primary objective in revamping the student loan system is to serve students better. A new streamlined system will simplify the administrative tasks of educational institutions, make the system easier to understand, provide students with greater choice in repayment plans and lower costs to taxpayers and students.

Make no mistake about four central principles of our proposal:

it does

Correct? →

- No school will be required to originate loans if ~~they~~ do not want to.
- Those schools that choose to originate loans will receive a fee for administrative costs.
- Access to student loan capital will continue to be an entitlement.
- There will be no gaps in access to capital for any eligible student, ~~and all the capital will be Federal~~ *or parent.*

President Clinton is deeply committed to increasing educational opportunity by providing young people with the chance to serve their country and their communities. In return for their commitment, he intends to help them meet the costs of a college education or job training. The national service program will provide educational benefits in return for national service performed before, during and after college. The Department of Education will implement a direct student loan program that will provide all students with a range of flexible repayment options, including income contingent repayment. Under this program, students who choose to take low-paying community service jobs, whether part of the national service program or not, will be able to repay their loans as a small percentage of their income so that they will not be overburdened by debt.

The major savings from direct lending derives from using Federal borrowing for student loans rather than private capital guaranteed by the Federal government. The cost estimates include a significant allowance for administrative costs to the Department of Education and educational institutions. Eligible schools would originate loans if they chose to do so, and they would receive a small fee from the Department of Education to help cover additional costs. Nonetheless, I understand that not every institution would want to originate loans, and in these cases, an alternative originator will be available at no cost to the institution. We are confident that a new system will prove easier to use, more efficient for institutions and students, and much less costly than the current student loan structure.

Please ^{take} the time to read the enclosed background material which addresses many of the specific issues raised by the opponents of direct lending. If you would like a full copy of the Administration's bill and the section-by-section analysis, we will be glad to send you one. If I can be of further assistance, please contact my office at (202)401-3000.

We look forward to your support of this plan to serve students, families, and schools better.

Sincerely yours,

Richard W. Riley

Jack/Shirley/Gee —

Here are edits to the draft. I've tried to take out ones that duplicate Jack's/Shirley's comments, or ones that aren't needed because underlying language changed in Jack's/Shirley's edits.

Thanks —

Tom

- Sec. 101. Federal investment in support of national service.
- Sec. 102. National Service Trust and provision of national service educational awards.
- Sec. 103. ~~Amendments to programs for students and out of school youth~~ *School-Based + Community based Soc. Learning Program*
- Sec. 104. Quality and innovation activities.
- Sec. 105. Definitions.

TITLE II—ORGANIZATION

- Sec. 201. State Commissions on National Service.

→ ~~Sec. 202~~ *Corp. for Nat. Soc.*

TITLE III—HIGHER EDUCATION

- Sec. 301. Higher education.

TITLE IV—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

- Sec. 401. Authorization of appropriations.

Subtitle B—Domestic Volunteer Service Act of 1973

- Sec. 411. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

- Sec. 421. Purpose of the VISTA program.
- Sec. 422. Selection and assignment of VISTA volunteers.
- Sec. 423. Terms and periods of service.
- Sec. 424. Support for VISTA volunteers.
- Sec. 425. Participation of younger and older persons.
- Sec. 426. Literacy activities.
- Sec. 427. Applications for assistance.
- Sec. 428. Repeal of authority for student community service programs.
- Sec. 429. University year for VISTA.
- Sec. 430. Authority to establish and operate special volunteer and demonstration programs.
- Sec. 431. Technical and financial assistance.
- Sec. 432. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

- Sec. 441. National Senior Volunteer Corps.
- Sec. 442. The Retired and Senior Volunteer Program.
- Sec. 443. Operation of the Retired and Senior Volunteer Program.
- Sec. 444. Services under the Foster Grandparent Program.
- Sec. 445. Stipends for low-income volunteers.
- Sec. 446. Participation of non-low-income persons under parts B and C.
- Sec. 447. Conditions of grants and contracts.
- Sec. 448. Evaluation of the Senior Companion Program.
- Sec. 449. Agreements with other Federal agencies.
- Sec. 450. Programs of national significance.
- Sec. 451. Adjustments to Federal financial assistance.
- Sec. 452. Arrangements with private, profit-making organizations.
- Sec. 453. Demonstration programs.

CHAPTER 3—ADMINISTRATION

"Subtitle C—National Service Programs

"PART I—INVESTMENT IN NATIONAL SERVICE

"SEC. 121. AUTHORITY TO PROVIDE ASSISTANCE TO NA- TIONAL SERVICE PROGRAMS.

"(a) GRANTS.—The Corporation may make grants to States, subdivisions of States, Indian tribes, public and private nonprofit organizations, and institutions of higher education for the purpose of—

"(1) assisting the recipients of the grants to carry out full- or part-time national service programs, including summer programs, and make grants in support of national service programs carried out by other entities; and

"(2) providing national service educational awards described in subtitle D to the participants who serve in such programs.

"(b) AGREEMENTS WITH FEDERAL AGENCIES.—The Corporation may enter into a contract or cooperative agreement with another Federal agency to support a national service program carried out by the agency. The support provided by the Corporation pursuant to the contract or cooperative agreement may include—

mut. grant?
Can we specify
that grants must
be in existence
+ have experience
in running
nat. serv.
programs.

National Service
with Educational Awards
otherwise
implies
that B-
+ B-2
not
nat.
Service

1 “(1) the transfer to the Federal agency of
2 funds available to the Corporation under this part;
3 and

4 “(2) the provision of national service edu-
5 cational awards described in subtitle D to the par-
6 ticipants who serve in the supported program.

7 “(c) LIMITATION ON ADMINISTRATIVE COSTS.—The
8 recipient of a grant or transfer of assistance under this
9 section may not use more than 5 percent of the amount
10 of the assistance to cover administrative costs incurred by
11 the recipient with respect to the assistance, including costs
12 to administer any grant program using the assistance in
13 support of other national service programs.

14 **“SEC. 122. TYPES OF NATIONAL SERVICE PROGRAMS ELIGI-**
15 **BLE FOR PROGRAM ASSISTANCE.**

16 “(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—
17 The recipient of a grant under section 121(a) and each
18 Federal agency receiving assistance under subsection
19 121(b) shall use the assistance, directly or through
20 subgrants to other entities, to carry out full- or part-time
21 national service programs, including summer programs,
22 { that address unmet human, educational, environmental, or
23 public safety needs. } Subject to subsection (b)(1), these na-
24 tional service programs may include the following types
25 of national service programs:

*why do we
have to
say here
+
elsewhere
throughout
the
list?
if we say
here, we
should take
out of
the indiv
items
listed.*

1 “(1) A community corps program that {meets
2 unmet human, educational, environmental, or public
3 safety needs and } promotes greater community unity
4 through the use of organized teams of participants
5 of varied social and economic backgrounds, skill lev-
6 els, physical capabilities, ages, ethnic backgrounds,
7 or genders to .

8 “(2) A youth corps program (such as a con-
9 servation corps, a program that performs service on
10 Federal or other public lands or waters or on Indian
11 lands, or a youth service corps program) that—

12 { (A) {meets unmet needs in a natural re-
13 source or human services setting; }

14 “(B) gives participants a mix of work ex-
15 perience, basic and life skills, leadership train-
16 ing, education (which may include the use of
17 service-learning methods and shall include edu-
18 cational programs to enable school dropouts to
19 earn a high school diploma or its equivalent),
20 career guidance and counseling, employment
21 training, and support services; and

22 “(C) includes out-of-school youths as par-
23 ticipants.

24 “(3) A program that provides specialized train-
25 ing to individuals in service-learning and places the

1 individuals after such training in positions, including
2 positions as service-learning coordinators, to facili-
3 tate service-learning in programs eligible for funding
4 under subtitle B.

5 “(4) A service program [targeted at specific
6 unmet human, educational, environmental, or public
7 safety needs] that—

8 “(A) recruits individuals with special skills
9 or provides specialized preservice training to en-
10 able participants to be placed individually or in
11 teams in positions in which the participants can
12 meet such unmet needs;

13 “(B) brings participants together for addi-
14 tional training and other activities designed to
15 foster civic responsibility, increase the skills of
16 participants, and improve the quality of the
17 service provided.

18 “(5) An individualized placement program that
19 includes regular group activities, such as leadership
20 training and special service projects.

21 “(6) A campus-based program that is designed
22 to provide substantial service in a community during
23 the school year and during summer or other vaca-
24 tion periods through the use of—

1 “(A) students who are attending an insti-
2 tution of higher education, including students
3 supported by work-study funds;

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

5 “(C) teams composed of a combination of
6 such students and community residents or rep-
7 resentatives of the institution.

8 “(7) A preprofessional training program in
9 which students enrolled in an institution of higher
10 education—

11 “(A) receive training in specified fields,
12 which may include classes containing service-
13 learning;

14 “(B) perform service related to such train-
15 ing outside the classroom during the school
16 year and during summer or other vacation peri-
17 ods; and

18 “(C) agree upon graduation to provide
19 service to meet unmet human, educational, en-
20 vironmental, or public safety needs related to
21 such training.

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

24 “(A) as teachers, nurses, police officers,
25 early childhood development staff, or other pro-

*do
classes
here count
as hours
towards
service
req.*

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

5 “(11) An intergenerational program that com-
6 bines students, out-of-school youths, and older
7 adults as participants to provide needed community
8 services.

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

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

15 “(1) ESTABLISHMENT BY CORPORATION.—The
16 Corporation shall establish qualification criteria for
17 different types of national service programs for the
18 purpose of determining whether ^{such a} ~~a particular national~~
19 ~~service~~ program should be ~~considered to be a na-~~
20 ~~tional service program~~ eligible to receive assistance
21 or national service educational positions under this
22 subtitle. To obtain advice in establishing the quali-
23 fication criteria, the Corporation may convene panels
24 of individuals who are experts regarding national
25 service or regarding the delivery of human, edu-

1 “(B) a description of the national service
2 programs that are designated by the Corpora-
3 tion under section 133(c)(2) as eligible for pri-
4 ority consideration in the next competitive dis-
5 tribution of Corporation funds under section
6 121.

7 “(3) APPLICATION TO SUBGRANTS.—Any na-
8 tional service priorities established by the Corpora-
9 tion under this subsection shall also be used by each
10 recipient of funds under section 121 that uses any
11 portion of the assistance to conduct a grant program
12 to support other national service programs.

*applies to
state
comm ns -
clear?*

13 **“SEC. 123. TYPES OF NATIONAL SERVICE POSITIONS ELIGI-**
14 **BLE FOR APPROVAL FOR NATIONAL SERVICE**
15 **EDUCATIONAL AWARDS.**

16 “The Corporation may approve of any of the follow-
17 ing national service positions as a national service position
18 that includes the national service educational award de-
19 scribed in subtitle D:

20 “(1) A position for a participant in a national
21 service program described in section 122(a) that re-
22 ceives assistance under section 121.

23 “(2) A position for a participant in a program
24 that—

*where do we
say that corp.
must give
educ. slots
for all such
positions
they
fund*

1 “(A) is carried out by a State, a subdivi-
2 sion of a State, an Indian tribe, a public or pri-
3 vate nonprofit organization, an institution of
4 higher education, or a Federal agency; and

5 “(B) would be eligible to receive assistance
6 under section 121 but has not applied for such
7 assistance.

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

11 “(4) A position ^{facilitating learning} involving service as a service-
12 ~~learning coordinator~~ ^{described under 123(a)(3)} in a program ~~that~~ ^{eligible to} receives as-
13 sistance under subtitle B.

14 “(5) A position for a participant in the Civilian
15 Community Corps under subtitle (E) H ?

16 “(6) A position involving service on the staff of
17 a national service program receiving an approved na-
18 tional service position.

19 “(7) A position involving service as an employee
20 in certain positions that are created by a govern-
21 mental entity or a public or private nonprofit organi-
22 ^{that} zation and meet human, educational, environmental, ✓
23 or public safety needs if the position—

1 but may be renewed by the Corporation upon consider-
2 ation of a new application under section 130.

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

11 “(d) LIMITATION ON ADMINISTRATIVE COSTS.—Ex-
12 cept in the case of assistance described in subsection (a),
13 any national service program established, operated, ex-
14 panded, or replicated using assistance provided under sec-
15 tion 121 and any national service program supported by
16 a grant made using such assistance may not use more
17 than 5 percent of the amount of such assistance to cover
18 administrative costs.

19 “(e) APPLICATION TO SUBGRANTS.—The require-
20 ments of this section shall apply to any State or other
21 applicant receiving assistance under section 121 that pro-
22 poses to conduct a grant program using the assistance to
23 support other national service programs.

what does this
mean about
multiple 5%
cuts for
admin.
Gen's concern

1 "SEC. 125. TRAINING AND TECHNICAL ASSISTANCE.

2 "(a) TRAINING PROGRAMS.—The Corporation may
3 conduct, directly or by grant or contract, appropriate
4 training programs regarding national service in order to—

5 "(1) improve the ability of national service pro-
6 grams assisted under section 121 to meet human,
7 educational, environmental, or public safety needs in
8 communities where services are needed most and
9 where programs do not currently exist or are cur-
10 rently too limited to meet community needs:

11 "(2) promote leadership development in such
12 programs;

13 "(3) improve the instructional and pro-
14 grammatic quality of such programs to build an
15 ethic of successful and lifelong national and commu-
16 nity service;

17 "(4) develop the management and budgetary
18 skills of program operators; and

19 "(5) improve the training provided to the par-
20 ticipants in such programs.

21 "(b) TECHNICAL ASSISTANCE.—The Corporation
22 shall make appropriate technical assistance available to
23 States and other applicants that ^{or desire} desire to develop national
24 service programs ~~and~~ to apply for assistance under section
25 121 or under a grant program conducted using assistance
26 provided under such section.

1 "SEC. 126. OTHER SPECIAL ASSISTANCE.

2 "(a) SUPPORT FOR STATE COMMISSIONS.—The Cor-
3 poration may make assistance available to assist a State
4 to establish or operate a State Commission on National
5 Service required to be established by the State under sec-
6 tion 178.

7 "(b) DISASTER SERVICE.—The Corporation may un-
8 dertake activities to involve youth corps programs de-
9 scribed in section 122(a)(2) and other programs that re-
10 ceive assistance under ^{the} ~~a~~ national service law^s in disaster
11 relief efforts.

*defined
to*

12 "(c) CHALLENGE GRANTS FOR NATIONAL SERVICE
13 PROGRAMS.—The Corporation may make challenge grants
14 to a national service program that receives assistance
15 under section 121 and is designated as a high-quality
16 model program by the Corporation. The challenge grant
17 may provide \$1 of assistance under this subsection for
18 each \$1 raised by the national service program from pri-
19 vate sources up to such ceiling as the Corporation may
20 establish.

*for org. getting other subtitle C \$
should only
be \$ raised
above for ~~the~~ amount req'd
min. requirement
- above 15% shipped
25% p.m. cost*

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 ^{from such reservation} ~~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 ^{OR BE APPROVED} ~~TO~~—If a
23 State fails to apply for an allotment under para-
24 graph (1), ^{or its application is rejected} ~~the~~ Corporation may use the amount that
25 would have been provided under such paragraph. ✓

1 and the approved national service positions cor-
2 responding to the allotment, to make grants to sub-
3 divisions of the State, public and private nonprofit
4 organizations, and institutions of higher education in
5 the State that propose to carry out national service
6 programs in the State. *meeting the requirements of Sec. —*

7 “(b) RESERVATION OF APPROVED POSITIONS FOR
8 CORPORATION POSITIONS.—

9 “(1) NUMBER RESERVED.—Except as provided
10 in paragraph (2), the Corporation shall ensure that
11 each individual selected during a fiscal year for as-
12 signment as a VISTA volunteer under title I of the
13 Domestic Volunteer Service Act of 1973 (42 U.S.C.
14 4951 et seq.) or as a participant in the Civilian
15 Community Corps Demonstration Program under
16 subtitle (E) shall receive the national service edu-
17 cational award described in subtitle D if the individ-
18 ual satisfies the eligibility requirements for the
19 award. The number of approved national service po-
20 sitions required by this paragraph for a fiscal year
21 shall be deducted from the total number of approved
22 national service positions to be available for distribu-
23 tion under subsection (a) or (c) for that fiscal year.

24 “(2) EXCEPTION.—If the total number of ap-
25 proved national service positions to be available for

shall be ?

1 “(f) DISTRIBUTION OF APPROVED POSITIONS SUB-
 2 JECT TO AVAILABLE FUNDS.—The Corporation may not
 3 distribute approved national service positions under this
 4 section for a fiscal year in excess of the number of such
 5 positions for which the Corporation has sufficient available
 6 funds in the National Service Trust for that fiscal year
 7 to satisfy the maximum possible obligations likely to be
 8 incurred by the United States to provide the national serv-
 9 ice educational award corresponding to service in these po-
 10 sitions.

11 “(g) SPONSORSHIP OF APPROVED NATIONAL SERV-
 12 ICE POSITIONS.—

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

*what about
college-biased
natl. svc. educ.
awards (privately
funded)*

April 23, 1993

*no double
awards*

*• can we allow a college
to have funded natl. svc. educ.
awards (privately funded) and allow
approved natl. svc. participants who
are going to ~~the~~ such a school to get
awards from that school and not
get \$ from the Trust as well.*

1 “(B) in the design of the program and pro-
2 vide leadership positions to participants in im-
3 plementing and evaluating the program.

4 “(6) Measurable goals for the national service
5 programs and any grant program, and a strategy to
6 achieve such goals, in terms of—

7 “(A) the impact to be made in meeting
8 unmet human, educational, environmental, or
9 public safety needs; and

10 “(B) the service experience to be provided
11 to participants in the programs.

12 “(7) A description of the manner and extent to
13 which the proposed national service programs and
14 any proposed grant program conform to the national
15 service priorities established by the Corporation
16 under section 122(c).

17 “(8) A description of the past experience of the
18 applicant in operating a comparable program or in
19 conducting a grant program in support of other
20 comparable programs.

21 “(9) A description of the type and number of
22 approved national service positions that the appli-
23 cant requests to be approved as including the na-
24 tional service educational award described in subtitle
25 D.

*where do
we say
that
stipends
+ slots
go
together*

1 “(10) Such other information as the Corpora-
2 tion may reasonably require.

3 “(c) APPLICATION TO RECEIVE ONLY APPROVED NA-
4 TIONAL SERVICE POSITIONS.—In the case of applicant
5 that requests national service educational awards for indi-
6 viduals serving in positions described in section 123, but
7 that is not seeking assistance under section 121 or the
8 positions are not in a national service program described
9 in section 122(a), the Corporation shall establish special
10 application requirements in order to determine—

11 “(1) whether the service positions meet unmet
12 educational, human service, environmental, or public
13 safety needs; and

14 “(2) whether the Corporation should approve
15 the positions as approved national service positions
16 that include the national service educational award
17 described in subtitle D as one of the benefits to be
18 provided for successful service in the position.

19 “(d) SPECIAL RULE FOR STATE APPLICANTS.—

20 “(1) SUBMISSION BY STATE COMMISSION.—The
21 application of a State for a grant under section 121
22 for approved national service positions, whether sub-
23 mitted to obtain the allotment of the State or a com-
24 petitive grant under section 129, shall be submitted
25 by the State Commission.

1 “(2) ASSISTANCE TO NONSTATE ENTITIES.—

2 The application of a State shall also contain a guar-

3 antee that not less than 50 percent of any as-

4 assistance 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~~ ^{above} ~~percentage~~ ^{very}

10 specified by ~~this subsection~~ if the State has not re-

11 received a sufficient number of acceptable applications

12 from national service programs to comply with the

13 percentage.

14 (e) LIMITATION ON SAME PROJECT IN MULTIPLE

15 APPLICATIONS.—The Corporation may reject an applica-

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-

1970's
edits
were

7.

no multiple
app's.

1 “(c) CONSULTATION.—An application submitted
2 under section 130 shall also include a guarantee by the
3 applicant that any national service program carried out
4 by the applicant using assistance provided under section
5 121 and any national service program supported by a
6 grant made by the applicant using such assistance will—

7 “(1) provide in the design, recruitment, and op-
8 eration of the program for broad-based input from
9 the community served and community-based agen-
10 cies with a demonstrated record of experience in pro-
11 viding services; and

12 “(2) prior to the placement of participants, con-
13 sult with any local labor organization representing
14 employees in the area who are engaged in the same
15 or similar work as that proposed to be carried out
16 by such program to ensure compliance with the
17 nondisplacement requirements specified in section
18 ~~177(a).~~

*language
already
in the
application
section*

19 “(d) EVALUATION AND PERFORMANCE GOALS.—

20 “(1) IN GENERAL.—An application submitted
21 under section 130 shall also include a guarantee by
22 the applicant that the applicant will—

23 “(A) arrange for an independent evalua-
24 tion of any national service program carried out

1 “(e) LIVING ALLOWANCES AND OTHER INSERVICE
2 BENEFITS.—Except as provided in section 140(b), an ap-
3 plication submitted under section 124 shall also include
4 a guarantee by the applicant that the applicant will—

5 “(1) provide a living allowance and other bene-
6 fits specified in section 140 to participants in any
7 national service program carried out by the appli-
8 cant using assistance provided under section 121;
9 and

10 “(2) require that each national service program
11 that receives a grant from the applicant using such
12 assistance will also provide a living allowance and
13 other benefits specified in section 140 to participants
14 in the program.

15 “(f) SELECTION OF PARTICIPANTS FROM NATION-
16 ALLY RECRUITED PARTICIPANTS.—The Corporation may
17 also require a guarantee by the applicant that any national
18 service program carried out by the applicant using assist-
19 ance provided under section 121 and any national service
20 program supported by a grant made by the applicant
21 using such assistance will select a portion of the partici-
22 pants for the program from among prospective partici-
23 pants recruited by the Corporation ^{or State Comm'n} under section 138(c).
24 The Corporation may specify a minimum percentage of
25 participants to be selected from the national leadership

1 pool established under section 138(d) and may vary the
2 percentage for different [types of] national service pro-
3 grams. ✓

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

5 "An application submitted to the Corporation under
6 section 130 shall include a guarantee by the applicant that
7 any national service program carried out using assistance
8 provided under section 121 and any approved national
9 service position provided to an applicant will not be used
10 to perform service that provides a direct benefit to any—

11 "(1) business organized for profit;

12 "(2) labor union;

13 "(3) partisan political organization; or

14 "(4) organization engaged in religious activities.

15 unless such service does not involve the use of assist-
16 ance provided under section 121 or the occupancy⁺ of
17 an approved national service position ~~by program~~
18 ~~participants and program staff~~ to give religious in-
19 struction, conduct worship services, or engage in any
20 form of proselytization.

21 **"SEC. 133. CONSIDERATION OF APPLICATIONS.**

22 "(a) CONSIDERATION OF CERTAIN CRITERIA.—The
23 Corporation shall apply the criteria described in sub-
24 sections (b) and (c) in determining whether—

1 Federal national service programs supported with such as-
2 sistance.

3 **"PART III—NATIONAL SERVICE PARTICIPANTS**

4 **"SEC. 137. DESCRIPTION OF PARTICIPANTS.**

5 "(a) IN GENERAL.—An individual ^{may} shall be considered
6 to be a participant in a national service program carried
7 out using assistance provided under section 121 if the
8 individual—

9 "(1) meets such eligibility requirements as may
10 be established by the program;

11 "(2) is selected by the program to serve in a
12 ^{staff} leadership position with the program or to serve in
13 projects conducted by the program;

14 "(3) will serve in the program for a term of
15 service specified in section 139 to be performed be-
16 fore, during, or after attendance at an institution of
17 higher education;

18 "(4) is 17 years of age or older at the time the
19 individual begins the term of service;

20 "(5) has received a high school diploma or its
21 equivalent or agrees to obtain a high school diploma
22 or its equivalent during the term of service and the
23 individual did not drop out of an elementary or sec-
24 ondary school to enroll in the program; and

1 “(6) is a citizen of the United States or lawfully
2 admitted for permanent residence.

3 “(b) ~~SPECIAL RULES FOR CERTAIN PROGRAMS.~~ ^{FOR OUT-OF-SCHOOL YOUTH}—An
4 individual ^{may} shall be considered to be a participant in a [?]
5 youth corps program described in section 122(a)(2) or a
6 program described in section 122(a)(9) that is carried out
7 with assistance provided under section 121 if the
8 individual—

9 “(1) satisfies the requirements specified in sub-
10 section (a), except paragraph (4) of such subsection;
11 and

12 “(2) is an out-of-school youth at the time the
13 individual begins the term of service.

14 **“SEC. 138. SELECTION OF NATIONAL SERVICE PARTICI-**
15 **PANTS.**

16 “(a) ^{change made} ~~SELECTION PROCESS.~~ ^{and Section 131(f)}—Subject to subsection
17 (b), the actual recruitment and selection of an individual
18 to serve in a national service program receiving assistance
19 under section 121 or to fill an approved national service
20 position shall be conducted by the State, subdivision of
21 a State, Indian tribe, public or private nonprofit organiza-
22 tion, institution of higher education, Federal agency, or
23 ^{ultimate} other entity to which the assistance or approved national
24 service position is provided.

✓
specify that it
is one who is
running the
program.

1 than 1,500 hours during a period of not less than
2 1 year and not more than 2 years.

3 "(3) REDUCTION IN HOURS OF PART-TIME
4 SERVICE.—The Corporation may reduce the number
5 of hours required to be served to successfully com-
6 plete part-time national service, except that any re-
7 duction in the required term of service shall include
8 a corresponding reduction in the amount of any na-
9 tional service educational award that may be avail-
10 able under subtitle D with regard to that service.

11 "(c) RELEASE FROM COMPLETING TERM OF SERV-
12 ICE.—

13 "(1) RELEASE AUTHORIZED.—A State or other
14 recipient of assistance under section 121 ^{of} or an ap-
15 proved national service position may release a partic-
16 ipant from completing a term of service in the posi-
17 tion for compelling personal circumstances as dem-
18 onstrated by the participant.

19 "(2) EFFECT OF RELEASE.—If the released
20 participant was serving in an approved national
21 service position, the participant may receive a ^{pro-rata} por-
22 tion of the national service educational award cor-
23 responding to ~~that~~ ^{the amt of performance; such award shall be given} service in the manner provided in
24 section 147(c).

+4

1 "SEC. 140. LIVING ALLOWANCES FOR NATIONAL SERVICE
2 PARTICIPANTS.

3 "(a) PROVISION OF LIVING ALLOWANCE.—

4 "(1) LIVING ALLOWANCE PERMITTED.—Subject
5 to paragraph (3), a national service program carried
6 out using assistance provided under section 121 may
7 provide to each participant in the program a living
8 allowance in such an amount as may be established
9 by the program.

10 "(2) LIMITATION ON FEDERAL SHARE.—The
11 amount of the annual living allowance provided
12 under paragraph (1) that may be paid using assist-
13 ance provided under section 121 and using any other
14 Federal funds shall not exceed the lesser of—

15 "(A) 85 percent of the total average an-
16 nual subsistence allowance and ^{post-service} stipend provided
17 to VISTA volunteers under section 105 of the
18 Domestic Volunteer Service Act of 1973 (42
19 U.S.C. 4955); and

20 "(B) 85 percent of the annual living allow-
21 ance established by the national service pro-
22 gram involved.

23 "(3) MAXIMUM LIVING ALLOWANCE.—Except
24 as provided in subsection (b), the total amount of a
25 living allowance, determined on an hourly basis, that
26 may be provided to a participant in a national serv-

*VISTA stipend
doesn't this
vary by
region/
city?
Is this what
we want?*

ice program shall not exceed 200 percent of the hourly equivalent of the total average annual subsistence allowance and ^{post-service} stipend provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955) for each hour of national service performed by the participant.

“(b) EXCEPTION FROM MAXIMUM LIVING ALLOWANCE FOR CERTAIN ASSISTANCE.—A State or other applicant for assistance under section 121, such as a professional corps program described in section 123(a)(8), that desires to provide a living allowance in excess of the maximum allowance authorized in subsection (a)(3) may still apply for such assistance, except that—

“(1) any assistance provided to the applicant under section 121 may not be used to pay for any portion of the ^{living} allowance;

“(2) the applicant shall apply for such assistance only by submitting an application to the Corporation for assistance on a competitive basis; and

“(3) the national service program must be operated directly by the applicant and must meet urgent, unmet human, educational, environmental, or public safety needs, as determined by the Corporation.

see comment on prior page
- don't we need to add in post-svc. award to get up to \$8800/yr.?

1 ered by the report, and (C) any amounts obtained by
 2 the Trust pursuant to subsection[s] (a)(3) [and
 3 (a)(4)];

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

7 “(3) identify the number of individuals whose
 8 ability to claim national service educational awards
 9 has, during the period covered by the report (A) ✓
 10 been reduced pursuant to section 147(b) or (B) ✓
 11 lapsed pursuant to section 146(d); and

12 “(4) estimate the number of additional ap-
 13 proved national service positions which the Corpora-
 14 tion will be able to make available under subtitle C
 15 on the basis of any accumulated surplus in the
 16 Trust above the amount required to provide national
 17 service educational awards to individuals identified
 18 under paragraph (2). *either as adjusted to paragraph (3) under*

19 **“SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL**
 20 **SERVICE EDUCATIONAL AWARD FROM THE**
 21 **TRUST.**

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

1 "SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDU-
 2 CATIONAL AWARDS.

3 "(a) IN GENERAL.—Amounts in the Trust shall be
 4 available—
(or one, but not more than one of the following

5 "(1) to repay student loans in accordance with
 6 subsection (b);

7 "(2) to pay all or part of the cost of attendance
 8 at an institution of higher education in accordance
 9 with subsection (c); and

10 "(3) to pay expenses incurred in participating
 11 in an apprenticeship program in accordance with
 12 subsection (d).

13 "(b) USE OF EDUCATIONAL AWARD TO REPAY OUT-
 14 STANDING STUDENT LOANS.—

15 "(1) APPLICATION BY ELIGIBLE INDIVID-
 16 UALS.—An eligible individual under section 146 who
 17 desires to apply his or her national service edu-
 18 cational award to the repayment of qualified student
 19 loans shall submit, on a form prescribed by the Cor-
 20 poration, an application to the Corporation that—

21 "(A) identifies, or permits the Corporation
 22 to identify readily, the holder or holders of such
 23 loans;

24 "(B) indicates, or permits the Corporation
 25 to determine readily, the amounts of principal
 26 and interest outstanding on the loans; and

?
 what if you
 have \$3000
 outstanding
 loans.
 can you
 get \$3500
 toward
 future
 educ

1 “(C) contains or is accompanied by such
2 other information as the Corporation may re-
3 quire.

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

*how can there
be
aggregated
multiple loans
of one
indiv. to
same
bank?*

15 “(3) APPLICATION OF DISBURSED AMOUNTS.—
16 If the amount disbursed under paragraph (2) is less
17 than the principal and accrued interest on any quali-
18 fied student loan, such amount shall first be applied
19 to the repayment of principal.

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

1 graph (6), qualified for disbursement under this
2 subsection:

3 "(C) certifies that (i) the institution of
4 higher education has in effect a program par-
5 ticipation agreement under section 487 of the
6 Higher Education Act of 1965 (20 U.S.C.
7 1094), and (ii) the institution's eligibility to
8 participate in programs under title IV of such
9 Act (20 U.S.C. 1070 et seq.) has not been lim-
10 ited, suspended, or terminated; and

11 "(D) contains such provisions concerning
12 ^{or student identification} **financial compliance** as the Corporation may
13 require. ✓

14 "(3) DISBURSEMENT OF PAYMENTS.—Upon re-
15 ceipt of a statement from an institution of higher
16 education that complies with paragraph (2), the Cor-
17 poration shall, subject to paragraph (4), disburse the
18 total amount of the national service educational
19 awards for which eligible individuals who have sub-
20 mitted applications to that institution under para-
21 graph (1) are qualified. Such disbursement shall be
22 made by check or other means that is payable to the
23 institution and requires the endorsement or other
24 certification by the eligible individual.

1 SEC. 103. AMENDMENTS TO PROGRAMS FOR STUDENTS
2 AND OUT-OF-SCHOOL YOUTH.

3 (a) AMENDMENTS TO SERVE-AMERICA PROGRAMS.—

4 (1) PURPOSE.—The purpose of this subsection
5 is to improve the Serve-America programs estab-
6 lished under part I of subtitle B of the National and
7 Community Service Act of 1990, and to enable the
8 Corporation for National Service, and the entities
9 receiving financial assistance under such part, to—

10 (A) work with teachers in elementary
11 schools and secondary schools within a commu-
12 nity, and with community-based agencies, to
13 create and offer service-learning opportunities
14 for all school-age youth;

15 (B) educate teachers, and faculty providing
16 teacher training and retraining, about service-
17 learning, and incorporate service-learning op-
18 portunities into classroom teaching to strength-
19 en academic learning;

20 (C) coordinate the work of adult volunteers
21 who work with elementary and secondary
22 schools as part of their community service ac-
23 tivities; and

24 (D) work with employers in the commu-
25 nities to ensure that projects for middle school
26 and high school students introduce the students

1 under this subpart may, in carrying out the activities de-
 2 scribed in subsection (a), use such assistance to pay for
 3 the Federal share of reasonable costs related to the super-
 4 vision of participants, program administration, transpor-
 5 tation, insurance, evaluations, and for other reasonable ex-
 6 penses related to the activities.

7 **"SEC. 111A. AUTHORITY TO ASSIST LOCAL APPLICANTS IN**
 8 **NONPARTICIPATING STATES.**

9 "In any fiscal year in which a State or Indian tribe
 10 does not participate in programs under this subpart, the
 11 Corporation may use the allotment of ^{such} that State or Indian
 12 tribe under subsection (a) or (b)(2) of section 112 to make
 13 direct grants to pay for the Federal share of the cost of—

14 "(1) carrying out the activities described in
 15 paragraph (2) or (4) of section 111(a), to a local
 16 partnership described in such paragraph; or

17 "(2) carrying out the activities described in
 18 paragraph (3) of such section, to an agency or
 19 school described in such paragraph,

20 that is located in the State, or serves the Indian tribe.

21 **"SEC. 111B. AUTHORITY TO ASSIST PUBLIC OR PRIVATE**
 22 **NONPROFIT ORGANIZATIONS.**

23 "(a) IN GENERAL.—The Corporation may make a
 24 grant under section 112(b)(1) to a public or private non-
 25 profit organization that—

*a state's
 in which ~~the~~
~~the~~
 application
 is
 rejected*

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.

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:

*doesn't have
to
submit
right?*

1 (20 U.S.C. 2711 et seq.) bears to such alloca-
2 tions to all States.

3 "(3) MINIMUM AMOUNT.—No State ^{whose plan is approved} 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 ^{or the State's ~~application~~ applic. is rejected} the Corporation
24 shall, after making any grants under section 111A to a
25 partnership, agency, or school described in such section.

1 grams meet the goals described in subpara-
2 graph (A);

3 “(iii) the applicant ^{has ranked} [will rank] applica- ✓
4 tions submitted under section 114(c) ac-
5 cording to the criteria described in section
6 115(b), and in a manner that ensures ^d [the] the ✓
7 equitable treatment of all such applica-
8 tions;

9 “(iv) the programs will be coordinated
10 with—

11 “(I) the education reform efforts
12 of the applicant;

13 “(II) other efforts to meet the
14 **【National Education Goals.】**;

15 “(III) other service activities in
16 the State or serving the Indian tribe;
17 and

18 “(IV) other education programs,
19 training programs, social service pro-
20 grams, and appropriate programs that
21 serve school-age youth, that are au-
22 thorized under Federal law;

23 “(v) the applicant will disseminate in-
24 formation, conduct outreach, and take
25 other measures, to encourage cooperative

1 nonprofit organization with experience working with
2 school-age youth.

3 **"SEC. 117A. GENERAL AUTHORITY.**

4 "(a) GRANTS.—From the funds appropriated to
5 carry out this subpart for a fiscal year, the Corporation
6 may make grants to State Commissions, grantmaking en-
7 tities, and qualified organizations to pay for the Federal
8 share of the implementation, operation, expansion, or rep-
9 lication of community-based service programs.

10 "(b) USE OF FUNDS.—

11 "(1) STATE COMMISSIONS AND GRANTMAKING
12 ENTITIES.—A State Commission or grantmaking en-
13 tity may use a grant made under subsection (a)—

14 "(A) to make a grant to a qualified organi-
15 zation to implement, operate, expand, or rep-
16 licate ^{Service-learning} ~~such a~~ program that provides projects in-
17 volving meaningful human, educational, envi-
18 ronmental, or public safety service by partici-
19 pants, who shall be school-age youth; or

20 "(B) to provide training and technical as-
21 sistance to a such an organization.

22 "(2) QUALIFIED ORGANIZATIONS.—A qualified
23 organization, other than a grantmaking entity, may
24 use a grant made under subsection (a) to implement,

1 operate, expand, or replicate a program described in
2 paragraph (1)(A).

3 **"SEC. 117B. STATE APPLICATIONS.**

4 "(a) IN GENERAL.—To be eligible to receive a grant
5 under section 117A(a), a State Commission shall prepare,
6 submit to the Corporation, and obtain approval of, an ap-
7 plication.

8 "(b) SUBMISSION.—Such application shall be submit-
9 ted to the Corporation at such time and in such manner,
10 and shall contain such information, as the Chairperson
11 may reasonably require.

12 "(c) CONTENTS.—Such an application shall include,
13 at a minimum, a State plan that contains ~~the~~^a descriptions,
14 ~~proposals~~, and assurance described in section 117C(d)
15 with respect to each community-based service program
16 proposed to be carried out through funding distributed by
17 the State Commission under this subpart.

18 **"SEC. 117C. LOCAL APPLICATIONS.**

19 "(a) APPLICATION TO CORPORATION TO MAKE
20 GRANTS FOR COMMUNITY-BASED SERVICE PROGRAMS.—
21 To be eligible to receive a grant from the Corporation
22 under section 117A(a) to make grants under section
23 117A(b)(1), a qualified organization shall prepare, submit
24 to the Corporation, and obtain approval of, an application
25 that proposes a community-based service program to be

1 carried out through grants made to qualified organiza-
2 tions. Such application shall be submitted at such time
3 and in such manner, and shall contain such information,
4 as the Chairperson may reasonably require.

5 “(b) DIRECT APPLICATION TO CORPORATION TO
6 CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.—

7 To be eligible to receive a grant from the Corporation
8 under section 117A(a) to implement, operate, expand, or
9 replicate a community service program, a qualified organi-
10 zation shall prepare, submit to the Corporation, and ob-
11 tain approval of, an application that proposes a commu-
12 nity-based service program to be carried out at multiple
13 sites, or that proposes an innovative community-based
14 service program. Such application shall be submitted at
15 such time and in such manner, and shall contain such in-

✓ 16 formation, as the Chairperson may reasonably require.

*The Corp. shall
specify what
constitutes an
innovative
community-
based
service
program.*

17 “(c) APPLICATION TO STATE COMMISSION OR
18 GRANTMAKING ENTITY TO RECEIVE GRANTS TO CARRY
19 OUT COMMUNITY-BASED SERVICE PROGRAMS.—To be el-
20 igible to receive a grant from a State Commission or
21 grantmaking entity under section 117A(b)(1), a qualified
22 organization shall prepare, submit to the Commission or
✓ 23 ^{grantmaking} entity, and obtain approval of, an application. Such appli-
24 cation shall be submitted at such time and in such man-

1 ner, and shall contain such information, as the Commis-
2 sion or entity may reasonably require.

3 “(d) REQUIREMENTS OF APPLICATION.—An applica-
4 tion submitted under subsection (a), (b), or (c) shall, at
5 a minimum, contain—

6 “(1) a description of any community-based
7 service program proposed to be implemented, oper-
8 ated, expanded, or replicated directly by the appli-
9 cant using assistance provided under this subpart;

10 “(2) a description of any grant program pro-
11 posed to be conducted by the applicant with assist-
12 ance provided under this subpart to support a com-
13 munity-based service program;

14 “(3) a proposal for carrying out the commu-
15 nity-based service program that describes the man-
16 ner in which the entity carrying out the program
17 will—

18 “(A) provide preservice and inservice train-
19 ing, for supervisors and participants, that will
20 be conducted by qualified individuals, or quali-
21 fied organizations, that have experience in com-
22 munity-based service programs;

23 “(B) include economically disadvantaged
24 individuals as participants in the program pro-
25 posed by the applicant;

how do
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~~can~~
apply?

1 "SEC. 117D. CONSIDERATION OF APPLICATIONS.

2 "(a) APPLICATION OF CRITERIA.—The Corporation
3 shall apply the criteria described in subsection (b) in de-
4 termining whether to approve an application submitted
5 under section 117B or under subsection (a) or (b) of sec-
6 tion 117C and to provide assistance under section 117A
7 to the applicant on the basis of the application.

8 "(b) ASSISTANCE CRITERIA.—The Corporation shall
9 consider, in evaluating such an application—

10 "(1) in the case of an application submitted by
11 a State Commission, the quality ^{of the programs included} of the State plan
12 required under section 117B;

13 "(2) the quality of the community-based service
14 program to be conducted directly or supported by
15 the applicant;

16 "(3) the innovative aspects of the program, and
17 the extent to which the program can be replicated;

18 "(4) the sustainability of the program, based
19 on—

20 "(A) evidence of strong and broad-based
21 community support for the program; and

22 "(B) the existence of multiple funding
23 sources and private funding that will permit
24 continuation of the program after the assistance
25 received under this subpart for the program has
26 ended;

Notes
we never
specify
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state plan
is

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.

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—

*corps
decide
not
clearing house*

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;

*Liz:
problem w/
definition in 118(c)
-can we
make it
apply to
svc
learning
activities
in state?*

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 ^{activities} programs and partici-
10 ^{carrying out activities} 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 (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-

*X if aside for
disaster fund
for innovation
model creation
OK - 17 Sec. 126
on p. 17*

*add
req. to fund
innovative
models under
cl. B-1, B-2*

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.

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, ~~The CEO of a State shall also strive~~ 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

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

3 ^{are}“(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.

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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."

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.

or
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NCSA '90

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.

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-

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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 ^{at the time were serving} 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 ^{voting} 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.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

26-Apr-1993 04:26pm

TO: Christopher J. Mustain
FROM: Richard B. Bavier
Office of Mgmt and Budget, HRVL
CC: Barbara S. Selfridge
SUBJECT: National Service Trust Act draft

Current AFDC regulations provide for disregard of education assistance for educational purposes, but not for living expenses. Sec 147(d) of the bill extends that exclusion to cover all national education service awards. That provision seems to have an AFDC pay-go cost attached to it.

On the other hand, I didn't find any provision for excluding the living allowance of a national service participant. Payments to VISTA volunteers (up to a minimum wage equivalent) currently are excluded in AFDC.

In Sec 129(b), if there aren't more than 200 percent of the number of education awards needed for VISTA and CCC participants, then awards for this group are not to be reserved. Does that mean that this group gets none? They don't seem to fit anywhere in the allocation of awards to States.

Sec 140(c) appears to create a health insurance guarantee, and Sec 140(d) appears to create a child care guarantee. Funding for health insurance must be in the assistance provided by this program. Child care funding is not mentioned.

I don't see the point of either guarantee. The connection of the health care guarantee with the health reform proposal is not clear. In addition, 140(c) applies an impractical standard. The assistance has to include an amount for a basic package for any full-timer "who does not otherwise have access to health insurance." What does "otherwise have access" mean? Is it simply that the person is not covered? If someone isn't covered by health insurance because he prefers not to pay the cost, does this person have access? Must dependents also have access?

The child care subsidy seems unrelated to the national service purpose. Currently, AFDC recipients have child care paid for when they pursue education and employment activities. The child care provision in this bill would seem to be aimed at single parents who are not on welfare but have low incomes. (Presumably, single

parents with higher incomes will not volunteer because they don't need the education award.)

I haven't heard any rationale for the national service bill where the participation of non-welfare single mothers is prominent. If it is important to make sure that single parents are not excluded because of child care costs, language permitting use of funds for this purpose would be preferable to the guarantee in the current draft.

Note to Chris Mustain

From: Judy Grew *JG*

Subject: Discussion Draft Bill National Service Trust Act of 1993

Following are Education branch comments on the bill. Bayla White commented on a previous draft; where her concerns were not addressed, I repeated them.

p. 18: The allotment of one percent to be shared between Indian tribes and the territories does not follow the usual way that these set-asides work -- the Indian tribes usually do not compete with the territories.

p. 30 and beyond: The use of the term "guarantee" is not defined -- would applicants who do not meet the "guarantee" need to repay their awards? The usual term we see is "assurance."

p. 38: There are supposed to be supplementation requirements under a Section 173 -- we did not find a section with that number.

p. 48: Why are lines 24-26 bracketed? Interest and proceeds from the sale or redemption of obligations held by the trust are used for program purposes in other programs. This should remain in the bill.

p. 53: Please distribute for comment the definition of "means-tested programs," which is not specified here. We are particularly interested to see if student financial aid falls under this category.

pp. 54-56: It would be a lot easier to give the participant the educational award and have the participant pay loans with it. You can maintain the requirement that the holder of the loan report back to the Corporation to make sure that the participant uses the educational award to pay their loans.

p. 56: There is no policy rationale to exclude any types of educational loans from the definition of qualified student loans. Participants should be able to repay bank loans outside of the Federal programs, State loans, institutional loans, community organization loans, etc. The only exception may be loans from family members.

p. 59: Clarify that refunds from schools to the Corporation for participants who withdraw or fail to complete their programs may be used to give awards to other participants.

pp. 61-63: Almost the entire piece relating to conforming amendments to ED's student loan programs is bracketed. What is

there does not make sense. Please share with this branch the revised draft language when it is written.

p. 65: The text says the funds may be used for implementing statewide programs, but the rest of the sections dealing with these funds indicate that they are to be used for project activities, that will be less than Statewide in scope and certainly will not be consistent in design or implementation throughout a given State. (Comment made on previous draft)

p. 66: This is the first of several references to the use of the Federal funds for preservice training. Why is preservice training (which generally refers to training provided in undergraduate or graduate curricula) relevant in this State grant program? Shouldn't the training supported be for staff involved in the projects (that is, in-service) and not for the training of persons who may never participate in any aspect of the State or local project receiving funds? (Comment made on previous draft)

p. 72: Why are there two separate pots of money under this subpart: 25% that is used for direct grants to SEAs and 75% that is a formula grant to SEAs? The bill seems to require an SEA to submit an application under each pot of money. The application submitted under each must contain exactly the same information and be used for exactly the same purposes. (Comment made on previous draft)

p. 74: The applicant has to provide a 3-year plan in the application, but it isn't clear whether the Director is approving a 3 year application or a one-year application. If the former, what updates are required to get funds in Year 2 or 3? If the latter, what documentation is required in the 2nd and any succeeding year's application? (Comment made on previous draft)

p. 76: Nothing is specified on what will be done with the evaluations. No reports are provided to Washington; no reports to Congress. (Similar comment made on previous draft)

p. 77: What is meant by the term "federally assisted education specialists in the State" and how do those differ from SEA employees or LEA employees? (Comment made on previous draft)

p. 78: What is a "service learning network" -- no definition or proposed activities are provided. This seems to be another example of the substantial bureaucratic structures being created in this legislation. (Similar comment made on previous draft)

p. 81: A local advisory committee is another example of bureaucratic structures in this bill. (Comment made on previous draft)

p. 82: Preservice training is not something that local school districts engage in for supervisors, teachers, and certainly not

for participants (who are in-school). (Comment made on previous draft)

p. 85: Which should priority be given to projects that meet only one of the 4 priorities listed? That is the meaning of or on 1. 15. If you would like project to address all four priorities, change the "or" to "and." (Similar comment made on previous draft)

p. 87: Are the benefits being extended to teachers in private schools constitutional under the First Amendment? (comment made on previous draft)

p. 88: The State or local match ought not to be provided from other Federal resources. It ought to be a State or local match. (Comment made on previous draft)

p. 89: Why is a waiver necessary, when in-kind contributions including facilities and services (presumably of volunteers as well as paid State or local staff)? (Comment made on previous draft)

p. 121: The definition of "economically disadvantaged" if used in determining which students in public school can participate in activities financed through this bill may cause difficulties. Schools do not keep the kind of information on welfare status, or family income that would be required to determine eligibility on an individual basis. (Comment made on previous draft)

p. 123: The definition of Out-of-school youth, as written, includes anyone below the age of 27 who is working (either full- or part-time): why, since those over the age of compulsory school attendance and not in school are covered in the definition of adult? Also, there is no definition provided of "college" -- it could mean a 4 year degree program, a 2 year program, or even a certificate program from a junior or community college. (Comment made on previous draft)

p. 124: Consult with the Bureau of the Census regarding your definition of "school-age youth." ED's definition is ages 5 to 17, inclusive, and the Census may have structured its surveys based on that definition. Census data on enrollments for ages 5 to 18 inclusive may not be available for making your formula allocations.

LRM #D-172

RESPONSE TO LEGISLATIVE REFERRAL MEMORANDUM

If your response to this request for views is simple (e.g., concur/no comment) we prefer that you respond by faxing us this response sheet. If the response is simple and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a secretary.

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.

TO: Chris MUSTAIN
Office of Management and Budget
Fax Number: (202) 395-6148
Analyst/Attorney's Direct Number: (202) 395-3923
Branch-Wide Line (to reach secretary): (202) 395-7362

FROM: April 27, 1993 (Date)
William R. Ratchford *Marcia A. Smart* (Name)
for Associate Administrator
Office of Congressional Affairs (Agency)
General Services Administration
501-0563 (Telephone)

SUBJECT: ONS Draft Bill National Service Trust Act of
1993

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 _____
X Other: See attachment for comments.
_____ FAX RETURN of _____ pages, attached to this
response sheet

Attachment

GSA submits the following comments to the bill:

We are commenting only on Title II -- "Organizations", Sections 201 and 202 (old Sections 178, 192, and 195). We defer to ONS and OMB on the remainder of the bill.

The State Commissions on National Service (Section 178), established by states with members appointed by their respective governors, would not be subject to the Federal Advisory Committee Act (FACA) as amended, and GSA's related regulations. ✓

The Corporation for National Service is a government corporation in the Executive Branch, headed by a collegial body, the Board of Directors (Section 192). This board also would not be subject to FACA, and GSA's related regulations. ✓

Section 195(e) gives the Chairperson of the Board of Directors strong, but discretionary ("may establish") authority to establish "advisory committees in the Corporation to advise the Board," which would appear to be subject to FACA.

Consistent with the policy established by Executive Order 12838 of February 10, 1993, GSA objects to the authorization of new advisory committees pending completion of the review of all advisory committees required by OMB Bulletin 93-10, issued April 9, 1993.

Section 202 of ONS Draft Bill No. 20, entitled "National Service Trust Act of 1993," establishes a Corporation for National Service. Section 192 establishes a Board of Directors for the Corporation. Section 192A(d) of the draft bill provides:

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

Necessary travel expense of employees are authorized throughout Subchapter I of Chapter 57, Title 5, United States Code. GSA, therefore, recommends that Section 192A(d) of the draft bill be revised to read:

"(d) Expenses -- While away from their homes or regular places of business on the business of the Board, members of such Board may be allowed travel expenses in accordance with the provisions of subchapter I of chapter 57 of title 5, United States Code."

-2-

GSA further notes that the draft bill uses the language "may be allowed" which makes these payments discretionary. GSA recommends the language be changed to "shall receive payment for" so the Board will not have to establish rules determining when the Corporation should pay the member's travel expenses. This change will ensure that Board members receive payment in all instances for the same necessary travel expenses that are authorized for Federal employees.

OFFICE OF MANAGEMENT AND BUDGET

*Legislative Reference Division
Labor - Welfare - Personnel Branch*

Facsimile Transmittal Sheet**FROM:** Chris Mustain**DATE:**

4/28

PHONE: 395-3923**FAX:** 395-6148**TO:**

Jack Lew

TIME:

5:00

PAGES SENT (including transmittal sheet):

5

COMMENTS:

Attached are comments from HHS and
ONDCP.

PLEASE CALL THE PERSON(S) NAMED ABOVE FOR IMMEDIATE PICK-UP.

April 28, 1993

HHS Comments on LRM D-172, the National Service Trust Act of 1993

Attached is a markup of pages 56 and 188 of the draft bill. On page 56, the Department recommends adding loans made pursuant to title VIII of the Public Health Service Act to the definition of qualified student loans. On page 188, the Department suggests a deletion to be consistent with the FY 1994 Budget. If you have any questions, please contact Fran White (HHS) at 690-7308 or Bob Pellicci (OMB) at 395-4871.

1 and any regulations prescribed to carry out this sub-
2 section.

3 "(5) AUTHORITY TO AGGREGATE PAYMENTS.—

4 The Corporation may, by regulation, provide for the
5 aggregation of payments to holders under this sub-
6 section.

7 "(6) DEFINITION OF QUALIFIED STUDENT
8 LOANS.—The term 'qualified student loans' means—

9 "(A) any loan made, insured, or guaran-
10 teed pursuant to title IV of the Higher Edu-
11 cation Act of 1965 (20 U.S.C. 1070 et seq.),
12 other than a loan to a parent of a student pur-
13 suant to section 428B of such Act (20 U.S.C.
14 1078-2);

15 "(B) any loan made pursuant to title VII ^{and} VIII
16 of the Public Health Service Act (42 U.S.C.
17 292a et seq.);

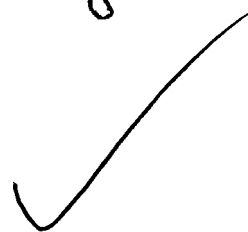
18 "(C) [other - to be supplied]

19 "(7) DEFINITION OF HOLDER.—The term
20 'holder' with respect to any eligible loan means the
21 original lender or, if the loan is subsequently sold,
22 transferred, or assigned to some other person, and
23 such other person acquires a legally enforceable
24 right to receive payments from the borrower, such
25 other person.

56

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.”.

* makes
consistent
with FY 94
Budget.



10 **SEC. 460. 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

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OFFICE OF NATIONAL DRUG CONTROL POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
Washington, D.C. 20509

April 28, 1993

NOTE TO CHRIS MUSTAIN
FROM: BABETTE HANKEY BH
SUBJECT: IRM #D-172 NATIONAL SERVICE TRUST ACT OF 1993

Thank you for the opportunity to comment on the Draft Bill of the National Service Trust Act of 1993.

This Act establishes a new government corporation for National Service by combining the Commission on National and Community Service and ACTION. Additionally, it expands and broadens educational opportunities and community activities. Finally, with regard to drug programs, it repeals separate authority for drug abuse programs.

We have no objection to this bill; however, we are concerned that the level of anti-drug activities could be reduced as a result of this broadened authority.

If you should need to discuss this with me in more detail, please do not hesitate to contact me at 467-9670.