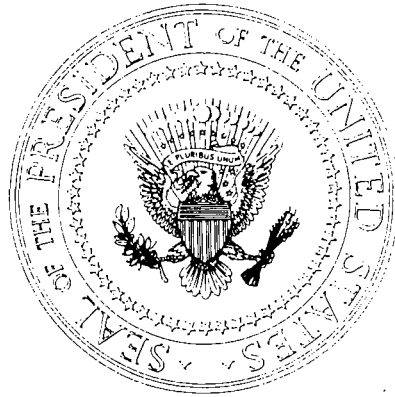
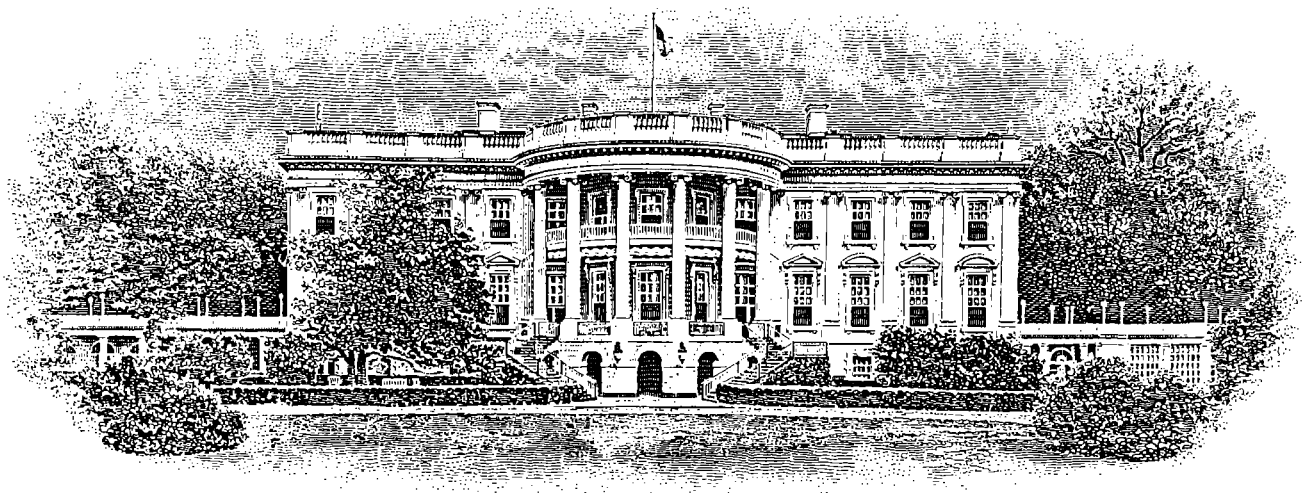




The White House



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DRAFT

April 30, 1993

OUTLINE OF LEGISLATION

NATIONAL SERVICE INITIATIVE

President Clinton's national service program will expand educational opportunity, reward individual responsibility, and build the American community by bringing citizens together to tackle common problems. The President's support for service extends from the youngest elementary students to our oldest citizens, and includes everything from part-time volunteer activities to full-time public service jobs.

The centerpiece of the President's initiative to support service is a new program to offer educational awards to Americans who make a substantial commitment to service. In addition to this program, which builds on the youth corps and demonstration programs of the National and Community Service Act of 1990, the National Service Trust Act includes:

- Extension and improvement of programs in the National and Community Service Act of 1990 that enhance elementary and secondary education through community service in schools, support after-school and summer programs for school-age youth, and fund service programs on college campuses.
- Support for the Points of Light Foundation, to support volunteerism.
- Extension and improvement of VISTA and the Older American Volunteer Programs authorized by the Domestic Volunteer Service Act.
- Creation of a new Investment Fund for Quality and Innovation to support model service programs and activities designed to ensure the development of high quality national service programs.

NATIONAL SERVICE TRUST ACT

Focus of Service

- National service must address unmet educational, environmental, human, or public safety needs. National priorities may be established within these areas.
- National service must improve the life of the participants, through citizenship education and training.
- Participants may not displace or duplicate the functions of existing workers.

Corporation for National Service

Structure

- The national service program will be administered by a new government Corporation for National Service, created by combining two existing independent federal agencies, the Commission on National and Community Service and ACTION.
- The corporation will be responsible for administering all programs authorized under the National and Community Service Act and Domestic Volunteer Service Act, including VISTA and the Older American Volunteer Programs. The Corporation will also fund training and technical assistance, service clearinghouses and other activities.
- The investment division of the corporation will administer the new trust program and programs currently administered by the Commission on National and Community Service.
- The operating division will administer programs currently run by the ACTION agency, including VISTA and the Older American Volunteer Programs.
- Flexible and quality-driven personnel policies will include pay-for-performance and a 5-year limit on most tenures.
- The Corporation may solicit and accept private funds.

Governance

- The corporation will have an eleven-member volunteer Board of Directors appointed by the President and confirmed by the Senate. It will be bipartisan and include persons experienced in national service and experts in providing educational, environmental, human, or public safety service.
- The first Board members will be appointed primarily from the Board of Directors of the Commission on National and Community Service. Seven Cabinet secretaries will serve as non-voting ex-officio members.

- The Board will develop the corporation's strategic plan, approve grant decisions, review other policy and personnel decisions, receive and act on reports from the Inspector General, supervise evaluations, and advise the Corporation on all issues.

- A Chairperson of the Board and a Managing Director for each division will be full-time employees appointed by the President and confirmed by the Senate.

Oversight

- An Inspector General will oversee programs to guard against fraud and abuse.

- Programs must arrange for independent audits and evaluations, and may also be required to participate in national or state evaluations.

State Commissions

Structure

- In order to receive a grant, each state must establish a commission on national service. The corporation will provide funding for the state commission.

- Commissions will have members appointed by the governors on a bipartisan basis from among the following: youth, educators, representatives of youth corps, older American volunteer programs, and other nonprofit service providers, labor, business, and experts in meeting particular unmet needs. No more than 25 percent of voting members may be state officials, although additional state agency representatives may sit on the commissions as non-voting ex-officio members. Commissions will elect their own chair.

- A representative of the corporation will sit on each commission as a voting member and act as liaison between the commission and the corporation.

Duties

- State commissions will be responsible for selecting programs to be funded under the state formula allocation, and in any competitive grant states may request.

- State commissions must also design strategic plans for service in the states, recruit participants, and disseminate information about service opportunities.

- State commissions may also support clearinghouses, training and technical assistance, and other initiatives to support service. They may not operate national service programs, but may use a portion of funds to support programs run by state agencies.

Transition

- For a period of one year, existing state agencies may assume the responsibility of the state commissions.

- The Corporation may approve an alternative agency in place of a commission at a state's request, if the agency ensures diverse participation in policy making.

Allocation of Funds

- States submitting plans approved by the Corporation will receive one-third of funds according to a population-based formula and one-third on a competitive basis.
- One-third of funds will be allocated directly by the corporation. Programs eligible for priority consideration include federal programs, national nonprofit organizations operating multiple programs or competitive grant programs, national service initiatives in more than one state and meeting priority needs, proposals to replicate successful programs in more than one state, professional corps, and innovative national service programs.

Programs

Goals

- Programs must set measurable goals regarding the impact of the service on the community and on participants.

Eligibility

- Programs eligible for national service designation include diverse community corps, youth corps, specialized service programs focusing on a specific community need, individual placement programs, campus-based service programs, programs that train and place service-learning coordinators in schools or team leaders in corps programs, intergenerational programs, national service entrepreneurship programs, and professional corps.
- Programs may be run by non-profit organizations, institutions of higher education, local governments, school districts, states, or federal agencies.
- Programs may not provide direct benefits to for-profit businesses, labor unions, or partisan political organizations, or involve participants in religious activities.

Selection

- Selection criteria include quality (based on criteria developed in consultation with experts in the field), innovation, sustainability, and replicability of programs.
- Past experience and management skills of program leadership, involvement of participants in leadership roles, and the extent to which the program builds on existing programs will also be taken into account.
- Programs serving and recruiting participants from communities of need, including those designated as enterprise zones, community redevelopment areas, areas with high poverty

rates, environmentally distressed areas, and communities adversely affected by decreased defense spending will also receive special consideration.

Funding

- All participants will receive educational awards.
- To develop programs, one-year planning grants will be available. To support national service participants, three-year renewable grants will be available for program demonstration, expansion, or replication.
- Administrative costs will be limited to five percent of all grants other than planning grants.
- Programs must pay 15 percent of the stipend and health care benefits in cash and 25 percent of other program costs receiving federal support. The 25 percent match may be in cash or in kind from any source other than programs funded under the National and Community Service or Domestic Volunteer Service Acts.
- Federal funds must supplement, not supplant, state and local dollars.

Participants

Eligibility

- Individuals may serve before, during, or after post-secondary education.
- In general, participants may be age 17 or older. Youth corps participants may be age 16 or older.
- Participants must be high school graduates or agree to achieve their GED prior to receiving educational awards.

Selection

- Participants will be recruited and selected on a nondiscriminatory basis and without regard to political affiliation by local programs designated by states or the federal government.
- A national or state recruitment system will help interested individuals locate placements in local programs. Information about available positions will be widely disseminated through high schools, colleges and other placement offices. A special leadership corps may be recruited, trained, and placed to assist in the development of new national service programs.

Term of Service

- To earn an educational award, a participant one year of full-time or two years of part-time service in a program designated by a state or the federal government. An individual may serve up to two terms and earn up to two educational awards.

Educational Awards

- Educational awards of \$5,000 will be provided for a term of service. Educational awards may be used to repay loans for higher education or to pay for higher education or training.
- Educational awards will be federally funded and deposited into a national service trust on behalf of all participants accepted into the program. Organizations and individuals may donate funds to support national service participants in the donor's community.
- Payments will be made directly to qualified post-secondary educational institutions, including two- and four-year colleges, training programs, and graduate or professional programs.
- In the case of participants with outstanding loan obligations for qualified educational activities, awards will be paid directly to lenders.
- Awards will not be taxable and must be used within five years of receipt.

Stipends

- Programs will set stipends within program guidelines. However, federal support will be limited to a match of 85 percent of an annual stipend equivalent to benefits received by VISTA volunteers. Programs may provide additional stipends up to twice this amount, with no federal match for the portion of the stipend in excess of the VISTA benefit.
- In the limited case of designated professional corps in areas of great need, such as teaching and public safety in underserved areas, participants may be paid a salary in excess of the guidelines and receive an educational award. However, no federal support will be available for a stipend.

Health and Child Care

- All participants without access to health insurance will receive health coverage. Federal dollars will pay up to 85 percent of the cost of these benefits.
- Participants may receive child care assistance, if needed.

Serve-America

The proposal extends and expands the existing Serve-America program for school-age youth and Higher Education Innovative Projects for Community Service. Modifications to these programs are described below.

Service-Learning Program

Program Goals

- To build a foundation for service among the nation's youth, inspiring them to serve and instilling in them the values and attitude to serve effectively after graduation.
- To create opportunities for all American children to serve our country.

Types of Programs

- Programs may be partnerships of local education agencies and community-based organizations.
- Local educational agencies may receive planning grants to hire service-learning coordinators.

Types of Funding

- School-based programs will be eligible for funding through state educational agencies, partly based on formula and partly through competition.
- State educational agencies must develop state plans that indicate programs to be funded and detail 3-year strategies for service-learning in their states. The Corporation must approve state plans.
- Programs may receive one-year planning grants for school-based programs. Subgranting to experienced institutions for school-based programs will also be allowed.
- All local programs will be required to provide at least 10 percent of total program costs in the first year of funding, increasing to 50 percent in the fourth. Local programs may utilize other federal education funds to meet the match requirement.

Training and Technical Assistance

- Clearinghouses will be expanded to further enable them to disseminate information and curriculum materials; train teachers, service sponsors and participants; and provide needs assessments or technical assistance.

- States will also receive additional resources to train and educate state educational personnel.

Community-based Program for School-Age Youth

- Community-based organizations working with school-age youth may receive grants from the State Commission for programs to involve such youth in community service.
- National non-profit organizations may apply to the Corporation to make subgrants or run multi-state community-service programs for this population.

Higher Education Innovative Projects

- Higher Education institutions, consortia of such institutions, or partnerships of higher education institutions and non-profit institutions may receive grants from the Corporation for student community-service programs or programs to train teachers in service-learning methods.
- Funds may supplement College Work-Study funds being used for community service placements.

Extension of the Domestic Volunteer Service Act of 1973

The proposal extends and expands VISTA and Older American Volunteer Programs authorized by the Domestic Volunteer Service Act. Following a transition period, these programs will be administered by the corporation for national service.

VISTA

- Extends authority for the VISTA program and increases number of VISTA volunteers.
- Authorizes new VISTA Summer Associate program.
- Authorizes a University Year for VISTA program to encourage student volunteer efforts addressing the needs of low-income communities.
- Removes restrictions limiting the flexibility to manage VISTA, while reaffirming commitment to recruiting a diverse group of VISTA volunteers including young and older adults.
- Increases post-service stipends by \$30 for each month of service. Such stipends are not available if VISTA volunteer accepts an educational award under the national service trust.
- Continues support for VISTA Literacy Corps.

Special Volunteer Programs

- Provides broadened authority under the Special Volunteer Programs to supporting demonstrations and innovations, provide technical assistance, and promote other entrepreneurial activities. Eliminates specific authority for student community service and drug programs, which are covered under the broadened demonstration authority and under the National and Community Service Act.

Older American Volunteer Programs

- Renames the Older American Volunteer Programs as National Senior Volunteer Corps and the Retired Senior Volunteer Program as the Retired and Senior Volunteer Program (RSVP).
- Lowers eligibility age for participation in the RSVP program to 55.
- Clarifies that Foster Grandparents may work with children with special and exceptional needs in Head Start programs, schools, and day care centers.
- Provides for a new demonstration authority to enrich and strengthen older American volunteer programs across the country.
- Eliminates restrictions that limit the flexibility to administer the program.
- Increases the stipend for low-income Foster Grandparents and Senior Companions once over the next five years to account for inflation.

Administration

- Encourages relationships between ACTION and other federal agencies where ACTION volunteers might help further the purposes of other Federal programs.
- Authorizes a Center for Research and Training on Volunteerism to strengthen volunteer programs across the country.
- Provides a technical amendment to restore the crediting of VISTA service for federal pensions.
- Provides copyright protection for the programs authorized under the Act.