

Sharon -
can you take care of
this for me?
Thanks -

Shirley

**PHOTOCOPY
PRESERVATION**

Have Eli sign + then

Please

copy for me + Eli + Dick Stanenberg

send to Panetta + Sally Katzen

ASAP

Shirley

OK
SWS
9/28

THE WHITE HOUSE
WASHINGTON

September 28, 1993

MEMORANDUM FOR LEON PANETTA

FROM: ELI SEGAL 

SUBJECT: IMPLEMENTATION OF NATIONAL SERVICE LEGISLATION

cc: Sally Katzen

As you know, it is extremely important for us to have a critical mass of national service participants in the field during fiscal year 1994. As the attached timetable indicates, we need OMB's help in expediting the regulation process or we will fail to achieve this goal. Specifically, we need your help:

- To ensure that regulations governing the establishment of state commissions, which will implement the program at the state level, may be published in the month of October and in interim final form.
- To expedite the OMB review process of applications and proposed and final regulations implementing the program.

Knowing that these deadlines will require extreme efforts by your staff, we will commit to bringing them into the regulation development process early and keep them informed.

We are also concerned about issues affecting our ability to hire a staff. While we are totally committed to the principle of lean staffing, we must first ensure that staff is adequate to be good custodians of the taxpayer dollar. In our budget justification submitted to Congress, we asked for 98 FTEs, with the assumption that staff for the Civilian Conservation Corps do not count against the Corporation's FTEs. This new program, funded out of Department of Defense money in FY 1994, will be very staff intensive -- each team supervisor of participants may be considered a federal employee. We want to ensure that the CCC staff will not come out of the 98 FTEs, or we will be unable to carry out the Corporation's other responsibilities appropriately.

Finally, as we move ahead with the FY 1995 budget, I want to underscore a point that was obscured this year in the excitement over the new Americorps program. The President's national service initiative, for which funds were allocated in the Vision for Change budget book, includes several programs, which are handled by two different appropriations subcommittees in Congress. Of course, we will be seeking an increase in the

Americorps program to fulfill the President's promise that tens of thousands of Americans can earn money for college through service. However, we will also seek increases in three additional program categories: Serve-America (in HUD/VA subcommittee), VISTA (Labor/HHS) and the National Senior Volunteer Corps (Labor/HHS; previously known as the Older American Volunteer Program). When we talk about the President's initiative, we intend to include all of the above mentioned programs.

You and your staff have been extremely helpful in the development of the legislation, its implementation, and securing FY 1994 funding. I hope that we may continue to count on you as we go forward.

Working Assumptions On Timeline

We would very much like to see participants in the field at the earliest possible date(s) consistent with a quality program. It seems that the fastest dates for new participants (in both existing and new programs) that are reasonable are:

June 1994	CCC site 1
	Existing programs funded through direct grants
Sept 1994	Other CCC sites
	New programs funded through direct grants
	Existing programs funded through state grants
Jan 1995	New programs funded through state grants
	New programs funded through other subgrants
June 1995	All remaining 1994 grantees

Working backward, we believe this timetable requires that the following deadlines be met:

October 1993	Publication of interim final regulations for state commissions and notice of funding for state commission administrative funds
November 1993	Publication of proposed program regulations and draft applications
January 1994	Publication of final program regulations and applications
March 1994	Direct grant applications due and peer reviewed
April 1994	Site visits, negotiations, and announcements of direct grants
June 1994	State applications due and peer reviewed
July 1994	Site visits, negotiations, and announcement of state grants

The timetable is contingent upon expedited OMB review of applications and regulations.

MEMORANDUM

To: ONS staff
From: Shirley Sagawa
Re: Public Information training session
Date: September 28, 1993

On Thursday at 10 am, we will hold a training session of not more than one hour for those staff who answer phones or have other responsibility for providing information to the public. Everyone is invited to attend -- room TBA when Diana returns!

Please provide a list by tomorrow morning of questions that we need answers to -- ie When will applications be available? Will the education award be available retroactively? We will come prepared with answers.

OK
9/28/93 [Signature]

Making a World of Difference for Children

Please join

*Najeeb Halaby, Chairman of the Board
Phyllis George, National Spokesperson
Charles MacCormack, President*

for a Save the Children gathering to

*honor Health and Human Services Secretary Donna Shalala for
her lifelong commitment to helping mothers and children at risk
and*

*hear from children, parents and community leaders from Appalachia,
Native American reservations, inner-city communities and the rural
South who are working to overcome poverty.*

Wednesday, October 6th

5:30 to 7:30 PM

Hart Office Building, Room 902

Our Congressional hosts for the evening:

*Senator Christopher J. Dodd Senator John D. Rockefeller IV
and*

*Senator John H. Chafee
Senator Pete V. Domenici
Senator Joseph I. Lieberman
Representative Rosa DeLauro
Representative Christopher Shays*

Save the Children, a leading nonprofit organization founded in Appalachia during the Great Depression, helps families and communities make lasting, positive differences in the lives of disadvantaged children. In 20 states across the United States and in 35 other countries, Save the Children works with local groups to improve preventive health care, early childhood education, family supports and economic opportunities. Our work is supported by individuals, schools, civic groups, corporations, foundations and government agencies.



54 Wilton Road
Westport, CT 06880

RSVP: (203) 221-4105

*Boys' Life -
Shelley*
*OK 9/28
4:30 P*

Eli - 622
5000
for your
review - OK
9/28 5:20P
Shirley
Sharp -
copy for me,
Terry Russell,
Phil Caplan +
Send!
No need to copy attachment
1)

Making a World of Difference for Children

Please join

Najeeb Halaby, Chairman of the Board,
Phyllis George, National Spokesperson,
Charles MacCormack, President

for a Save the Children gathering to honor
Health and Human Services Secretary Donna
Shalala and recognize the extraordinary efforts
of children, families and community leaders
from across the country.

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Senator Pete V. Domenici
Senator Joseph I. Lieberman
Representative Rosa DeLauro
Representative Christopher Shays

Directions: The Hart Office Building is on Second
and Constitution Ave., NE. Use the Second Street
entrance and take the North Bank elevators to the
ninth floor.



CHILDREN, FAMILIES AND COMMUNITIES: MAKING A WORLD OF DIFFERENCE FOR CHILDREN

Wednesday, October 6th
5:30 to 7:30 PM

Hart Office Building, Room 902



Save the Children®

54 Wilton Road, Westport CT 06880 (203) 221-4105

THE WHITE HOUSE
WASHINGTON
M E M O R A N D U M

To: Peggy Richardson
From: Eli Segal *ES*
Re: Tax issues in the implementation of National Service
Date: September 27, 1993

I appreciate the opportunity to follow up with you regarding tax issues involved in national service implementation.

As you may know, when the national service program was originally conceived, participants would receive a tax-free educational award worth as much as \$10,000. However, through the legislative process, the amount of the award was cut to \$4,725 and provisions in the legislation stating that the award should not be considered income for tax purposes were stripped for jurisdictional reasons.

We would like to explore if there is any way we can implement the program that would make it possible for the educational award, like a qualified scholarship or GI bill benefit, to be tax-free. If this is not possible, and it is the IRS's interpretation that the award is taxable, then we believe it would be preferable for the individual to have the option of paying tax on it either when it is earned or when it is used (it can be held for up to seven years). We are concerned that since the award cannot be converted to cash, individuals will have difficulty paying taxes on it without great personal sacrifice. Being able to choose when the tax will be paid would help ease this burden. For applicable statutory provisions, see attachment 1.

Although we are just in the beginning stages of implementing the new program, this issue must be resolved soon. Summer of Service participants who received a \$1,000 scholarship for education and training. (See attachment 2) Although the purposes for which this scholarship could be used were broader than those for regular national service participants, the same issue arises -- will participants have to pay taxes on the scholarship this tax year? Does it matter whether they use the benefit this year or wait to cash it in? We must provide guidance on this issue in the next month.

I appreciate your willingness to help us work through this important issue. If you have any questions, or to follow up, please contact Shirley Sagawa at 456-2599.

CONFERENCE REPORT ON H.R. 2010, NATIONAL AND COMMUNITY SERVICE TRUST ACT OF 1993

Mr. FORD of Michigan submitted the following conference report and statement on the bill (H.R. 2010) 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:

CONFERENCE REPORT (H. REPT. 103-219)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2010) 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, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "National and Community Service Trust Act of 1993".

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

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purpose.

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

Sec. 101. Federal investment in support of national service.

Sec. 102. National Service Trust and provision of national service educational awards.

Sec. 103. School-based and community-based service-learning programs.

Sec. 104. Quality and innovation activities.

Sec. 105. Public Lands Corps.

Sec. 106. Urban Youth Corps.

Subtitle B—Related Provisions

Sec. 111. Definitions.

Sec. 112. Authority to make State grants.

Sec. 113. Family and medical leave.

Sec. 114. Reports.

Sec. 115. Nondiscrimination.

Sec. 116. Notice, hearing, and grievance procedures.

Sec. 117. Nondisplacement.

Sec. 118. Evaluation.

Sec. 119. Engagement of participants.

Sec. 120. Contingent extension.

Sec. 121. Audits.

Sec. 122. Repeals.

Sec. 123. Effective date.

TITLE II—ORGANIZATION

Sec. 201. State Commissions on National and Community Service.

Sec. 202. Interim authorities of the Corporation for National and Community Service and ACTION Agency.

Sec. 203. Final authorities of the Corporation for National and Community Service.

Sec. 204. Business plan.

Sec. 205. Actions under the national service laws to be subject to the availability of appropriations.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

Sec. 301. Authorization of appropriations.

Subtitle B—Domestic Volunteer Service Act of 1973

Sec. 311. Short title; references.

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

Sec. 321. Purpose of the VISTA program.

Sec. 322. Assistant director for VISTA program.

Sec. 323. Selection and assignment of VISTA volunteers.

Sec. 324. Terms and periods of service.

Sec. 325. Support for VISTA volunteers.

Sec. 326. Participation of younger and older persons.

Sec. 327. Literacy activities.

Sec. 328. Applications for assistance.

Sec. 329. Repeal of authority for student community service programs.

Sec. 330. University Year for VISTA.

Sec. 331. Authority to establish and operate special volunteer and demonstration programs.

Sec. 332. Technical and financial assistance.

Sec. 333. Elimination of separate authority for drug abuse programs.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

Sec. 341. National Senior Volunteer Corps.

Sec. 342. The Retired and Senior Volunteer Program.

Sec. 343. Operation of the Retired and Senior Volunteer Program.

Sec. 344. Services under the Foster Grandparent Program.

Sec. 345. Stipends for low-income volunteers.

Sec. 346. Conditions of grants and contracts.

Sec. 347. Evaluation of the Senior Companion Program.

Sec. 348. Agreements with other Federal agencies.

Sec. 349. Programs of national significance.

Sec. 350. Adjustments to Federal financial assistance.

Sec. 351. Demonstration programs.

CHAPTER 3—ADMINISTRATION

Sec. 361. Purpose of agency.

Sec. 362. Authority of the Director.

Sec. 363. Political activities.

Sec. 364. Compensation for volunteers.

Sec. 365. Repeal of report.

Sec. 366. Application of Federal law.

Sec. 367. Nondiscrimination provisions.

Sec. 368. Elimination of separate requirements for setting regulations.

Sec. 369. Clarification of role of Inspector General.

Sec. 370. Copyright protection.

Sec. 371. Deposit requirement credit for service as a volunteer.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS

Sec. 381. Authorization of appropriations for title I.

Sec. 382. Authorization of appropriations for title II.

Sec. 383. Authorization of appropriations for title IV.

Sec. 384. Conforming amendments; compensation for VISTA FECA claimants.

Sec. 385. Repeal of authority.

CHAPTER 5—GENERAL PROVISIONS

Sec. 391. Technical and conforming amendments.

Sec. 392. Effective date.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

Sec. 401. Definitions.

Sec. 402. References to the Commission on National and Community Service.

Sec. 403. References to Directors of the Commission on National and Community Service.

Sec. 404. Definition of Director.

Sec. 405. References to ACTION and the ACTION Agency.

Sec. 406. Effective date.

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Compliance with Buy American Act.

Sec. 502. Sense of Congress; requirement regarding notice.

Sec. 503. Prohibition of contracts with persons falsely labeling products as made in America.

SEC. 2. FINDINGS AND PURPOSE

(a) **IN GENERAL.**—Section 2 of the National and Community Service Act of 1990 (42 U.S.C. 12501) is amended to read as follows:

"SEC. 2. FINDINGS AND PURPOSE

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

"(1) Throughout the United States, there are pressing unmet human, educational, environmental, and public safety needs.

"(2) Americans desire to affirm common responsibilities and shared values, and join together in positive experiences, that transcend race, religion, gender, age, disability, region, income, and education.

"(3) The rising costs of postsecondary education are putting higher education out of reach for an increasing number of citizens.

"(4) Americans of all ages can improve their communities and become better citizens through service to the United States.

"(5) Nonprofit organizations, local governments, States, and the Federal Government are already supporting a wide variety of national service programs that deliver needed services in a cost-effective manner.

"(6) Residents of low-income communities, especially youth and young adults, can be empowered through their service, and can help provide future community leadership.

"(b) **PURPOSE.**—It is the purpose of this Act to—

"(1) meet the unmet human, educational, environmental, and public safety needs of the United States, without displacing existing workers;

"(2) renew the ethic of civic responsibility the spirit of community throughout the United States;

"(3) expand educational opportunity by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training;

"(4) encourage citizens of the United States, regardless of age, income, or disability, to engage in full-time or part-time national service;

"(5) reinvent government to eliminate duplication, support locally established initiatives, require measurable goals for performance, and offer flexibility in meeting those goals;

"(6) expand and strengthen existing service programs with demonstrated experience in providing structured service opportunities with visible benefits to the participants and community;

"(7) build on the existing organizational service infrastructure of Federal, State, and local programs and agencies to expand full-time and part-time service opportunities for all citizens; and

"(8) provide tangible benefits to the communities in which national service is performed."

(b) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 2 and inserting the following new item:

"Sec. 2. Findings and purpose."

TITLE I—PROGRAMS AND RELATED PROVISIONS

Subtitle A—Programs

SEC. 101. FEDERAL INVESTMENT IN SUPPORT OF NATIONAL SERVICE

(a) **TRANSFER OF EXISTING SUBTITLE.**—Title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended—

(1) by redesignating subtitle C (42 U.S.C. 12541 et seq.) as subtitle I;

(2) by inserting subtitle I (as redesignated by paragraph (1) of this subsection) after subtitle H; and

(3) by redesignating sections 120 through 136 as sections 189 through 199, respectively.

(b) ASSISTANCE PROGRAM AUTHORIZED.—Title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by inserting after subtitle B the following new subtitle:

"Subtitle C—National Service Trust Program
"PART I—INVESTMENT IN NATIONAL SERVICE

"SEC. 181. AUTHORITY TO PROVIDE ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.

"(a) PROVISION OF ASSISTANCE.—Subject to the availability of appropriations for this purpose, the Corporation for National and Community Service may make grants to States, subdivisions of States, Indian tribes, public or private nonprofit organizations, and institutions of higher education for the purpose of assisting the recipients of the grants—

"(1) to carry out full- or part-time national service programs, including summer programs, described in section 122(a); and

"(2) to make grants in support of other national service programs described in section 122(a) that are carried out by other entities.

"(b) AGREEMENTS WITH FEDERAL AGENCIES.—

"(1) AGREEMENTS AUTHORIZED.—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 the transfer to the Federal agency of funds available to the Corporation under this subtitle.

"(2) MATCHING FUNDS REQUIREMENTS.—A Federal agency receiving assistance under this subsection shall not be required to satisfy the matching funds requirements specified in subsection (e). However, the supplementation requirements specified in section 173 shall apply with respect to the Federal national service programs supported with such assistance.

"(3) CONSULTATION WITH STATE COMMISSIONS.—A Federal agency receiving assistance under this subsection shall consult with the State Commissions for those States in which projects will be conducted using such assistance in order to ensure that the projects do not duplicate projects conducted by State or local national service programs.

"(4) SUPPORT FOR OTHER NATIONAL SERVICE PROGRAMS.—A Federal agency that enters into a contract or cooperative agreement under paragraph (1) shall, in an appropriate case, enter into a contract or cooperative agreement with an entity that is carrying out a national service program in a State that is in existence in the State as of the date of the contract or cooperative agreement and is of high quality, in order to support the national service program.

"(c) PROVISION OF APPROVED NATIONAL SERVICE POSITIONS.—As part of the provision of assistance under subsections (a) and (b), the Corporation shall—

"(1) approve the provision of national service educational awards described in subtitle D for the participants who serve in national service programs carried out using such assistance; and

"(2) deposit in the National Service Trust established in section 145(a) an amount equal to the product of—

"(A) the value of a national service educational award under section 147; and

"(B) the total number of approved national service positions to be provided.

"(d) FIVE PERCENT LIMITATION ON ADMINISTRATIVE COSTS.—

"(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to the origi-

nal recipient of a grant or transfer of assistance under subsection (a) or (b) for a fiscal year may be used to pay for administrative costs incurred by—

"(A) the recipient of the assistance; and

"(B) national service programs carried out or supported with the assistance.

"(2) RULES ON USE.—The Corporation may by rule prescribe the manner and extent to which—

"(A) assistance provided under subsection (a) or (b) may be used to cover administrative costs; and

"(B) that portion of the assistance available to cover administrative costs should be distributed between—

"(i) the original recipient of the grant or transfer of assistance under such subsection; and

"(ii) national service programs carried out or supported with the assistance.

"(e) MATCHING FUNDS REQUIREMENTS.—

"(1) REQUIREMENTS.—Except as provided in section 140, the Federal share of the cost of carrying out a national service program that receives the assistance under subsection (a), whether the assistance is provided directly or as a subgrant from the original recipient of the assistance, may not exceed 75 percent of such cost.

"(2) CALCULATION.—In providing for the remaining share of the cost of carrying out a national service program, the program—

"(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

"(B) may provide for such share through State sources, local sources, or other Federal sources (other than the use of funds made available under the national service loan).

"(3) COST OF HEALTH CARE.—In providing a payment in cash under paragraph (2)(A) as part of providing for the remaining share of the cost of carrying out a national service program, the program may count not more than 85 percent of the cost of providing a health care policy described in section 140(d)(2) toward such share.

"(4) WAIVER.—The Corporation may waive in whole or in part the requirements of paragraph (1) with respect to a national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"SEC. 182. TYPES OF NATIONAL SERVICE PROGRAMS ELIGIBLE FOR PROGRAM ASSISTANCE.

"(a) ELIGIBLE NATIONAL SERVICE PROGRAMS.—The recipient of a grant under section 121(a) and each Federal agency receiving assistance under section 121(b) shall use the assistance, directly or through subgrants to other entities, to carry out full- or part-time national service programs, including summer programs, that address unmet human, educational, environmental, or public safety needs. Subject to subsection (b)(1), these national service programs may include the following types of national service programs:

"(1) A community corps program that meets unmet human, educational, environmental, or public safety needs and promotes greater community unity through the use of organized teams of participants of varied social and economic backgrounds, skill levels, physical and developmental capabilities, ages, ethnic backgrounds, or genders.

"(2) A full-time, year-round youth corps program or full-time summer youth corps program, such as a conservation corps or youth service corps (including youth corps programs under subtitle I, the Public Lands Corps established under the Public Lands Corps Act of 1983, the Urban Youth Corps established under section 106 of the National and Community Service Trust Act of 1983, and other conservation corps or youth service corps that perform service on Federal or other public lands or on Indian lands or Hawaiian lands); that—

"(A) undertakes meaningful service projects with visible public benefits, including natural

resource, urban renovation, or human services projects;

"(B) includes as participants youths and young adults between the ages of 16 and 25, inclusive, including out-of-school youths and other disadvantaged youths (such as youths with limited basic skills, youths in foster care who are becoming too old for foster care, youths of limited-English proficiency, homeless youths, and youths who are individuals with disabilities) who are between those ages; and

"(C) provides those participants who are youths and young adults with—

"(i) crew-based, highly structured, and adult-supervised work experience, life skills, education, career guidance and counseling, employment training, and support services; and

"(ii) the opportunity to develop citizenship values and skills through service to their community and the United States.

"(3) A program that provides specialized training to individuals in service-learning and places the individuals after such training in positions, including positions as service-learning coordinators, to facilitate service-learning in programs eligible for funding under part I of subtitle B.

"(4) A service program that is targeted at specific unmet human, educational, environmental, or public safety needs and that—

"(A) recruits individuals with special skills or provides specialized preservice training to enable participants to be placed individually or in teams in positions in which the participants can meet such unmet needs; and

"(B) if consistent with the purposes of the program, brings participants together for additional training and other activities designed to foster civic responsibility, increase the skills of participants, and improve the quality of the service provided.

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

"(6) A campus-based program that is designed to provide substantial service in a community during the school term and during summer or other vacation periods through the use of—

"(A) students who are attending an institution of higher education, including students participating in a work-study program assisted under part C of title IV of the Higher Education Act of 1965 (42 U.S.C. 2751 et seq.);

"(B) teams composed of such students; or

"(C) teams composed of a combination of such students and community residents.

"(7) A preprofessional training program in which students enrolled in an institution of higher education—

"(A) receive training in specified fields, which may include classes containing service-learning;

"(B) perform service related to such training outside the classroom during the school term and during summer or other vacation periods; and

"(C) agree to provide service upon graduation to meet unmet human, educational, environmental, or public safety needs related to such training.

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

"(A) as teachers, nurses and other health providers, police officers, early childhood oment staff, engineers, or other professionals providing service to meet educational, human, environmental, or public safety needs in communities with an inadequate number of such professionals;

"(B) that may include a salary in excess of the maximum living allowance authorized in subsection (a)(3) of section 140, as provided in subsection (c) of such section; and

"(C) that are sponsored by public or private nonprofit employers who agree to pay 100 percent of the benefits (other than national service educational rd under subtitle D) of the participant.

"(9) A program in which economically disadvantaged individuals who are between the ages of 16 and 24 years of age, inclusive, are provided with opportunities to perform service that, while enabling such individuals to obtain the education and employment skills necessary to achieve economic self-sufficiency, will help their communities meet—

"(A) the housing needs of low-income families and the homeless; and

"(B) the need for community facilities in low-income areas.

"(10) A national service entrepreneur program that identifies, recruits, and trains gifted young adults of all backgrounds and assists them in designing solutions to community problems.

"(11) An intergenerational program that combines students, out-of-school youths, and older adults as participants to provide needed community services, including an intergenerational component for other national service programs described in this subsection.

"(12) A program that is administered by a combination of nonprofit organizations located in a low-income area, provides a broad range of services to residents of such area, is governed by a board composed in significant part of low-income individuals, and is intended to provide opportunities for individuals or teams of individuals to engage in community projects in such area that meet unaddressed community and individual needs, including projects that would—

"(A) meet the needs of low-income children and youth aged 18 and younger, such as providing after-school 'safe-places', including schools, with opportunities for learning and recreation; or

"(B) be directed to other important unaddressed needs in such area.

"(13) A community service program designed to meet the needs of rural communities, using teams or individual placements to address the development needs of rural communities and to combat rural poverty, including health care, education, and job training.

"(14) A program that seeks to eliminate hunger in communities and rural areas through service in projects—

"(A) involving food banks, food pantries, and nonprofit organizations that provide food during emergencies; and

"(B) involving the gleaning of prepared and unprepared food that would otherwise be discarded as unusable so that the usable portion of such food may be donated to food banks, food pantries, and other nonprofit organizations;

"(C) seeking to address the long-term causes of hunger through education and the delivery of appropriate services; or

"(D) providing training in basic health, nutrition, and life skills necessary to alleviate hunger in communities and rural areas.

"(15) Such other national service programs addressing unmet human, educational, environmental, or public safety needs as the Corporation may designate.

"(b) QUALIFICATION CRITERIA TO DETERMINE ELIGIBILITY.—

"(1) ESTABLISHMENT BY CORPORATION.—The Corporation shall establish qualification criteria for different types of national service programs for the purpose of determining whether a particular national service program should be considered to be a national service program eligible to receive assistance or approved national service positions under this subtitle.

"(2) CONSULTATION.—In establishing qualification criteria under paragraph (1), the Corporation shall consult with organizations and individuals with extensive experience in developing and administering effective national service programs or regarding the delivery of human, educational, environmental, or public safety services to communities or persons.

"(3) APPLICATION TO SUBGRANTS.—The qualification criteria established by the Corporation under paragraph (1) shall also be used by each recipient of assistance under section 121(a) that

uses any portion of the assistance to conduct a grant program to support other national service programs.

"(4) ENCOURAGEMENT OF INTERGENERATIONAL COMPONENTS OF PROGRAMS.—The Corporation shall encourage national service programs eligible to receive assistance or approved national service positions under this subtitle to establish, if consistent with the purposes of the program, an intergenerational component of the program that combines students, out-of-school youths, and older adults as participants to provide services to address unmet human, educational, environmental, or public safety needs.

"(c) NATIONAL SERVICE PRIORITIES.—

"(1) ESTABLISHMENT.—

"(A) BY CORPORATION.—In order to concentrate national efforts on meeting certain unmet human, educational, environmental, or public safety needs and to achieve the other purposes of this Act, the Corporation shall establish, and after reviewing the strategic plan approved under section 192A(g)(1), periodically alter priorities as appropriate regarding the types of national service programs to be assisted under subsection (b) or (d) of section 129 and the purposes for which such assistance may be used.

"(B) BY STATES.—Consistent with paragraph (4), States shall establish, and through the national service plan process described in section 178(e)(1), periodically alter priorities as appropriate regarding the national service programs to be assisted under section 129(a)(1). The State priorities shall be subject to Corporation review as part of the application process under section 130.

"(2) NOTICE TO APPLICANTS.—The Corporation shall provide advance notice to potential applicants of any national service priorities to be in effect under this subsection for a fiscal year. The notice shall specifically include—

"(A) a description of any alteration made in the priorities since the previous notice; and

"(B) a description of the national service programs that are designated by the Corporation under section 133(d)(2) as eligible for priority consideration in the next competitive distribution of assistance under section 121(a).

"(3) REGULATIONS.—The Corporation shall by regulation establish procedures to ensure the equitable treatment of national service programs that—

"(A) receive funding under this subtitle for multiple years; and

"(B) would be adversely affected by annual revisions in such national service priorities.

"(4) APPLICATION TO SUBGRANTS.—Any national service priorities established by the Corporation under this subsection shall also be used by each recipient of funds under section 121(a) that uses any portion of the assistance to conduct a grant program to support other national service programs.

"SEC. 152. TYPES OF NATIONAL SERVICE POSITIONS ELIGIBLE FOR APPROVAL FOR NATIONAL SERVICE EDUCATIONAL AWARDS.

"The Corporation may approve of any of the following service positions as an approved national service position that includes the national service educational award described in subtitle D as one of the benefits to be provided for successful service in the position:

"(1) A position for a participant in a national service program described in section 122(a) that receives assistance under subsection (a) or (b) of section 121.

"(2) A position for a participant in a program that—

"(A) is carried out by a State, a subdivision of a State, an Indian tribe, a public or private nonprofit organization, an institution of higher education, or a Federal agency; and

"(B) would be eligible to receive assistance under section 121(a), based on criteria established by the Corporation, but has not applied for such assistance.

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

"(4) A position facilitating service-learning in a program described in section 122(a)(3) that is eligible for assistance under part I of subtitle B.

"(5) A position for a participant in the Civilian Community Corps under subtitle E.

"(6) A position involving service as a crew leader in a youth corps program or a similar position supporting a national service program that receives an approved national service position.

"(7) Such other national service positions as the Corporation considers to be appropriate.

"SEC. 154. TYPES OF PROGRAM ASSISTANCE.

"(a) PLANNING ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the planning of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 1 year.

"(b) OPERATIONAL ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the establishment, operation, or expansion of a national service program. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(c) REPLICATION ASSISTANCE.—The Corporation may provide assistance under section 121 to a qualified applicant that submits an application under section 130 for the expansion of a proven national service program to another geographical location. Assistance provided in accordance with this subsection may cover a period of not more than 3 years, but may be renewed by the Corporation upon consideration of a new application under section 130.

"(d) APPLICATION TO SUBGRANTS.—The requirements of this section shall apply to any State or other applicant receiving assistance under section 121 that proposes to conduct a grant program using the assistance to support other national service programs.

"SEC. 156. TRAINING AND TECHNICAL ASSISTANCE.

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

"(1) improve the ability of national service programs assisted under section 121 to meet human, educational, environmental, or public safety needs in communities—

"(A) where services are needed most; and

"(B) where programs do not exist, or are too limited to meet community needs, as of the date on which the Corporation makes the grant or enters into the contract;

"(2) promote leadership development in such programs;

"(3) improve the instructional and programmatic quality of such programs to build an ethic of civic responsibility;

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

"(5) provide for or improve the training provided to the participants in such programs; and

"(6) encourage national service programs to adhere to risk management procedures, including the training of participants in appropriate risk management practices.

"(b) TECHNICAL ASSISTANCE.—To the extent appropriate and necessary, the Corporation shall make technical assistance available to States, Indian tribes, labor organizations, organizations operated by young adults, organizations serving economically disadvantaged individuals, and other entities described in section 121 that desire—

"(1) to develop national service programs; or

"(2) to apply for assistance under such section or under a grant program conducted using assistance provided under such section.

SEC. 128. OTHER SPECIAL ASSISTANCE.*“(a) SUPPORT FOR STATE COMMISSIONS.—**

“(1) GRANTS AUTHORIZED.—From amounts appropriated for a fiscal year pursuant to the authorization of appropriation in section 501(a)(4), the Corporation may make a grant in an amount between \$125,000 and \$750,000 to a State to assist the State to establish or operate the State Commission on National and Community Service required to be established by the State under section 178.

“(2) LIMITATION ON AMOUNT OF GRANTS.—Notwithstanding the amounts specified in paragraph (1), the amount of a grant that may be provided to a State Commission under this subsection, together with other Federal funds available to establish or operate the State Commission, may not exceed—

“(A) 45 percent of the total cost to establish or operate the State Commission for the first year for which the State Commission receives assistance under this subsection; and

“(B) such smaller percentage of such cost as the Corporation may establish for the second, third, and fourth years of such assistance in order to ensure that the Federal share does not exceed 50 percent of such costs for the fifth year, and any subsequent year, for which the State Commission receives assistance under this subsection.

“(b) DISASTER SERVICE.—The Corporation may undertake activities, including activities carried out through part A of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.), to involve in disaster relief efforts youth corps programs described in section 122(a)(2) and other programs that receive assistance under the national service laws.

“(c) CHALLENGE GRANTS FOR NATIONAL SERVICE PROGRAMS.—

“(1) ASSISTANCE AUTHORIZED.—The Corporation may make challenge grants under this subsection to national service programs that receive assistance under section 121.

“(2) SELECTION CRITERIA.—The Corporation shall develop criteria for the selection of recipients of challenge grants under this subsection, so as to make the grants widely available to a variety of programs that—

“(A) are high-quality national service programs; and

“(B) are carried out by entities with demonstrated experience in establishing and implementing projects that provide benefits to participants and communities.

“(3) AMOUNT OF ASSISTANCE.—A challenge grant under this subsection may provide not more than \$1 of assistance under this subsection for each \$1 in cash raised by the national service program from private sources in excess of amounts required to be provided by the program to satisfy matching funds requirements under section 121(e). The Corporation shall establish a ceiling on the amount of assistance that may be provided to a national service program under this subsection.

PART II—APPLICATION AND APPROVAL PROCESS**SEC. 129. PROVISION OF ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS BY COMPETITIVE AND OTHER MEANS.****“(a) ALLOTMENTS OF ASSISTANCE AND APPROVED POSITIONS TO STATES AND INDIAN TRIBES.—**

“(1) 33 1/3 PERCENT ALLOTMENT OF ASSISTANCE TO CERTAIN STATES.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall make a grant under section 121(a) (and a corresponding allotment of approved national service positions) to each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico that has an application approved by the Corporation under section 133. The amount allotted as a grant to each State under this

paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 33 1/3 percent of the allocated funds for that fiscal year as the population of the State bears to the total population of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

“(2) ONE PERCENT ALLOTMENT FOR CERTAIN TERRITORIES AND POSSESSIONS.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve 1 percent of the allocated funds for grants under section 121(a) to the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands upon approval of an application by the Corporation under section 133. Palau shall also be eligible for a grant under this paragraph from the allotment until such time as the Compact of Free Association with Palau is ratified. The amount allotted as a grant to each such territory or possession under this paragraph for a fiscal year shall be equal to the amount that bears the same ratio to 1 percent of the allocated funds for that fiscal year as the population of the territory or possession bears to the total population of such territories and possessions.

“(3) ONE PERCENT ALLOTMENT FOR INDIAN TRIBES.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall reserve 1 percent of the allocated funds for grants under section 121(a) to Indian tribes, to be allotted by the Corporation on a competitive basis in accordance with their respective needs.

“(4) EFFECT OF FAILURE TO APPLY.—If a State or Indian tribe fails to apply for, or fails to give notice to the Corporation of its intent to apply for, an allotment under this subsection, the Corporation shall use the amount that would have been allotted under this subsection to the State or Indian tribe—

“(A) to make grants (and provide approved national service positions in connection with such grants) to other eligible entities under section 121 that propose to carry out national service programs in the State or on behalf of the Indian tribe; and

“(B) after making grants under subparagraph (A), to make a reallocation to other States and Indian tribes with approved applications under section 130.

“(b) RESERVATION OF APPROVED POSITIONS.—The Corporation shall ensure that each individual selected during a fiscal year for assignment as a VISTA volunteer under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.) or as a participant in the Civilian Community Corps Demonstration Program under subtitle E shall receive the national service educational award described in subtitle D if the individual satisfies the eligibility requirements for the award. Funds for approved national service positions required by this paragraph for a fiscal year shall be deducted from the total funding for approved national service positions to be available for distribution under subsections (a) and (d) for that fiscal year.

“(c) RESERVATION FOR SPECIAL ASSISTANCE.—From amounts appropriated for a fiscal year pursuant to the authorization of appropriation in section 501(a)(2), and subject to the limitation in such section, the Corporation may reserve such amount as the Corporation considers to be appropriate for the purpose of making assistance available under sections 125 and 126. The Corporation may not reserve more than \$10,000,000 for a fiscal year for disaster service under subsection (b) of section 126 or challenge grants under subsection (c) of such section.

“(d) COMPETITIVE DISTRIBUTION OF REMAINING FUNDS.—

“(1) STATE COMPETITION.—Of the funds allocated by the Corporation for provision of assistance under subsections (a) and (b) of section 121 for a fiscal year, the Corporation shall use not less than 33 1/3 percent of the allocated funds to

make grants to States on a competitive basis under section 121(a).

“(2) FEDERAL AGENCIES AND OTHER APPLICANTS.—The Corporation shall distribute on a competitive basis to subdivisions of States, Indian tribes, public or private nonprofit organizations (including labor organizations), institutions of higher education, and Federal agencies the remainder of the funds allocated by the Corporation for provision of assistance under section 121 for a fiscal year, after operation of paragraph (1) and subsections (a) and (c).

“(3) LIMITATION ON DISTRIBUTION TO FEDERAL AGENCIES.—The Corporation may not provide more than 1/4 of the funds available for competitive distribution under paragraph (2) for a fiscal year to Federal agencies under section 121(b).

“(4) PRIORITY LIMITATIONS.—The Corporation may limit the categories of eligible applicants for assistance under paragraph (2) consistent with the priorities established by the Corporation under section 133(d)(2).

“(5) RESERVATION OF FUNDS FOR SUPPLEMENTAL AND OUTREACH GRANTS.—

“(A) RESERVATION.—From amounts appropriated for a fiscal year pursuant to the authorization of appropriation in section 501(a)(2), and subject to the limitation in such section, the Chief Executive Officer shall reserve an amount that is not less than 1 percent of such amounts (except that the amount reserved may not exceed \$5,000,000), in order to make supplemental grants as provided in subparagraph (B) and outreach grants as provided in subparagraph (C). The amount reserved pursuant to this paragraph shall be available until expended.

“(B) GRANTS TO ASSIST ENTITIES IN PLACING APPLICANTS WHO ARE INDIVIDUALS WITH A DISABILITY.—

“(i) IN GENERAL.—The Chief Executive Officer shall make grants from a portion of the funds reserved under subparagraph (A) to entities that—

“(I) receive a grant to carry out a national service program under paragraph (1) or (2);

“(II) demonstrate that the entity has received a substantial number of applications for placement in the national service program of persons who are individuals with a disability, and who require a reasonable accommodation (as defined in section 101(9) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(9))), or auxiliary aids and services (as defined in section 3(1) of such Act (42 U.S.C. 12102(1))), in order to perform national service; and

“(III) demonstrate that additional funding would assist the national service program in placing a substantial number of such individuals with a disability as participants in projects carried out through the program.

“(ii) REQUIREMENTS.—Funds made available through such a supplemental grant under clause (i) shall be made available for the same purposes, and subject to the same requirements, as funds made available through a grant made under paragraph (1) or (2).

“(C) GRANTS FOR OUTREACH TO INDIVIDUALS WITH A DISABILITY.—

“(i) IN GENERAL.—From the portion of the funds reserved under subparagraph (A) that is not used to make grants under subparagraph (B), the Chief Executive Officer shall make grants to public or private nonprofit organizations to pay for the Federal share described in section 121(e) of—

“(I) providing information about the programs specified in section 193A(d)(10) to such individuals with a disability who desire to perform national service; and

“(II) enabling the individuals to participate in activities carried out through such programs, which may include assisting the placement of the individuals in approved national service positions.

“(ii) APPLICATION.—To be eligible to receive a grant under this subparagraph, an organization described in clause (i) shall submit an application to the Chief Executive Officer at such time,

in such manner, and containing such information as the Chief Executive Officer may require.

"(e) **APPLICATION REQUIRED.**—The allotment of assistance and approved national service positions to a State or Indian tribe under subsection (a), and the competitive distribution of assistance under subsection (d), shall be made by the Corporation only pursuant to an application submitted by a State or other applicant under section 130 and approved by the Corporation under section 133.

"(f) **APPROVAL OF POSITIONS SUBJECT TO AVAILABLE FUNDS.**—The Corporation may not approve positions as approved national service positions under this subtitle for a fiscal year in excess of the number of such positions for which the Corporation has sufficient available funds in the National Service Trust for that fiscal year, taking into consideration funding needs for national service educational awards under subtitle D based on completed service. If appropriations are insufficient to provide the maximum allowable national service educational awards under subtitle D for all eligible participants, the Corporation is authorized to make necessary and reasonable adjustments to program rules.

"(g) **SPONSORSHIP OF APPROVED NATIONAL SERVICE POSITIONS.**—

"(1) **SPONSORSHIP AUTHORIZED.**—The Corporation may enter into agreements with persons or entities who offer to sponsor national service positions for which the person or entity will be responsible for supplying the funds necessary to provide a national service educational award. The distribution of these approved national service positions shall be made pursuant to the agreement, and the creation of these positions shall not be taken into consideration in determining the number of approved national service positions to be available for distribution under this section.

"(2) **DEPOSIT OF CONTRIBUTION.**—Funds provided pursuant to an agreement under paragraph (1) and any other funds contributed to the Corporation to support the activities of the Corporation under the national service laws shall be deposited in the National Service Trust established in section 145 until such time as the funds are needed.

"**SEC. 130. APPLICATION FOR ASSISTANCE AND APPROVED NATIONAL SERVICE POSITIONS.**

"(a) **TIME, MANNER, AND CONTENT OF APPLICATION.**—To be eligible to receive assistance under section 121 or approved national service positions for participants who serve in the national service programs to be carried out using the assistance, a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency shall prepare and submit to the Corporation an application at such time, in such manner, and containing such information as the Corporation may reasonably require.

"(b) **TYPES OF PERMISSIBLE APPLICATION INFORMATION.**—In order to have adequate information upon which to consider an application under section 133, the Corporation may require the following information to be provided in an application submitted under subsection (a):

"(1) A description of the national service programs proposed to be carried out directly by the applicant using assistance provided under section 121.

"(2) A description of the national service programs that are selected by the applicant to receive a grant using assistance requested under section 121 and a description of the process and criteria by which the programs were selected.

"(3) A description of other funding sources to be used, or sought to be used, for the national service programs referred to in paragraphs (1) and (2), and, if the application is submitted for the purpose of seeking a renewal of assistance, a description of the success of the programs in reducing their reliance on Federal funds.

"(4) A description of the extent to which the projects to be carried out using the assistance

will address unmet human, educational, environmental, or public safety needs and produce a direct benefit for the community in which the projects are performed.

"(5) A description of the plan to be used to recruit participants, including youth who are individuals with disabilities and economically disadvantaged young men and women, for the national service programs referred to in paragraphs (1) and (2).

"(6) A description of the manner in which the national service programs referred to in paragraphs (1) and (2) build on existing programs, including Federal programs.

"(7) A description of the manner in which the national service programs referred to in paragraphs (1) and (2) will involve participants—

"(A) in projects that build an ethic of civic responsibility and produce a positive change in the lives of participants through training and participation in meaningful service experiences and opportunities for reflection on such experiences; and

"(B) in leadership positions in implementing and evaluating the program.

"(8) Measurable goals for the national service programs referred to in paragraphs (1) and (2), and a strategy to achieve such goals, in terms of—

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

"(B) the service experience to be provided to participants in the programs.

"(9) A description of the manner and extent to which the national service programs referred to in paragraphs (1) and (2) conform to the national service priorities established by the Corporation under section 122(c).

"(10) A description of the past experience of the applicant in operating a comparable program or in conducting a grant program in support of other comparable service programs.

"(11) A description of the type and number of proposed service positions in which participants will receive the national service educational award described in subtitle D and a description of the manner in which approved national service positions will be apportioned by the applicant.

"(12) A description of the manner and extent to which participants, representatives of the community served, community-based agencies with a demonstrated record of experience in providing services, and labor organizations contributed to the development of the national service programs referred to in paragraphs (1) and (2), including the identity of the individual representing each appropriate labor organization (if any) who was consulted and the nature of the consultation.

"(13) Such other information as the Corporation may reasonably require.

"(c) **REQUIRED APPLICATION INFORMATION.**—An application submitted under subsection (a) shall contain the following information:

"(1) A description of the jobs or positions into which participants will be placed using the assistance provided under section 121, including descriptions of specific tasks to be performed by such participants.

"(2) A description of the minimum qualifications that individuals shall meet to become participants in such programs.

"(d) **APPLICATION TO RECEIVE ONLY APPROVED NATIONAL SERVICE POSITIONS.**—

"(1) **APPLICABILITY OF SUBSECTION.**—This subsection shall apply in the case of an application in which—

"(A) the applicant is not seeking assistance under subsection (a) or (b) of section 121, but requests national service educational awards for individuals serving in service positions described in section 123; or

"(B) the applicant requests national service educational awards for service positions described in section 123, but the positions are not positions in a national service program de-

scribed in section 122(a) for which assistance may be provided under subsection (a) or (b) of section 121.

"(2) **SPECIAL APPLICATION REQUIREMENTS.**—For the applications described in paragraph (1), the Corporation shall establish special application requirements in order to determine—

"(A) whether the service positions meet unmet human, educational, environmental, or public safety needs and meet the criteria for assistance under this subtitle; and

"(B) whether the Corporation should approve the positions as approved national service positions.

"(e) **SPECIAL RULE FOR STATE APPLICANTS.**—

"(1) **SUBMISSION BY STATE COMMISSION.**—The application of a State for approved national service positions or for a grant under section 121(a) shall be submitted by the State Commission.

"(2) **COMPETITIVE SELECTION.**—The application of a State shall contain an assurance that all assistance provided under section 121(a) to the State will be used to support national service programs that were selected by the State on a competitive basis. In making such competitive selections, the State shall seek to ensure the equitable allocation within the State of assistance and approved national service positions provided under this subtitle to the State taking into consideration such factors as the location of the programs applying to the State, population density, and economic distress.

"(3) **ASSISTANCE TO NONSTATE ENTITIES.**—The application of a State shall also contain an assurance that not less than 60 percent of the assistance will be used to make grants in support of national service programs other than national service programs carried out by a State agency. The Corporation may permit a State to deviate from the percentage specified by this subsection if the State has not received a sufficient number of acceptable applications to comply with the percentage.

"(f) **SPECIAL RULE FOR CERTAIN APPLICANTS.**—

"(1) **WRITTEN CONCURRENCE.**—In the case of a program applicant that proposes to also serve as the service sponsor, the application shall include the written concurrence of any local labor organization representing employees of the service sponsor who are engaged in the same or substantially similar work as that proposed to be carried out.

"(2) **PROGRAM APPLICANT DEFINED.**—For purposes of this subsection, the term 'program applicant' means—

"(A) a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency submitting an application under this section; or

"(B) an entity applying for assistance or approved national service positions through a grant program conducted using assistance provided to a State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, or Federal agency under section 121.

"(g) **LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.**—The Corporation shall reject an application submitted under this section if a project proposed to be conducted using assistance requested by the applicant is already described in another application pending before the Corporation.

"**SEC. 131. NATIONAL SERVICE PROGRAM ASSISTANCE REQUIREMENTS.**

"(a) **IMPACT ON COMMUNITIES.**—An application submitted under section 130 shall include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) address unmet human, educational, environmental, or public safety needs through ser-

ices that provide a direct benefit to the community in which the service is performed, and

"(2) comply with the nonduplication and nondisplacement requirements of section 177 and the grievance procedure requirements of section 176(f).

"(b) **IMPACT ON PARTICIPANTS.**—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide participants in the national service program with the training, skills, and knowledge necessary for the projects that participants are called upon to perform;

"(2) provide support services to participants, such as the provision of appropriate information and support—

"(A) to those participants who are completing a term of service and making the transition to other educational and career opportunities; and

"(B) to those participants who are school dropouts in order to assist those participants in earning the equivalent of a high school diploma; and

"(3) provide, if appropriate, structured opportunities for participants to reflect on their service experiences.

"(c) **CONSULTATION.**—An application submitted under section 130 shall also include an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will—

"(1) provide in the design, recruitment, and operation of the program for broad-based input from—

"(A) the community served and potential participants in the program; and

"(B) community-based agencies with a demonstrated record of experience in providing services and local labor organizations representing employees of service sponsors, if these entities exist in the area to be served by the program;

"(2) prior to the placement of participants, consult with the appropriate local labor organization, if any, representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program to ensure compliance with the nondisplacement requirements specified in section 177; and

"(3) in the case of a program that is not funded through a State, consult with and coordinate activities with the State Commission for the State in which the program operates.

"(d) **EVALUATION AND PERFORMANCE GOALS.**—

"(1) **IN GENERAL.**—An application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(A) arrange for an independent evaluation of any national service program carried out using assistance provided to the applicant under section 121 or, with the approval of the Corporation, conduct an internal evaluation of the program;

"(B) apply measurable performance goals and evaluation methods (such as the use of surveys of participants and persons served), which are to be used as part of such evaluation to determine the impact of the program—

"(i) on communities and persons served by the projects performed by the program;

"(ii) on participants who take part in the projects; and

"(iii) in such other areas as the Corporation may require; and

"(C) cooperate with any evaluation activities undertaken by the Corporation.

"(2) **EVALUATION.**—Subject to paragraph (3), the Corporation shall develop evaluation criteria and performance goals applicable to all national service programs carried out with assistance provided under section 121.

"(3) **ALTERNATIVE EVALUATION REQUIREMENTS.**—The Corporation may establish alternative evaluation requirements for national service programs based upon the amount of assistance received under section 121 or received by a grant made by a recipient of assistance under such section. The determination of whether a national service program is covered by this paragraph shall be made in such manner as the Corporation may prescribe.

"(e) **LIVING ALLOWANCES AND OTHER INSERVICE BENEFITS.**—Except as provided in section 140(c), an application submitted under section 130 shall also include an assurance by the applicant that the applicant will—

"(1) ensure the provision of a living allowance and other benefits specified in section 140 to participants in any national service program carried out by the applicant using assistance provided under section 121; and

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

"(f) **SELECTION OF PARTICIPANTS FROM INDIVIDUALS RECRUITED BY CORPORATION OR STATE COMMISSIONS.**—The Corporation may also require an assurance by the applicant that any national service program carried out by the applicant using assistance provided under section 121 and any national service program supported by a grant made by the applicant using such assistance will select a portion of the participants for the program from among prospective participants recruited by the Corporation or State Commissions under section 138(d). The Corporation may specify a minimum percentage of participants to be selected from the national leadership pool established under section 138(e) and may vary the percentage for different types of national service programs.

"SEC. 122. INELIGIBLE SERVICE CATEGORIES.

"(a) **IN GENERAL.**—Except as provided in subsection (b), an application submitted to the Corporation under section 130 shall include an assurance by the applicant that any national service program carried out using assistance provided under section 121 and any approved national service position provided to an applicant will not be used to perform service that provides a direct benefit to any—

"(1) business organized for profit;

"(2) labor union;

"(3) partisan political organization;

"(4) organization engaged in religious activities, unless such service does not involve the use of assistance provided under section 121 or participants—

"(A) to give religious instruction;

"(B) to conduct worship services;

"(C) to provide instruction as part of a program that includes mandatory religious education or worship;

"(D) to construct or operate facilities devoted to religious instruction or worship or to maintain facilities primarily or inherently devoted to religious instruction or worship; or

"(E) to engage in any form of proselytization; or

"(5) nonprofit organization that fails to comply with the restrictions contained in section 501(c) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)), except that nothing in this section shall be construed to prevent participants from engaging in advocacy activities undertaken at their own initiative.

"(b) **REGIONAL CORPORATION.**—The requirement of subsection (a) relating to an assurance regarding direct benefits to businesses organized for profit shall not apply with respect to a Regional Corporation, as defined in section 3(g) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(g)), that is established in accordance with such Act as a for-profit corporation but that is engaging in nonprofit activities.

"123. CONSIDERATION OF APPLICATIONS.

"(a) **CORPORATION CONSIDERATION OF CERTAIN CRITERIA.**—The Corporation shall apply

the criteria described in subsections (c) and (d) in determining whether—

"(1) to approve an application submitted under section 130 and provide assistance under section 121 to the applicant; and

"(2) to approve service positions described in the application as national service positions that include the national service educational award described in subtitle D and provide such approved national service positions to the applicant.

"(b) **APPLICATION TO SUBGRANTS.**—

"(1) **IN GENERAL.**—A State or other entity that uses assistance provided under section 121(a) to support national service programs selected on a competitive basis to receive a share of the assistance shall use the criteria described in subsections (c) and (d) when considering an application submitted by a national service program to receive a portion of such assistance or an approved national service position.

"(2) **CONTENTS.**—The application of the State or other entity under section 130 shall contain—

"(A) a certification that the State or other entity used these criteria in the selection of national service programs to receive assistance;

"(B) a description of the jobs or positions into which participants will be placed using such assistance, including descriptions of specific tasks to be performed by such participants; and

"(C) a description of the minimum qualifications that individuals shall meet to become participants in such programs.

"(c) **ASSISTANCE CRITERIA.**—The criteria required to be applied in evaluating applications submitted under section 130 are as follows:

"(1) The quality of the national service program proposed to be carried out directly by the applicant or supported by a grant from the applicant.

"(2) The innovative aspects of the national service program, and the feasibility of replicating the program.

"(3) The sustainability of the national service program, based on evidence such as the existence—

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

"(B) of multiple funding sources or private funding for the program.

"(4) The quality of the leadership of the national service program, the past performance of the program, and the extent to which the program builds on existing programs.

"(5) The extent to which participants of the national service program are recruited from among residents of the communities in which projects are to be conducted, and the extent to which participants and community residents are involved in the design, leadership, and operation of the program.

"(6) The extent to which projects would be conducted in the following areas where they are needed most:

"(A) Communities designated as empowerment zones or redevelopment areas, targeted for special economic incentives, or otherwise identifiable as having high concentrations of low-income people.

"(B) Areas that are environmentally distressed.

"(C) Areas adversely affected by Federal actions related to the management of Federal lands that result in significant regional job losses and economic dislocation.

"(D) Areas adversely affected by reductions in defense spending or the closure or realignment of military installations.

"(E) Areas that have an unemployment rate greater than the national average unemployment for the most recent 12 months for which satisfactory data are available.

"(7) In the case of applicants other than States, the extent to which the application is consistent with the application under section 130 of the State in which the projects would be conducted.

"(8) Such other criteria as the Corporation considers to be appropriate.

"(d) OTHER CONSIDERATIONS.—

"(1) GEOGRAPHIC DIVERSITY.—The Corporation shall ensure that recipients of assistance provided under section 121 are geographically diverse and include projects to be conducted in those urban and rural areas in a State with the highest rates of poverty.

"(2) PRIORITIES.—The Corporation may designate, under such criteria as may be established by the Corporation, certain national service programs or types of national service programs described in section 122(a) for priority consideration in the competitive distribution of funds under section 129(d)(2). In designating national service programs to receive priority, the Corporation may include—

"(A) national service programs carried out by another Federal agency;

"(B) national service programs that conform to the national service priorities in effect under section 122(c);

"(C) innovative national service programs;

"(D) national service programs that are well established in one or more States at the time of the application and are proposed to be expanded to additional States using assistance provided under section 121;

"(E) grant programs in support of other national service programs if the grant programs are to be conducted by nonprofit organizations with a demonstrated and extensive expertise in the provision of services to meet human, educational, environmental, or public safety needs;

"(F) professional corps programs described in section 122(a)(3); and

"(G) programs that—

"(i) received funding under subtitle D of this Act, as in effect on the day before the date of enactment of this subtitle;

"(ii) the Corporation determines to meet the requirements of sections 162 (other than subsection (g)), 163, and 164 through 150 of this Act, as in effect on such day, in addition to the requirements of this subtitle; and

"(iii) include an evaluation component.

"(3) ADDITIONAL PRIORITY.—In making a competitive distribution of funds under section 129(d)(2), the Corporation may give priority consideration to a national service program that is—

"(A) proposed in an application submitted by a State Commission; and

"(B) not one of the types of programs described in paragraph (2), if the State Commission provides an adequate explanation of the reasons why it should not be a priority of such State to carry out any of such types of programs in the State.

"(4) REVIEW PANEL.—The Corporation shall—

"(A) establish panels of experts for the purpose of securing recommendations on applications submitted under section 130 for more than \$250,000 in assistance, or for national service positions that would require more than \$250,000 in national service educational awards; and

"(B) consider the opinions of such panels prior to making such determinations.

"(e) EMPHASIS ON AREAS MOST IN NEED.—In making assistance available under section 121 and in providing approved national service positions under section 123, the Corporation shall ensure that not less than 50 percent of the total amount of assistance to be distributed to States under subsections (a) and (d)(1) of section 129 for a fiscal year is provided to carry out or support national service programs and projects that—

"(1) are conducted in any of the areas described subsection (c)(6) or on Federal or other public lands, to address unmet human, educational, environmental, or public safety needs in such areas or on such lands; and

"(2) place a priority on the recruitment of participants who are residents of any of such areas or Federal or other public lands.

"(f) REJECTION OF STATE APPLICATIONS.—

"(1) NOTIFICATION OF STATE APPLICANTS.—If the Corporation rejects an application submitted

by a State Commission under section 130 for funds described in section 129(a)(1), the Corporation shall promptly notify the State Commission of the reasons for the rejection of the application.

"(2) RESUBMISSION AND RECONSIDERATION.—The Corporation shall provide a State Commission notified under paragraph (1) with a reasonable opportunity to revise and resubmit the application. At the request of the State Commission, the Corporation shall provide technical assistance to the State Commission as part of the resubmission process. The Corporation shall promptly reconsider an application resubmitted under this paragraph.

"(3) REALLOTMENT.—The amount of any State's allotment under section 129(a) for a fiscal year that the Corporation determines will not be provided for that fiscal year shall be available for distribution by the Corporation as provided in paragraph (3) of such subsection.

"PART III—NATIONAL SERVICE PARTICIPANTS

"SEC. 127. DESCRIPTION OF PARTICIPANTS.

"(a) IN GENERAL.—For purposes of this subtitle, an individual shall be considered to be a participant in a national service program carried out using assistance provided under section 121 if the individual—

"(1) meets such eligibility requirements, directly related to the tasks to be accomplished, as may be established by the program;

"(2) is selected by the program to serve in a position with the program;

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

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

"(5) has received a high school diploma or its equivalent, agrees to obtain a high school diploma or its equivalent (unless this requirement is waived based on an individual education assessment conducted by the program) and the individual did not drop out of an elementary or secondary school to enroll in the program, or is enrolled in an institution of higher education on an ability to benefit basis and is considered eligible for funds under section 404 of the Higher Education Act of 1963 (20 U.S.C. 1091); and

"(6) is a citizen or national of the United States or lawful permanent resident alien of the United States.

"(b) SPECIAL RULES FOR CERTAIN YOUTH PROGRAMS.—An individual shall be considered to be a participant in a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9) that is carried out with assistance provided under section 121(a) if the individual—

"(1) satisfies the requirements specified in subsection (a), except paragraph (6) of such subsection; and

"(2) is between the ages of 16 and 25, inclusive, at the time the individual begins the term of service.

"(c) WAIVER.—The Corporation may waive the requirements of subsection (a)(5)(A) with respect to an individual if the program in which the individual seeks to become a participant conducts an independent evaluation demonstrating that the individual is incapable of obtaining a high school diploma or its equivalent.

"SEC. 128. SELECTION OF NATIONAL SERVICE PARTICIPANTS.

"(a) SELECTION PROCESS.—Subject to subsections (b) and (c) and section 131(f), the actual recruitment and selection of an individual to serve in a national service program receiving assistance under section 121 or to fill an approved national service position shall be conducted by the State, subdivision of a State, Indian tribe, public or private nonprofit organization, institution of higher education, Federal agency, or other entity to which the assistance

and approved national service positions are provided.

"(b) NONDISCRIMINATION AND NONPOLITICAL SELECTION OF PARTICIPANTS.—The recruitment and selection of individuals to serve in national service programs receiving assistance under section 121 or to fill approved national service positions shall be consistent with the requirements of section 175.

"(c) SECOND TERM.—Acceptance into a national service program to serve a second term of service under section 139 shall only be available to individuals who perform satisfactorily in their first term of service.

"(d) RECRUITMENT AND PLACEMENT.—The Corporation and each State Commission shall establish a system to recruit individuals who desire to perform national service and to assist the placement of these individuals in approved national service positions, which may include positions available under titles I and II of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The Corporation and State Commissions shall disseminate information regarding available approved national service positions through cooperation with secondary schools, institutions of higher education, employment service offices, State vocational rehabilitation agencies within the meaning of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) and other State agencies that primarily serve individuals with disabilities, and other appropriate entities, particularly those organizations that provide outreach to disadvantaged youths and youths who are individuals with disabilities.

"(e) NATIONAL LEADERSHIP POOL.—

"(1) SELECTION AND TRAINING.—From among individuals recruited under subsection (d), the Corporation may select individuals with significant leadership potential, as determined by the Corporation, to receive special training to enhance their leadership ability. The leadership training shall be provided by the Corporation directly or through a grant or contract.

"(2) EMPHASIS ON CERTAIN INDIVIDUALS.—In selecting individuals to receive leadership training under this subsection, the Corporation shall make special efforts to select individuals who have served—

"(A) in the Peace Corps;

"(B) as VISTA volunteers;

"(C) as participants in national service programs receiving assistance under section 121;

"(D) as participants in programs receiving assistance under subtitle D of the National and Community Service Act of 1990, as in effect on the day before the date of enactment of this subtitle; or

"(E) as members of the Armed Forces of the United States and who were honorably discharged from such service.

"(3) ASSIGNMENT.—At the request of a program that receives assistance under the national service laws, the Corporation may assign an individual who receives leadership training under paragraph (1) to work with the program in a leadership position and carry out assignments not otherwise performed by regular participants. An individual assigned to a program shall be considered to be a participant of the program.

"(f) EVALUATION OF SERVICE.—The Corporation shall issue regulations regarding the manner and criteria by which the service of a participant shall be evaluated to determine whether the service is satisfactory and successful for purposes of eligibility for a second term of service or a national service educational award.

"SEC. 129. TERMS OF SERVICE.

"(a) IN GENERAL.—As a condition of receiving a national service education award under subtitle D, a participant in an approved national service position shall be required to perform full- or part-time national service for at least one term of service specified in subsection (b).

"(b) TERM OF SERVICE.—

"(1) FULL-TIME SERVICE.—An individual performing full-time national service in an ap-

proved national service position shall agree to participate in the program sponsoring the position for not less than 1,700 hours during a period of not less than 9 months and not more than 1 year.

"(2) **PART-TIME SERVICE.**—Except as provided in paragraph (3), an individual performing part-time national service in an approved national service position shall agree to participate in the program sponsoring the position for not less than 900 hours during a period of—

"(A) not more than 2 years; or

"(B) not more than 3 years if the individual is enrolled in an institute of higher education while performing all or a portion of the service.

"(3) **REDUCTION IN HOURS OF PART-TIME SERVICE.**—The Corporation may reduce the number of hours required to be served to successfully complete part-time national service to a level determined by the Corporation, except that any reduction in the required term of service shall include a corresponding reduction in the amount of any national service educational award that may be available under subtitle D with regard to that service.

"(C) **RELEASE FROM COMPLETING TERM OF SERVICE.**—

"(1) **RELEASE AUTHORIZED.**—A recipient of assistance under section 121 or a program sponsoring an approved national service position may release a participant from completing a term of service in the position—

"(A) for compelling personal circumstances as demonstrated by the participant; or

"(B) for cause.

"(2) **EFFECT OF RELEASE FOR COMPELLING CIRCUMSTANCES.**—If a participant eligible for release under paragraph (1)(A) is serving in an approved national service position, the recipient of assistance under section 121 or a program sponsoring an approved national service position may elect—

"(A) to grant such release and provide to the participant that portion of the national service educational award corresponding to the portion of the term of service actually completed, as provided in section 147(c); or

"(B) to permit the participant to temporarily suspend performance of the term of service for a period of up to 2 years (and such additional period as the Corporation may allow for extenuating circumstances) and, upon completion of such period, to allow return to the program with which the individual was serving in order to complete the remainder of the term of service and obtain the entire national service educational award.

"(3) **EFFECT OF RELEASE FOR CAUSE.**—A participant released for cause may not receive any portion of the national service educational award.

"SEC. 146. LIVING ALLOWANCES FOR NATIONAL SERVICE PARTICIPANTS.

"(a) **PROVISION OF LIVING ALLOWANCE.**—

"(1) **LIVING ALLOWANCE REQUIRED.**—Subject to paragraph (3), a national service program carried out using assistance provided under section 121 shall provide to each participant who participates on a full-time basis in the program a living allowance in an amount equal to or greater than the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(2) **LIMITATION ON FEDERAL SHARE.**—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under section 121 and using any other Federal funds shall not exceed 85 percent of the total average annual provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(3) **MAXIMUM LIVING ALLOWANCE.**—Except as provided in subsection (c), the total amount of an annual living allowance that may be provided to a participant in a national service program shall not exceed 200 percent of the average

annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(4) **PRORATION OF LIVING ALLOWANCE.**—The amount provided as a living allowance under this subsection shall be prorated in the case of a participant who is authorized to serve a reduced term of service under section 139(b)(3).

"(5) **WAIVER OR REDUCTION OF LIVING ALLOWANCE.**—The Corporation may waive or reduce the requirement of paragraph (1) with respect to such national service program if such program demonstrates that—

"(A) such requirement is inconsistent with the objectives of the program; and

"(B) the amount of the living allowance that will be provided to each full-time participant is sufficient to meet the necessary costs of living (including food, housing, and transportation) in the area in which the program is located.

"(6) **EXEMPTION.**—The requirement of paragraph (1) shall not apply to any program that was in existence on the date of the enactment of the National and Community Service Trust Act of 1993.

"(b) **COVERAGE OF CERTAIN EMPLOYMENT-RELATED TAXES.**—To the extent a national service program that receives assistance under section 121 is subject, with respect to the participants in the program, to the taxes imposed on an employer under sections 3111 and 3301 of the Internal Revenue Code of 1986 (26 U.S.C. 3111, 3301) and taxes imposed on an employer under a workmen's compensation act, the assistance provided to the program under section 121 shall include an amount sufficient to cover 85 percent of such taxes based upon the lesser of—

"(1) the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955); and

"(2) the annual living allowance established by the program.

"(c) **EXCEPTION FROM MAXIMUM LIVING ALLOWANCE FOR CERTAIN ASSISTANCE.**—A professional corps program described in section 122(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 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 shall be operated directly by the applicant and shall meet urgent, unmet human, educational, environmental, or public safety needs, as determined by the Corporation.

"(d) **HEALTH INSURANCE.**—

"(1) **IN GENERAL.**—A State or other recipient of assistance under section 121 shall provide a basic health care policy for each full-time participant in a national service program carried out or supported using the assistance, if the participant is not otherwise covered by a health care policy. Not more than 85 percent of the cost of a premium shall be provided by the Corporation, with the remaining cost paid by the entity receiving assistance under section 121. The Corporation shall establish minimum standards that all plans must meet in order to qualify for payment under this part, any circumstances in which an alternative health care policy may be substituted for the basic health care policy, and mechanisms to prohibit participants from dropping existing coverage.

"(2) **OPTION.**—A State or other recipient of assistance under section 121 may elect to provide from its own funds a health care policy for participants that does not meet all of the standards established by the Corporation if the fair market value of such policy is equal to or greater than the fair market value of a plan that meets the

minimum standards established by the Corporation, and is consistent with other applicable laws.

"(e) **CHILD CARE.**—

"(1) **AVAILABILITY.**—A State or other recipient of assistance under section 121 shall—

"(A) make child care available for children of each full-time participant who needs child care in order to participate in a national service program carried out or supported by the recipient using the assistance; or

"(B) provide a child care allowance to each full-time participant in a national service program who needs such assistance in order to participate in the program.

"(2) **GUIDELINES.**—The Corporation shall establish guidelines regarding the circumstances under which child care shall be made available under this subsection and the value of any allowance to be provided.

"(f) **INDIVIDUALIZED SUPPORT SERVICES.**—A State or other recipient of assistance under section 121 shall provide reasonable accommodation, including auxiliary aids and services (as defined in section 3(1) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(1))), based on the individualized need of a participant who is a qualified individual with a disability (as defined in section 101(8) of such Act (42 U.S.C. 12111(8))).

"(g) **WAIVER OF LIMITATION ON FEDERAL SHARE.**—The Corporation may waive in whole or in part the limitation on the Federal share specified in this section with respect to a particular national service program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

"(h) **LIMITATION ON NUMBER OF TERMS OF SERVICE FOR FEDERALLY SUBSIDIZED LIVING ALLOWANCE.**—No national service program may use assistance provided under section 121, or any other Federal funds, to provide a living allowance under subsection (a), a health care policy under subsection (d), or child care or a child care allowance under subsection (e), to an individual for a third, or subsequent, term of service described in section 139(b) by the individual in a national service program carried out under this subtitle.

"SEC. 141. NATIONAL SERVICE EDUCATIONAL AWARDS.

"(a) **ELIGIBILITY GENERALLY.**—A participant in a national service program carried out using assistance provided to an applicant under section 121 shall be eligible for the national service educational award described in subtitle D if the participant—

"(1) serves in an approved national service position; and

"(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(b) **SPECIAL RULE FOR VISTA VOLUNTEERS.**—A VISTA volunteer who serves in an approved national service position shall be ineligible for a national service educational award if the VISTA volunteer accepts the stipend authorized under section 105(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955(a)(1)).

"(c) **TABLE OF CONTENTS RELATED TO SUBTITLE C.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle C of title I of such Act and inserting the following new items.

"Subtitle C—National Service Trust Program

"PART I—INVESTMENT IN NATIONAL SERVICE

"Sec. 121. Authority to provide assistance and approved national service positions.

"Sec. 122. Types of national service programs eligible for program assistance.

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

" 124. Types of program assistance.

"Sec. 125. Training and technical assistance.
"Sec. 126. Other special assistance.

PART II—APPLICATION AND APPROVAL PROCESS

"Sec. 129. Provision of assistance and approved national service positions by competitive and other means.

"Sec. 130. Application for assistance and approved national service positions.

"Sec. 131. National service program assistance requirements.

"Sec. 132. Ineligible service categories.

"Sec. 133. Consideration of applications.

PART III—NATIONAL SERVICE PARTICIPANTS

"Sec. 137. Description of participants.

"Sec. 138. Selection of national service participants.

"Sec. 139. Terms of service.

"Sec. 140. Living allowances for national service participants.

"Sec. 141. National service educational awards."

(d) **LIVING ALLOWANCE UNDER SUBTITLE I.**—Section 199M(a) of the National and Community Service Act of 1990 (former section 133(a) of such Act as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12553(a)) is amended by striking paragraphs (1) and (2) and inserting the following new paragraphs:

"(1) **LIVING ALLOWANCE REQUIRED.**—Subject to paragraph (3), each participant in a full-time youth corps program that receives assistance under this subtitle shall receive a living allowance in an amount equal to or greater than the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(2) **LIMITATION ON FEDERAL SHARE.**—The amount of the annual living allowance provided under paragraph (1) that may be paid using assistance provided under this subtitle, section 121, and any other Federal funds shall not exceed 85 percent of the total average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(3) **MAXIMUM LIVING ALLOWANCE.**—The total amount of an annual living allowance that may be provided to a participant in a full-time youth corps program that receives assistance under this subtitle shall not exceed 200 percent of the average annual subsistence allowance provided to VISTA volunteers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955).

"(4) **WAIVER OR REDUCTION OF LIVING ALLOWANCE.**—The Corporation may waive the requirement of paragraph (1) with such national service program if such demonstrates that—

"(A) such requirement is inconsistent objectives of the program; and

"(B) the amount of the living allowance will be provided to each full-time participant sufficient to meet the necessary costs (including food, housing, and transportation) in the area in which the program is located.

"(5) **EXEMPTION.**—The requirement of paragraph (1) shall not apply to any program that was in existence on the date of the enactment of the National and Community Service Act of 1993."

(e) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) **REFERENCES.**—Subtitle I of title I of the National and Community Service Act of 1990 (as so redesignated by subsection (a)(1) of this section) is amended by striking "Commission" each place it appears in sections 199A, 199C, 199D, 199F, 199I, 199M, and 199N (as redesignated in subsection (a)(3) of this section) and inserting "Corporation".

(2) **GENERAL AUTHORITY.**—Section 199A of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12541) is amended—

(A) by striking "under section 102";

(B) by striking "to the Secretary of the Interior, or to the Director of ACTION" and inserting "or to the Secretary of the Interior"; and

(C) by adding at the end the following new sentence: "To the extent practicable, the Corporation shall apply the provisions of subtitle C in making grants under this section."

(3) **PURCHASE OF CAPITAL EQUIPMENT.**—Section 199B of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12542) is amended to read as follows:

"SEC. 199B. LIMITATION ON PURCHASE OF CAPITAL EQUIPMENT.

"Not to exceed 10 percent of the amount of assistance made available to a program agency under this subtitle shall be used for the purchase of major capital equipment."

(4) **STATE APPLICATION.**—Section 199C of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12543) is amended—

(A) in subsection (a)—

(i) by striking "section 122(b)" and inserting "section 199A"; and

(ii) by striking "including the information required under subsection (b)" before the period at the end thereof; and

(B) by striking subsections (c) and (d).

(5) **FOCUS OF PROGRAMS.**—Section 199D of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12544) is amended—

(A) by striking subsection (b); and

(B) by redesignating subsection (c) as subsection (b).

(6) **PUBLIC LANDS.**—Section 199F(b) of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12546(b)) is amended by striking "section 123" and inserting "section 199C".

(7) **PREFERENCE.**—Section 199I(a) of such Act (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12549) is amended by striking "section 123" and inserting "section 199C".

(8) **OBSOLETE PROVISIONS.**—Such subtitle is further amended—

(A) by striking sections 199H and 199L (as redesignated in subsection (a)(3) of this section) (42 U.S.C. 12548, 12552); and

(B) by redesignating sections 199I, 199J, 199K, 199M, 199N, and 199O (as previously redesignated) as sections 199H, 199I, 199J, 199K, 199L, and 199M, respectively.

(f) **TABLE OF CONTENTS RELATED TO SUBTITLE I.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by inserting after the item relating to section 1950 the following new items:

be known as the National Service Trust. The Trust shall consist of—

"(1) from the amounts appropriated to the Corporation and made available to carry out this subtitle pursuant to section 501(a)(2), such amounts as the Corporation may designate to be available for the payment of—

"(A) national service educational awards; and

"(B) interest expenses pursuant to section 146(e);

"(2) any amounts received by the Corporation as gifts, bequests, devises, or otherwise pursuant to section 196(a)(2); and

"(3) the interest on, and proceeds from the sale or redemption of, any obligations held by the Trust.

"(b) **INVESTMENT OF TRUST.**—It shall be the duty of the Secretary of the Treasury to invest in full the amounts appropriated to the Trust. Except as otherwise expressly provided in instruments concerning a gift, bequest, devise, or other donation and agreed to by the Corporation, such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose, such obligations may be acquired on original issue at the issue price or by purchase of outstanding obligations at the market price. Any obligation acquired by the Trust may be sold by the Secretary at the market price.

"(c) **EXPENDITURES FROM TRUST.**—Amounts in the Trust shall be available, to the extent provided for in advance by appropriation, for payments of national service educational awards in accordance with section 146.

"(d) **REPORTS TO CONGRESS ON RECEIPTS AND EXPENDITURES.**—Not later than March 1 of each year, the Corporation shall submit a report to the Congress on the financial status of the Trust during the preceding fiscal year. Such report shall—

"(1) specify the amount deposited to the Trust from the most recent appropriation to the Corporation, the amount received by the Corporation as gifts, bequests, devises, or otherwise pursuant to section 196(a)(2) during the period covered by the report, and any amounts obtained by the Trust pursuant to subsection (a)(3);

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

"(3) identify the number of individuals whose expectation to receive national service educational awards during the period covered by the report—

"(A) has been reduced pursuant to section 147(c); or

"(B) has lapsed pursuant to section 146(d); and

"(4) estimate the number of additional approved national service positions that the Corporation will be able to make available under subtitle C on the basis of any accumulated surplus in the Trust above the amount required to provide national service educational awards to individuals identified under paragraph (2), including any amounts available as a result of the circumstances referred to in paragraph (3).

"SEC. 146. INDIVIDUALS ELIGIBLE TO RECEIVE A NATIONAL SERVICE EDUCATIONAL AWARD FROM THE TRUST.

"(a) **ELIGIBLE INDIVIDUALS.**—An individual shall receive a national service educational award from the National Service Trust if the individual—

"(1) successfully completes the required term of service described in subsection (b) in an approved national service position;

"(2) was 17 years of age or older at the time the individual began serving in the approved national service position or was an out-of-school youth serving in an approved national service position with a youth corps program described in section 122(a)(2) or a program described in section 122(a)(9);

"(3) at the time the individual uses the national service educational award—

SEC. 108. NATIONAL SERVICE TRUST AND PROVISION OF NATIONAL SERVICE EDUCATIONAL AWARDS.

(a) **ESTABLISHMENT OF TRUST; PROVISION OF AWARDS.**—Subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.) is amended to read as follows:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards

"SEC. 146. ESTABLISHMENT OF THE NATIONAL SERVICE TRUST.

"(a) **ESTABLISHMENT.**—There is established in the Treasury of the United States an account to

"(A) has received a high school diploma, or the equivalent of such diploma;

"(B) is enrolled at an institution of higher education on the basis of meeting the standard described in paragraph (1) or (2) of subsection (a) of section 484 of the Higher Education Act of 1965 (20 U.S.C. 1091) and meets the requirements of subsection (a) of such section; or

"(C) has received a waiver described in section 137(c); and

"(3) has received a high school diploma, or the equivalent of such diploma, at the time the individual uses the national service educational award, unless this requirement has been waived based on an individual education assessment conducted by the program, and

"(4) is a citizen or national of the United States or lawful permanent resident alien of the United States.

"(b) **TERM OF SERVICE.**—The term of service for an approved national service position shall not be less than the full- or part-time term of service specified in section 139(b).

"(c) **LIMITATION ON NUMBER OF TERMS OF SERVICE FOR AWARDS.**—Although an individual may serve more than 2 terms of service described in subsection (b) in an approved national service position, the individual shall receive a national service educational award from the National Service Trust only on the basis of the first and second of such terms of service.

"(d) **TIME FOR USE OF EDUCATIONAL AWARD.**—

"(1) **SEVEN-YEAR REQUIREMENT.**—An individual eligible to receive a national service educational award under this section may not use such award after the end of the 7-year period beginning on the date the individual completes the term of service in an approved national service position that is the basis of the award.

"(2) **EXCEPTION.**—The Corporation may extend the period within which an individual may use a national service educational award if the Corporation determines that the individual—

"(A) was unavoidably prevented from using the national service educational award during the original 7-year period; or

"(B) performed another term of service in an approved national service position during that period.

"(e) **SUSPENSION OF ELIGIBILITY FOR DRUG-RELATED OFFENSES.**—

"(1) **IN GENERAL.**—An individual who, after qualifying under this section as an eligible individual, has been convicted under any Federal or State law of the possession or sale of a controlled substance shall not be eligible to receive a national service educational award during the period beginning on the date of such conviction and ending after the interval specified in the following table:

If convicted of:		Ineligibility period is:
The possession of a controlled substance:		
1st conviction	1 year	
2nd conviction	2 years	
3rd conviction	Indefinite	
The sale of a controlled substance:		
1st conviction	2 years	
2nd conviction	Indefinite	

"(2) **REHABILITATION.**—An individual whose eligibility has been suspended under paragraph (1) shall resume eligibility before the end of the period determined under such paragraph if the individual satisfactorily completes a drug rehabilitation program that complies with such criteria as the Corporation shall prescribe for purposes of this paragraph.

"(3) **FIRST CONVICTIONS.**—An individual whose eligibility has been suspended under paragraph (1) and is convicted of a first offense may resume eligibility before the end of the period determined under such paragraph if the individual demonstrates that he or she has enrolled or been accepted for enrollment in a drug

rehabilitation program described in paragraph (2).

"(4) **DEFINITIONS.**—As used in this subsection, the term 'controlled substance' has the meaning given in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

"(5) **EFFECTIVE DATE.**—This subsection shall be effective upon publication by the Corporation in the Federal Register of criteria prescribed under paragraph (2).

"(f) **AUTHORITY TO ESTABLISH DEMONSTRATION PROGRAMS.**—The Corporation may establish by regulation demonstration programs for the creation and evaluation of innovative volunteer and community service programs.

"SEC. 147. DETERMINATION OF THE AMOUNT OF THE NATIONAL SERVICE EDUCATIONAL AWARD.

"(a) **AMOUNT FOR FULL-TIME NATIONAL SERVICE.**—Except as provided in subsection (c), an individual described in section 146(a) who successfully completes a required term of full-time national service in an approved national service position shall receive a national service educational award having a value, for each of not more than 2 of such terms of service, equal to 90 percent of—

"(1) one-half of an amount equal to the aggregate basic educational assistance allowance provided in section 3015(b)(1) of title 38, United States Code (as in effect on July 28, 1993), for the period referred to in section 3013(a)(1) of such title (as in effect on July 28, 1993), for a member of the Armed Forces who is entitled to such an allowance under section 3011 of such title and whose initial obligated period of active duty is 2 years; less

"(2) one-half of the aggregate basic contribution required to be made by the member in section 3011(b) of such title (as in effect on July 28, 1993).

"(b) **AMOUNT FOR PART-TIME NATIONAL SERVICE.**—Except as provided in subsection (c), an individual described in section 146(a) who successfully completes a required term of part-time national service in an approved national service position shall receive a national service educational award having a value, for each of not more than 2 of such terms of service, equal to 50 percent of value of the national service educational award determined under subsection (a).

"(c) **AWARD FOR PARTIAL COMPLETION OF SERVICE.**—If an individual serving in an approved national service position is released in accordance with section 139(c)(1)(A) from completing the full-time or part-time term of service agreed to by the individual, the Corporation may provide the individual with that portion of the national service educational award approved for the individual that corresponds to the quantity of the term of service actually completed by the individual.

"SEC. 148. DISBURSEMENT OF NATIONAL SERVICE EDUCATIONAL AWARDS.

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

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

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

"(3) to pay expenses incurred in participating in an approved school-to-work program in accordance with subsection (d); and

"(4) to pay interest expenses in accordance with regulations prescribed pursuant to subsection (e).

"(b) **USE OF EDUCATIONAL AWARD TO REPAY OUTSTANDING STUDENT LOANS.**—

"(1) **APPLICATION BY ELIGIBLE INDIVIDUALS.**—An eligible individual under section 146 who desires to apply the national service educational award of the individual to the repayment of qualified student loans shall submit, in a manner prescribed by the Corporation, an application to the Corporation that—

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

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

"(C) specifies, if the outstanding balance is greater than the amount disbursed under paragraph (2), which of the loans the individual prefers to be paid by the Corporation; and

"(D) contains or is accompanied by such other information as the Corporation may require.

"(2) **DISBURSEMENT OF REPAYMENTS.**—Upon receipt of an application from an eligible individual of an application that complies with paragraph (1), the Corporation shall, as promptly as practicable consistent with paragraph (5), disburse the amount of the national service educational award that the eligible individual has earned. Such disbursement shall be made by check or other means that is payable to the holder of the loan and requires the endorsement or other certification by the eligible individual.

"(3) **APPLICATION OF DISBURSED AMOUNTS.**—If the amount disbursed under paragraph (2) is less than the principal and accrued interest on any qualified student loan, such amount shall be applied according to the specified priorities of the individual.

"(4) **REPORTS BY HOLDERS.**—Any holder receiving a loan payment pursuant to this subsection shall submit to the Corporation such information as the Corporation may require to verify that such payment was applied in accordance with this subsection and any regulations prescribed to carry out this subsection.

"(5) **NOTIFICATION OF INDIVIDUAL.**—The Corporation upon disbursing the national service educational award, shall notify the individual of the amount paid for each outstanding loan and the date of payment.

"(6) **AUTHORITY TO AGGREGATE PAYMENTS.**—The Corporation may, by regulation, provide for the aggregation of payments to holders under this subsection.

"(7) **DEFINITION OF QUALIFIED STUDENT LOANS.**—As used in this subsection, the term 'qualified student loans' means—

"(A) any loan made, insured, or guaranteed pursuant to title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), other than a loan to a parent of a student pursuant to section 428B of such Act (20 U.S.C. 1078-2); and

"(B) any loan made pursuant to title VII or VIII of the Public Health Service Act (42 U.S.C. 292a et seq.).

"(8) **DEFINITION OF HOLDER.**—As used in this subsection, the term 'holder' with respect to any eligible loan means the original lender or, if the loan is subsequently sold, transferred, or assigned to some other person, and such other person acquires a legally enforceable right to receive payments from the borrower, such other person.

"(c) **USE OF EDUCATIONAL AWARDS TO PAY CURRENT EDUCATIONAL EXPENSES.**—

"(1) **APPLICATION BY ELIGIBLE INDIVIDUAL.**—An eligible individual under section 146 who desires to apply the individual's national service educational award to the payment of current full-time or part-time educational expenses shall, on a form prescribed by the Corporation, submit an application to the institution of higher education in which the student will be enrolled that contains such information as the Corporation may require to verify the individual's eligibility.

"(2) **SUBMISSION OF REQUESTS FOR PAYMENT BY INSTITUTIONS.**—An institution of higher education that receives one or more applications that comply with paragraph (1) shall submit to the Corporation a statement, in a manner prescribed by the Corporation, that—

"(A) identifies each eligible individual filing an application under paragraph (1) for a disbursement of the individual's national service educational award under this subsection.

"(B) specifies the amounts for which such eligible individuals are, consistent with paragraph (6), qualified for disbursement under this subsection;

"(C) certifies that—

"(i) the institution of higher education has in effect a program participation agreement under section 487 of the Higher Education Act of 1965 (20 U.S.C. 1094);

"(ii) the institution's eligibility to participate in any of the programs under title IV of such Act (20 U.S.C. 1070 et seq.) has not been limited, suspended, or terminated; and

"(iii) individuals using national service educational awards received under this subtitle to pay for educational costs do not comprise more than 15 percent of the total student population of the institution; and

"(D) contains such provisions concerning financial compliance as the Corporation may require.

"(3) **DISBURSEMENT OF PAYMENTS.**—Upon receipt of a statement from an institution of higher education that complies with paragraph (2), the Corporation shall, subject to paragraph (4), disburse the total amount of the national service educational awards for which eligible individuals who have submitted applications to that institution under paragraph (1) are scheduled to receive. Such disbursement shall be made by check or other means that is payable to the institution and requires the endorsement or other certification by the eligible individual.

"(4) **MULTIPLE DISBURSEMENTS REQUIRED.**—The total amount required to be disbursed to an institution of higher education under paragraph (3) for any period of enrollment shall be disbursed by the Corporation in 2 or more installments, none of which exceeds $\frac{1}{3}$ of such total amount. The interval between the first and second such installment shall not be less than $\frac{1}{3}$ of such period of enrollment, except as necessary to permit the second installment to be paid at the beginning of the second semester, quarter, or similar division of such period of enrollment.

"(5) **REFUND RULES.**—The Corporation shall, by regulation, provide for the refund to the Corporation (and the crediting to the national service educational award of an eligible individual) of amounts disbursed to institutions for the benefit of eligible individuals who withdraw or otherwise fail to complete the period of enrollment for which the assistance was provided. Such regulations shall be consistent with the fair and equitable refund policies required of institutions pursuant to section 484B of the Higher Education Act of 1965 (20 U.S.C. 1091b). Amounts refunded to the Trust pursuant to this paragraph may be used by the Corporation to fund additional approved national service positions under subtitle C.

"(6) **MAXIMUM AWARD.**—The portion of an eligible individual's total available national service educational award that may be disbursed under this subsection for any period of enrollment shall not exceed the difference between—

"(A) the eligible individual's cost of attendance for such period of enrollment, determined in accordance with section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087U); and

"(B) the sum of—

"(i) the student's estimated financial assistance for such period under part A of title IV of such Act (20 U.S.C. 1070 et seq.); and

"(ii) the student's veterans' education benefits, determined in accordance with section 480(c) of such Act (20 U.S.C. 1087v(c)).

"(d) **USE OF EDUCATIONAL AWARD TO PARTICIPATE IN APPROVED SCHOOL-TO-WORK PROGRAMS.**—The Corporation shall by regulation provide for the payment of national service educational awards to permit eligible individuals to participate in school-to-work programs approved by the Secretaries of Labor and Education.

"(e) **INTEREST PAYMENTS DURING FORBEARANCE ON LOAN REPAYMENT.**—The Corporation shall provide by regulation for the payment on behalf of an eligible individual of interest that accrues during a period for which such individual has obtained forbearance in the repayment of a qualified student loan (as defined in sub-

section (b)(6)). If the eligible individual successfully completes the individual's required term of service (as determined under section 146(b)). Such regulations shall be prescribed after consultation with the Secretary of Education.

"(f) **EXCEPTION.**—With the approval of the Director, an approved national service program funded under section 121, may offer participants the option of waiving their right to receive a national service educational award in order to receive an alternative post-service benefit funded by the program entirely with non-Federal funds.

"(g) **DEFINITION OF INSTITUTION OF HIGHER EDUCATION.**—Notwithstanding section 101 of this Act, for purposes of this section the term 'institution of higher education' has the meaning provided by section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)).

"(b) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle D of title I of such Act and inserting the following new items:

"Subtitle D—National Service Trust and Provision of National Service Educational Awards

"Sec. 145. Establishment of the National Service Trust.

"Sec. 146. Individuals eligible to receive a national service educational award from the Trust.

"Sec. 147. Determination of the amount of the national service educational award.

"Sec. 148. Disbursement of national service educational awards."

(c) **CONFORMING AMENDMENTS.**—

(1) **FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.**—Section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended—

(A) in subsection (b)(1)—

(i) by redesignating subparagraphs (W), (X), and (Y) as subparagraphs (X), (Y), and (Z), respectively; and

(ii) by inserting immediately after subparagraph (V) the following new subparagraph:

"(W)(i) provides that, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary, during periods in which the borrower is serving in a national service position, for which the borrower receives a national service educational award under the National and Community Service Trust Act of 1993;

"(ii) provides that clauses (iii) and (iv) of subparagraph (V) shall also apply to a forbearance granted under this subparagraph; and

"(iii) provides that interest shall continue to accrue on a loan for which a borrower receives forbearance under this subparagraph and shall be capitalized or paid by the borrower;"; and

(B) in subsection (c)(3)(A), by striking "subsection (b)(1)(V)" and inserting "subparagraphs (V) and (W) of subsection (b)(1)".

(2) **ELIGIBILITY FOR STAFFORD LOAN FORGIVENESS.**—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078-10) is amended—

(A) in subsection (b)(1), is amended by striking "October 1, 1992" and inserting "October 1, 1989"; and

(B) in subsection (c), by adding at the end the following new paragraph:

"(5) **INELIGIBILITY OF NATIONAL SERVICE EDUCATIONAL AWARD RECIPIENTS.**—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.)."

(3) **ELIGIBILITY FOR PERKINS LOAN FORGIVENESS.**—Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended by adding at the end the following new paragraph:

"(6) No borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.)."

(4) **DEFINITION OF INCOME.**—Section 460(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(a)(2)) is amended by inserting after "by an individual" the following: "; and no portion of a national service educational award or post-service benefit received by an individual under title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.)."

(5) **IMPACT ON GENERAL NEEDS ANALYSIS.**—Section 480(f) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(f)) is amended by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), a national service educational award or post-service benefit under title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.) shall not be treated as financial assistance for purposes of section 471(3)."

SEC. 103. SCHOOL-BASED AND COMMUNITY-BASED SERVICE-LEARNING PROGRAMS.

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

(1) **PURPOSE.**—The purpose of this subsection is to improve the Serve-America programs established under part I of subtitle B of the National and Community Service Act of 1990, and to enable the Corporation for National and Community Service, and the entities receiving financial assistance under such part, to—

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

(B) educate teachers, and faculty providing teacher training and retraining, about service-learning, and incorporate service-learning opportunities into classroom teaching to strengthen academic learning;

(C) coordinate the work of adult volunteers who work with elementary and secondary schools as part of their community service activities; and

(D) work with employers in the communities to ensure that projects introduce the students to various careers and expose the students to further education and training.

(2) **PROGRAMS.**—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.) is amended by striking the subtitle heading and all that follows through the end of part I and inserting the following:

"**Subtitle B—School-Based and Community-Based Service-Learning Programs**

"**PART I—SERVE-AMERICA PROGRAMS**

"**Subpart A—School-Based Programs for Students**

"**SEC. 111. AUTHORITY TO ASSIST STATES AND INDIAN TRIBES.**

"(a) **USE OF FUNDS.**—The Corporation, in consultation with the Secretary of Education, may make grants under section 112(b)(1), and allotments under subsections (a) and (b)(2) of section 112, to States (through State educational agencies), and to Indian tribes, to pay for the Federal share of—

"(1) planning and building the capacity of the States or Indian tribes (which may be accomplished through grants or contracts with qualified organizations) to implement school-based service-learning programs, including—

"(A) providing training for teachers, supervisors, personnel from community-based agencies (particularly with regard to the utilization of participants), and trainers, to be conducted by qualified individuals or organizations that have experience with service-learning;

"(B) developing service-learning curricula to be integrated into academic programs, including the age-appropriate learning component described in section 114(d)(2);

"(C) forming local partnerships described in paragraph (2) or (4) to develop school-based service-learning programs in accordance with this subpart;

"(D) devising appropriate methods for research and evaluation of the educational value

of service-learning and the effect of service-learning activities on communities; and

"(E) establishing effective outreach and dissemination of information to ensure the broadest possible involvement of community-based agencies with demonstrated effectiveness in working with school-age youth in their communities;

"(2) implementing, operating, or expanding school-based service-learning programs, which may include paying for the cost of the recruitment, training, supervision, placement, salaries, and benefits of service-learning coordinators, through State distribution of Federal funds made available under this subpart to projects operated by local partnerships among—

"(A) local educational agencies; and

"(B) one or more community partners that—

"(i) shall include a public or private nonprofit organization that—

"(i) has a demonstrated expertise in the provision of services to meet unmet human, educational, environmental, or public safety needs;

"(ii) was in existence at least 1 year before the date on which the organization submitted an application under section 114; and

"(iii) will make projects available for participants, who shall be students; and

"(iv) may include a private for-profit business or private elementary or secondary school;

"(3) planning of school-based service-learning programs, through State distribution of Federal funds made available under this subpart to local educational agencies, which planning may include paying for the cost of—

"(A) the salaries and benefits of service-learning coordinators; or

"(B) the recruitment, training, supervision, and placement of service-learning coordinators who are participants in a program under subtitle C, or receive a national service educational award under subtitle D,

who will identify the community partners described in paragraph (2)(B) and assist in the design and implementation of a program described in paragraph (2); and

"(4) implementing, operating, or expanding school-based service-learning programs involving adult volunteers to utilize service-learning to improve the education of students, through State distribution of Federal funds made available under this part to local partnerships among—

"(A) local educational agencies; and

"(B) one or more—

"(i) public or private nonprofit organizations;

"(ii) other educational agencies; or

"(iii) private for-profit businesses,

that coordinate and operate projects for participants, who shall be students.

"(b) DUTIES OF SERVICE-LEARNING COORDINATOR.—A service-learning coordinator referred to in paragraph (2) or (3) of subsection (a) shall provide services to a local educational agency by—

"(1) providing technical assistance and information to, and facilitating the training of, teachers who want to use service-learning in their classrooms;

"(2) assisting local partnerships described in subsection (a) in the planning, development, and execution of service-learning projects; and

"(3) carrying out such other duties as the local educational agency may determine to be appropriate.

"(c) RELATED EXPENSES.—A partnership, local educational agency, or other qualified organization that receives financial assistance under this subpart may, in carrying out the activities described in subsection (a), use such assistance to pay for the Federal share of reasonable costs related to the supervision of participants, program administration, transportation, insurance, and evaluations, and for other reasonable expenses related to the activities.

"SEC. 111A. AUTHORITY TO ASSIST LOCAL APPLICATIONS IN NONPARTICIPATING STATES.

"In any fiscal year in which a State does not submit an application under section 113, for an

allotment under subsection (a) or (b)(2) of section 112, that meets the requirements of section 113 and such other requirements as the Chief Executive Officer may determine to be appropriate, the Corporation may use the allotment of that State to make direct grants to pay for the Federal share of the cost of—

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

"(2) carrying out the activities described in paragraph (3) of such section, to an agency described in such paragraph, that is located in the State.

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

"(a) IN GENERAL.—The Corporation may make grants under section 112(b)(1) to public or private nonprofit organizations that—

"(1) have experience with service-learning;

"(2) were in existence at least 1 year before the date on which the organization submitted an application under section 114(a); and

"(3) meet such other criteria as the Chief Executive Officer may establish.

"(b) USE OF FUNDS.—Such organizations may use grants made under subsection (a) to make grants to partnerships described in paragraph (2) or (4) of section 111(a) to implement, operate, or expand school-based service-learning programs as described in such section and provide technical assistance and training to appropriate persons.

"SEC. 113. GRANTS AND ALLOTMENTS.

"(a) INDIAN TRIBES AND TERRITORIES.—Of the amounts appropriated to carry out this subpart for any fiscal year, the Corporation shall reserve an amount of not more than 3 percent for payments to Indian tribes, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs. The Corporation may also make payments from such amount to Palau, in accordance with its needs, until such time as the Compact of Free Association with Palau is ratified.

"(b) GRANTS AND ALLOTMENTS THROUGH STATES.—The Corporation shall use the remainder of the funds appropriated to carry out this subpart for any fiscal year as follows:

"(1) GRANTS.—Except as provided in paragraph (3), from 25 percent of such remainder, the Corporation may make grants, on a competitive basis, to—

"(A) States and Indian tribes; or

"(B) as described in section 111B, to participating entities.

"(2) ALLOTMENTS.—

"(A) SCHOOL-AGE YOUTH.—Except as provided in paragraph (3), from 37.5 percent of such remainder, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such remainder as the number of school-age youth in the State bears to the total number of school-age youth of all States.

"(B) ALLOCATION UNDER ELEMENTARY AND SECONDARY EDUCATION ACT OF 1983.—Except as provided in paragraph (3), from 37.5 percent of such remainder, the Corporation shall allot to each State an amount that bears the same ratio to 37.5 percent of such remainder as the allocation to the State for the previous fiscal year under chapter 1 of title I of the Elementary and Secondary Education Act of 1983 (20 U.S.C. 2771 et seq.) bears to such allocations to all States.

"(3) MINIMUM AMOUNT.—No State shall receive, under paragraph (2), an allotment that is less than the allotment such State received for fiscal year 1993 under section 112(b) of this Act, as in effect on the day before the date of enactment of this part. If the amount of funds made available in a fiscal year to carry out paragraph (2) is insufficient to make such allotments, the Corporation shall make available sums from the 25 percent described in paragraph (1) for such fiscal year to make such allotments.

"(4) DEFINITION.—Notwithstanding section 101(26), for purposes of this subsection, the term 'State' means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

"(c) REALLOTMENT.—If the Corporation determines that the allotment of a State or Indian tribe under this section will not be required for a fiscal year because the State or Indian tribe does not submit an application for the allotment under section 113 that meets the requirements of such section and such other requirements as the Chief Executive Officer may determine to be appropriate, the Corporation shall, after making any grants under section 111A to a partnership or agency described in such section, make any remainder of such allotment available for reallocation to such other States and Indian tribes, with approved applications submitted under section 113, as the Corporation may determine to be appropriate.

"(d) EXCEPTION.—Notwithstanding subsections (a) and (b), if less than \$20,000,000 is appropriated for any fiscal year to carry out this subpart, the Corporation shall award grants to States and Indian tribes, from the amount so appropriated, on a competitive basis to pay for the Federal share of the activities described in section 111.

"SEC. 114. STATE OR TRIBAL APPLICATIONS.

"(a) SUBMISSION.—To be eligible to receive a grant under subsection (a) or (b)(2) of section 112, a reallocation under section 112(c), or a grant under section 112(d), a State, acting through the State educational agency, or an Indian tribe, shall prepare, submit to the Corporation, and obtain approval of, an application at such time and in such manner as the Chief Executive Officer may reasonably require.

"(b) CONTENTS.—An application that is submitted under subsection (a) with respect to service-learning programs described in section 111 shall include—

"(1) a 3-year strategic plan, or a revision of a previously approved 3-year strategic plan, for promoting service-learning through the programs, which plan shall contain such information as the Chief Executive Officer may reasonably require, including information demonstrating that the programs will be carried out in a manner consistent with the approved strategic plan;

"(2) assurances that—

"(A) the applicant will keep such records and provide such information to the Corporation with respect to the programs as may be required for fiscal audits and program evaluation; and

"(B) the applicant will comply with the nonduplication and nondisplacement requirements of section 177 and the grievance procedure requirements of section 176(f); and

"(3) such additional information as the Chief Executive Officer may reasonably require.

"SEC. 114. LOCAL APPLICATIONS.

"(a) APPLICATION TO CORPORATION TO MAKE GRANTS FOR SCHOOL-BASED SERVICE-LEARNING PROGRAMS.—

"(1) IN GENERAL.—To be eligible to receive a grant in accordance with section 111B(a) to make grants relating to school-based service-learning programs described in section 111(a), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application.

"(2) SUBMISSION.—Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chief Executive Officer may reasonably require. Such application shall include a proposal to assist such programs in more than 1 State.

"(b) DIRECT APPLICATION TO CORPORATION TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS IN NONPARTICIPATING STATES.—To be eligible to receive a grant from the Corporation in the circumstances described in section 111A to carry out an activity as described in such sec-

tion, a partnership or agency described in such section shall prepare, submit to the Corporation, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chief Executive Officer may reasonably require.

(C) APPLICATION TO STATE OR INDIAN TRIBE TO RECEIVE ASSISTANCE TO CARRY OUT SCHOOL-BASED SERVICE-LEARNING PROGRAMS.—

(1) IN GENERAL.—Any—

(A) qualified organization that desires to receive financial assistance under this subpart from a State or Indian tribe for an activity described in section 111(a)(1);

(B) partnership described in section 111(a)(2) that desires to receive such assistance from a State, Indian tribe, or grantmaking entity for an activity described in section 111(a)(2);

(C) agency described in section 111(a)(3) that desires to receive such assistance from a State or Indian tribe for an activity described in such section; or

(D) partnership described in section 111(a)(4) that desires to receive such assistance from a State or Indian tribe for an activity described in such section.

to be carried out through a service-learning program described in section 111, shall prepare, submit to the State educational agency, Indian tribe, or grantmaking entity, and obtain approval of, an application for the program.

(2) SUBMISSION.—Such application shall be submitted at such time and in such manner, and shall contain such information, as the agency, tribe, or entity may reasonably require.

(d) REGULATIONS.—The Corporation shall by regulation establish standards for the information and assurances required to be contained in an application submitted under subsection (a) or (b) with respect to a service-learning program described in section 111, including, at a minimum, assurances that—

(1) prior to the placement of a participant, the entity carrying out the program will consult with the appropriate local labor organization, if any, representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to prevent the displacement and protect the rights of such employees;

(2) the entity carrying out the program will develop an age-appropriate learning component for participants in the program that shall include a chance for participants to analyze and apply their service experiences; and

(3) the entity carrying out the program will comply with the nonduplication and nondisplacement requirements of section 117 and the grievance procedure requirements of section 116(d).

(e) LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.—No applicant shall submit an application under section 113 or this section, and the Corporation shall reject an application that is submitted under section 113 or this section, if the application describes a project proposed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

SEC. 114. CONSIDERATION OF APPLICATIONS.

(a) CRITERIA FOR APPLICATIONS.—In approving applications for financial assistance under subsection (a), (b), (c), or (d) of section 112, the Corporation shall consider such criteria with respect to sustainability, replicability, innovation, and quality of programs under this subpart as the Chief Executive Officer may by regulation specify. In providing assistance under this subpart, a State educational agency, Indian tribe, or grantmaking entity shall consider such criteria.

(b) PRIORITY FOR LOCAL APPLICATIONS.—In providing assistance under this subpart, a State educational agency or Indian tribe, or the Corporation if section 111A or 111B applies, shall

give priority to entities that submit applications under section 114 with respect to service-learning programs described in section 111 that—

(1) involve participants in the design and operation of the program;

(2) are in the greatest need of assistance, such as programs targeting low-income areas;

(3) involve—

(A) students from public elementary or secondary schools, and students from private elementary or secondary schools, serving together; or

(B) students of different ages, races, sexes, ethnic groups, disabilities, or economic backgrounds, serving together; or

(4) are integrated into the academic program of the participants.

(c) REJECTION OF APPLICATIONS.—If the Corporation rejects an application submitted by a State under section 113 for an allotment under section 112(b)(2), the Corporation shall promptly notify the State of the reasons for the rejection of the application. The Corporation shall provide the State with a reasonable opportunity to revise and resubmit the application and shall provide technical assistance, if needed, to the State as part of the resubmission process. The Corporation shall promptly reconsider such resubmitted application.

SEC. 115A. PARTICIPATION OF STUDENTS AND TEACHERS FROM PRIVATE SCHOOLS.

(a) IN GENERAL.—To the extent consistent with the number of students in the State or Indian tribe or in the school district of the local educational agency involved who are enrolled in private nonprofit elementary and secondary schools, such State, Indian tribe, or agency shall (after consultation with appropriate private school representatives) make provision—

(1) for the inclusion of services and arrangements for the benefit of such students so as to allow for the equitable participation of such students in the programs implemented to carry out the objectives and provide the benefits described in this subpart; and

(2) for the training of the teachers of such students so as to allow for the equitable participation of such teachers in the programs implemented to carry out the objectives and provide the benefits described in this subpart.

(b) WAIVER.—If a State, Indian tribe, or local educational agency is prohibited by law from providing for the participation of students or teachers from private nonprofit schools as required by subsection (a), or if the Corporation determines that a State, Indian tribe, or local educational agency substantially fails or is unwilling to provide for such participation on an equitable basis, the Chief Executive Officer shall waive such requirements and shall arrange for the provision of services to such students and teachers. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with paragraphs (3) and (4) of section 1817(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2727(b)).

SEC. 116. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

(a) SHARE.—

(1) IN GENERAL.—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant or allotment is made under this subpart may not exceed—

(A) 90 percent of the total cost of the program for the first year for which the program receives assistance under this subpart;

(B) 80 percent of the total cost of the program for the second year for which the program receives assistance under this subpart;

(C) 70 percent of the total cost of the program for the third year for which the program receives assistance under this subpart; and

(D) 50 percent of the total cost of the program for the fourth year, and for any subsequent year, for which the program receives assistance under this subpart.

(2) CALCULATION.—In providing for the remaining share of the cost of carrying out such a program, each recipient of assistance under this subpart—

(A) shall provide for such share through a payment in cash or in kind, fairly evaluated, including facilities, equipment, or services; and

(B) may provide for such share through State sources, local sources, or Federal sources (other than funds made available under the national service laws).

(b) WAIVER.—The Chief Executive Officer may waive the requirements of subsection (a) in whole or in part with respect to any such program in any fiscal year if the Corporation determines that such a waiver would be equitable due to a lack of available financial resources at the local level.

SEC. 116A. LIMITATIONS ON USES OF FUNDS.

(a) ADMINISTRATIVE COSTS.—

(1) LIMITATION.—Not more than 5 percent of the amount of assistance provided to a State educational agency, Indian tribe, or grantmaking entity that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to pay for administrative costs incurred by—

(A) the original recipient; or

(B) the entity carrying out the service-learning programs supported with the assistance.

(2) RULES ON USE.—The Chief Executive Officer may by rule prescribe the manner and extent to which—

(A) such assistance may be used to cover administrative costs; and

(B) that portion of the assistance available to cover administrative costs should be distributed between—

(i) the original recipient; and

(ii) the entity carrying out the service-learning programs supported with the assistance.

(b) CAPACITY-BUILDING ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), not less than 10 percent and not more than 15 percent of the amount of assistance provided to a State educational agency or Indian tribe that is the original recipient of a grant or allotment under subsection (a), (b), (c), or (d) of section 112 for a fiscal year may be used to build capacity through training, technical assistance, curriculum development, and coordination activities, described in section 111(a)(7).

(2) WAIVER.—The Chief Executive Officer may waive the requirements of paragraph (1) in order to permit an agency or a tribe to use not less than 10 percent and not more than 20 percent of such amount to build capacity as provided in paragraph (1). To be eligible to receive such a waiver such an agency or tribe shall submit an application to the Chief Executive Officer at such time, in such manner, and containing such information as the Chief Executive Officer may require.

(c) LOCAL USES OF FUNDS.—Funds made available under this subpart may not be used to pay any stipend, allowance, or other financial support to any student who is a participant under this subtitle, except reimbursement for transportation, meals, and other reasonable out-of-pocket expenses directly related to participation in a program assisted under this subpart.

SEC. 116B. DEFINITIONS.

(a) As used in this subpart:

(1) GRANTMAKING ENTITY.—The term "grantmaking entity" means an organization described in section 111B(a).

(2) SCHOOL-BASED.—The term "school-based" means based in an elementary school or a secondary school.

(3) STUDENT.—Notwithstanding section 101(29), the term "student" means an individual who is enrolled in an elementary or secondary school on a full- or part-time basis.

Subpart B—Community-Based Service Programs for School-Age Youth

SEC. 117. DEFINITIONS.

(a) As used in this subpart:

"(1) **COMMUNITY-BASED SERVICE PROGRAM.**—The term 'community-based service program' means a program described in section 117A(b)(1)(A).

"(2) **GRANTMAKING ENTITY.**—The term 'grantmaking entity' means a qualified organization that—

"(A) submits an application under section 117C(a) to make grants to qualified organizations;

"(B) was in existence at least 1 year before the date on which the organization submitted the application; and

"(C) meets such other criteria as the Chief Executive Officer shall establish.

"(3) **QUALIFIED ORGANIZATION.**—The term 'qualified organization' means a public or private nonprofit organization with experience working with school-age youth that meets such criteria as the Chief Executive Officer may establish.

"SEC. 117A. GENERAL AUTHORITY.

"(a) **GRANTS.**—From the funds appropriated to carry out this subpart for a fiscal year, the Corporation may make grants to State Commissions, grantmaking entities, and qualified organizations to pay for the Federal share of the implementation, operation, expansion, or replication of community-based service programs.

"(b) USE OF FUNDS.—

"(1) **STATE COMMISSIONS AND GRANTMAKING ENTITIES.**—A State Commission or grantmaking entity may use a grant made under subsection (a)—

"(A) to make a grant to a qualified organization to implement, operate, expand, or replicate a community-based service program that provides for meaningful human, educational, environmental, or public safety service by participants, who shall be school-age youth; or

"(B) to provide training and technical assistance to such an organization.

"(2) **QUALIFIED ORGANIZATIONS.**—A qualified organization, other than a grantmaking entity, may use a grant made under subsection (a) to implement, operate, expand, or replicate a program described in paragraph (1)(A).

"SEC. 117B. STATE APPLICATIONS.

"(a) **IN GENERAL.**—To be eligible to receive a grant under section 117A(a), a State Commission shall prepare, submit to the Corporation, and obtain approval of, an application.

"(b) **SUBMISSION.**—Such application shall be submitted to the Corporation at such time and in such manner, and shall contain such information, as the Chief Executive Officer may reasonably require.

"(c) **CONTENTS.**—Such an application shall include, at a minimum, a State plan that contains the information and assurances described in section 117C(d) with respect to each community-based service program proposed to be carried out through funding distributed by the State Commission under this subpart.

"SEC. 117C. LOCAL APPLICATIONS.

"(a) **APPLICATION TO CORPORATION TO MAKE GRANTS FOR COMMUNITY-BASED SERVICE PROGRAMS.**—To be eligible to receive a grant from the Corporation under section 117A(a) to make grants under section 117A(b)(1), a grantmaking entity shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out through grants made to qualified organizations. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chief Executive Officer may reasonably require.

"(b) **DIRECT APPLICATION TO CORPORATION TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.**—To be eligible to receive a grant from the Corporation under section 117A(a) to implement, operate, expand, or replicate a community service program, a qualified organization shall prepare, submit to the Corporation, and obtain approval of, an application that proposes a community-based service program to be carried out

at multiple sites, or that proposes an innovative community-based service program. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Chief Executive Officer may reasonably require.

"(c) **APPLICATION TO STATE COMMISSION OR GRANTMAKING ENTITY TO RECEIVE GRANTS TO CARRY OUT COMMUNITY-BASED SERVICE PROGRAMS.**—To be eligible to receive a grant from a State Commission or grantmaking entity under section 117A(b)(1), a qualified organization shall prepare, submit to the Commission or entity, and obtain approval of, an application. Such application shall be submitted at such time and in such manner, and shall contain such information, as the Commission or entity may reasonably require.

"(d) **REGULATIONS.**—The Corporation shall by regulation establish standards for the information and assurances required to be contained in an application submitted under subsection (a) or (b) with respect to a community-based service program, including, at a minimum—

"(1) an assurance that the entity carrying out the program proposed by the applicant will comply with the nonduplication and nondisplacement provisions of section 177 and the grievance procedure requirements of section 176(f);

"(2) an assurance that the entity carrying out the program will, prior to placing a participant in the program, consult with the appropriate local labor organization, if any, representing employees in the area in which the program will be carried out that are engaged in the same or similar work as the work proposed to be carried out by the program, to prevent the displacement of such employees; and

"(3) in the case of an application submitted by a grantmaking entity, information demonstrating that the entity will make grants for a program to—

"(A) carry out activities described in section 117A(b)(1) in two or more States, under circumstances in which the activities carried out under such program can be carried out more efficiently through one program than through two or more programs; and

"(B) carry out the same activities, such as training activities or activities related to exchanging information on service experiences, through each of the projects assisted through the program.

"(e) **LIMITATION ON SAME PROJECT IN MULTIPLE APPLICATIONS.**—No applicant shall submit an application under section 117B or this section, and the Corporation shall reject an application that is submitted under section 117B or this section, if the application describes a project proposed to be conducted using assistance requested by the applicant and the project is already described in another application pending before the Corporation.

"SEC. 117D. CONSIDERATION OF APPLICATIONS.

"(a) **APPLICATION OF CRITERIA.**—The Corporation shall apply the criteria described in subsection (b) in determining whether to approve an application submitted under section 117B or under subsection (a) or (b) of section 117C and to provide assistance under section 117A to the applicant on the basis of the application.

"(b) **ASSISTANCE CRITERIA.**—In evaluating such an application with respect to a program under this subpart, the Corporation shall consider the criteria established for national service programs under section 133(c).

"(c) **APPLICATION TO SUBGRANTS.**—A State Commission or grantmaking entity shall apply the criteria described in subsection (b) in determining whether to approve an application under section 117C(c) and to make a grant under section 117A(b)(1) to the applicant on the basis of the application.

"SEC. 117E. FEDERAL, STATE, AND LOCAL CONTRIBUTIONS.

"(a) **FEDERAL SHARE.**—

"(1) **IN GENERAL.**—The Federal share attributable to this subpart of the cost of carrying out a program for which a grant is made under this subpart may not exceed the percentage specified in subparagraph (A), (B), (C), or (D) of section 116(a)(1), as appropriate.

"(2) **CALCULATION.**—Each recipient of assistance under this subpart shall comply with section 116(a)(2).

"(b) **WAIVER.**—The Chief Executive Officer may waive the requirements of subsection (a), in whole or in part, as provided in section 116(b).

"SEC. 117F. LIMITATIONS ON USES OF FUNDS.

"(a) **ADMINISTRATIVE COSTS.**—Not more than 5 percent of the amount of assistance provided to a State Commission, grantmaking entity, or qualified organization that is the original recipient of a grant under section 117A(a) for a fiscal year may be used to pay for administrative costs incurred by—

"(1) the original recipient; or

"(2) the entity carrying out the community-based service programs supported with the assistance.

"(b) **RULES ON USE.**—The Chief Executive Officer may by rule prescribe the manner and extent to which—

"(1) such assistance may be used to cover administrative costs; and

"(2) that portion of the assistance available to cover administrative costs should be distributed between—

"(A) the original recipient; and

"(B) the entity carrying out the community-based service programs supported with the assistance.

"Subpart C—Clearinghouse

"SEC. 118. SERVICE-LEARNING CLEARINGHOUSE.

"(a) **IN GENERAL.**—The Corporation shall provide financial assistance, from funds appropriated to carry out subtitle H, to organizations described in subsection (b) to establish a clearinghouse, which shall carry out activities, either directly or by arrangement with another such organization, with respect to information about service-learning.

"(b) **PUBLIC OR PRIVATE NONPROFIT ORGANIZATIONS.**—Public or private nonprofit organizations that have extensive experience with service-learning, including use of adult volunteers to foster service-learning, shall be eligible to receive assistance under subsection (a).

"(c) **FUNCTION OF CLEARINGHOUSE.**—An organization that receives assistance under subsection (a) may—

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

"(2) conduct research and evaluations concerning service-learning;

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

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out service-learning programs and participants in such programs;

"(5) provide information, curriculum materials, and technical assistance relating to planning and operation of service-learning programs, to States and local entities eligible to receive financial assistance under this title;

"(6) provide information regarding methods to make service-learning programs accessible to individuals with disabilities;

"(7)(A) gather and disseminate information on successful service-learning programs, components of such successful programs, innovative youth skills curricula related to service-learning, and service-learning projects; and

"(B) coordinate the activities of the Clearinghouse with appropriate entities to avoid duplication of effort;

"(8) make recommendations to State and local entities on quality controls to improve the quality of service-learning programs;

"(9) assist organizations in recruiting, screening, and placing service-learning coordinators, and

"(10) carry out such other activities as the Chief Executive Officer determines to be appropriate."

(b) **HIGHER EDUCATION INNOVATIVE PROJECTS.**—Subtitle B of title I of the National and Community Service Act of 1990 (42 U.S.C. 12531 et seq.) is amended by striking part II and inserting the following:

PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"SEC. 119. HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE.

"(a) **PURPOSE.**—It is the purpose of this part to expand participation in community service by supporting innovative community service programs carried out through institutions of higher education, acting as civic institutions to meet the human, educational, environmental, or public safety needs of neighboring communities.

"(b) **GENERAL AUTHORITY.**—The Corporation, in consultation with the Secretary of Education, is authorized to make grants to, and enter into contracts with, institutions of higher education (including a combination of such institutions), and partnerships comprised of such institutions and of other public or private nonprofit organizations, to pay for the Federal share of the cost of—

"(1) enabling such an institution or partnership to create or expand an organized community service program that—

"(A) engenders a sense of social responsibility and commitment to the community in which the institution is located; and

"(B) provides projects for participants, who shall be students, faculty, administration, or staff of the institution, or residents of the community;

"(2) supporting student-initiated and student-designed community service projects through the program;

"(3) strengthening the leadership and instructional capacity of teachers at the elementary, secondary, and postsecondary levels, with respect to service-learning; by—

"(A) including service-learning as a key component of the preservice teacher education of the institution; and

"(B) encouraging the faculty of the institution to use service-learning methods throughout their curriculum;

"(4) facilitating the integration of community service carried out under the program into academic curricula, including integration of clinical programs into the curriculum for students in professional schools, so that students can obtain credit for their community service projects;

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

"(6) strengthening the service infrastructure within institutions of higher education in the United States through the program; and

"(7) providing for the training of teachers, prospective teachers, related education personnel, and community leaders in the skills necessary to develop, supervise, and organize service-learning.

"(c) **FEDERAL SHARE.**—

"(1) **SHARE.**—

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

"(B) **CALCULATION.**—Each recipient of assistance under this part shall comply with section 115(a)(2).

"(2) **WAIVER.**—The Chief Executive Officer may waive the requirements of paragraph (1), in whole or in part, as provided in section 115(b).

"(d) **APPLICATION FOR GRANT.**—

"(1) **SUBMISSION.**—To receive a grant or enter into a contract under this part, an institution or partnership described in subsection (b) shall prepare, submit to the Corporation, and obtain approval of, an application at such time, in such manner, and containing such information and assurances as the Corporation may reasonably require. In requesting applications for assistance under this part, the Corporation shall specify such required information and assurances.

"(2) **CONTENTS.**—An application submitted under paragraph (1) shall contain, at a minimum—

"(A) assurances that—

"(i) prior to the placement of a participant, the applicant will consult with the appropriate local labor organization, if any, representing employees in the area who are engaged in the same or similar work as that proposed to be carried out by such program, to protect the displacement and protect the rights of such employees; and

"(ii) the applicant will comply with the non-duplication and nondisplacement provisions of section 177 and grievance procedure requirements of section 176(f); and

"(B) such other assurances as the Chief Executive Officer may reasonably require.

"(e) **PRIORITY.**—

"(1) **IN GENERAL.**—In making grants and entering into contracts under subsection (b), the Corporation shall give priority to applicants that submit applications consisting proposals that—

"(A) demonstrate the commitment of the institution of higher education, other than by demonstrating the commitment of the students, to supporting the community service projects carried out under the program;

"(B) specify the manner in which the institution will promote faculty, administration, and staff participation in the community service projects;

"(C) specify the manner in which the institution will provide service to the community through organized programs, including, where appropriate, clinical programs for students in professional schools;

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

"(i) the institution;

"(ii) a community-based agency;

"(iii) a local government agency; or

"(iv) a nonprofit entity that serves or involves school-age youth or older adults; and

"(v) a student organization;

"(E) demonstrate community involvement in the development of the proposal;

"(F) specify that the institution will use such assistance to strengthen the service infrastructure in institutions of higher education; or

"(G) with respect to projects involving delivery of service, specify projects that involve leadership development of school-age youth.

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

"(f) **NATIONAL SERVICE EDUCATIONAL AWARD.**—A participant in a program funded under this part shall be eligible for the national service educational award described in subtitle D, if the participant served in an approved national service position.

"(g) **DEFINITION.**—Notwithstanding section 101(29), as used in this part, the term "student" means an individual who is enrolled in an institution of higher education on a full- or part-time basis."

(c) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended

by striking the items relating to subtitle B of title I of such Act and inserting the following:

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

"PART I—SERVE-AMERICA PROGRAMS

"SUBPART A—SCHOOL-BASED PROGRAMS FOR STUDENTS

"Sec. 111. Authority to assist States and Indian tribes.

"Sec. 111A. Authority to assist local applicants in nonparticipating States.

"Sec. 111B. Authority to assist public or private nonprofit organizations.

"Sec. 112. Grants and allotments.

"Sec. 113. State or tribal applications.

"Sec. 114. Local applications.

"Sec. 115. Consideration of applications.

"Sec. 115A. Participation of students and teachers from private schools.

"Sec. 116. Federal, State, and local contributions.

"Sec. 116A. Limitations on uses of funds.

"Sec. 116B. Definitions.

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

"Sec. 117. Definitions.

"Sec. 117A. General authority.

"Sec. 117B. State applications.

"Sec. 117C. Local applications.

"Sec. 117D. Consideration of applications.

"Sec. 117E. Federal, State, and local contributions.

"Sec. 117F. Limitations on uses of funds.

"SUBPART C—CLEARINGHOUSE

"Sec. 118. Service-learning clearinghouse.

"PART II—HIGHER EDUCATION INNOVATIVE PROGRAMS FOR COMMUNITY SERVICE

"Sec. 119. Higher education innovative programs for community service."

SEC. 104. QUALITY AND INNOVATION ACTIVITIES.

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

(b) **TRANSFER.**—Title I of the National and Community Service Act of 1990 is amended—

(1) by redesignating subtitle H (42 U.S.C. 12631 et seq.) as subtitle E;

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

(3) by redesignating sections 195 through 195O as sections 151 through 106, respectively.

(c) **INVESTMENT FOR QUALITY AND INNOVATION.**—Title I of the National and Community Service Act of 1990 (as amended by subsection (b) of this section) is amended by inserting after subtitle G the following new subtitle:

"Subtitle H—Investment for Quality and Innovation

"SEC. 106. ADDITIONAL CORPORATION ACTIVITIES TO SUPPORT NATIONAL SERVICE.

"(a) **METHODS OF CONDUCTING ACTIVITIES.**—The Corporation may carry out this section directly (except as provided in subsection (ii)) or through grants, contracts, and cooperative agreements with other entities.

"(b) **INNOVATION AND QUALITY IMPROVEMENT.**—The Corporation may undertake activities to improve the quality of national service programs, including service-learning programs, and to support innovative and model programs, including—

"(1) programs, including programs for rural youth, under subtitle B or C;

"(2) employer-based reentry programs;

"(3) intergenerational programs;

"(4) programs involving individuals with disabilities as participants providing service; and

"(5) programs sponsored by Governors.

"(c) **STARTER PROGRAMS.**—The Corporation may support service programs intended to be carried out between May 1 and October 1, except that such a program may also include a year-round component.

"(d) **COMMUNITY-BASED AGENCIES.**—The Corporation may provide training and technical assistance and other assistance to service sponsors and other community-based agencies that provide volunteer placements in order to improve the ability of such agencies to use participants and other volunteers in a manner that results in high-quality service and a positive service experience for the participants and volunteers.

"(e) **IMPROVE ABILITY TO APPLY FOR ASSISTANCE.**—The Corporation shall provide training and technical assistance, where necessary, to individuals, programs, local labor organizations, State educational agencies, State Commissions, local educational agencies, local governments, community-based agencies, and other entities to enable them to apply for funding under one of the national service laws, to conduct high-quality programs, to evaluate such programs, and for other purposes.

"(f) **NATIONAL SERVICE FELLOWSHIPS.**—The Corporation may award national service fellowships.

"(g) **CONFERENCES AND MATERIALS.**—The Corporation may organize and hold conferences, and prepare and publish materials, to disseminate information and promote the sharing of information among programs for the purpose of improving the quality of programs and projects.

"(h) **PEACE CORPS AND VISTA TRAINING.**—The Corporation may provide training assistance to selected individuals who volunteer to serve in the Peace Corps or a program authorized under title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.). The training shall be provided as part of the course of study of the individual at an institution of higher education, shall involve service-learning, and shall cover appropriate skills that the individual will use in the Peace Corps or VISTA.

"(i) **PROMOTION AND RECRUITMENT.**—The Corporation may conduct a campaign to solicit funds for the National Service Trust and other programs and activities authorized under the national service laws and to promote and recruit participants for programs that receive assistance under the national service laws.

"(j) **TRAINING.**—The Corporation may support national and regional participant and supervisor training, including leadership training and training in specific types of service and in building the ethic of civic responsibility.

"(k) **RESEARCH.**—The Corporation may support research on national service, including service-learning.

"(l) **INTERGENERATIONAL SUPPORT.**—The Corporation may assist programs in developing a service component that combines students, out-of-school youths, and older adults as participants to provide needed community services.

"(m) **PLANNING COORDINATION.**—The Corporation may coordinate community-wide planning among programs and projects.

"(n) **YOUTH LEADERSHIP.**—The Corporation may support activities to enhance the ability of youth and young adults to play leadership roles in national service.

"(o) **NATIONAL PROGRAM IDENTITY.**—The Corporation may support the development and dissemination of materials, including training materials, and arrange for uniforms and insignia, designed to promote unity and shared features among programs that receive assistance under the national service laws.

"(p) **SERVICE-LEARNING.**—The Corporation shall support innovative programs and activities that promote service-learning.

"(q) **NATIONAL YOUTH SERVICE DAY.**—

"(1) **DESIGNATION.**—April 19, 1994, and April 18, 1995 are each designated as 'National Youth Service Day'. The President is authorized and directed to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

"(2) **FEDERAL ACTIVITIES.**—In order to observe National Youth Service Day at the Federal level, the Corporation may organize and carry out appropriate ceremonies and activities.

"(3) **ACTIVITIES.**—The Corporation may make grants to public or private nonprofit organizations with demonstrated ability to carry out appropriate activities, in order to support such activities on National Youth Service Day.

"(r) **ASSISTANCE FOR HEAD START.**—The Corporation may make grants to, and enter into contracts and cooperative agreements with, public or nonprofit private agencies and organizations that receive grants or contracts under the Foster Grandparent Program (part B of title II of the Domestic Volunteer Service Act of 1973 (29 U.S.C. 5011 et seq.)), for projects of the type described in section 211(a) of such Act (29 U.S.C. 5011) operating under memoranda of agreement with the ACTION Agency, for the purpose of increasing the number of low-income individuals who provide services under such program to children who participate in Head Start programs under the Head Start Act (42 U.S.C. 9831 et seq.).

"SEC. 100A. CLEARINGHOUSES

"(a) **ASSISTANCE.**—The Corporation shall provide assistance to appropriate entities to establish one or more clearinghouses, including the clearinghouse described in section 118.

"(b) **APPLICATION.**—To be eligible to receive assistance under subsection (a), an entity shall submit an application to the Corporation at such time, in such manner, and containing such information as the Corporation may require.

"(c) **FUNCTION OF CLEARINGHOUSES.**—An entity that receives assistance under subsection (a) may—

"(1) assist entities carrying out State or local community service programs with needs assessments and planning;

"(2) conduct research and evaluations concerning community service;

"(3)(A) provide leadership development and training to State and local community service program administrators, supervisors, and participants; and

"(B) provide training to persons who can provide the leadership development and training described in subparagraph (A);

"(4) facilitate communication among entities carrying out community service programs and participants;

"(5) provide information, curriculum materials, and technical assistance relating to planning and operation of community service programs, to States and local entities eligible to receive funds under this title;

"(6)(A) gather and disseminate information on successful community service programs, components of such successful programs, innovative youth skills curriculum, and community service projects; and

"(B) coordinate the activities of the clearinghouse with appropriate entities to avoid duplication of effort;

"(7) make recommendations to State and local entities on quality controls to improve the delivery of community service programs and on changes in the programs under this title; and

"(8) carry out such other activities as the Chief Executive Officer determines to be appropriate.

"SEC. 100B. PRESIDENTIAL AWARDS FOR SERVICE

"(a) **PRESIDENTIAL AWARDS.**—

"(1) **IN GENERAL.**—The President, acting through the Corporation, may make Presidential awards for service to individuals providing significant service, and to outstanding service programs.

"(2) **INDIVIDUALS AND PROGRAMS.**—Notwithstanding section 101(19)—

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

"(B) a program receiving an award under this subsection need not be a program authorized under this Act.

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

"(A) is authorized to incur necessary expenses for the honorary recognition of the individual or program; and

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

"(b) **INFORMATION.**—The President, acting through the Corporation, shall ensure that information concerning individuals and programs receiving awards under this section is widely disseminated.

"SEC. 100C. MILITARY INSTALLATION CONVERSION DEMONSTRATION PROGRAMS

"(a) **PURPOSES.**—The purposes of this section are to—

"(1) provide meaningful service opportunities for economically disadvantaged youth;

"(2) fully utilize military installations affected by closures or realignments;

"(3) encourage communities affected by such closures or realignments to convert the installations to community use; and

"(4) foster a sense of community pride in the youth in the community.

"(b) **DEFINITIONS.**—As used in this section:

"(1) **AFFECTED MILITARY INSTALLATION.**—The term 'affected military installation' means a military installation described in section 325(e)(1) of the Job Training Partnership Act (29 U.S.C. 1662d(e)(1)).

"(2) **COMMUNITY.**—The term 'community' includes a county.

"(3) **CONVERT TO COMMUNITY USE.**—The term 'convert to community use' used with respect to an affected military installation, includes—

"(A) conversion of the installation or a part of the installation to—

"(i) a park;

"(ii) a community center;

"(iii) a recreational facility; or

"(iv) a facility for a Head Start program under the Head Start Act (42 U.S.C. 9831 et seq.); and

"(B) carrying out, at the installation, a construction or economic development project that is of substantial benefit, as determined by the Chief Executive Officer; to—

"(i) the community in which the installation is located; or

"(ii) a community located within such distance of the installation as the Chief Executive Officer may determine by regulation to be appropriate.

"(4) **DEMONSTRATION PROGRAM.**—The term 'demonstration program' means a program described in subsection (c).

"(c) **DEMONSTRATION PROGRAMS.**—

"(1) **GRANTS.**—The Corporation may make grants to communities and community-based agencies to pay for the Federal share of establishing and carrying out military installation conversion demonstration programs, to assist in converting to community use affected military installations located—

"(A) within the community; or

"(B) within such distance from the community as the Chief Executive Officer may by regulation determine to be appropriate.

"(2) **DURATION.**—In carrying out such a demonstration program, the community or community-based agency may carry out—

"(A) a program of not less than 6 months in duration; or

"(B) a full-time summer program.

"(d) **USE OF FUNDS.**—

"(1) **STIPEND.**—A community or community-based agency that receives a grant under subsection (c) to establish and carry out a project through a demonstration program may use the funds made available through such grant to pay for a portion of a stipend for the participants in the project.

"(2) **LIMITATION ON AMOUNT OF STIPEND.**—The amount of the stipend provided to a participant under paragraph (1) that may be paid using assistance provided under this section and using any other Federal funds shall not exceed the lesser of—

"(A) 85 percent of the total average annual subsistence allowance provided to VISTA volun-

teers under section 105 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4955), and

"(B) 85 percent of the stipend established by the demonstration program involved.

"(e) PARTICIPANTS.—

"(1) **ELIGIBILITY.**—A person shall be eligible to be selected as a participant in a project carried out through a demonstration program if the person is—

"(A) an economically disadvantaged individual; and

"(B)(i) a person described in section 153(b);

"(ii) a youth described in section 154(a), or

"(iii) an eligible youth described in section 423 of the Job Training Partnership Act (29 U.S.C. 1693).

"(2) **PARTICIPATION.**—Persons desiring to participate in such a project shall enter into an agreement with the service sponsor of the project to participate—

"(A) on a full-time or a part-time basis; and

"(B) for the duration referred to in subsection (f)(2)(C).

"(f) APPLICATION.—

"(1) **IN GENERAL.**—To be eligible to receive a grant under subsection (c), a community or community-based agency shall submit an application to the Chief Executive Officer at such time, in such manner, and containing such information as the Chief Executive Officer may require.

"(2) **CONTENTS.**—At a minimum, such application shall contain—

"(A) a description of the demonstration program proposed to be conducted by the applicant;

"(B) a proposal for carrying out the program that describes the manner in which the applicant will—

"(i) provide preservice and inservice training, for supervisors and participants, that will be conducted by qualified individuals or qualified organizations;

"(ii) conduct an appropriate evaluation of the program; and

"(iii) provide for appropriate community involvement in the program;

"(C) information indicating the duration of the program; and

"(D) an assurance that the applicant will comply with the nonduplication and nondisplacement provisions of section 177 and the grievance procedure requirements of section 176(f).

"(g) **LIMITATION ON GRANT.**—In making a grant under subsection (c) with respect to a demonstration program to assist in converting an affected military installation, the Corporation shall not make a grant for more than 25 percent of the total cost of the conversion.

"SEC. 194D. SPECIAL DEMONSTRATION PROJECT.

"(a) **SPECIAL DEMONSTRATION PROJECT FOR THE YUKON-KUSKOKWIM DELTA OF ALASKA.**—The President may award grants to, and enter into contracts with, organizations to carry out programs that address significant human needs in the Yukon-Kuskokwim delta region of Alaska.

"(b) APPLICATION.—

"(1) **GENERAL REQUIREMENTS.**—To be eligible to receive a grant or enter into a contract under subsection (a) with respect to a program, an organization shall submit an application to the President at such time, in such manner, and containing such information as the President may require.

"(2) **CONTENTS.**—The application submitted by the organization shall, at a minimum—

"(A) include information describing the manner in which the program will utilize VISTA volunteers, individuals who have served in the Peace Corps, and other qualified persons, in partnership with the local nonprofit organizations known as the Yukon-Kuskokwim Health Corporation and the Alaska Village Council Presidents;

"(B) take into consideration—

"(i) the primarily noncash economy of the region; and

"(ii) the needs and desires of residents of the local communities in the region; and

"(C) include specific strategies, developed in cooperation with the Yupik speaking population that resides in such communities, for comprehensive and intensive community development for communities in the Yukon-Kuskokwim delta region."

"(d) TABLE OF CONTENTS.—

"(1) **CIVILIAN COMMUNITY CORPS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle E of title I of such Act and inserting the following

"Subtitle E—Civilian Community Corps

"Sec. 151. Purpose.

"Sec. 152. Establishment of Civilian Community Corps Demonstration Program.

"Sec. 153. National service program.

"Sec. 154. Summer national service program.

"Sec. 155. Civilian Community Corps.

"Sec. 156. Training.

"Sec. 157. Service projects.

"Sec. 158. Authorized benefits for Corps members.

"Sec. 159. Administrative provisions.

"Sec. 160. Status of Corps members and Corps personnel under Federal law.

"Sec. 161. Contract and grant authority.

"Sec. 162. Responsibilities of other departments.

"Sec. 163. Advisory board.

"Sec. 164. Annual evaluation.

"Sec. 165. Funding limitation.

"Sec. 166. Definitions."

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

"Subtitle H—Investment for Quality and Innovation

"Sec. 198. Additional corporation activities to support national service.

"Sec. 198A. Clearinghouses.

"Sec. 198B. Presidential awards for service.

"Sec. 198C. Military installation conversion demonstration programs.

"Sec. 198D. Special demonstration project."

"(e) TECHNICAL AND CONFORMING AMENDMENTS.—

"(1) **NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.**—

"(A) Section 1091(f)(2) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484) is amended by striking "195G" and inserting "152".

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

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

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

"(2) **NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**—

"(A) Section 153(a) of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653b(a)) is amended by striking "195A(a)" and inserting "152(a)".

"(B) Section 154(a) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653c(a)) is amended by striking "195A(a)" and inserting "152(a)".

"(C) Section 155 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653d) is amended—

"(i) in subsection (a), by striking "195H(c)(1)" and inserting "159(c)(1)";

"(ii) in subsection (c)(2), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

"(iii) in subsection (d)(3), by striking "195K(a)(3)" and inserting "162(a)(3)".

"(D) Section 156 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653e) is amended—

"(i) in subsection (c)(1), by striking "195H(c)(2)" and inserting "159(c)(2)"; and

"(ii) in subsection (d), by striking "195K(a)(3)" and inserting "162(a)(3)".

"(E) Section 159 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653h) is amended—

"(i) in subsection (a)—

"(1) by striking "195A" and inserting "152"; and

"(ii) in paragraph (2), by striking "195" and inserting "151"; and

"(iii) in subsection (c)(2)(C)(i), by striking "195K(a)(2)" and inserting "section 162(a)(2)".

"(F) Section 161(b)(1)(B) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653j(b)(1)(B)) is amended by striking "195K(a)(3)" and inserting "162(a)(3)".

"(G) Section 162(a)(2)(A) of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653k(a)(2)(A)) is amended by striking "195(3)" and inserting "151(3)".

"(H) Section 166 of such Act (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653o) is amended—

"(i) in paragraph (2), by striking "195D" and inserting "153";

"(ii) in paragraph (8), by striking "195A" and inserting "152";

"(iii) in paragraph (10), by striking "195D(d)" and inserting "155(d)"; and

"(iv) in paragraph (11), by striking "195D(c)" and inserting "155(c)".

"(f) **EXTENSION OF AUTHORITY TO CONDUCT CIVILIAN COMMUNITY CORPS.**—Section 1092(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2534), as amended by subsection (e)(1) of this section, is further amended by adding at the end the following new sentence: "The amount made available for the Civilian Community Corps Demonstration Program pursuant to this subsection shall remain available for expenditure during fiscal years 1993 and 1994."

"(g) **ADDITIONAL AMENDMENT REGARDING CIVILIAN COMMUNITY CORPS.**—Section 158 of the National and Community Service Act of 1990 (as redesignated in subsection (b)(3) of this section) (42 U.S.C. 12653g) is amended by striking subsections (f), (g), and (h) and inserting the following new subsections:

"(f) **NATIONAL SERVICE EDUCATIONAL AWARDS.**—A Corps member who successfully completes a period of agreed service in the Corps may receive the national service educational award described in subtitle D if the Corps member—

"(1) serves in an approved national service position; and

"(2) satisfies the eligibility requirements specified in section 146 with respect to service in that approved national service position.

"(g) **ALTERNATIVE BENEFIT.**—If a Corps member who successfully completes a period of agreed service in the Corps is ineligible for the national service educational award described in subtitle D, the Director may provide for the provision of a suitable alternative benefit for the Corps member."

SEC. 106. PUBLIC LANDS CORPS.

Public Law 91-378 (16 U.S.C. 1701-1706; commonly known as the Youth Conservation Corps Act of 1970) is amended—

"(1) by inserting before section 1 the following:

"TITLE I—YOUTH CONSERVATION CORPS";

"(2) by striking "Act" each place it appears and inserting "title";

"(3) by redesignating sections 1 through 6 as sections 101 through 106, respectively;

"(4) in section 102 (as so redesignated), by inserting "in this title" after "hereinafter" in subsection (a);

(5) in section 104 (as so redesignated), by striking "section 6" in subsection (d) and inserting "section 106"; and

(6) by adding at the end the following new title:

"TITLE II—PUBLIC LANDS CORPS

"SEC. 201. SHORT TITLE

"This title may be cited as the 'Public Lands Corps Act of 1993'."

"SEC. 202. CONGRESSIONAL FINDINGS AND PURPOSE

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

"(1) Conserving or developing natural and cultural resources and enhancing and maintaining environmentally important lands and waters through the use of the Nation's young men and women in a Public Lands Corps can benefit those men and women by providing them with education and work opportunities, furthering their understanding and appreciation of the natural and cultural resources, and providing a means to pay for higher education or to repay indebtedness they have incurred to obtain higher education while at the same time benefiting the Nation's economy and its environment.

"(2) Many facilities and natural resources located on eligible service lands are in disrepair or degraded and in need of labor intensive rehabilitation, restoration, and enhancement work which cannot be carried out by Federal agencies at existing personnel levels.

"(3) Youth conservation corps have established a good record of restoring and maintaining these kinds of facilities and resources in a cost effective and efficient manner, especially when they have worked in partnership arrangements with government land management agencies.

"(b) PURPOSE.—It is the purpose of this title to—

"(1) perform, in a cost-effective manner, appropriate conservation projects on eligible service lands where such projects will not be performed by existing employees;

"(2) assist governments and Indian tribes in performing research and public education tasks associated with natural and cultural resources on eligible service lands;

"(3) expose young men and women to public service while furthering their understanding and appreciation of the nation's natural and cultural resources;

"(4) expand educational opportunities by rewarding individuals who participate in national service with an increased ability to pursue higher education or job training; and

"(5) stimulate interest among the nation's young men and women in conservation careers by exposing them to conservation professionals in land managing agencies.

"SEC. 203. DEFINITIONS

"For purposes of this title:

"(1) APPROPRIATE CONSERVATION PROJECT.—The term 'appropriate conservation project' means any project for the conservation, restoration, construction or rehabilitation of natural, cultural, historic, archaeological, recreational, or scenic resources.

"(2) CORPS AND PUBLIC LANDS CORPS.—The terms 'Corps' and 'Public Lands Corps' mean the Public Lands Corps established under section 204.

"(3) ELIGIBLE SERVICE LANDS.—The term 'eligible service lands' means public lands, Indian lands, and Hawaiian home lands.

"(4) HAWAIIAN HOME LANDS.—The term 'Hawaiian home lands' means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 110), or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (Public Law 86-3; 73 Stat. 5).

"(5) INDIAN.—The term 'Indian' means a person who—

"(A) is a member of an Indian tribe; or

"(B) is a 'Native', as defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

"(6) INDIAN LANDS.—The term 'Indian lands' means—

"(A) any Indian reservation;

"(B) any public domain Indian allotments;

"(C) any former Indian reservation in the State of Oklahoma;

"(D) any land held by incorporated Native groups, regional corporations, and village corporations under the Alaska Native Claims Settlement Act (43 U.S.C. 1701 et seq.); and

"(E) any land held by dependent Indian communities within the borders of the United States whether within the original or subsequently acquired territory thereof, and whether within or without the limits of a State.

"(7) INDIAN TRIBE.—The term 'Indian tribe' means an Indian tribe, band, nation, or other organized group or community, including any Native village, Regional Corporation, or Village Corporation, as defined in subsection (c), (g), or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (c), (g), or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians.

"(8) PUBLIC LANDS.—The term 'public lands' means any lands or waters (or interest therein) owned or administered by the United States, except that such term does not include any Indian lands.

"(9) QUALIFIED YOUTH OR CONSERVATION CORPS.—The term 'qualified youth or conservation corps' means any program established by a State or local government, by the governing body of any Indian tribe, or by a nonprofit organization that—

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

"(B) gives participants a mix of work experience, basic and life skills, education, training, and support services; and

"(C) provides participants with the opportunity to develop citizenship values and skills through service to their community and the United States.

"(10) RESOURCE ASSISTANT.—The term 'resource assistant' means a resource assistant selected under section 206.

"(11) STATE.—The term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"SEC. 204. PUBLIC LANDS CORPS PROGRAM

"(a) ESTABLISHMENT OF PUBLIC LANDS CORPS.—There is hereby established in the Department of the Interior and the Department of Agriculture a Public Lands Corps.

"(b) PARTICIPANTS.—The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretary of the Interior or the Secretary of Agriculture. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 137(b) of the National and Community Service Act of 1990. The Secretaries may enroll such individuals in the Corps without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

"(c) QUALIFIED YOUTH OR CONSERVATION CORPS.—The Secretary of the Interior and the Secretary of Agriculture are authorized to enter into contracts and cooperative agreements with any qualified youth or conservation corps to perform appropriate conservation projects referred to in subsection (d).

"(d) PROJECTS TO BE CARRIED OUT.—The Secretary of the Interior and the Secretary of Agriculture may each utilize the Corps or any qualified youth or conservation corps to carry out appropriate conservation projects which such Secretary is authorized to carry out under other authority of law on public lands. Appropriate conservation projects may also be carried out under this title on Indian lands with the approval of the Indian tribe involved and on Hawaiian home lands with the approval of the Department of Hawaiian Home Lands of the State of Hawaii. The Secretaries may also authorize appropriate conservation projects and other appropriate projects to be carried out on Federal, State, local, or private lands as part of disaster prevention or relief efforts in response to an emergency or major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

"(e) PREFERENCE FOR CERTAIN PROJECTS.—In selecting appropriate conservation projects to be carried out under this title, the Secretary of the Interior and the Secretary of Agriculture shall give preference to those projects which—

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

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

"(3) will be labor intensive;

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

"(5) will provide academic, experiential, or environmental education opportunities.

"(f) CONSISTENCY.—Each appropriate conservation project carried out under this title on eligible service lands shall be consistent with the provisions of law and policies relating to the management and administration of such lands, with all other applicable provisions of law, and with all management, operational, and other plans and documents which govern the administration of the area.

"SEC. 205. CONSERVATION CENTERS

"(a) ESTABLISHMENT AND USE.—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide such quarters, board, medical care, transportation, and other services, facilities, supplies, and equipment as such Secretary deems necessary in connection with the Public Lands Corps and appropriate conservation projects carried out under this title and to establish and use conservation centers owned and operated by such Secretary for purposes of the Corps and such projects. The Secretaries shall establish basic standards of health, nutrition, sanitation, and safety for all conservation centers established under this section and shall assure that such standards are enforced. Where necessary or appropriate, the Secretaries may enter into contracts and other appropriate arrangements with State and local government agencies and private organizations for the management of such conservation centers.

"(b) LOGISTICAL SUPPORT.—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to have logistical support provided by the Armed Forces to the Corps and any conservation center established under this section, where feasible. Logistical support may include the provision of temporary tent shelters where needed, transportation, and residential supervision.

"(c) USE OF MILITARY INSTALLATIONS.—The Secretary of the Interior and the Secretary of Agriculture may make arrangements with the Secretary of Defense to identify military installations and other facilities of the Department of Defense and, in consultation with the adjutant generals of the State National Guards National Guard facilities that may be used, in whole or in part, by the Corps for training or housing Corps participants.

***SEC. 808. RESOURCE ASSISTANTS.**

(a) **AUTHORIZATION.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to provide individual placements of resource assistants with any Federal land managing agency under the jurisdiction of such Secretary to carry out research or resource protection activities on behalf of the agency. To be eligible for selection as a resource assistant, an individual must be at least 17 years of age. The Secretaries may select resource assistants without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries shall give a preference to the selection of individuals who are enrolled in an institution of higher education or are recent graduates from an institution of higher education, with particular attention given to ensure full representation of women and participants from historically black, Hispanic, and Native American schools.

(b) **USE OF EXISTING NONPROFIT ORGANIZATIONS.**—Whenever one or more existing nonprofit organizations can provide, in the judgment of the Secretary of the Interior or the Secretary of Agriculture, appropriate recruitment and placement services to fulfill the requirements of this section, the Secretary may implement this section through such existing organizations. Participating nonprofit organizations shall contribute to the expenses of providing and supporting the resource assistants, through private sources of funding, at a level equal to 25 percent of the total costs of each participant in the Resource Assistant program who has been recruited and placed through that organization. Any such participating nonprofit conservation service organization shall be required, by the respective land managing agency, to submit an annual report evaluating the scope, size, and quality of the program, including the value of work contributed by the Resource Assistants, to the mission of the agency.

***SEC. 807. LIVING ALLOWANCES AND TERMS OF SERVICE.**

(a) **LIVING ALLOWANCES.**—The Secretary of the Interior and the Secretary of Agriculture shall provide each participant in the Public Lands Corps and each resource assistant with a living allowance in an amount not to exceed the maximum living allowance authorized by section 140(a)(3) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

(b) **TERMS OF SERVICE.**—Each participant in the Corps and each resource assistant shall agree to participate in the Corps or serve as a resource assistant, as the case may be, for such term of service as may be established by the Secretary enrolling or selecting the individual.

***SEC. 806. NATIONAL SERVICE EDUCATIONAL AWARDS.**

(a) **EDUCATIONAL BENEFITS AND AWARDS.**—If a participant in the Public Lands Corps or a resource assistant also serves in an approved national service position designated under subtitle C of title I of the National and Community Service Act of 1990, the participant or resource assistant shall be eligible for a national service educational award in the manner prescribed in subtitle D of such title upon successfully complying with the requirements for the award. The period during which the national service educational award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

(b) **FORBEARANCE IN THE COLLECTION OF STAFFORD LOANS.**—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are either participants in the Corps or resource assistants, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is

serving as such a participant or a resource assistant.

***SEC. 805. NONDISPLACEMENT.**

"The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Public Lands Corps, to all activities carried out under this title by a qualified youth or conservation corps, and to the selection and service of resource assistants.

***SEC. 810. FUNDING.**

(a) **COST SHARING.**—

(1) **PROJECTS BY QUALIFIED YOUTH OR CONSERVATION CORPS.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to pay not more than 75 percent of the costs of any appropriate conservation project carried out pursuant to this title on public lands by a qualified youth or conservation corps. The remaining 25 percent of the costs of such a project may be provided from nonfederal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing. No cost sharing shall be required in the case of any appropriate conservation project carried out on Indian lands or Hawaiian home lands under this title.

(2) **PUBLIC LANDS CORPS PROJECTS.**—The Secretary of the Interior and the Secretary of Agriculture are each authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Public Lands Corps and carrying out appropriate conservation projects by the Corps. However, nothing in this title shall be construed to require any cost sharing for any project carried out directly by the Corps.

(b) **FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.**—In order to carry out the Public Lands Corps or to support resource assistants and qualified youth or conservation corps under this title, the Secretary of the Interior and the Secretary of Agriculture shall be eligible to apply for and receive assistance under section 121(b) of the National and Community Service Act of 1990."

SEC. 106. URBAN YOUTH CORPS.

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

(1) The rehabilitation, reclamation, and beautification of urban public housing, recreational sites, youth and senior centers, and public roads and public works facilities through the efforts of young people in the United States in an Urban Youth Corps can benefit these youths, while also benefiting their communities, by—

(A) providing them with education and work opportunities;

(B) furthering their understanding and appreciation of the challenges faced by individuals residing in urban communities; and

(C) providing them with a means to pay for higher education or to repay indebtedness they have incurred to obtain higher education.

(2) A significant number of housing units for low-income individuals in urban areas has become substandard and unsafe and the deterioration of urban roadways, mass transit systems, and transportation facilities in the United States have contributed to the blight encountered in many cities in the United States.

(3) As a result, urban housing, public works, and transportation resources are in need of labor intensive rehabilitation, reclamation, and beautification work that has been neglected in the past and cannot be adequately carried out by Federal, State, and local government at existing personnel levels.

(4) Urban youth corps have established a good record of rehabilitating, reclaiming, and beautifying these kinds of resources in a cost efficient manner, especially when they have worked in partnership with government housing, public works, and transportation authorities and agencies.

(b) **PURPOSE.**—It is the purpose of this section—

(1) to perform, in a cost-effective manner, appropriate service projects to rehabilitate, reclaim, beautify, and improve public housing and public works and transportation facilities and resources in urban areas suffering from high rates of poverty where work will not be performed by existing employees;

(2) to assist government housing, public works, and transportation authorities and agencies;

(3) to expose young people in the United States to public service while furthering their understanding and appreciation of their community;

(4) to expand educational opportunity for individuals who participate in the Urban Youth Corps established by this section by providing them with an increased ability to pursue post-secondary education or job training; and

(5) to stimulate interest among young people in the United States in lifelong service to their communities and the United States.

(c) **DEFINITIONS.**—For purposes of this section:

(1) **APPROPRIATE SERVICE PROJECT.**—The term "appropriate service project" means any project for the rehabilitation, reclamation, or beautification of urban public housing and public works and transportation resources or facilities.

(2) **CORPS AND URBAN YOUTH CORPS.**—The term "Corps" and "Urban Youth Corps" mean the Urban Youth Corps established under subsection (d)(1).

(3) **QUALIFIED URBAN YOUTH CORPS.**—The term "qualified urban youth corps" means any program established by a State or local government or by a nonprofit organization that—

(A) is capable of offering meaningful, full-time, productive work for individuals between the ages of 16 and 25, inclusive, in an urban or public works or transportation setting;

(B) gives participants a mix of work experience, basic and life skills, education, training, and support services; and

(C) provides participants with the opportunity to develop citizenship values and skills through service to their communities and the United States.

(4) **SECRETARY.**—The term "Secretary" means the Secretary of Housing and Urban Development or the Secretary of Transportation.

(5) **STATE.**—The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(d) **ESTABLISHMENT OF URBAN YOUTH CORPS.**—

(1) **ESTABLISHMENT.**—There is hereby established in the Department of Housing and Urban Development and the Department of Transportation an Urban Youth Corps. The Corps shall consist of individuals between the ages of 16 and 25, inclusive, who are enrolled as participants in the Corps by the Secretary of Housing and Urban Development and the Secretary of Transportation. To be eligible for enrollment in the Corps, an individual shall satisfy the criteria specified in section 139(b) of the National and Community Service Act of 1990. The Secretaries may enroll such individuals in the Corps without regard to the civil service and classification laws, rules, or regulations of the United States. The Secretaries may establish a preference for the enrollment in the Corps of individuals who are economically, physically, or educationally disadvantaged.

(2) **USE OF QUALIFIED URBAN YOUTH CORPS.**—The Secretaries are authorized to enter into contracts and cooperative agreements with any qualified urban youth corps to perform appropriate service projects described in paragraph (3). As part of the Urban Youth Corps established in the Department of Transportation, the Secretary of Transportation may make grants to States (and through States to local governments) for the purpose of establishing, operating, or supporting qualified urban youth corps

that will perform appropriate service projects relating to transportation resources or facilities.

(3) **SERVICE PROJECTS.**—The Secretaries may each utilize the Corps or any qualified urban youth corps to carry out appropriate service projects that the Secretary involved is authorized to carry out under other authority of law involving public housing projects or public works resources or facilities.

(4) **PREFERENCE FOR CERTAIN PROJECTS.**—In selecting an appropriate service project to be carried out under this section, the Secretaries shall give a preference to those projects which—

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

(B) will instill in the participant a work ethic and a sense of public service;

(C) will be labor intensive;

(D) can be planned and initiated promptly; and

(E) will provide academic, experiential, or community education opportunities.

(5) **CONSISTENCY.**—Each appropriate service project carried out under this section in any public housing project or public works resource or facility shall be consistent with the provisions of law and policies relating to the management and administration of such projects, facilities, or resources, with all other applicable provisions of law, and with all management, operational, and other plans and documents which govern the administration of such projects, facilities, or resources.

(6) **LIVING ALLOWANCES.**—The Secretaries shall provide each participant in the Urban Youth Corps with a living allowance in an amount not to exceed the maximum living allowance authorized by section 140(a)(3) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

(7) **TERMS OF SERVICE.**—Each participant in the Urban Youth Corps shall agree to participate in the Corps for a term of service established by the Secretary involved, consistent with the terms of service required under section 139(b) of the National and Community Service Act of 1990 for participants in a national service program assisted under subtitle C of title I of such Act.

(8) **EDUCATIONAL AWARDS.**—

(1) **ELIGIBILITY.**—Each participant in the Urban Youth Corps shall be eligible for a national service educational award in the manner prescribed in subtitle D of title I of the National and Community Service Act of 1990 if such participant complies with such requirements as may be established under this subtitle by the Secretary involved respecting eligibility for the award. The period during which the award may be used, the purposes for which the award may be used, and the amount of the award shall be determined as provided under such subtitle.

(2) **FORBEARANCE IN THE COLLECTION OF STUDENT LOANS.**—For purposes of section 428 of the Higher Education Act of 1965, in the case of borrowers who are participants in the Urban Youth Corps, upon written request, a lender shall grant a borrower forbearance on such terms as are otherwise consistent with the regulations of the Secretary of Education, during periods in which the borrower is serving as such a participant and eligible for a national service educational award under paragraph (1).

(3) **NONDISPLACEMENT.**—The nondisplacement requirements of section 177 of the National and Community Service Act of 1990 shall be applicable to all activities carried out by the Urban Youth Corps and to all activities carried out under this section by a qualified urban youth corps.

(4) **COST SHARING.**—

(1) **PROJECTS BY QUALIFIED URBAN YOUTH CORPS.**—The Secretaries are each authorized to pay not more than 75 percent of the costs of any appropriate service project carried out pursuant to this section by a qualified urban youth corps. The remaining 25 percent of the costs of such a

project may be provided from nonfederal sources in the form of funds, services, facilities, materials, equipment, or any combination of the foregoing.

(2) **DONATIONS.**—The Secretaries are each authorized to accept donations of funds, services, facilities, materials, or equipment for the purposes of operating the Urban Youth Corps and carrying out appropriate service projects by the Corps. However, nothing in this section shall be construed to require any cost sharing for any project carried out directly by the Corps.

(3) **FUNDS AVAILABLE UNDER NATIONAL AND COMMUNITY SERVICE ACT.**—In order to carry out the Urban Youth Corps or to support qualified urban youth corps under this section, the Secretaries shall be eligible to apply for and receive assistance under section 121(b) of the National and Community Service Act of 1990.

Subtitle B—Related Provisions

SEC. 111. DEFINITIONS.

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

"SEC. 101. DEFINITIONS.

"For purposes of this title:

"(1) **ADULT VOLUNTEER.**—The term 'adult volunteer' means an individual, such as an older adult, an individual with a disability, a parent, or an employee of a business or public or private nonprofit organization, who—

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

"(B) is beyond the age of compulsory school attendance in the State in which the educational institution is located.

"(2) **APPROVED NATIONAL SERVICE POSITION.**—The term 'approved national service position' means a national service position for which the Corporation has approved the provision of a national service educational award described in section 147 as one of the benefits to be provided for successful service in the position.

"(3) **CARRY OUT.**—The term 'carry out', when used in connection with a national service program described in section 122, means the planning, establishment, operation, expansion, or replication of the program.

"(4) **CHIEF EXECUTIVE OFFICER.**—The term 'Chief Executive Officer', except when used to refer to the Chief executive officer of a State, means the Chief Executive Officer of the Corporation appointed under section 193.

"(5) **COMMUNITY-BASED AGENCY.**—The term 'community-based agency' means a private nonprofit organization (including a church or other religious entity) that—

"(A) is representative of a community or a significant segment of a community; and

"(B) is engaged in meeting human, educational, environmental, or public safety community needs.

"(6) **CORPORATION.**—The term 'Corporation' means the Corporation for National and Community Service established under section 191.

"(7) **ECONOMICALLY DISADVANTAGED.**—The term 'economically disadvantaged' means, with respect to an individual, an individual who is determined by the Chief Executive Officer to be low-income according to the latest available data from the Department of Commerce.

"(8) **ELEMENTARY SCHOOL.**—The term 'elementary school' has the same meaning given such term in section 1471(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(b)).

"(9) **INDIAN.**—The term 'Indian' means a person who is a member of an Indian tribe, or is a 'Native', as defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

"(10) **INDIAN LANDS.**—The term 'Indian lands' means any real property owned by an Indian tribe, any real property held in trust by the United States for an Indian or Indian tribe, and any real property held by an Indian or Indian tribe that is subject to restrictions on alienation imposed by the United States.

"(11) **INDIAN TRIBE.**—The term 'Indian tribe' means—

"(A) an Indian tribe, band, nation, or other organized group or community, including—

"(i) any Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)), whether organized traditionally or pursuant to the Act of June 18, 1934 (commonly known as the 'Indian Reorganization Act'; 48 Stat. 984, chapter 576, 25 U.S.C. 461 et seq.); and

"(ii) any Regional Corporation or Village Corporation, as defined in subsection (g) or (j), respectively, of section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602 (g) or (j)), that is recognized as eligible for the special programs and services provided by the United States under Federal law to Indians because of their status as Indians; and

"(B) any tribal organization controlled, sanctioned, or chartered by an entity described in subparagraph (A).

"(12) **INDIVIDUAL WITH A DISABILITY.**—Except as provided in section 175(a), the term 'individual with a disability' has the meaning given the term in section 7(8)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8)(B)).

"(13) **INSTITUTION OF HIGHER EDUCATION.**—The term 'institution of higher education' has the same meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

"(14) **LOCAL EDUCATIONAL AGENCY.**—The term 'local educational agency' has the same meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(12)).

"(15) **NATIONAL SERVICE LAWS.**—The term 'national service laws' means this Act and the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

"(16) **OUT-OF-SCHOOL YOUTH.**—The term 'out-of-school youth' means an individual who—

"(A) has not attained the age of 27;

"(B) has not completed college or the equivalent thereof; and

"(C) is not enrolled in an elementary or secondary school or institution of higher education.

"(17) **PARTICIPANT.**—

"(A) **IN GENERAL.**—The term 'participant' means—

"(i) for purposes of subtitle C, an individual in an approved national service position; and

"(ii) for purposes of any other provision of this Act, an individual enrolled in a program that receives assistance under this title.

"(B) **RULE.**—A participant shall not be considered to be an employee of the program in which the participant is enrolled.

"(18) **PARTNERSHIP PROGRAM.**—The term 'partnership program' means a program through which an adult volunteer, a public or private nonprofit organization, an institution of higher education, or a business assists a local educational agency.

"(19) **PROGRAM.**—The term 'program', unless the context otherwise requires, and except when used as part of the term 'academic program', means a program described in section 111(a) (other than a program referred to in paragraph (3)(B) of such section), 117A(a), 119(b)(1), or 122(a), or in paragraph (1) or (2) of section 152(b), or an activity that could be funded under section 198, 198C, or 198D.

"(20) **PROJECT.**—The term 'project' means an activity, carried out through a program that receives assistance under this title, that results in a specific identifiable service or improvement that otherwise would not be done with existing funds, and that does not duplicate the routine services or functions of the employer to whom participants are assigned.

"(21) **SCHOOL-AGE YOUTH.**—The term 'school-age youth' means—

"(A) individuals between the ages of 5 and 17, inclusive; and

"(B) children with disabilities, as defined in section 502(a)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(a)(1)), who receive services under part B of such Act.

"(22) **SECONDARY SCHOOL.**—The term 'secondary school' has the same meaning given such term in section 1471(27) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(21)).

"(23) **SERVICE-LEARNING.**—The term 'service-learning' means a method—

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

"(i) is conducted in and meets the needs of a community;

"(ii) is coordinated with an elementary school, secondary school, institution of higher education, or community service program, and with the community; and

"(iii) helps foster civic responsibility; and

"(B) that—

"(i) is integrated into and enhances the academic curriculum of the students, or the educational components of the community service program in which the participants are enrolled; and

"(ii) provides structured time for the students or participants to reflect on the service experience.

"(24) **SERVICE-LEARNING COORDINATOR.**—The term 'service-learning coordinator' means an individual who provides services as described in subsection (a)(3) or (b) of section 111.

"(25) **SERVICE SPONSOR.**—The term 'service sponsor' means an organization, or other entity, that has been selected to provide a placement for a participant.

"(26) **STATE.**—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. The term also includes Palau, until such time as the Compact of Free Association is ratified.

"(27) **STATE COMMISSION.**—The term 'State Commission' means a State Commission on National and Community Service maintained by a State pursuant to section 178. Except when used in section 178, the term includes an alternative administrative entity for a State approved by the Corporation under such section to act in lieu of a State Commission.

"(28) **STATE EDUCATIONAL AGENCY.**—The term 'State educational agency' has the same meaning given such term in section 1471(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2891(23)).

"(29) **STUDENT.**—The term 'student' means an individual who is enrolled in an elementary or secondary school or institution of higher education on a full- or part-time basis."

(b) **TECHNICAL AND CONFORMING AMENDMENTS.**—

(1) Section 182(a)(2) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(2)) is amended by striking "adult volunteer and partnership" each place the term appears and inserting "partnership".

(2) Section 182(a)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12642(a)(3)) is amended by striking "adult volunteer and partnership" and inserting "partnership".

(3) Section 411(c)(2) of the Higher Education Act of 1965 (42 U.S.C. 2751(c)(2)) is amended by striking "service opportunities or youth corps as defined in section 101 of the National and Community Service Act of 1990, and service in the agencies, institutions and activities designated in section 124(a) of the National and Community Service Act of 1990" and inserting "a project, as defined in section 101(20) of the National and Community Service Act of 1990 (42 U.S.C. 12511(20))".

(4) Section 1122(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C. 1137a(a)(2)(C)) is amended by striking "youth corps as defined in

section 101(30) of the National and Community Service Act of 1990" and inserting "youth corps programs, as described in section 122(a)(2) of the National and Community Service Act of 1990".

(5) Section 1201(p) of the Higher Education Act of 1965 (20 U.S.C. 1141(p)) is amended by striking "section 101(22) of the National and Community Service Act of 1990" and inserting "section 101(23) of the National and Community Service Act of 1990 (42 U.S.C. 12511(21))".

SEC. 112. AUTHORITY TO MAKE STATE GRANTS.

Section 102 of the National and Community Service Act of 1990 (42 U.S.C. 12512) is repealed.

SEC. 113. FAMILY AND MEDICAL LEAVE.

(a) **IN GENERAL.**—Section 171 of the National and Community Service Act of 1990 (42 U.S.C. 12631) is amended to read as follows:

"**SEC. 171. FAMILY AND MEDICAL LEAVE.**

"(a) **PARTICIPANTS IN PRIVATE, STATE, AND LOCAL PROJECTS.**—For purposes of title I of the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.), if—

"(1) a participant has provided service for the period required by section 101(2)(A)(i) (29 U.S.C. 2611(2)(A)(i)), and has met the hours of service requirement of section 101(2)(A)(ii), of such Act with respect to a project; and

"(2) the service sponsor of the project is an employer described in section 101(4) of such Act (other than an employing agency within the meaning of subchapter V of chapter 63 of title 5, United States Code),

the participant shall be considered to be an eligible employee of the service sponsor.

"(b) **PARTICIPANTS IN FEDERAL PROJECTS.**—For purposes of subchapter V of chapter 63 of title 5, United States Code, if—

"(1) a participant has provided service for the period required by section 6381(1)(B) of such title with respect to a project; and

"(2) the service sponsor of the project is an employing agency within the meaning of such subchapter,

the participant shall be considered to be an employee of the service sponsor.

"(c) **TREATMENT OF ABSENCE.**—The period of any absence of a participant from a service position pursuant to title I of the Family and Medical Leave Act of 1993 or subchapter V of chapter 63 of title 5, United States Code, shall not be counted toward the completion of the term of service of the participant under section 139 of this Act."

(b) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 171 of such Act and inserting the following:

"Sec. 171. Family and medical leave."

SEC. 114. REPORTS.

Section 172 of the National and Community Service Act of 1990 (42 U.S.C. 12632) is amended—

(1) in subsection (a)(3)(A), by striking "sections 177 and 113(9)" and inserting "section 177";

(2) in subsection (b)—

(A) by striking "REPORT TO CONGRESS"; and inserting "REPORT TO CONGRESS BY CORPORATION"; and

(B) in paragraph (1), by striking "this title" and inserting "the national service laws"; and

(3) by adding at the end the following:

"(c) **REPORT TO CONGRESS BY SECRETARY OF DEFENSE.**—

"(1) **STUDY.**—The Secretary of Defense shall annually conduct a study of the effect of the programs carried out under this title on recruitment for the Armed Forces.

"(2) **REPORT.**—The Secretary of Defense shall annually submit a report to the appropriate committees of Congress containing the findings of the study described in paragraph (1) and such recommendations for legislative and administrative reform as the Secretary may determine to be appropriate."

SEC. 115. NONDISCRIMINATION.

Section 175 of the National and Community Service Act of 1990 (42 U.S.C. 12635) is amended to read as follows:

"**SEC. 175. NONDISCRIMINATION.**

"(a) **IN GENERAL.**—

"(1) **BASIS.**—An individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate against a participant in, or member of the staff of, such project on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) **DEFINITION.**—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) **FEDERAL FINANCIAL ASSISTANCE.**—Any assistance provided under this title shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), and shall constitute Federal financial assistance to an education program or activity for purposes of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.).

"(c) **RELIGIOUS DISCRIMINATION.**—

"(1) **IN GENERAL.**—Except as provided in paragraph (2), an individual with responsibility for the operation of a project that receives assistance under this title shall not discriminate on the basis of religion against a participant in such project or a member of the staff of such project who is paid with funds received under this title.

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

"(d) **RULES AND REGULATIONS.**—The Chief Executive Officer shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 116. NOTICE, HEARING, AND GRIEVANCE PROCEDURES.

(a) **DECLASSIFICATION OF POSITIONS.**—Section 176(a) of the National and Community Service Act of 1990 (42 U.S.C. 12636(a)) is amended—

(1) in paragraph (1), by inserting "or revoke the designation of positions, related to the grant or contract, as approved national service positions," before "whenever the Commission"; and

(2) in paragraph (2)(B), by inserting "or revoked" after "terminated".

(b) **CONSTRUCTION.**—Section 176(e) of such Act (42 U.S.C. 12636(e)) is amended by adding before the period the following "other than assistance provided pursuant to this Act".

(c) **GRIEVANCE PROCEDURE.**—Section 176(f) of such Act is amended to read as follows:

"(f) **GRIEVANCE PROCEDURE.**—

"(1) **IN GENERAL.**—A State or local applicant that receives assistance under this title shall establish and maintain a procedure for the filing and adjudication of grievances from participants, labor organizations, and other interested individuals concerning projects that receive assistance under this title, including grievances regarding proposed placements of such participants in such projects.

"(2) **DEADLINE FOR GRIEVANCES.**—Except for a grievance that alleges fraud or criminal activity, a grievance shall be made not later than 1 year after the date of the alleged occurrence of the event that is the subject of the grievance.

"(3) DEADLINE FOR HEARING AND DECISION.—

"(A) HEARING.—A hearing on any grievance conducted under this subsection shall be conducted not later than 30 days after the filing of such grievance.

"(B) DECISION.—A decision on any such grievance shall be made not later than 60 days after the filing of such grievance.

"(4) ARBITRATION.—**"(A) IN GENERAL.—**

"(i) JOINTLY SELECTED ARBITRATOR.—In the event of a decision on a grievance that is adverse to the party who filed such grievance, or 60 days after the filing of such grievance if no decision has been reached, such party shall be permitted to submit such grievance to binding arbitration before a qualified arbitrator who is jointly selected and independent of the interested parties.

"(ii) APPOINTED ARBITRATOR.—If the parties cannot agree on an arbitrator, the Chief Executive Officer shall appoint an arbitrator from a list of qualified arbitrators within 15 days after receiving a request for such appointment from one of the parties to the grievance.

"(B) DEADLINE FOR PROCEEDING.—An arbitration proceeding shall be held not later than 45 days after the request for such arbitration proceeding, or, if the arbitrator is appointed by the Chief Executive Officer in accordance with subparagraph (A)(ii), not later than 30 days after the appointment of such arbitrator.

"(C) DEADLINE FOR DECISION.—A decision concerning a grievance shall be made not later than 30 days after the date such arbitration proceeding begins.

"(D) COST.—

"(i) IN GENERAL.—Except as provided in clause (ii), the cost of an arbitration proceeding shall be divided evenly between the parties to the arbitration.

"(ii) EXCEPTION.—If a participant, labor organization, or other interested individual described in paragraph (1) prevails under a binding arbitration proceeding, the State or local applicant described in paragraph (1) that is a party to such grievance shall pay the total cost of such proceeding and the attorneys' fees of such participant, labor organization, or individual, as the case may be.

"(5) PROPOSED PLACEMENT.—If a grievance is filed regarding a proposed placement of a participant in a project that receives assistance under this title, such placement shall not be made unless the placement is consistent with the resolution of the grievance pursuant to this subsection.

"(6) REMEDIES.—Remedies for a grievance filed under this subsection include—

"(A) suspension of payments for assistance under this title;

"(B) termination of such payments;

"(C) prohibition of the placement described in paragraph (5); and

"(D) in a case in which the grievance involves a violation of subsection (a) or (b) of section 177 and the employer of the displaced employee is the recipient of assistance under this title—

"(i) reinstatement of the displaced employee to the position held by such employee prior to displacement;

"(ii) payment of lost wages and benefits of the displaced employee;

"(iii) reestablishment of other relevant terms, conditions, and privileges of employment of the displaced employee; and

"(iv) such equitable relief as is necessary to correct any violation of subsection (a) or (b) of section 177 or to make the displaced employee whole.

"(7) ENFORCEMENT.—Suits to enforce arbitration awards under this section may be brought in any district court of the United States having jurisdiction of the parties, without regard to the amount in controversy and without regard to the citizenship of the parties."

SEC. 117. NONDISPLACEMENT.

Section 177(b)(3) of the National and Community Service Act of 1990 (42 U.S.C. 12637(b)(3)) is amended—

(1) in subparagraph (B), to read as follows:

"(B) SUPPLANTATION OF HIRING.—A participant in any program receiving assistance under this title shall not perform any services or duties, or engage in activities, that—

"(i) will supplant the hiring of employed workers; or

"(ii) are services, duties, or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures."

(2) in subparagraph (C)(iii), to read as follows:

"(iii) employee who—

"(I) is subject to a reduction in force; or

"(II) has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures."

SEC. 118. EVALUATION.

Section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) is amended—

(1) in subsection (a)(2)—

"(A) in the matter preceding subparagraph (A), by striking "for purposes of the reports required by subsection (j)," and inserting "with respect to the programs authorized under subtitle C,"; and

"(B) in subparagraph (A), by striking "older American volunteer programs" and inserting "National Senior Volunteer Corps programs";

(2) in subsection (g)—

"(A) in the matter preceding paragraph (1), by striking "subtitle D" and inserting "subtitle C"; and

"(B) in paragraphs (3) and (9), by striking "older American volunteer programs" and inserting "National Senior Volunteer Corps programs";

(3) by striking subsections (i) and (j); and

(4) by adding at the end the following:

"(1) INDEPENDENT EVALUATION AND REPORT OF DEMOGRAPHICS OF NATIONAL SERVICE PARTICIPANTS AND COMMUNITIES.—

"(i) INDEPENDENT EVALUATION.—

"(A) IN GENERAL.—The Corporation shall, on an annual basis, arrange for an independent evaluation of the programs assisted under subtitle C.

"(B) PARTICIPANTS.—

"(i) IN GENERAL.—The entity conducting such evaluation shall determine the demographic characteristics of the participants in such programs.

"(ii) CHARACTERISTICS.—The entity shall determine, for the year covered by the evaluation, the total number of participants in the programs, and the number of participants within the programs in each State, by sex, age, economic background, education level, ethnic group, disability classification, and geographic region."

"(iii) CATEGORIES.—The Corporation shall determine appropriate categories for analysis of each of the characteristics referred to in clause (ii) for purposes of such an evaluation.

"(C) COMMUNITIES.—In conducting the evaluation, the entity shall determine the amount of assistance provided under section 121 during the year that has been expended for projects conducted under the programs in areas described in section 133(c)(6).

"(2) REPORT.—The entity conducting the evaluation shall submit a report to the President, Congress, the Corporation, and each State Commission containing the results of the evaluation—

"(A) with respect to the evaluation covering the year beginning on the date of enactment of this subsection, not later than 18 months after such date; and

"(B) with respect to the evaluation covering each subsequent year, not later than 18 months after the first day of each such year."

SEC. 119. ENGAGEMENT OF PARTICIPANTS.

Section 180 of the National and Community Service Act of 1990 (42 U.S.C. 12640) is amended

by striking "post-service benefits" and inserting "national service educational awards."

SEC. 120. CONTINGENT EXTENSION.

"(a) IN GENERAL.—Section 181 of the National and Community Service Act of 1990 (42 U.S.C. 12641) is amended to read as follows:

"SEC. 181. CONTINGENT EXTENSION.

"Section 414 of the General Education Provisions Act (20 U.S.C. 1236a) shall apply to this Act."

"(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 181 of such Act and inserting the following:

"Sec. 181. Contingent extension."

SEC. 121. AUDITS.

"(a) IN GENERAL.—Section 183 of the National and Community Service Act of 1990 (42 U.S.C. 12643) is amended to read as follows:

"SEC. 183. RIGHTS OF ACCESS, EXAMINATION, AND COPYING.

"(a) COMPTROLLER GENERAL.—The Comptroller General, or any of the duly authorized representatives of the Comptroller General, shall have access to, and the right to examine and copy, any books, documents, papers, records, and other recorded information in any form—

"(1) within the possession or control of the Corporation or any State or local government, Indian tribe, or public or private nonprofit organization receiving assistance directly or indirectly under this Act; and

"(2) that the Comptroller General, or his representative, considers necessary to the performance of an evaluation, audit, or review.

"(b) CHIEF FINANCIAL OFFICER.—The Chief Financial Officer of the Corporation shall have access to, and the right to examine and copy, any books, documents, papers, records, and other recorded information in any form—

"(1) within the possession or control of the Corporation or any State or local government, Indian tribe, or public or private nonprofit organization receiving assistance directly or indirectly under this Act; and

"(2) that relates to the duties of the Chief Financial Officer."

"(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 183 of such Act and inserting the following:

"Sec. 183. Rights of access, examination, and copying."

SEC. 122. REPEALS.

"(a) IN GENERAL.—Subtitle F of title I of the National and Community Service Act of 1990 (42 U.S.C. 12631 et seq.) is amended by repealing sections 185 and 186.

"(b) TABLE OF CONTENTS.—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 185 of such Act.

SEC. 123. EFFECTIVE DATE.

This title, and the amendments made by this title, shall take effect on October 1, 1993.

TITLE II—ORGANIZATION**SEC. 201. STATE COMMISSIONS ON NATIONAL AND COMMUNITY SERVICE.**

"(a) COMPOSITION AND DUTIES OF STATE COMMISSIONS.—Subtitle F of title I of the National and Community Service Act of 1990 is amended by striking section 178 (42 U.S.C. 12638) and inserting the following new section:

"SEC. 178. STATE COMMISSIONS ON NATIONAL AND COMMUNITY SERVICE.

"(a) EXISTENCE REQUIRED.—

"(1) STATE COMMISSION.—Except as provided in paragraph (2), to be eligible to receive a grant or allotment under subtitle B or C or to receive a distribution of approved national service positions under subtitle C, a State shall maintain a State Commission on National and Community

Service that satisfies the requirements of this section.

"(2) **ALTERNATIVE ADMINISTRATIVE ENTITY.**—The chief executive officer of a State may apply to the Corporation for approval to use an alternative administrative entity to carry out the duties otherwise entrusted to a State Commission under this Act. The chief executive officer shall ensure that any alternative administrative entity used in lieu of a State Commission provides for the individuals described in paragraph (1), and some of the individuals described in paragraph (2), of subsection (c) to play a significant policymaking role in carrying out the duties otherwise entrusted to a State Commission, including the submission of applications on behalf of the State under sections 117B and 130.

"(b) **APPOINTMENT AND SIZE.**—Except as provided in subsection (c)(3), the members of a State Commission for a State shall be appointed by the chief executive officer of the State. A State Commission shall consist of not fewer than 15, and not more than 25, voting members, and any ex officio nonvoting members, as described in paragraph (3) or (4) of subsection (c).

"(c) **COMPOSITION AND MEMBERSHIP.**—

"(1) **REQUIRED MEMBERS.**—The State Commission for a State shall include as voting members at least one of each of the following individuals:

"(A) An individual with expertise in the educational, training, and development needs of youth, particularly disadvantaged youth.

"(B) An individual with experience in promoting the involvement of older adults in service and voluntarism.

"(C) A representative of community-based agencies or community-based organizations within the State.

"(D) The head of the State educational agency.

"(E) A representative of local governments in the State.

"(F) A representative of local labor organizations in the State.

"(G) A representative of business.

"(H) An individual between the ages of 16 and 25 who is a participant or supervisor in a program.

"(I) A representative of a national service program described in section 122(a), such as a youth corps program described in section 122(a)(2).

"(2) **SOURCES OF OTHER MEMBERS.**—The State Commission for a State may include as voting members the following individuals:

"(A) Members selected from among local educators.

"(B) Members selected from among experts in the delivery of human, educational, environmental, or public safety services to communities and persons.

"(C) Representatives of Indian tribes.

"(D) Members selected from among out-of-school youth or other at-risk youth.

"(E) Representatives of entities that receive assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

"(3) **CORPORATION REPRESENTATIVE.**—The representative of the Corporation designated under section 195(c) for a State shall be an ex officio nonvoting member of the State Commission or alternative administrative entity for that State, unless the State permits the representative to serve as a voting member of the State Commission or alternative administrative entity.

"(4) **EX OFFICIO STATE REPRESENTATIVES.**—The chief executive officer of a State may appoint, as ex officio nonvoting members of the State Commission for the State, representatives selected from among officers and employees of State agencies operating community service, youth service, education, social service, senior service, and job training programs.

"(5) **LIMITATION ON NUMBER OF STATE EMPLOYEES AS MEMBERS.**—The number of voting members of a State Commission selected under paragraph (1) or (2) who are officers or employees of the State may not exceed 25 percent (re-

duced to the nearest whole number) of the total membership of the State Commission.

"(d) **MISCELLANEOUS MATTERS.**—

"(1) **MEMBERSHIP BALANCE.**—The chief executive officer of a State shall ensure, to the maximum extent practicable, that the membership of the State Commission for the State is diverse with respect to race, ethnicity, age, gender, and disability characteristics. Not more than 50 percent of the voting members of a State Commission, plus one additional member, may be from the same political party.

"(2) **TERMS.**—Each member of the State Commission for a State shall serve for a term of 3 years, except that the chief executive officer of a State shall initially appoint a portion of the members to terms of 1 year and 2 years.

"(3) **VACANCIES.**—If a vacancy occurs on a State Commission, a new member shall be appointed by the chief executive officer of the State and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the State Commission.

"(4) **COMPENSATION.**—A member of a State Commission or alternative administrative entity shall not receive any additional compensation by reason of service on the State Commission or alternative administrative entity, except that the State may authorize the reimbursement of travel expenses, including a per diem in lieu of subsistence, in the same manner as other employees serving intermittently in the service of the State.

"(5) **CHAIRPERSON.**—The voting members of a State Commission shall elect one of the voting members to serve as chairperson of the State Commission.

"(6) **LIMITATION ON MEMBER PARTICIPATION.**—

"(A) **GENERAL LIMITATION.**—Except as provided in subparagraph (B), a voting member of the State Commission (or of an alternative administrative entity) shall not participate in the administration of the grant program (including any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity) described in subsection (e)(9) if—

"(i) a grant application relating to such program is pending before the Commission (or such entity); and

"(ii) the application was submitted by a program or entity of which such member is, or in the 1-year period before the submission of such application was, an officer, director, trustee, full-time volunteer, or employee.

"(B) **EXCEPTION.**—If, as a result of the operation of subparagraph (A), the number of voting members of the Commission (or of such entity) is insufficient to establish a quorum for the purpose of administering such program, then voting members excluded from participation by subparagraph (A) may participate in the administration of such program, notwithstanding the limitation in subparagraph (A), to the extent permitted by regulations issued under section 193A(b)(11) by the Corporation.

"(C) **RULE OF CONSTRUCTION.**—Subparagraph (A) shall not be construed to limit the authority of any voting member of the Commission (or of such entity) to participate in—

"(i) discussion of, and hearing and forums on—

"(I) the general duties, policies, and operations of the Commission (or of such entity); or

"(II) the general administration of such program; or

"(ii) similar general matters relating to the Commission (or such entity).

"(e) **DUTIES OF A STATE COMMISSION.**—The State Commission or alternative administrative entity for a State shall be responsible for the following duties:

"(1) Preparation of a national service plan for the State that—

"(A) is developed through an open and public process (such as through regional forums, hearings, and other means) that provides for maximum participation and input from national service programs within the State and other interested members of the public;

"(B) covers a 3-year period;

"(C) is updated annually;

"(D) ensures outreach to diverse community-based agencies that serve underrepresented populations, by—

"(i) using established networks, and registries, at the State level; or

"(ii) establishing such networks and registries; and

"(E) contains such information as the State Commission considers to be appropriate or as the Corporation may require.

"(2) Preparation of the applications of the State under sections 117B and 130 for financial assistance.

"(3) Assistance in the preparation of the application of the State educational agency for assistance under section 113.

"(4) Preparation of the application of the State under section 130 for the approval of service positions that include the national service educational award described in subtitle D.

"(5) Make recommendations to the Corporation with respect to priorities for programs receiving assistance under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

"(6) Make technical assistance available to enable applicants for assistance under section 121—

"(A) to plan and implement service programs; and

"(B) to apply for assistance under the national service laws using, if appropriate, information and materials available through a clearinghouse established under section 198A.

"(7) Assistance in the provision of health care and child care benefits under section 140 to participants in national service programs that receive assistance under section 121.

"(8) Development of a State system for the recruitment and placement of participants in programs that receive assistance under the national service laws and dissemination of information concerning national service programs that receive such assistance or approved national service positions.

"(9) Administration of the grant program in support of national service programs that is conducted by the State using assistance provided to the State under section 121, including selection, oversight, and evaluation of grant recipients.

"(10) Development of projects, training methods, curriculum materials, and other materials and activities related to national service programs that receive assistance directly from the Corporation (to be made available in a case in which such a program requests such a project, method, material, or activity) or from the State using assistance provided under section 121, for use by programs that request such projects, methods, materials, and activities.

"(f) **ACTIVITY INELIGIBLE FOR ASSISTANCE.**—A State Commission or alternative administrative entity may not directly carry out any national service program that receives assistance under section 121.

"(g) **DELEGATION.**—Subject to such requirements as the Corporation may prescribe, a State Commission may delegate nonpolicy-making duties to a State agency or public or private nonprofit organization.

"(h) **APPROVAL OF STATE COMMISSION OR ALTERNATIVE.**—

"(1) **SUBMISSION TO CORPORATION.**—The chief executive officer for a State shall notify the Corporation of the establishment or designation of the State Commission or use of an alternative administrative entity for the State. The notification shall include a description of—

"(A) the composition and membership of the State Commission or alternative administrative entity; and

"(B) the authority of the State Commission or alternative administrative entity regarding national service activities carried out by the State.

"(2) **APPROVAL OF ALTERNATIVE ADMINISTRATIVE ENTITY.**—Any designation of a State Commission or use of an alternative administrative entity to carry out the duties of a State Commission shall be subject to the approval of the Corporation, which shall not be unreasonably withheld. The Corporation shall approve an alternative administrative entity if such entity provides for individuals described in paragraph (1), and some of the individuals described in paragraph (2), of subsection (c) to play a significant policymaking role in carrying out the duties otherwise entrusted to a State Commission, including the duties described in paragraphs (1) through (4) of subsection (e).

"(3) **REJECTION.**—The Corporation may reject a State Commission if the Corporation determines that the composition, membership, or duties of the State Commission do not comply with the requirements of this section. The Corporation may reject a request to use an alternative administrative entity in lieu of a State Commission if the Corporation determines that the entity does not provide for the individuals described in paragraph (1), and some of the individuals described in paragraph (2), of subsection (c) to play a significant policymaking role as described in paragraph (2). If the Corporation rejects a State Commission or alternative administrative entity under this paragraph, the Corporation shall promptly notify the State of the reasons for the rejection.

"(4) **RESUBMISSION AND RECONSIDERATION.**—The Corporation shall provide a State notified under paragraph (3) with a reasonable opportunity to revise the rejected State Commission or alternative administrative entity. At the request of the State, the Corporation shall provide technical assistance to the State as part of the revision process. The Corporation shall promptly reconsider any resubmission of a notification under paragraph (1) or application to use an alternative administrative entity under paragraph (2).

"(5) **SUBSEQUENT CHANGES.**—This subsection shall also apply to any change in the composition or duties of a State Commission or an alternative administrative entity made after approval of the State Commission or the alternative administrative entity.

"(6) **RIGHTS.**—An alternative administrative entity approved by the Corporation under this subsection shall have the same rights as a State Commission.

"(1) **COORDINATION.**—

"(1) **COORDINATION WITH OTHER STATE AGENCIES.**—The State Commission or alternative administrative entity for a State shall coordinate the activities of the Commission or entity under this Act with the activities of other State agencies that administer Federal financial assistance programs under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.) or other appropriate Federal financial assistance programs.

"(2) **COORDINATION WITH VOLUNTEER SERVICE PROGRAMS.**—

"(A) **IN GENERAL.**—The State Commission or alternative administrative entity for a State shall coordinate functions of the Commission or entity (including recruitment, public awareness, and training activities) with such functions of any division of ACTION, or of the Corporation, that carries out volunteer service programs in the State.

"(B) **AGREEMENT.**—In coordinating functions under this paragraph, such Commission or entity, and such division, may enter into an agreement to—

"(i) carry out such a function jointly;

"(ii) to assign responsibility for such a function to the Commission or entity; or

"(iii) to assign responsibility for such a function to the division.

"(C) **INFORMATION.**—The State Commission or alternative entity for a State, and the A of

any such division, shall exchange information about—

"(i) the programs carried out in the State by the Commission, entity, or division, as appropriate; and

"(ii) opportunities to coordinate activities.

"(f) **LIABILITY.**—

"(1) **LIABILITY OF STATE.**—Except as provided in paragraph (2)(B), a State shall agree to assume liability with respect to any claim arising out of or resulting from any act or omission by a member of the State Commission or alternative administrative entity of the State, within the scope of the service of the member on the State Commission or alternative administrative entity.

"(2) **OTHER CLAIMS.**—

"(A) **IN GENERAL.**—A member of the State Commission or alternative administrative entity shall have no personal liability with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the State Commission or alternative administrative entity.

"(B) **LIMITATION.**—This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the State Commission or alternative administrative entity.

"(3) **EFFECT ON OTHER LAW.**—This subsection shall not be construed—

"(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such service;

"(B) to affect any other right or remedy against the State under applicable law, or against any person other than a member of the State Commission or alternative administrative entity; or

"(C) to limit or alter in any way the immunities that are available under applicable law for State officials and employees not described in this subsection."

"(b) **TABLE OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the item relating to section 178 and inserting the following new item:

"Sec. 178. State Commissions on National and Community Service."

"(c) **EFFECTIVE DATE.**—The amendments made by this section shall take effect on October 1, 1993.

"(d) **TRANSITIONAL PROVISIONS.**—

"(1) **USE OF ALTERNATIVES TO STATE COMMISSION.**—If a State does not have a State Commission on National and Community Service that satisfies the requirements specified in section 178 of the National and Community Service Act of 1990, as amended by subsection (a), the Corporation for National and Community Service may authorize the chief executive officer of the State to use an existing agency of the State to perform the duties otherwise reserved to a State Commission under subsection (e) of such section.

"(2) **APPLICATION OF SUBSECTION.**—This subsection shall apply only during the 27-month period beginning on the date of the enactment of this Act.

SEC. 182. INTERIM AUTHORITIES OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE AND ACTION AGENCY.

"(a) **NATIONAL AND COMMUNITY SERVICE ACT OF 1990.**—Subtitle G of title I of the National and Community Service Act of 1990 (42 U.S.C. 12651) is amended to read as follows:

"**Subtitle G—Corporation for National and Community Service**

"SEC. 181. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

"There is established a Corporation for National and Community Service that shall administer the programs established under this Act. The Corporation shall be a Government corpora-

tion, as defined in section 103 of title 5, United States Code.

"SEC. 191. BOARD OF DIRECTORS.

"(a) **COMPOSITION.**—

"(1) **IN GENERAL.**—There shall be in the Corporation a Board of Directors (referred to in this subtitle as the 'Board') that shall be composed of—

"(A) 15 members, including an individual between the ages of 16 and 25 who—

"(i) has served in a school-based or community-based service-learning program; or

"(ii) is or was a participant or a supervisor in a program;

to be appointed by the President, by and with the advice and consent of the Senate, and

"(B) the ex officio nonvoting members described in paragraph (3).

"(2) **QUALIFICATIONS.**—To the maximum extent practicable, the President shall appoint members—

"(A) who have extensive experience in volunteer or service activities, which may include programs funded under one of the national service laws, and in State government;

"(B) who represent a broad range of viewpoints;

"(C) who are experts in the delivery of human, educational, environmental, or public safety services;

"(D) so that the Board shall be diverse according to race, ethnicity, age, gender, and disability characteristics; and

"(E) so that no more than 50 percent of the appointed members of the Board, plus 1 additional appointed member, are from a single political party.

"(3) **EX OFFICIO MEMBERS.**—The Secretary of Education, the Secretary of Health and Human Services, the Secretary of Labor, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Housing and Urban Development, the Secretary of Defense, the Attorney General, the Director of the Peace Corps, the Administrator of the Environmental Protection Agency, and the Chief Executive Officer shall serve as ex officio nonvoting members of the Board.

"(b) **OFFICERS.**—

"(1) **CHAIRPERSON.**—The President shall appoint a member of the Board to serve as the initial Chairperson of the Board. Each subsequent Chairperson shall be elected by the Board from among its members.

"(2) **VICE CHAIRPERSON.**—The Board shall elect a Vice Chairperson from among its members.

"(3) **OTHER OFFICERS.**—The Board may elect from among its membership such additional officers of the Board as the Board determines to be appropriate.

"(c) **TERMS.**—Each appointed member of the Board shall serve for a term of 5 years, except that, as designated by the President—

"(1) 3 of the members first appointed to the Board shall serve for a term of 1 year;

"(2) 3 of the members first appointed to the Board shall serve for a term of 2 years;

"(3) 3 of the members first appointed to the Board shall serve for a term of 3 years;

"(4) 3 of the members first appointed to the Board shall serve for a term of 4 years; and

"(5) 3 of the members first appointed to the Board shall serve for a term of 5 years.

"(d) **VACANCIES.**—If a vacancy occurs on the Board, a new member shall be appointed by the President, by and with the advice and consent of the Senate, and serve for the remainder of the term for which the predecessor of such member was appointed. The vacancy shall not affect the power of the remaining members to execute the duties of the Board.

"SEC. 192A. AUTHORITIES AND DUTIES OF THE BOARD OF DIRECTORS.

"(a) **MEETINGS.**—The Board shall meet not less often than 3 times each year. The Board shall hold additional meetings at the call of the Chairperson of the Board, or if 6 members of the Board request such meetings in writing.

"(b) **QUORUM.**—A majority of the appointed members of the Board shall constitute a quorum.

"(c) **AUTHORITIES OF OFFICERS.**—

"(1) **CHAIRPERSON.**—The Chairperson of the Board may call and conduct meetings of the Board.

"(2) **VICE CHAIRPERSON.**—The Vice Chairperson of the Board may conduct meetings of the Board in the absence of the Chairperson.

"(d) **EXPENSES.**—While away from their homes or regular places of business on the business of the Board, members of such Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter 1 of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

"(e) **SPECIAL GOVERNMENT EMPLOYEES.**—For purposes of the provisions of chapter 11 of part 1 of title 18, United States Code, and any other provision of Federal law, a member of the Board (to whom such provisions would not otherwise apply except for this subsection) shall be a special Government employee.

"(f) **STATUS OF MEMBERS.**—

"(1) **TORT CLAIMS.**—For the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, a member of the Board shall be considered to be a Federal employee.

"(2) **OTHER CLAIMS.**—A member of the Board shall have no personal liability under Federal law with respect to any claim arising out of or resulting from any act or omission by such person, within the scope of the service of the member on the Board, in connection with any transaction involving the provision of financial assistance by the Corporation. This paragraph shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other act or omission outside the scope of the service of such member on the Board.

"(3) **EFFECT ON OTHER LAW.**—This subsection shall not be construed—

"(A) to affect any other immunities and protections that may be available to such member under applicable law with respect to such transactions;

"(B) to affect any other right or remedy against the Corporation, against the United States under applicable law, or against any person other than a member of the Board participating in such transactions; or

"(C) to limit or alter in any way the immunities that are available under applicable law for Federal officials and employees not described in this subsection.

"(g) **DUTIES.**—The Board shall—

"(1) review and approve the strategic plan described in section 193A(b)(1), and annual updates of the plan;

"(2) review and approve the proposal described in section 193A(b)(2)(A), with respect to the grants, allotments, contracts, financial assistance, payment, and positions referred to in such section;

"(3) review and approve the proposal described in section 193A(b)(3)(A), regarding the regulations, standards, policies, procedures, programs, and initiatives referred to in such section;

"(4) review and approve the evaluation plan described in section 193A(b)(4)(A);

"(5) (A) review, and advise the Chief Executive Officer regarding, the actions of the Chief Executive Officer with respect to the personnel of the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act; and

"(B) inform the Chief Executive Officer of any aspects of the actions of the Chief Executive Officer that are not in compliance with the annual strategic plan referred to in paragraph (1), the proposals referred to in paragraphs (2) and (3), or the plan referred to in paragraph (4), or are not consistent with the objectives of this Act;

"(6) receive any report as provided under subsection (b), (c), or (d) of section 8E of the Inspector General Act of 1978;

"(7) make recommendations relating to a program of research for the Corporation with respect to national and community service programs, including service-learning programs;

"(8) advise the President and the Congress concerning developments in national and community service that merit the attention of the President and the Congress;

"(9) ensure effective dissemination of information regarding the programs and initiatives of the Corporation; and

"(10) prepare and make recommendations to the Congress and the President for changes in this Act resulting from the studies and demonstrations the Chief Executive Officer is required to carry out under section 193A(b)(10), which recommendations shall be submitted to the Congress and President not later than September 30, 1995.

"(h) **ADMINISTRATION.**—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.

"(i) **LIMITATION ON PARTICIPATION.**—All employees and officers of the Corporation shall recuse themselves from decisions that would constitute conflicts of interest.

"(j) **COORDINATION WITH OTHER FEDERAL ACTIVITIES.**—As part of the agenda of meetings of the Board under subsection (a), the Board shall review projects and programs conducted or funded by the Corporation under the national service laws to improve the coordination between such projects and programs, and the activities of other Federal agencies that deal with the individuals and communities participating in or benefiting from such projects and programs. The *ex officio* members of the Board specified in section 192(a)(3) shall jointly plan, implement, and fund activities in connection with projects and programs conducted under the national service laws to ensure that Federal efforts attempt to address the total needs of participants in such programs and projects, their communities, and the persons and communities the participants serve.

"SEC. 193. **CHIEF EXECUTIVE OFFICER.**

"(a) **APPOINTMENT.**—The Corporation shall be headed by an individual who shall serve as Chief Executive Officer of the Corporation, and who shall be appointed by the President, by and with the advice and consent of the Senate.

"(b) **COMPENSATION.**—The Chief Executive Officer shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code.

"(c) **REGULATIONS.**—The Chief Executive Officer shall prescribe such rules and regulations as are necessary or appropriate to carry out this Act.

"SEC. 193A. **AUTHORITIES AND DUTIES OF THE CHIEF EXECUTIVE OFFICER.**

"(a) **GENERAL POWERS AND DUTIES.**—The Chief Executive Officer shall be responsible for the exercise of the powers and the discharge of the duties of the Corporation that are not reserved to the Board, and shall have authority and control over all personnel of the Corporation, except as provided in section 8E of the Inspector General Act of 1978.

"(b) **DUTIES.**—In addition to the duties conferred on the Chief Executive Officer under any other provision of this Act, the Chief Executive Officer shall—

"(1) prepare and submit to the Board a strategic plan every 3 years, and annual updates of the plan, for the Corporation with respect to the major functions and operations of the Corporation;

"(2) (A) prepare and submit to the Board a proposal with respect to such grants and allotments, contracts, other financial assistance, and designation of positions as approved national service positions, as are necessary or appropriate to carry out this Act; and

"(B) after receiving and reviewing an approved proposal under section 192A(g)(2), make such grants and allotments, enter into such contracts, award such other financial assistance, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of financial assistance otherwise authorized under this Act, with necessary adjustments on account of overpayments and underpayments), and designate such positions as approved national service positions as are necessary or appropriate to carry out this Act;

"(3) (A) prepare and submit to the Board a proposal regarding the regulations established under section 193(b)(3)(A), and such other standards, policies, procedures, programs, and initiatives as are necessary or appropriate to carry out this Act; and

"(B) after receiving and reviewing an approved proposal under section 192A(g)(3)—

"(i) establish such standards, policies, and procedures as are necessary or appropriate to carry out this Act; and

"(ii) establish and administer such programs and initiatives as are necessary or appropriate to carry out this Act;

"(4) (A) prepare and submit to the Board a plan for the evaluation of programs established under this Act, in accordance with section 179; and

"(B) after receiving an approved proposal under section 192A(g)(4)—

"(i) establish measurable performance goals and objectives for such programs, in accordance with section 179; and

"(ii) provide for periodic evaluation of such programs to assess the manner and extent to which the programs achieve the goals and objectives, in accordance with such section;

"(5) consult with appropriate Federal agencies in administering the programs and initiatives;

"(6) suspend or terminate payments and positions described in paragraph (2)(B), in accordance with section 176;

"(7) prepare and submit to the Board an annual report, and such interim reports as may be necessary, describing the major actions of the Chief Executive Officer with respect to the personnel of the Corporation, and with respect to such standards, policies, procedures, programs, and initiatives;

"(8) inform the Board of, and provide an explanation to the Board regarding, any substantial differences regarding the implementation of this Act between—

"(A) the actions of the Chief Executive Officer; and

"(B) (i) the strategic plan approved by the Board under section 192A(g)(1);

"(ii) the proposals approved by the Board under paragraph (2) or (3) of section 192A(g); or

"(iii) the evaluation plan approved by the Board under section 192A(g)(4);

"(9) prepare and submit to the appropriate committees of Congress an annual report, and such interim reports as may be necessary, describing—

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

"(B) the manner in which the Corporation used or disposed of such services, money, and property; and

"(C) information on the results achieved by the programs funded under this Act during the year preceding the year in which the report is prepared;

"(10) provide for studies (including the evaluations described in subsection (f)) and demonstrations that evaluate, and prepare and submit to the Board by June 30, 1995, a report containing recommendations regarding, issues related to—

"(A) the administration and organization of programs authorized under the national service

laws or under Public Law 91-378 (referred to in this subparagraph as "service programs"), including—

"(i) whether the State and national priorities designed to meet the unmet human, education, environmental or public safety needs described in section 122(c)(1) are being addressed by this Act;

"(ii) the manner in which—

"(I) educational and other outcomes of both stipended and nonstipended service and service-learning are defined and measured in such service programs; and

"(II) such outcomes should be defined and measured in such service programs;

"(iii) whether stipended service programs, and service programs providing educational benefits in return for service, should focus on economically disadvantaged individuals or at-risk youth or whether such programs should include a mix of individuals, including individuals from middle- and upper-income families;

"(iv) the role and importance of stipends and educational benefits in achieving desired outcomes in the service programs;

"(v) the potential for cost savings and coordination of support and oversight services from combining functions performed by ACTION State Offices and State Commissions;

"(vi) the implications of the results from such studies and demonstrations for authorized funding levels for the service programs; and

"(vii) other issues that the Director determines to be relevant to the administration and organization of the service programs; and

"(B) the number, potential consolidation, and future organization of national service or domestic volunteer service programs that are authorized under Federal law, including VISTA, service corps assisted under subtitle C and other programs authorized by this Act, programs administered by the Public Health Service, the Department of Defense, or other Federal agencies, programs regarding teacher corps, and programs regarding work-study and higher education loan forgiveness or forbearance programs authorized by the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) related to community service; and

"(11) for purposes of section 178(d)(6)(B), issue regulations to waive the disqualification of members of the Board and members of the State Commissions selectively in a random, non-discretionary manner and only to the extent necessary to establish the quorum involved, including rules that forbid each member of the Board and each voting member of a State Commission to participate in any discussion or decision regarding the provision of assistance or approved national service positions, or the continuation, suspension, or termination of such assistance or such positions, to any program or entity of which such member of the Board or such member of the State Commission is, or in the 1-year period before the submission of the application referred to in such section was, an officer, director, trustee, full-time volunteer, or employee.

"(c) **POWERS.**—In addition to the authority conferred on the Chief Executive Officer under any other provision of this Act, the Chief Executive Officer may—

"(1) establish, alter, consolidate, or discontinue such organizational units or components within the Corporation as the Chief Executive Officer considers necessary or appropriate, consistent with Federal law, and shall, to the maximum extent practicable, consolidate such units or components of the divisions of the Corporation described in section 194(a)(3) as may be appropriate to enable the two divisions to coordinate common support functions;

"(2) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act;

"(3) with their consent, utilize the services and facilities of Federal agencies with or with-

out reimbursement, and, with the consent of any State, or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivisions without reimbursement.

"(4) allocate and expend funds made available under this Act;

"(5) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as the Chief Executive Officer shall determine to be appropriate to public agencies, private organizations, and the general public;

"(6) collect or compromise all obligations to or held by the Chief Executive Officer and all legal or equitable rights accruing to the Chief Executive Officer in connection with the payment of obligations in accordance with chapter 37 of title 31, United States Code (commonly known as the "Federal Claims Collection Act of 1966");

"(7) file a civil action in any court of record of a State having general jurisdiction or in any district court of the United States, with respect to a claim arising under this Act;

"(8) exercise the authorities of the Corporation under section 196;

"(9) consolidate the reports to Congress required under this Act, and the report required under section 9106 of title 31, United States Code, into a single report, and submit the report to Congress on an annual basis; and

"(10) generally perform such functions and take such steps consistent with the objectives and provisions of this Act, as the Chief Executive Officer determines to be necessary or appropriate to carry out such provisions.

"(d) **DELEGATION.**—

"(1) **DEFINITION.**—As used in this subsection, the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

"(2) **IN GENERAL.**—Except as otherwise prohibited by law or provided in this Act, the Chief Executive Officer may delegate any function under this Act, and authorize such successive redelegations of such function as may be necessary or appropriate. No delegation of a function by the Chief Executive Officer under this subsection or under any other provision of this Act shall relieve such Chief Executive Officer of responsibility for the administration of such function.

"(3) **FUNCTION OF BOARD.**—The Chief Executive Officer may not delegate a function of the Board without the permission of the Board.

"(e) **ACTIONS.**—In an action described in subsection (c)(7)—

"(1) a district court referred to in such subsection shall have jurisdiction of such a civil action without regard to the amount in controversy;

"(2) such an action brought by the Chief Executive Officer shall survive notwithstanding any change in the person occupying the office of Chief Executive Officer or any vacancy in that office;

"(3) no attachment, injunction, garnishment, or other similar process, meane or final, shall be issued against the Chief Executive Officer or the Board or property under the control of the Chief Executive Officer or the Board; and

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

"(f) **EVALUATIONS.**—

"(1) **EVALUATION OF LIVING ALLOWANCE.**—The Corporation shall arrange for an independent evaluation to determine the levels of living allowances paid in all programs under subtitles C and I, individually, by State, and by region; Such evaluation shall determine the effects that such living allowances have had on the ability of individuals to participate in such programs.

"(2) **EVALUATION OF SUCCESS OF INVESTMENT IN NATIONAL SERVICE.**—

"(A) **EVALUATION REQUIRED.**—The Corporation shall arrange for the independent evalua-

tion of the operation of subtitle C to determine the levels of participation of economically disadvantaged individuals in national service programs carried out or supported using assistance provided under section 121.

"(B) **PERIOD COVERED BY EVALUATION.**—The evaluation required by this paragraph shall cover the period beginning on the date the Corporation first makes a grant under section 121, and ending on a date that is as close as is practicable to the date specified in subsection (b)(7).

"(C) **INCOME LEVELS OF PARTICIPANTS.**—The evaluating entity shall determine the total income of each participant who serves, during the period covered by the evaluation, in a national service program carried out or supported using assistance provided under section 121 or in an approved national service position. The total income of the participant shall be determined as of the date the participant was first selected to participate in such a program and shall include family total income unless the evaluating entity determines that the participant was independent at the time of selection.

"(D) **ASSISTANCE FOR DISTRESSED AREAS.**—The evaluating entity shall also determine the amount of assistance provided under section 121 during the period covered by the report that has been expended for projects conducted in areas of economic distress described in section 133(c)(6).

"(E) **DEFINITIONS.**—As used in this paragraph:

"(i) **INDEPENDENT.**—The term "independent" has the meaning given the term in section 430(d) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(d)).

"(ii) **TOTAL INCOME.**—The term "total income" has the meaning given the term in section 430(a) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(a)).

"SEC. 194. **OFFICERS.**

"(a) **MANAGING DIRECTORS.**—

"(1) **IN GENERAL.**—There shall be in the Corporation 2 Managing Directors, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall report to the Chief Executive Officer.

"(2) **COMPENSATION.**—The Managing Directors shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(3) **DUTIES.**—The Corporation shall determine the programs for which the Managing Directors shall have primary responsibility and shall establish the divisions of the Corporation to be headed by the Managing Directors.

"(b) **INSPECTOR GENERAL.**—

"(1) **OFFICE.**—There shall be in the Corporation an Office of the Inspector General.

"(2) **APPOINTMENT.**—The Office shall be headed by an Inspector General, appointed in accordance with the Inspector General Act of 1978.

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

"(c) **CHIEF FINANCIAL OFFICER.**—

"(1) **OFFICE.**—There shall be in the Corporation a Chief Financial Officer, who shall be appointed by the President, by and with the advice and consent of the Senate.

"(2) **COMPENSATION.**—The Chief Financial Officer shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(3) **DUTIES.**—The Chief Financial Officer shall—

"(A) report directly to the Chief Executive Officer regarding financial management matters;

"(B) oversee all financial management activities relating to the programs and operations of the Corporation;

"(C) develop and maintain an integrated accounting and financial management system for the Corporation, including financial reporting and internal controls;

"(D) develop and maintain any joint financial management systems with the Department of

Education necessary to carry out the programs of the Corporation and

"(E) direct, manage, and provide policy guidance and oversight of the financial management personnel, activities, and operations of the Corporation.

"(d) ASSISTANT DIRECTORS FOR VISTA AND NATIONAL SENIOR VOLUNTEER CORPS.—

"(1) APPOINTMENT.—One of the Managing Directors appointed under subsection (a) shall, in accordance with applicable provisions of title 5, United States Code, appoint 4 Assistant Directors who shall report directly to such Managing Director, of which—

"(A) 1 Assistant Director shall be responsible for programs carried out under parts A and B of title I of the Domestic Volunteer Service Act of 1973 (the Volunteers in Service to America (VISTA) program) and other antipoverty programs under title I of that Act;

"(B) 1 Assistant Director shall be responsible for programs carried out under part A of title II of that Act (relating to the Retired Senior Volunteer Program);

"(C) 1 Assistant Director shall be responsible for programs carried out under part B of title II of that Act (relating to the Foster Grandparent Program); and

"(D) 1 Assistant Director shall be responsible for programs carried out under part C of title II of that Act (relating to the Senior Companion Program).

"(2) EFFECTIVE DATE FOR EXERCISE OF AUTHORITY.—Each Assistant Director appointed pursuant to paragraph (1) may exercise the authority assigned to each such Director only after the effective date of section 203(c)(2) of the National and Community Service Trust Act of 1993.

"SEC. 106. EMPLOYEES, CONSULTANTS, AND OTHER PERSONNEL.

"(a) EMPLOYEES.—Except as provided in subsection (b), section 194(d), and section 8E of the Inspector General Act of 1978, the Chief Executive Officer shall, in accordance with applicable provisions of title 5, United States Code, appoint and determine the compensation of such employees as the Chief Executive Officer determines to be necessary to carry out the duties of the Corporation.

"(b) ALTERNATIVE PERSONNEL SYSTEM.—

"(1) AUTHORITY.—The Chief Executive Officer may designate positions in the Corporation as positions to which the Chief Executive Officer may make appointments, and for which the Chief Executive Officer may determine compensation, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, to the extent the Chief Executive Officer determines that such a designation is appropriate and desirable to further the effective operation of the Corporation. The Chief Executive Officer may provide for appointments to such positions to be made on a limited term basis.

"(2) APPOINTMENT IN THE COMPETITIVE SERVICE AFTER EMPLOYMENT UNDER ALTERNATIVE PERSONNEL SYSTEM.—The Director of the Office of Personnel Management may grant competitive status for appointment to the competitive service, under such conditions as the Director may prescribe, to an employee who is appointed under this subsection and who is separated from the Corporation (other than by removal for cause).

"(3) SELECTION AND COMPENSATION SYSTEM.—

"(A) ESTABLISHMENT OF SYSTEM.—The Chief Executive Officer, after obtaining the approval of the Director of the Office of Personnel Management, shall issue regulations establishing a selection and compensation system for employees of the Corporation appointed under paragraph (1). In issuing such regulations, the Chief Executive Officer shall take into consideration the need for flexibility in such a system.

"(B) APPLICATION.—The Chief Executive Officer shall appoint and determine the compensa-

tion of employees in accordance with the selection and compensation system established under subparagraph (A).

"(C) SELECTION.—The system established under subparagraph (A) shall provide for the selection of employees—

"(i) through a competitive process; and

"(ii) on the basis of the qualifications of applicants and the requirements of the positions.

"(D) COMPENSATION.—The system established under subparagraph (A) shall include a scheme for the classification of positions in the Corporation. The system shall require that the compensation of an employee be determined in part on the basis of the job performance of the employee, and in a manner consistent with the principles described in section 5301 of title 5, United States Code. The rate of compensation for each employee compensated under the system shall not exceed the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(c) CORPORATION REPRESENTATIVE IN EACH STATE.—

"(1) DESIGNATION OF REPRESENTATIVE.—The Corporation shall designate 1 employee of the Corporation for each State or group of States to serve as the representative of the Corporation in the State or States and to assist the Corporation in carrying out the activities described in this Act in the State or States.

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

"(A) the Corporation and the State Commission that is established in the State or States;

"(B) the Corporation and any subdivision of a State, Indian tribe, public or private nonprofit organization, or institution of higher education, in the State or States, that is awarded a grant under section 121 directly from the Corporation; and

"(C) after the effective date of section 203(c)(2) of the National and Community Service Trust Act of 1993, the State Commission and the Corporation employee responsible for programs under the Domestic Volunteer Service Act of 1973 in the State, if the employee is not the representative described in paragraph (1) for the State.

"(3) MEMBER OF STATE COMMISSION.—The representative designated under this subsection for a State or group of States shall also serve as a member of the State Commission established in the State or States, as described in section 178(c)(3).

"(4) COMPENSATION.—If the employee designated under paragraph (1) is an employee whose appointment was made pursuant to section 195(b), the rate of compensation for such employee may not exceed the maximum rate of basic pay payable for GS-13 of the General Schedule under section 5332 of title 5, United States Code.

"(d) CONSULTANTS.—The Chief Executive Officer may procure the temporary and intermittent services of experts and consultants and compensate the experts and consultants in accordance with section 3109(b) of title 5, United States Code.

"(e) DETAILS OF PERSONNEL.—The head of any Federal department or agency may detail on a reimbursable basis, or on a nonreimbursable basis for not to exceed 180 calendar days during any fiscal year, as agreed upon by the Chief Executive Officer and the head of the Federal agency, any of the personnel of that department or agency to the Corporation to assist the Corporation in carrying out the duties of the Corporation under this Act. Any detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

"(f) ADVISORY COMMITTEES.—

"(1) ESTABLISHMENT.—The Chief Executive Officer, acting upon the recommendation of the Board, may establish advisory committees in the

Corporation to advise the Board with respect to national service issues, such as the type of programs to be established or assisted under the national service laws, priorities and criteria for such programs, and methods of conducting outreach for and evaluation of such programs.

"(2) COMPOSITION.—Such an advisory committee shall be composed of members appointed by the Chief Executive Officer, with such qualifications as the Chief Executive Officer may specify.

"(3) EXPENSES.—Members of such an advisory committee may be allowed travel expenses as described in section 192A(d).

"(4) STAFF.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Chief Executive Officer is authorized to appoint and fix the compensation of such staff as the Chief Executive Officer determines to be necessary to carry out the functions of the advisory committee, without regard to—

"(i) the provisions of title 5, United States Code, governing appointments in the competitive service; and

"(ii) the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(B) COMPENSATION.—If a member of the staff appointed under subparagraph (A) was appointed without regard to the provisions described in clauses (i) and (ii) of subparagraph (A), the rate of compensation for such member may not exceed the maximum rate of basic pay payable for GS-13 of the General Schedule under section 5332 of title 5, United States Code.

"SEC. 106. ADMINISTRATION.

"(a) DONATIONS.—

"(1) SERVICES.—

"(A) VOLUNTEERS.—Notwithstanding section 1342 of title 31, United States Code, the Corporation may solicit and accept the voluntary services of individuals to assist the Corporation in carrying out the duties of the Corporation under this Act, and may provide to such individuals the travel expenses described in section 192A(d).

"(B) LIMITATION.—Such a volunteer shall not be considered to be a Federal employee and shall not be subject to the provisions of law relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits, except that—

"(i) for the purposes of the tort claims provisions of chapter 171 of title 28, United States Code, a volunteer under this subtitle shall be considered to be a Federal employee;

"(ii) for the purposes of subchapter I of chapter 81 of title 5, United States Code, relating to compensation to Federal employees for work injuries, volunteers under this subtitle shall be considered to be employees, as defined in section 8101(1)(B) of title 5, United States Code, and the provisions of such subchapter shall apply; and

"(iii) for purposes of the provisions of chapter 11 of part I of title 18, United States Code, such a volunteer (to whom such provisions would not otherwise apply except for this subsection) shall be a special Government employee.

"(C) INHERENTLY GOVERNMENTAL FUNCTION.—

"(i) IN GENERAL.—Such a volunteer shall not carry out an inherently governmental function.

"(ii) REGULATIONS.—The Chief Executive Officer shall promulgate regulations to carry out this subparagraph.

"(iii) INHERENTLY GOVERNMENTAL FUNCTION.—As used in this subparagraph, the term 'inherently governmental function' means any activity that is so intimately related to the public interest as to mandate performance by an officer or employee of the Federal Government, including an activity that requires either the exercise of discretion in applying the authority of the Government or the use of value judgment in making a decision for the Government.

"(2) PROPERTY.—

"(A) IN GENERAL.—The Corporation may solicit, accept, hold, administer, use, and dispose

of, in furtherance of the purposes of this Act, donations of any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise. Donations accepted under this subparagraph shall be used as nearly as possible in accordance with the terms, if any, of such donation.

"(B) STATUS OF CONTRIBUTION.—Any donation accepted under subparagraph (A) shall be considered to be a gift, devise, or bequest to, or for the use of, the United States.

"(C) RULES.—The Chief Executive Officer shall establish written rules to ensure that the solicitation, acceptance, holding, administration, and use of property described in subparagraph (A)—

"(i) will not reflect unfavorably upon the ability of the Corporation, or of any officer or employee of the Corporation, to carry out the responsibilities or official duties of the Corporation in a fair and objective manner; and

"(ii) will not compromise the integrity of the programs of the Corporation or any official or employee of the Corporation involved in such programs.

"(D) DISPOSITION.—Upon completion of the use by the Corporation of any property accepted pursuant to subparagraph (A) (other than money or monetary proceeds from sales of property so accepted), such completion shall be reported to the General Services Administration and such property shall be disposed of in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

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

"(b) CONTRACTS.—Subject to the Federal Property and Administrative Services Act of 1949, the Corporation may enter into contracts, and cooperative and interagency agreements, with Federal and State agencies, private firms, institutions, and individuals to conduct activities necessary to assist the Corporation in carrying out the duties of the Corporation under this Act.

"(c) OFFICE OF MANAGEMENT AND BUDGET.—Appropriate circulars of the Office of Management and Budget shall apply to the Corporation.

"SEC. 101A. CORPORATION STATE OFFICES.

"(a) IN GENERAL.—The Chief Executive Officer shall establish and maintain a decentralized field structure that provides for an office of the Corporation for each State. The office for a State shall be located in, or in reasonable proximity to, such State. Only one such office may carry out the duties described in subsection (b) with respect to a State at any particular time. Such State office may be directed by the representative designated under section 195(c).

"(b) DUTIES.—Each State office established pursuant to subsection (a) shall—

"(1) provide to the State Commissions established under section 178 technical and other assistance for the development and implementation of national service plans under section 178(e)(1);

"(2) provide to community-based agencies and other entities within the State technical assistance for the preparation of applications for assistance under the national service laws, utilizing, as appropriate, information and materials provided by the clearinghouses established pursuant to section 198A;

"(3) provide to the State Commission and other entities within the State support and technical assistance necessary to assure the existence of an effective system of recruitment, placement, and training of volunteers within the State;

"(4) monitor and evaluate the performance of all programs and projects within the State that receive assistance under the national service laws; and

"(5) perform such other duties and functions as may be assigned or delegated by the Chief Executive Officer."

(b) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—Section 401 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5041) is amended by inserting after the second sentence the following: "The Director shall report directly to the Chief Executive Officer of the Corporation for National and Community Service."

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

(1) DEFINITIONS.—For purposes of this subsection, unless otherwise provided or indicated by the context, each term specified in section 203(c)(1) shall have the meaning given the term in such section.

(2) TRANSFER OF FUNCTIONS.—There are transferred to the Corporation the functions that the Board of Directors or Executive Director of the Commission on National and Community Service exercised before the effective date of this subsection (including all related functions of any officer or employee of the Commission).

(3) APPLICATION.—The provisions of paragraphs (3) through (10) of section 203(c) shall apply with respect to the transfer described in paragraph (2), except that—

(A) for purposes of such application, references to the term "ACTION Agency" shall be deemed to be references to the Commission on National and Community Service; and

(B) paragraph (10) of such section shall not preclude the transfer of the members of the Board of Directors of the Commission to the Corporation if, on the effective date of this subsection, the Board of Directors of the Corporation has not been confirmed.

(d) CONTINUING PERFORMANCE OF CERTAIN FUNCTIONS.—The individuals who, on the day before the date of enactment of this Act, are performing any of the functions required by section 190 of the National and Community Service Act of 1990 (42 U.S.C. 12651), as in effect on such date, to be performed by the members of the Board of Directors of the Commission on National and Community Service may, subject to section 193A of the National and Community Service Act of 1990, as added by subsection (a) of this section, continue to perform such functions until the date on which the Board of Directors of the Corporation for National and Community Service conducts the first meeting of the Board. The service of such individuals as members of the Board of Directors of such Commission, and the employment of such individuals as special Government employees, shall terminate on such date.

(e) GOVERNMENT CORPORATION CONTROL.—

(1) WHOLLY OWNED GOVERNMENT CORPORATION.—Section 9101(3) of title 31, United States Code, is amended by inserting after subparagraph (D) the following:

"(E) the Corporation for National and Community Service."

(2) AUDITS.—Section 9105(a)(1) of title 31, United States Code, is amended by inserting "or under other Federal law," before "or by an independent";

(f) DISPOSAL OF PROPERTY.—Section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) is amended by adding at the end the following:

"(5)(A) Under such regulations as the Administrator may prescribe, the Administrator is authorized, in the discretion of the Administrator, to assign to the Chief Executive Officer of the Corporation for National and Community Service for disposal such surplus property as is recommended by the Chief Executive Officer as being needed for national service activities.

"(B) Subject to the disapproval of the Administrator, within 30 days after notice to the Administrator by the Chief Executive Officer of the Corporation for National and Community Service of a proposed transfer of property for such activities, the Chief Executive Officer, through such officers or employees of the Corporation as the Chief Executive Officer may designate, may sell, lease, or donate such property to any entity that receives financial assistance under the Na-

tional and Community Service Act of 1990 for such activities.

"(C) In fixing the sale or lease value of such property, the Chief Executive Officer of the Corporation for National and Community Service shall comply with the requirements of paragraph (1)(C)."

(g) INSPECTOR GENERAL.—

(1) SPECIAL PROVISIONS IN INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by redesignating sections 8F and 8G as sections 8F and 8G, respectively, and inserting after section 8D the following new section:

"SPECIAL PROVISIONS CONCERNING THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

"SEC. 8E. (a) Notwithstanding the provisions of paragraphs (7) and (8) of section 8(a), it is within the exclusive jurisdiction of the Inspector General of the Corporation for National and Community Service to—

"(1) appoint and determine the compensation of such officers and employees in accordance with section 195(b) of the National and Community Service Trust Act of 1993; and

"(2) procure the temporary and intermittent services of and compensate such experts and consultants, in accordance with section 3109(b) of title 5, United States Code,

as may be necessary to carry out the functions, powers, and duties of the Inspector General.

"(b) No later than the date on which the Chief Executive Officer of the Corporation for National and Community Service transmits a report to the Congress under subsection (a) or (b) of section 5, the Chief Executive Officer shall transmit such report to the Board of Directors of such Corporation.

"(c) No later than the date on which the Chief Executive Officer of the Corporation for National and Community Service transmits a report described under section 5(b) to the Board of Directors as provided under subsection (b) of this section, the Chief Executive Officer shall also transmit any audit report which is described in the statement required under section 5(b)(4) to the Board of Directors. All such audit reports shall be placed on the agenda for review at the next scheduled meeting of the Board of Directors following such transmittal. The Chief Executive Officer of the Corporation shall be present at such meeting to provide any information relating to such audit reports.

"(d) No later than the date on which the Inspector General of the Corporation for National and Community Service reports a problem, abuse, or deficiency under section 5(d) to the Chief Executive Officer of the Corporation, the Chief Executive Officer shall report such problem, abuse, or deficiency to the Board of Directors."

(2) TERMINATION OF STATUS AS DESIGNATED FEDERAL ENTITY.—

(A) IN GENERAL.—Section 8F(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is redesignated by paragraph (1) of this subsection) is amended by striking out "ACTION";

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(3) TRANSFER.—

(A) IN GENERAL.—Section 3(a)(1) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(i) in subparagraph (T), by striking out "and" at the end thereof; and

(ii) by adding at the end thereof the following new subparagraph:

"(V) of the Corporation for National and Community Service, the Office of Inspector General of ACTION, and";

(B) EFFECTIVE DATE.—This paragraph shall take effect on the effective date of section 203(c)(2).

(4) HEAD OF ESTABLISHMENT AND ESTABLISHMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1) by inserting "the Chief Executive Officer of the Corporation for National and Community Service," after "Thrift Depositor Protection Oversight Board"; and

(B) in paragraph (2) by inserting "the Corporation for National and Community Service," after "United States Information Agency".

(5) **TECHNICAL AND CONFORMING AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.**—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in section 4(b)(2)—

(i) by striking out "section 8E(a)(2), and any" and inserting in lieu thereof "section 8F(a)(2), and any";

(ii) by striking out "section 8E(a)(1)" and inserting in lieu thereof "section 8F(a)(1)", and

(iii) by striking out "section 8E(a)(2)" and inserting in lieu thereof "section 8F(a)(2)", and

(B) in section 8G (as redesignated by paragraph (1) of this subsection)—

(i) by striking out "or 8D" and inserting in lieu thereof "8D, or 8E"; and

(ii) by striking out "section 8E(a)" and inserting in lieu thereof "section 8F(a)".

(6) **POSTAL SERVICE TECHNICAL AND CONFORMING AMENDMENTS.**—Section 410(b) of title 39, United States Code, is amended—

(A) in paragraph (8) by striking out "and" after the semicolon;

(B) in the first paragraph (9) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(C) by striking out the second paragraph (9) and inserting in lieu thereof the following:

"(10) the provisions of section 8F of the Inspector General Act of 1978."

(7) **TABLES OF CONTENTS.**—Section 1(b) of the National and Community Service Act of 1990 (Public Law 101-610; 104 Stat. 3127) is amended by striking the items relating to subtitle G of title I of such Act and inserting the following:

"Subtitle G—Corporation for National and Community Service

"Sec. 191. Corporation for National and Community Service.

"Sec. 192. Board of Directors.

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

"Sec. 193. Chief Executive Officer.

"Sec. 193A. Authorities and duties of the Chief Executive Officer.

"Sec. 194. Officers.

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

"Sec. 196. Administration.

"Sec. 196A. Corporation State offices."

(8) **EFFECTIVE DATES.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), or paragraph (2) or (3) of subsection (9), the amendments made by this section shall take effect on October 1, 1993.

(2) **ESTABLISHMENT AND APPOINTMENT AUTHORITIES.**—Sections 191, 192, and 193 of the National and Community Service Act of 1990, as added by subsection (a), shall take effect on the date of enactment of this Act.

SEC. 203. FINAL AUTHORITIES OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

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

(1) **APPLICATION.**—

(A) **EVALUATION.**—Subsections (a), (d), and (e) of section 179 of the National and Community Service Act of 1990 (42 U.S.C. 12639) are amended by striking "this title" and inserting "the national service laws".

(B) **CORPORATION.**—Subtitle I of the National and Community Service Act of 1990 (as amended by section 202 of this Act) is amended in section 191, paragraphs (5) and (10) of section 192A(g), section 193(c), subsections (b) (other than paragraph (10)), (c) (other than paragraph (7)), and (d) of section 193A, subsections (c) and (e) of section 195, and subsections (a) and (b) of section 196, by striking "this Act" each place the

term appears and inserting "the national service laws".

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

(A) by striking "and" at the end of paragraph (9);

(B) by redesignating paragraph (10) as paragraph (11), and

(C) by inserting after paragraph (9) the following:

"(10) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under the provisions of the Domestic Volunteer Service Act of 1973 (except as provided in section 108 of the Domestic Volunteer Service Act of 1973), which may provide that the agency or organization shall pay all or a part of the costs of the program, and";

(3) **RECRUITMENT AND PUBLIC AWARENESS FUNCTIONS.**—Section 193A of the National and Community Service Act of 1993 (as added by section 202 of this Act) is amended by adding at the end the following:

"(g) **RECRUITMENT AND PUBLIC AWARENESS FUNCTIONS.**—

"(1) **EXPORT.**—The Chief Executive Officer shall ensure that the Corporation, in carrying out the recruiting and public awareness functions of the Corporation, shall expend at least the level of effort on recruitment and public awareness activities related to the programs carried out under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.) as ACTION expended on recruitment and public awareness activities related to programs under the Domestic Volunteer Service Act of 1973 during fiscal year 1993.

"(2) **PERSONNEL.**—The Chief Executive Officer shall assign or hire, as necessary, such additional national, regional, and State personnel to carry out such recruiting and public awareness functions as may be necessary to ensure that such functions are carried out in a timely and effective manner. The Chief Executive Officer shall give priority in the hiring of such additional personnel to individuals who have formerly served as volunteers in the programs carried out under the Domestic Volunteer Service Act of 1973 or similar programs, and to individuals who have specialized experience in the recruitment of volunteers.

"(3) **FUNDS.**—For the first fiscal year after the effective date of this subsection, and for each fiscal year thereafter, for the purpose of carrying out such recruiting and public awareness functions, the Chief Executive Officer shall obligate not less than 1.5 percent of the amounts appropriated for the fiscal year under section 501(a) of the Domestic Volunteer Service Act of 1973."

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

(c) **TRANSFER OF FUNCTIONS FROM ACTION AGENCY.**—

(1) **DEFINITIONS.**—For purposes of this subsection, unless otherwise provided or indicated by the context—

(A) the term "Chief Executive Officer" means the Chief Executive Officer of the Corporation;

(B) the term "Corporation" means the Corporation for National and Community Service, established under section 191 of the National and Community Service Act of 1990;

(C) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

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

(E) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(2) **TRANSFER OF FUNCTIONS.**—There are transferred to the Corporation the functions that the

Director of the ACTION Agency exercised before the effective date of this subsection (including all related functions of any officer or employee of the ACTION Agency).

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

(4) **REORGANIZATION.**—The Chief Executive Officer is authorized to allocate or reallocate any function transferred under paragraph (2) among the officers of the Corporation.

(5) **TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.**—Except as otherwise provided in this subsection, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this subsection, subject to section 1531 of title 31, United States Code, shall be transferred to the Corporation. Unexpended funds transferred pursuant to this paragraph shall be used only for the purposes for which the funds were originally authorized and appropriated.

(6) **INCIDENTAL TRANSFER.**—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, is authorized to make such determinations as may be necessary with regard to the functions transferred by this subsection, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this subsection. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this subsection and for such further measures and dispositions as may be necessary to effectuate the purposes of this subsection.

(7) **EFFECT ON PERSONNEL.**—

(A) **IN GENERAL.**—Except as otherwise provided by this subsection, the transfer pursuant to this subsection of full-time personnel (except special Government employees) and part-time personnel holding permanent positions shall be to positions in the Corporation subject to section 195(a) of the National and Community Service Act of 1990, as added by section 202(a) of this Act, and shall not cause any such employee to be separated or reduced in grade or compensation, or to have the benefits of the employee reduced, for 1 year after the date of transfer of such employee under this subsection, and such transfer shall be deemed to be a transfer of functions for purposes of section 3503 of title 5, United States Code.

(B) **EXECUTIVE SCHEDULE POSITIONS.**—Except as otherwise provided in this subsection, any person who, on the day preceding the effective date of this subsection, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Corporation to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(C) **TERMINATION OF CERTAIN POSITIONS.**—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this subsection, shall terminate on the effective date of this subsection.

(8) **SAVINGS PROVISIONS.**—

(A) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—All orders, determinations, rules, regu-

lations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(1) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under this subsection; and

(2) that are in effect at the time this subsection takes effect, or were final before the effective date of this subsection and are to become effective on or after the effective date of this subsection, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Chief Executive Officer, or other authorized official, a court of competent jurisdiction, or by operation of law.

(B) **PROCEEDINGS NOT AFFECTED.**—The provisions of this subsection shall not affect any proceedings, including notices of proposed rule-making, or any application for any license, permit, certificate, or financial assistance pending before the ACTION Agency at the time this subsection takes effect, with respect to functions transferred by this subsection. Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this subsection had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subparagraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this subsection had not been enacted.

(C) **SUITS NOT AFFECTED.**—The provisions of this subsection shall not affect suits commenced before the effective date of this subsection, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this subsection had not been enacted.

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

(E) **ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.**—Any administrative action relating to the preparation or promulgation of a regulation by the ACTION Agency relating to a function transferred under this subsection may be continued by the Corporation with the same effect as if this subsection had not been enacted.

(9) **SEVERABILITY.**—If a provision of this subsection or its application to any person or circumstance is held invalid, neither the remainder of this subsection nor the application of the provision to other persons or circumstances shall be affected.

(10) **TRANSITION.**—Prior to, or after, any transfer of a function under this subsection, the Chief Executive Officer is authorized to utilize—

(A) the services of such officers, employees, and other personnel of the ACTION Agency with respect to functions that will be or have been transferred to the Corporation by this subsection; and

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

(d) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), this section, and the amendments made by this section, shall take effect—

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

(B) on such earlier date as the President shall determine to be appropriate and announce by proclamation published in the Federal Register.

(2) **TRANSITION.**—Subsection (c)(10) shall take effect on the date of enactment of this Act.

SEC. 304. BUSINESS PLAN.

(a) **BUSINESS PLAN REQUIRED.**—

(1) **IN GENERAL.**—The Corporation for National and Community Service (referred to in this section as the "Corporation") shall prepare and submit to Congress a business plan. The Corporation may not provide assistance under section 121 of the National and Community Service Act of 1990 before the twentieth day of continuous session of Congress after the date on which the Corporation submits the business plan to Congress.

(2) **COMPUTATION.**—For purposes of the computation of the 20-day period referred to in paragraph (1), continuity of a session of the Congress shall be considered to be broken only by—

(A) an adjournment of the Congress sine die, and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a date certain.

(b) **REQUIRED ELEMENTS OF BUSINESS PLAN.**—

(1) **ALLOCATION OF FUNDS.**—The business plan shall contain—

(A) a description of the manner in which the Corporation will allocate funds for programs carried out by the Corporation after October 1, 1993;

(B) information on the principal offices and officers of the Corporation that will allocate such funds; and

(C) information that indicates how accountability for such funds can be determined, in terms of the office or officer responsible for such funds.

(2) **INVESTIGATIVE AND AUDIT FUNCTIONS.**—The business plan shall include a description of the plans of the Corporation—

(A) to ensure continuity, during the transition period, and after the transition period, in the investigative and audit functions carried out by the Inspector General of ACTION prior to such period, consistent with the Inspector General Act of 1978 (5 U.S.C. App.); and

(B) to carry out investigative and audit functions and implement financial management controls regarding programs carried out by the Corporation after October 1, 1993, consistent with the Inspector General Act of 1978, including a specific description of—

(1) the manner in which the Office of Inspector General shall be established in the Corporation, in accordance with section 194(b) of the National Community Service Act of 1990, as added by section 202 of this Act; and

(2) the manner in which grants made by the Corporation shall be audited by such Office and the financial management controls that shall apply with regard to such grants and programs.

(3) **ACCOUNTABILITY MEASURES.**—The business plan shall include a detailed description of the accountability measures to be established by the Corporation to ensure effective control of all funds for programs carried out by the Corporation after October 1, 1993.

(4) **INFORMATION RESOURCES.**—The business plan shall include a description of an information resource management program that will support the program and financial management needs of the Corporation.

(5) **CORPORATION STAFFING AND INTEGRATION OF ACTION.**—

(A) **TRANSFERS.**—The business plan shall include a report on the progress and plans of the President for transferring the functions, programs, and related personnel of ACTION to the Corporation, and shall include a timetable for the transfer.

(B) **DETAILS AND ASSIGNMENTS.**—The report shall specify the number of ACTION employees

detailed or assigned to the Corporation, and describe the hiring activity of the Corporation during the transition period.

(C) **STRUCTURE.**—The business plan shall include a description of the organizational structure of the Corporation during the transition period.

(D) **STAFFING.**—The business plan shall include a description of—

(1) measures to ensure adequate staffing during the transition period with respect to programs carried out by the Corporation after October 1, 1993; and

(2) the responsibilities and authorities of the Managing Directors and other key personnel of the Corporation.

(E) **SENIOR EXECUTIVE SERVICE.**—The business plan shall include—

(1) an explanation of the number of the employees of the Corporation who will be paid at or above the rate of pay for level 1 of the Senior Executive Service Schedule under section 5302 of title 5, United States Code; and

(2) information justifying such pay for such employees.

(F) **DUPLICATION OF FUNCTIONS.**—The business plan shall include a description of the measures that the Corporation is taking or will take to minimize duplication of functions in the Corporation caused by the transfer of the functions of the Commission on National and Community Service, and the transfer of the functions of ACTION, to the Corporation. This description shall address functions at both the national and State levels.

(G) **DEFINITION.**—The term "transition period" means the period beginning on October 1, 1993 and ending on the day before the effective date of section 203(c)(2).

SEC. 305. ACTIONS UNDER THE NATIONAL SERVICE LAWS TO BE SUBJECT TO THE AVAILABILITY OF APPROPRIATIONS.

No action involving the obligation or expenditure of funds may be taken under one of the national service laws (as defined in section 101(15) of the National and Community Service Act of 1990 (42 U.S.C. 12511(15))) unless and until the Corporation for National and Community Service has sufficient appropriations available at the time such action is taken to satisfy the obligation to be incurred or make the expenditure to be made.

TITLE III—REAUTHORIZATION

Subtitle A—National and Community Service Act of 1990

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—Section 501 of the National and Community Service Act of 1990 (42 U.S.C. 12581) is amended to read as follows:

"SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

"(a) **TITLE I.**—

"(1) **SUBTITLE B.**—

"(A) **IN GENERAL.**—There are authorized to be appropriated to provide financial assistance under subtitle B of title I, \$45,000,000 for fiscal year 1994 and such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(B) **PROGRAMS.**—Of the amount appropriated under subparagraph (A) for a fiscal year—

"(i) not more than 63.75 percent shall be available to provide financial assistance under subpart A of part I of subtitle B of title I.

"(ii) not more than 11.25 percent shall be available to provide financial assistance under subpart B of part I of such subtitle; and

"(iii) not more than 25 percent shall be available to provide financial assistance under part II of such subtitle.

"(2) **SUBTITLES C, D, AND H.**—

"(A) **IN GENERAL.**—There are authorized to be appropriated to provide financial assistance under subtitles C and H of title I, to provide national service educational awards under subtitle D of title I, and to carry out such audits and evaluations as the Chief Executive Officer or the Inspector General of the Corporation may determine to be necessary, \$300,000,000 for fiscal year

1994, \$500,000,000 for fiscal year 1995, and \$700,000,000 for fiscal year 1996.

"(B) PROGRAMS.—Of the amount appropriated under subparagraph (A) for a fiscal year, up to 15 percent shall be made available to provide financial assistance under section 125, under subsections (b) and (c) of section 126, and under subtitle H of title I.

"(3) SUBTITLE E.—There are authorized to be appropriated to provide financial assistance under subtitle E of title I, such sums as may be necessary for each of the fiscal years 1995 through 1996.

"(4) ADMINISTRATION.—

"(A) IN GENERAL.—There are authorized to be appropriated for the administration of this Act \$40,000,000 for fiscal year 1994, \$60,000,000 for fiscal year 1995, and \$70,000,000 for fiscal year 1996.

"(B) CORPORATION.—Of the amounts appropriated under subparagraph (A) for a fiscal year—

"(i) up to 60 percent shall be made available to the Corporation for the administration of this Act; and

"(ii) the remainder shall be available to provide financial assistance under section 126(a).

"(b) TITLES III.—There are authorized to be appropriated to carry out title III \$5,000,000 for each of the fiscal years 1994 through 1996.

"(c) AVAILABILITY OF APPROPRIATIONS.—Funds appropriated under this section shall remain available until expended.

"(d) SPECIFICATION OF BUDGET FUNCTION.—The authorizations of appropriations contained in this section shall be considered to be a component of budget function 500 as used by the Office of Management and Budget to cover education, training, employment, and social services, and, as such, shall be considered to be related to the programs of the Departments of Labor, Health and Human Services, and Education for budgetary purposes."

"(e) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993.

Subtitle B—Domestic Volunteer Service Act of 1973

SEC. 311. SHORT TITLE; REFERENCES.

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

"(b) REFERENCES.—Except as otherwise specifically provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.).

CHAPTER 1—VISTA AND OTHER ANTI-POVERTY PROGRAMS

SEC. 321. PURPOSE OF THE VISTA PROGRAM.

The last sentence of section 101 (42 U.S.C. 4951) is amended to read as follows: "In addition, the objectives of this part are to generate the commitment of private sector resources, to encourage volunteer service at the local level, and to strengthen local agencies and organizations to carry out the purpose of this part."

SEC. 322. ASSISTANT DIRECTOR FOR VISTA PROGRAM.

"(a) IN GENERAL.—Section 102 (42 U.S.C. 4952) is amended by striking "The Director" and inserting "This part shall be administered by one of the Assistant Directors appointed pursuant to section 194(d)(1)(A) of the National and Community Service Act of 1990, Such Director".

"(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the effective date of section 203(b).

SEC. 323. SELECTION AND ASSIGNMENT OF VISTA VOLUNTEERS.

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

"(1) in the matter preceding paragraph (1), by striking "a public" and inserting "public";

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

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

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

"(5) in paragraph (6)—

"(A) by striking "or the Community Economic" and inserting "the Community Economic";

"(B) by inserting "or other similar Acts," after "1981," and

"(C) by striking the period and inserting "; and"; and

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

"(7) in strengthening, supplementing, and expanding efforts to address the problem of illiteracy throughout the United States."

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

"(1) in paragraph (2)—

"(A) by amending subparagraph (A) to read as follows:

"(2)(A) The Director shall establish and maintain within the national headquarters of the ACTION Agency (or any successor entity of such agency) a volunteer placement office which shall be responsible for all functions related to the recruitment and placement of volunteers under this part. Such functions and activities shall be carried out in coordination or in conjunction with recruitment and placement activities carried out under the National and Community Service Trust Act of 1993. Upon the transfer of the functions of the ACTION Agency to the Corporation for National and Community Service, the office established under this subparagraph shall be merged with the recruitment office of such Corporation. At no time after such transfer of functions shall more than one office responsible primarily for recruitment exist within the Corporation."

"(B) by striking subparagraph (C); and

"(C) by redesignating subparagraph (D) as subparagraph (C);

"(2) by striking paragraphs (4) and (6); and

"(3) by redesignating paragraphs (5) and (7) as paragraphs (4) and (6), respectively.

"(c) PUBLIC AWARENESS AND RECRUITMENT.—Subsection (c) of section 103 (42 U.S.C. 4953(c)) is amended—

"(1) in paragraph (1)—

"(A) in the 1st sentence by striking "regional or State employees designated in subparagraphs (C) and (D) of subsection (b)(2)" and inserting "personnel described in subsection (b)(2)(C)";

"(B) in the second sentence, by striking "shall include" and inserting "may include";

"(C) by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively; and

"(D) by inserting after subparagraph (E) the following new subparagraph:

"(F) publicizing national service educational awards available under the National and Community Service Trust Act of 1993;"

"(2) by striking paragraphs (4) and (5); and

"(3) by redesignating paragraph (6) as paragraph (4).

"(d) COORDINATION WITH OTHER FEDERAL AGENCIES.—Section 103 (42 U.S.C. 4953) is amended by adding at the end the following new subsection:

"(h) The Director is encouraged to enter into agreements with other Federal agencies to use VISTA volunteers in furtherance of program objectives that are consistent with the purposes described in section 101."

SEC. 324. TERMS AND PERIODS OF SERVICE.

"(a) CLARIFICATION AND PERIODS OF SERVICE.—Subsection (b) of section 104 (42 U.S.C. 4954(b)) is amended to read as follows:

"(b)(1) Volunteers serving under this part may be enrolled initially for periods of service of not less than 1 year, nor more than 2 years, except as provided in paragraph (2) or subsection (e).

"(2) Volunteers serving under this part may be enrolled for periods of service of less than 1 year if the Director determines, on an individual basis, that a period of service of less than 1 year is necessary to meet a critical scarce skill need.

"(3) Volunteers serving under this part may be reenrolled for periods of service in a manner to be determined by the Director. No volunteer shall serve for more than a total of 5 years under this part."

"(b) SUMMER PROGRAM.—Section 104 (42 U.S.C. 4954) is amended by adding at the end the following new subsection:

"(e)(1) Notwithstanding any other provision of this part, the Director may enroll full-time VISTA summer associates in a program for the summer months only, under such terms and conditions as the Director shall determine to be appropriate. Such individuals shall be assigned to projects that meet the criteria set forth in section 103(a).

"(2) In preparing reports relating to programs under this Act, the Director shall report on participants, costs, and accomplishments under the summer program separately.

"(3) The limitation on funds appropriated for grants and contracts, as contained in section 108, shall not apply to the summer program."

SEC. 325. SUPPORT FOR VISTA VOLUNTEERS.

"(a) POSTSERVICE STIPEND.—Section 105(a)(1) (42 U.S.C. 4955(a)(1)) is amended—

"(1) by inserting "(A)" after "(a)(1)"; and

"(2) by striking the second sentence and inserting the following:

"(B) Such stipend shall not exceed \$95 per month in fiscal year 1994, but shall be set at a minimum of \$100 per month, and a maximum of \$125 per month assuming the availability of funds to accomplish such maximum, during the service of the volunteer after October 1, 1994. The Director may provide a stipend of a maximum of \$200 per month in the case of persons who have served as volunteers under this part for at least 1 year and who, in accordance with standards established in such regulations as the Director shall prescribe, have been designated volunteer leaders on the basis of experience and special skills and a demonstrated leadership among volunteers.

"(C) The Director shall not provide a stipend under this subsection to an individual who elects to receive a national service educational award under subtitle D of title I of the National and Community Service Act of 1990."

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

"(1) in paragraph (3)—

"(A) by striking subparagraph (A);

"(B) in subparagraph (B), by striking the subparagraph designation; and

"(C) by adding at the end the following new sentence: "The Director shall review such adjustments on an annual basis to ensure that the adjustments are current."; and

"(2) by striking paragraph (4).

"(c) CHILD CARE.—Section 105 (42 U.S.C. 4955) is amended by adding at the end the following:

"(c)(1) The Director shall—

"(A) make child care available for children of each volunteer enrolled under this part who need such child care in order to participate as volunteers; or

"(B) provide a child care allowance to each such volunteer who needs such assistance in order to participate as volunteers.

"(2) The Corporation shall establish guidelines regarding the circumstances under which child care shall be made available under this subsection and the value of any child care allowance to be provided."

SEC. 326. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

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

"SEC. 107. PARTICIPATION OF YOUNGER AND OLDER PERSONS.

"In carrying out this part and part C, the Director shall take necessary steps, including the

development of special projects, where appropriate, to encourage the fullest participation of individuals 18 through 27 years of age, and individuals 55 years of age and older, in the various programs and activities authorized under such parts."

SEC. 327. LITERACY ACTIVITIES.

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

- (1) in subsection (g)—
- (A) by striking paragraph (1); and
- (B) by striking the paragraph designation of paragraph (2); and
- (2) in subsection (h)—
- (A) in paragraph (1) by striking "paragraphs (2) and (3)" and inserting "paragraph (2)"; and
- (B) by striking paragraph (3).

SEC. 328. APPLICATIONS FOR ASSISTANCE.

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

"SEC. 110. APPLICATIONS FOR ASSISTANCE.

"In reviewing an application for assistance under this part, the Director shall not deny such assistance to any project or program, or any public or private nonprofit organization, solely on the basis of the duration of the assistance such project, program, or organization has received under this part prior to the date of submission of the application. The Director shall grant assistance under this part on the basis of merit and to accomplish the goals of the VISTA program, and shall consider the needs and requirements of projects in existence on such date as well as potential new projects."

SEC. 329. REPEAL OF AUTHORITY FOR STUDENT COMMUNITY SERVICE PROGRAMS.

Section 114 (42 U.S.C. 4974) is repealed.

SEC. 330. UNIVERSITY YEAR FOR VISTA.

(a) PROGRAM TITLE.—Part B of title I (42 U.S.C. 4971 et seq.) is amended—

- (1) in the part heading, to read as follows: "PART B—UNIVERSITY YEAR FOR VISTA";
- (2) by striking "University Year for ACTION" each place that such term appears in such part and inserting "University Year for VISTA";
- (3) by striking "UYA" each place that such term appears in such part and inserting "UYV"; and
- (4) in section 112 (42 U.S.C. 4972) by striking the section heading and inserting the following new section heading:

"AUTHORITY TO OPERATE UNIVERSITY YEAR FOR VISTA PROGRAM"

(b) SPECIAL CONDITIONS.—Section 113(a) (42 U.S.C. 4973(a)) is amended—

- (1) by striking "of not less than the duration of an academic year" and inserting "of not less than the duration of an academic semester or its equivalent"; and
- (2) by adding at the end the following new sentence: "Volunteers may receive a living allowance and such other support or allowances as the Director determines to be appropriate."

SEC. 331. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

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

"SEC. 122. AUTHORITY TO ESTABLISH AND OPERATE SPECIAL VOLUNTEER AND DEMONSTRATION PROGRAMS.

"(a) IN GENERAL.—The Director is authorized to conduct special volunteer programs for demonstration programs, or award grants to or enter into contracts with public or nonprofit organizations to carry out such programs. Such programs shall encourage wider volunteer participation on a full-time, part-time, or short-term basis to further the purpose of this part, and identify particular segments of the poverty community that could benefit from volunteer and other antipoverty efforts.

"(b) ASSIGNMENT AND SUPPORT OF VOLUNTEERS.—The assignment of volunteers under this section, and the provision of support for such volunteers, including any subsistence allowances and stipends, shall be on such terms and

conditions as the Director shall determine to be appropriate, but shall not exceed the level of support provided under section 105. Projects using volunteers who do not receive stipends may also be supported under this section.

"(c) CRITERIA AND PRIORITIES.—In carrying out this section and section 123, the Director shall establish criteria and priorities for awarding grants and entering into contracts under this part in each fiscal year. No grant or contract exceeding \$100,000 shall be made under this part unless the recipient of the grant or contract has been selected by a competitive process that includes public announcement of the availability of funds for such grant or contract, general criteria for the selection of recipients or contractors, and a description of the application process and application review process."

SEC. 332. TECHNICAL AND FINANCIAL ASSISTANCE.

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

"SEC. 123. TECHNICAL AND FINANCIAL ASSISTANCE.

"The Director may provide technical and financial assistance to Federal agencies, State and local governments and agencies, private nonprofit organizations, employers, and other private organizations that utilize or desire to utilize volunteers in carrying out the purpose of this part."

SEC. 333. ELIMINATION OF SEPARATE AUTHORITY FOR DRUG ABUSE PROGRAMS.

Title I (42 U.S.C. 4951 et seq.) is amended—

- (1) by repealing section 124; and
- (2) by redesignating section 125 as section 124.

CHAPTER 2—NATIONAL SENIOR VOLUNTEER CORPS

SEC. 341. NATIONAL SENIOR VOLUNTEER CORPS.

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

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS"

(b) REFERENCES.—

(1) Section 200(1) (42 U.S.C. 5000(1)) is amended by striking "Older American Volunteer Programs" and inserting "National Senior Volunteer Corps".

(2) The heading for section 221 (42 U.S.C. 5021) is amended by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS".

(3) Section 224 (42 U.S.C. 5024) is amended—

- (A) in the section heading by striking "OLDER AMERICAN VOLUNTEER PROGRAMS" and inserting "NATIONAL SENIOR VOLUNTEER CORPS"; and
- (B) by striking "volunteer projects for Older Americans" and inserting "National Senior Volunteer Corps projects".

(4) Section 205(c) of the Older Americans Amendments of 1975 (Public Law 94-135; 89 Stat. 727; 42 U.S.C. 5001 note) is amended by striking "national older American volunteer programs" each place the term appears and inserting "National Senior Volunteer Corps programs".

SEC. 342. THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

(a) PART HEADING.—The heading for part A of title II is amended by striking "RETIRED SENIOR VOLUNTEER PROGRAM" and inserting "RETIRED AND SENIOR VOLUNTEER PROGRAM".

(b) REFERENCES.—Section 200 (42 U.S.C. 5000) is amended by striking "retired senior volunteer program" each place that such term appears in such section and the Act and inserting "Retired and Senior Volunteer Program".

SEC. 343. OPERATION OF THE RETIRED AND SENIOR VOLUNTEER PROGRAM.

Section 201(a) (42 U.S.C. 5001(a)) is amended—

- (1) in the matter preceding paragraph (1) by striking "retired persons" and inserting "retired individuals and working older individuals"; and
- (2) in paragraph (2)—
- (A) by striking "aged sixty or over" and inserting "55 years of age or older"; and
- (B) by inserting ", and individuals 60 years of age or older will be given priority for enrollment," after "enrolled".

SEC. 344. SERVICES UNDER THE FOSTER GRANDPARENT PROGRAM.

Section 211(a) (42 U.S.C. 5011(a)) is amended by striking "including services" and all that follows through "with special needs" and inserting a period and the following: "Such services may include services by individuals serving as foster grandparents to children who are individuals with disabilities, who have chronic health conditions, who are receiving care in hospitals, who are residing in homes for dependent and neglected children, or who are receiving services provided by day care centers, schools, early intervention programs under part H of the Individuals with Disabilities Education Act (20 U.S.C. 1471 et seq.), Head Start agencies under the Head Start Act, or any of a variety of other programs, establishments, and institutions providing services for children with special or exceptional needs. Individual foster grandparents may provide person-to-person services to one or more children, depending on the needs of the project and local site."

SEC. 345. STIPENDS FOR LOW-INCOME VOLUNTEERS.

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

- (1) in the second sentence by striking "Any stipend or allowance provided under this subsection shall not be less than \$2.20 per hour until October 1, 1990, \$2.35 per hour during fiscal year 1991, and \$2.50 per hour on and after October 1, 1992," and inserting "Any stipend or allowance provided under this section shall not be less than \$2.45 per hour on and after October 1, 1993, and shall be adjusted once prior to December 31, 1997, to account for inflation, as determined by the Director and rounded to the nearest five cents"; and
- (2) by adding at the end the following:

"In establishing the amount of, and the effective date for, such adjustment, the Director, in consultation with the State Commissions on National and Community Service (as established under section 178 of the National and Community Service Act of 1990) and the heads of the State offices established under section 195 of such Act, shall consider the effect such adjustment will have on the ability of non-Federally funded volunteer programs similar to the programs under this title to maintain their current level of volunteer hours."

SEC. 346. CONDITIONS OF GRANTS AND CONTRACTS.

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

SEC. 347. EVALUATION OF THE SENIOR COMPANION PROGRAM.

Section 213(c) (42 U.S.C. 5013(c)) is amended by striking paragraph (3).

SEC. 348. AGREEMENTS WITH OTHER FEDERAL AGENCIES.

(a) PROMOTION.—Section 221(a) (42 U.S.C. 5021(a)) is amended—

- (1) by striking "(a)" and inserting "(a)(1)"; and
- (2) by adding at the end the following:

"(2) To the maximum extent practicable, the Director shall enter into agreements with—

"(A) the Department of Health and Human Services to—

"(i) involve retired and senior volunteers, and foster grandparents, in Head Start programs;

"(ii) involve retired and senior volunteers, and senior companions, in providing services authorized by title III of the Older Americans Act of 1965; and

"(iii) promote the recognition of such volunteers who are qualified to provide in-home services for reimbursement under title XVIII of the Social Security Act for providing such services;

"(B) the Department of Education to promote intergenerational tutoring and mentoring for at-risk children; and

"(C) the Environmental Protection Agency to support conservation efforts."

(b) MINIMUM EXPENDITURE.—Section 221(b)(3) (42 U.S.C. 5021(b)(3)) is amended by striking "\$250,000" and inserting "\$375,000".

SEC. 349. PROGRAMS OF NATIONAL SIGNIFICANCE

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

(1) in subsection (a)(2)(B) by striking "paragraph (10)" and inserting "paragraphs (10), (12), (15), and (16)";

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

"(12) Programs that address environmental needs.

"(13) Programs that reach out to organizations (such as labor unions and profitmaking organizations) not previously involved in addressing national problems of local concern.

"(14) Programs that provide for outreach to increase participation of members of ethnic groups who have limited English proficiency.

"(15) Programs that support criminal justice activities and juvenile justice activities.

"(16) Programs that involve older volunteers working with young people in apprenticeship programs.

"(17) Programs that support the community integration of individuals with disabilities.

"(18) Programs that provide health, education, and welfare services that augment the activities of State and local agencies, to be carried out in a fiscal year for which the aggregate amount of funds available to such agencies is not less than the annual average aggregate amount of funds available to such agencies for the period of 3 fiscal years preceding such fiscal year."

(3) in subsection (c)(1), by striking "under this title"; and

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

"(1) Except as provided in paragraph (2), from the amounts appropriated under subsection (a), (b), (c), or (d) of section 502, for each fiscal year there shall be available to the Director such sums as may be necessary to make grants under subsection (a)."

SEC. 350. ADJUSTMENTS TO FEDERAL FINANCIAL ASSISTANCE

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

(1) in paragraph (1)—

(A) by striking "(1)"; and

(B) by striking "annually" and inserting "once every 2 years"; and

(2) by striking paragraph (2).

SEC. 351. DEMONSTRATION PROGRAMS

Title II (42 U.S.C. 5000 et seq.) is amended by adding at the end the following new part:

"PART E—DEMONSTRATION PROGRAMS"**"SEC. 351. AUTHORITY OF DIRECTOR.**

"(a) IN GENERAL.—The Director is authorized to make grants to or enter into contracts with public or nonprofit organizations, including organizations funded under part A, B, or C, for the purposes of demonstrating innovative activities involving older Americans as volunteers. The Director may support under this part both volunteers receiving stipends and volunteers not receiving stipends.

"(b) ACTIVITIES.—An organization that receives a grant or enters into a contract under subsection (a) may use funds made available through the grant or contract for activities such as—

"(1) linking youth groups and older American organizations in volunteer activities;

"(2) involving older volunteers in programs and activities different from programs and activities supported in the community; and

"(3) testing whether older American volunteer programs may contribute to new objectives or certain national priorities.

"SEC. 352. PROHIBITION.

"The Director may not reduce the activities, projects, or volunteers funded under the other parts of this title in order to support projects under this part."

CHAPTER 3—ADMINISTRATION**SEC. 361. PURPOSE OF AGENCY.**

Section 401 (42 U.S.C. 5041) is amended—

(1) by inserting after the first sentence the following: "Such Agency shall also promote the coordination of volunteer efforts among Federal, State, and local agencies and organizations, exchange technical assistance information among such agencies and organizations."; and

(2) by striking "Older American Volunteer Programs" each place the term appears and inserting "National Senior Volunteer Corps".

SEC. 362. AUTHORITY OF THE DIRECTOR.

Section 402 (42 U.S.C. 5042) is amended in paragraphs (5) and (6) by inserting "solicit and" before "accept" in each such paragraph.

SEC. 363. POLITICAL ACTIVITIES.

Section 403 (42 U.S.C. 5043) is amended—

(1) by redesignating subsections (b)(2) and (c) as subsections (c) and (d), respectively;

(2) in subsection (c), as so redesignated, by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively; and

(3) by striking subsection (b)(1) and inserting the following:

"(b)(1) Programs assisted under this Act shall not be carried on in a manner involving the use of funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with—

"(A) any partisan or nonpartisan political activity associated with a candidate, or a contending faction or group, in an election for public or party office;

"(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

"(C) any voter registration activity; except that programs assisted under this Act may make voter registration applications and nonpartisan voter registration information available to the public on the premises of such programs.

"(2) In carrying out any voter registration activity permitted under paragraph (1), an individual who is affiliated with, or employed to carry out, a program assisted under this Act shall not—

"(A) indicate a preference with respect to any candidate, political party, or election issue; or

"(B) seek to influence the political or party affiliation, or voting decision, of any individual."

SEC. 364. COMPENSATION FOR VOLUNTEERS.

Section 404 (42 U.S.C. 5044) is amended—

(1) in subsection (c), by inserting "from such volunteers or from beneficiaries" after "compensation";

(2) by striking subsection (f); and

(3) by redesignating subsection (g) as subsection (f).

SEC. 365. REPEAL OF REPORT.

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

SEC. 366. APPLICATION OF FEDERAL LAW.

Section 415(b)(4)(A) (42 U.S.C. 5055(b)(4)(A)) is amended by striking "a grade GS-7 employee" and inserting "an employee at grade GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 367. NONDISCRIMINATION PROVISIONS.

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

"SEC. 417. NONDISCRIMINATION PROVISIONS.

"(a) IN GENERAL.—

"(1) BASIS.—An individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate against a participant in, or member of the staff of, such program on the basis of race, color, national origin, sex, age, or political affiliation of such participant or member, or on the basis of disability, if the participant or member is a qualified individual with a disability.

"(2) DEFINITION.—As used in paragraph (1), the term 'qualified individual with a disability' has the meaning given the term in section 101(8) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12111(8)).

"(b) FEDERAL FINANCIAL ASSISTANCE.—Any assistance provided under this Act shall constitute Federal financial assistance for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(c) RELIGIOUS DISCRIMINATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), an individual with responsibility for the operation of a program that receives assistance under this Act shall not discriminate on the basis of religion against a participant in such program or a member of the staff of such program who is paid with funds received under this Act.

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

"(d) RULES AND REGULATIONS.—The Director shall promulgate rules and regulations to provide for the enforcement of this section that shall include provisions for summary suspension of assistance for not more than 30 days, on an emergency basis, until notice and an opportunity to be heard can be provided."

SEC. 368. ELIMINATION OF SEPARATE REQUIREMENTS FOR SETTING REGULATIONS.

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

SEC. 369. CLARIFICATION OF ROLE OF INSPECTOR GENERAL.

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

(1) in subsection (a), by inserting "or the Inspector General" after "Director"; and

(2) in subsection (b), by inserting "the Inspector General," after "Director" each place that such term appears.

SEC. 370. COPYRIGHT PROTECTION.

Title IV is amended by adding at the end, the following new section:

"SEC. 486. PROTECTION AGAINST IMPROPER USE.

"Whoever falsely—

"(1) advertises or represents; or

"(2) publishes or displays any sign, symbol, or advertisement, reasonably calculated to convey the impression,

that an entity is affiliated with, funded by, or operating under the authority of ACTION, VISTA, or any of the programs of the National Senior Volunteer Corps may be enjoined under an action filed by the Attorney General, on a complaint by the Director."

SEC. 371. DEPOSIT REQUIREMENT CREDIT FOR SERVICE AS A VOLUNTEER.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—

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

(A) in paragraph (1)—

(i) in the first sentence, by inserting "the period of an individual's service as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964,";

(ii) in the second sentence, by inserting "as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973," after "Economic Opportunity Act of 1964"; and

(iii) in the last sentence—

(I) by inserting "or under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973" after "Economic Opportunity Act of 1964"; and

(II) by inserting "or the Chief Executive Officer of the Corporation for National and Community Service, as appropriate," after "Director of the Office of Economic Opportunity"; and

(B) by adding at the end the following paragraph:

"(3) The provisions of paragraph (1) relating to credit for service as a volunteer or volunteer leader under the Economic Opportunity Act of 1964, part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or the Peace Corps Act shall not apply to any period of service as a volunteer or volunteer leader of an employee or Member with respect to which the employee or Member has made the deposit with interest, if any, required by section 8334(f)."

(2) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—

(A) IN GENERAL.—Section 8334 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act before the date of the separation on which the entitlement to any annuity under this subchapter is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, an amount equal to 7 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Act of 1964 or section 5(c) or 6(1) of the Peace Corps Act or the stipend paid to the employee or Member under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, for each period of service as such a volunteer or volunteer leader.

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

"(A) October 1, 1993; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under subsection (e).

"(3) The Director of the Peace Corps and the Chief Executive Officer of the Corporation for National and Community Service shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(B) CONFORMING AMENDMENT.—Section 8334(e) of title 5, United States Code, is amended in paragraphs (1) and (2) by striking "or (k)" each place that such term appears and inserting "(k), or (l)".

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

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

(A) in subsection (b)(3), by striking "subsection (f)" and inserting "subsection (f) or (h)"; and

(B) by adding at the end the following new subsection:

"(h) An employee or Member shall be allowed credit for service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act performed at any time prior to the separation on which the entitlement to any annuity under this subchapter is based if the employee or Member has made a deposit with interest, if any, with respect to such service under section 8422(f)."

(2) DEDUCTIONS, CONTRIBUTIONS.—Section 8422 of title 5, United States Code, is amended by adding at the end the following subsection:

"(f)(1) Each employee or Member who has performed service as a volunteer or volunteer leader under part A of title VIII of the Economic Opportunity Act of 1964, as a full-time volunteer enrolled in a program of at least 1 year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, or as a volunteer or volunteer leader under the Peace Corps Act before the date of the separation on which the entitlement to any annuity under this subchapter, or subchapter V of this chapter, is based may pay, in accordance with such regulations as the Office of Personnel Management shall issue, an amount equal to 3 percent of the readjustment allowance paid to the employee or Member under title VIII of the Economic Opportunity Service Act of 1964 or section 5(c) or 6(1) of the Peace Corps Act or the stipend paid to the employee or Member under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973, for each period of service as such a volunteer or volunteer leader.

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

"(A) October 1, 1993; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the 2-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under section 8334(e).

"(3) The Director of the Peace Corps and the Chief Executive Officer of the Corporation for National and Community Service shall furnish such information to the Office of Personnel Management as the Office may determine to be necessary for the administration of this subsection."

(c) APPLICABILITY AND OTHER PROVISIONS.—

(1) APPLICABILITY.—

(A) AMENDMENTS RELATING TO CERS.—

(i) IN GENERAL.—The amendments made by subsection (a) shall apply with respect to any individual entitled to an annuity on the basis of a separation from service occurring on or after the effective date of this subtitle.

(ii) RULES RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—An annuity under subchapter III of chapter 83 of title 5, United States Code, payable to an individual based on a separation from service occurring before the effective date of this subtitle shall be subject to the provisions of paragraph (2).

(B) AMENDMENTS RELATING TO FERS.—

(i) IN GENERAL.—The amendments made by subsection (b) shall apply with respect to any individual entitled to an annuity on the basis of a separation from service occurring before, on, or after the effective date of this subtitle, subject to clause (ii).

(ii) RULE RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—In the case of any individual whose entitlement to an annuity is based on a separation from service occurring before the effective date of this subtitle, any increase in such individual's annuity on the basis of a deposit made under section 8422(f) of title 5, United States Code, as amended by subsection (b)(2), shall be effective beginning with the annuity payment payable for the first calendar month beginning after the effective date of this subtitle.

(2) SPECIAL RULES.—

(A) OLD-AGE OR SURVIVORS INSURANCE BENEFITS.—Subject to subparagraph (B), in any case in which an individual described in paragraph (1)(A)(ii) is also entitled to old-age or survivors insurance benefits under section 202 of the Social Security Act (or would be entitled to such benefits upon filing an application therefor), 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 into account any creditable service as a volunteer or

volunteer leader under the Economic Opportunity Act of 1964, the Domestic Volunteer Service Act of 1973, or the Peace Corps Act) which is payable for any month shall be reduced by an amount determined by multiplying the amount of such old-age or survivors insurance benefit for the determination month by a fraction—

(i) 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, the Domestic Volunteer Service Act of 1973, or the Peace Corps Act 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 (or other applicable maximum annual amount referred to in section 215(e)(1) of such Act for each such year); and

(ii) the denominator of which is the total of all wages described in clause (i), plus all other wages (within the meaning of section 209 of such Act) and all self-employment income (within the meaning of section 211(b) 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 (or such other amount referred to in section 215(e)(1) of such Act for each such year).

(B) LIMITATIONS.—

(i) REDUCTION IN ANNUITY.—Subparagraph (A) 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 the provisions of section 8332(j) of title 5, United States Code, relating to service as a volunteer or volunteer leader, applied to the individual for such month.

(ii) APPLICATION.—Subparagraph (A) shall not apply in the case of an individual who prior to the date of enactment of this Act, a deposit under section 8334(c) of title 5, United States Code, with respect to service as a volunteer or volunteer leader (as described in paragraph (A)).

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

(I) the first month the individual described in paragraph (1)(A)(ii) is entitled to old-age or survivors benefits under section 202 of the Social Security Act (or would be entitled to such benefits upon filing an application therefor); or

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

(iv) RULE RELATING TO ANNUITIES BASED ON EARLIER SEPARATIONS.—Any increase in an annuity which occurs by virtue of the enactment of this paragraph shall be effective beginning with the annuity payment payable for the first calendar month beginning after the effective date of this subtitle.

(3) FURNISHING OF INFORMATION.—The Secretary of Health and Human Services shall furnish such information to the Office of Personnel Management as may be necessary to carry out this subsection.

(4) ACTION TO INFORM INDIVIDUALS.—The Director of the Office of Personnel Management shall take such action as may be necessary and appropriate to inform individuals of the credit under this section for service as a volunteer or volunteer leader, or to have any annuity recomputed, or to make a deposit under this section, of such entitlement.

CHAPTER 4—AUTHORIZATION OF APPROPRIATIONS AND OTHER AMENDMENTS
SEC. 501. AUTHORIZATION OF APPROPRIATIONS FOR TITLE I.

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

"SEC. 501. NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS.

"(a) AUTHORIZATION.—

"(1) VOLUNTEERS IN SERVICE TO AMERICA.—There are authorized to be appropriated to carry out part A and B of title I, excluding section 109, \$58,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(2) LITERACY ACTIVITIES.—There are authorized to be appropriated to carry out section 109, \$5,600,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(3) SPECIAL VOLUNTEER PROGRAMS.—There are authorized to be appropriated to carry out part C of title I, excluding section 125, such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(4) LITERACY CHALLENGE GRANTS.—There are authorized to be appropriated to carry out section 125, such sums as may be necessary for each of the fiscal years 1994 through 1996.

"(5) SPECIFICATION OF BUDGET FUNCTION.—The authorizations of appropriations contained in this subsection shall be considered to be a component of budget function 500 as used by the Office of Management and Budget to cover education, training, employment, and social services, and, as such, shall be considered to be related to the programs of the Departments of Labor, Health and Human Services, and Education for budgetary purposes.

"(b) SUBSISTENCE.—The minimum level of an allowance for subsistence required under section 103(b)(2), to be provided to each volunteer under title I, may not be reduced or limited in order to provide for an increase in the number of volunteer service years under part A of title I.

"(c) LIMITATION.—No part of the funds appropriated to carry out part A of title I may be used to provide volunteers or assistance to any program or project authorized under part B or C of title I, or under title II, unless the program or project meets the antipoverty criteria of part A of title I.

"(d) AVAILABILITY.—Amounts appropriated for part A of title I shall remain available for obligation until the end of the fiscal year following the fiscal year for which the amounts were appropriated.

"(e) VOLUNTEER SERVICE REQUIREMENT.—

"(1) VOLUNTEER SERVICE YEARS.—Of the amounts appropriated under this section for parts A, B, and C of title I, including section 124, there shall first be available for part A of title I, including sections 104(e) and 109, an amount not less than the amount necessary to provide 3,700 volunteer service years in fiscal year 1994, 4,000 volunteer service years in fiscal year 1995, and 4,500 volunteer service years in fiscal year 1996.

"(2) PLAN.—If the Director determines that funds appropriated to carry out part A, B, or C of title I are insufficient to provide for the years of volunteer service required by paragraph (1), the Director shall submit a plan to the relevant authorizing and appropriations committees of Congress that will detail what is necessary to fully meet this requirement."

SEC. 382. AUTHORIZATION OF APPROPRIATIONS FOR TITLE II.

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

"SEC. 382. NATIONAL SENIOR VOLUNTEER CORPS.

"(a) RETIRED AND SENIOR VOLUNTEER PROGRAM.—There are authorized to be appropriated to carry out part A of title II, \$45,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(b) FOSTER GRANDPARENT PROGRAM.—There are authorized to be appropriated to carry out part B of title II, \$45,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(c) SENIOR COMPANION PROGRAM.—There are authorized to be appropriated to carry out part C of title II, \$40,000,000 for fiscal year 1994, and such sums as may be necessary for each of the fiscal years 1995 and 1996.

"(d) DEMONSTRATION PROGRAMS.—There are authorized to be appropriated to carry out part E of title II, such sums as may be necessary for each of the fiscal years 1994 through 1996."

SEC. 383. AUTHORIZATION OF APPROPRIATIONS FOR TITLE IV.

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

"SEC. 384. ADMINISTRATION AND COORDINATION.

"(a) IN GENERAL.—For each of the fiscal years 1994 through 1996, there are authorized to be appropriated for the administration of this Act as provided for in title IV, 18 percent of the total amount appropriated under sections 501 and 502 with respect to such year.

"(b) EVALUATION.—For each of the fiscal years 1994 through 1996, the Director is authorized to expend not less than 2 1/4 percent, and not more than 5 percent, of the amount appropriated under subsection (a), for the purposes prescribed in section 418."

SEC. 384. CONFORMING AMENDMENTS; COMPENSATION FOR VISTA FECA CLAIMANTS.

Section 8143(b) of title 5, United States Code, is amended by striking "GS-7" and inserting "GS-5 of the General Schedule under section 5332 of title 5, United States Code".

SEC. 384. REPEAL OF AUTHORITY.

Title VII (42 U.S.C. 5091 et seq.) is repealed.

CHAPTER 5—GENERAL PROVISIONS

SEC. 381. TECHNICAL AND CONFORMING AMENDMENTS.

The Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950 et seq.) is amended by striking "That this Act" and all that follows through the end of the table of contents and inserting the following:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'Domestic Volunteer Service Act of 1973'.

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

"Sec. 1. Short title; table of contents.

"Sec. 2. Volunteerism policy.

"TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

"PART A—VOLUNTEERS IN SERVICE TO AMERICA

"Sec. 101. Statement of purpose.

"Sec. 102. Authority to operate VISTA program.

"Sec. 103. Selection and assignment of volunteers.

"Sec. 104. Terms and periods of service.

"Sec. 105. Support services.

"Sec. 106. Participation of beneficiaries.

"Sec. 107. Participation of younger and older persons.

"Sec. 108. Limitation.

"Sec. 109. VISTA Literacy Corps.

"Sec. 110. Applications for assistance.

"PART B—UNIVERSITY YEAR FOR VISTA

"Sec. 111. Statement of purpose.

"Sec. 112. Authority to operate University Year for VISTA program.

"Sec. 113. Special conditions.

"PART C—SPECIAL VOLUNTEER PROGRAMS

"Sec. 121. Statement of purpose.

"Sec. 122. Authority to establish and operate special volunteer and demonstration programs.

"Sec. 123. Technical and financial assistance.

"Sec. 125. Literacy challenge grants.

"TITLE II—NATIONAL SENIOR VOLUNTEER CORPS

"Sec. 200. Statement of purposes.

"PART A—RETIRED AND SENIOR VOLUNTEER PROGRAM

"Sec. 201. Grants and contracts for volunteer service projects.

"PART B—FOSTER GRANDPARENT PROGRAM

"Sec. 211. Grants and contracts for volunteer service projects.

"PART C—SENIOR COMPANION PROGRAM

"Sec. 213. Grants and contracts for volunteer service projects.

"PART D—GENERAL PROVISIONS

"Sec. 221. Promotion of National Senior Volunteer Corps.

"Sec. 222. Payments.

"Sec. 223. Minority group participation.

"Sec. 224. Use of locally generated contributions in National Senior Volunteer Corps.

"Sec. 225. Programs of national significance.

"Sec. 226. Adjustments to Federal financial assistance.

"Sec. 227. Multiyear grants or contracts.

"PART E—DEMONSTRATION PROGRAMS

"Sec. 231. Authority of Director.

"TITLE IV—ADMINISTRATION AND COORDINATION

"Sec. 403. Political activities.

"Sec. 404. Special limitations.

"Sec. 406. Labor standards.

"Sec. 408. Joint funding.

"Sec. 409. Prohibition of Federal control.

"Sec. 410. Coordination with other programs.

"Sec. 411. Prohibition.

"Sec. 412. Notice and hearing procedures for suspension and termination of financial assistance.

"Sec. 414. Distribution of benefits between rural and urban areas.

"Sec. 415. Application of Federal law.

"Sec. 416. Evaluation.

"Sec. 417. Nondiscrimination provisions.

"Sec. 418. Eligibility for other benefits.

"Sec. 419. Legal expenses.

"Sec. 421. Definitions.

"Sec. 422. Audit.

"Sec. 423. Reduction of paperwork.

"Sec. 424. Review of project renewals.

"Sec. 425. Protection against improper use.

"Sec. 426. Center for Research and Training.

"TITLE V—AUTHORIZATION OF APPROPRIATIONS

"Sec. 501. National volunteer antipoverty programs.

"Sec. 502. National Senior Volunteer Corps.

"Sec. 504. Administration and coordination.

"Sec. 505. Availability of appropriations.

"TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

"Sec. 601. Supersession of Reorganization Plan No. 1 of July 1, 1971.

"Sec. 602. Creditable service for civil service retirement.

"Sec. 603. Repeal of title VIII of the Economic Opportunity Act.

"Sec. 604. Repeal of title VI of the Older Americans Act."

SEC. 385. EFFECTIVE DATE.

This subtitle shall become effective on October 1, 1993.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

SEC. 401. DEFINITIONS.

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

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(8) the term 'Corporation' means the Corporation for National and Community Service established under section 191 of the National and Community Service Act of 1990;

"(9) the term 'foster grandparent' is a volunteer in the Foster Grandparent Program;

"(10) the term 'Foster Grandparent Program' means the program established under part B of title II;

"(11) except as provided in section 417, the term 'individual with a disability' has the

ing given the term in section 7(8)(B) of the Rehabilitation Act of 1973 (29 U.S.C. 706(8)(B));

"(12) the term 'Inspector General' means the Inspector General of ACTION;

"(13) the term 'national senior volunteer' means a volunteer in the National Senior Volunteer Corps;

"(14) the term 'National Senior Volunteer Corps' means the programs established under parts A, B, C, and E of title II;

"(15) the term 'Retired and Senior Volunteer Program' means the program established under part A of title II;

"(16) the term 'retired or senior volunteer' means a volunteer in the Retired and Senior Volunteer Program;

"(17) the term 'senior companion' means a volunteer in the Senior Companion Program;

"(18) the term 'Senior Companion Program' means the program established under part C of title II;

"(19) the terms 'VISTA' and 'Volunteers in Service to America' mean the program established under part A of title I; and

"(20) the term 'VISTA volunteer' means a volunteer in VISTA."

SEC. 402. REFERENCES TO THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE

(a) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(1) Section 1092(b) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 12653a note) is amended—

(A) in paragraph (1)—

(i) by striking "Commission on National Community Service" and inserting "Corporation for National and Community Service"; and

(ii) by striking "Commission shall prepare" and inserting "Board of Directors of the Corporation shall prepare"; and

(B) in paragraph (2), by striking "Board of Directors of the Commission on National and Community Service" and inserting "Board of Directors of the Corporation for National and Community Service";

(2) Section 1093(a) of such Act (42 U.S.C. 12653a note) is amended by striking "the Board of Directors and Executive Director of the Commission on National and Community Service" and inserting "the Board of Directors and Chief Executive Officer of the Corporation for National and Community Service";

(3) Section 1094 of such Act (Public Law 102-484; 106 Stat. 2535) is amended—

(A) in the title, by striking "COMMISSION ON NATIONAL AND COMMUNITY SERVICE" and inserting "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE";

(B) in subsection (a)—

(i) in the heading, by striking "COMMISSION" and inserting "CORPORATION";

(ii) in the first sentence, by striking "Commission on National and Community Service" and inserting "Corporation for National and Community Service"; and

(iii) in the second sentence, by striking "The Commission" and inserting "The Chief Executive Officer of the Corporation"; and

(C) in subsection (b)—

(i) in paragraph (1), by striking "Board of Directors of the Commission on National and Community Service" and inserting "Chief Executive Officer of the Corporation for National and Community Service"; and

(ii) in paragraph (2), by striking "the Commission" and inserting "the Chief Executive Officer of the Corporation for National and Community Service";

(4) Section 1095 of such Act (Public Law 102-484; 106 Stat. 2535) is amended in the heading for subsection (b) by striking "COMMISSION ON NATIONAL AND COMMUNITY SERVICE" and inserting "CORPORATION FOR NATIONAL AND COMMUNITY SERVICE";

(5) Section 2(b) of such Act (Public Law 102-484; 106 Stat. 2315) is amended by striking the item relating to section 1094 of such Act and inserting the following:

"Sec. 1094. Other programs of the Corporation for National and Community Service."

(b) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(1) Sections 159(b)(2) (as redesignated in section 104(b)(3) of this Act) and 165 (as redesignated in section 104(b)(3) of this Act), subsections (a) and (b) of section 172, sections 176(a) and 177(c), and subsections (a), (b), and (d) through (h) of section 179, of the National and Community Service Act of 1990 (42 U.S.C. 12653h(b)(2), 12653j, 126532 (a) and (b), 126536(a), 126537(c), and 126539 (a), (b), and (d) through (h)) are each amended by striking the term "Commission" each place the term appears and inserting "Corporation";

(2) Sections 152, 157(b)(2), 162(a)(2)(C), 164, and 166(1) of such Act (in each case, as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653a, 12653j(b)(2), 12653k(a)(2)(C), 12653m, and 12653o(1)) are each amended by striking "Commission on National and Community Service" and inserting "Corporation";

(3) Section 163(b)(9) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653l(b)(9)) is amended by striking "Chair of the Commission on National and Community Service" and inserting "Chief Executive Officer";

(4) Section 303(a) of such Act (42 U.S.C. 12662(a)) is amended—

(A) by striking "The President" and inserting "The President, acting through the Corporation";

(B) by inserting "in furtherance of activities under section 302" after "section 501(b)"; and

(C) by striking "the President" both places it appears and inserting "the Corporation";

SEC. 403. REFERENCES TO DIRECTORS OF THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE

(a) BOARD OF DIRECTORS.—

(1) Section 159(a) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended—

(A) by striking "BOARD.—The Board" and inserting "SUPERVISION.—The Chief Executive Officer";

(B) by striking "the Board" in the matter preceding paragraph (1), and in paragraph (1), and inserting "the Chief Executive Officer"; and

(C) by striking "the Director" in paragraph (1) and inserting "the Board";

(2) Section 159(b) of such Act (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(b)) is amended by striking "(b)" and all that follows through "Commission on National and Community Service" and inserting "(b) MONITORING AND COORDINATION.—The Chief Executive Officer";

(3) Section 159(c)(1) (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653h(c)(1)) is amended—

(A) in subparagraph (A), by striking "the Board, in consultation with the Executive Director," and inserting "the Chief Executive Officer"; and

(B) in subparagraph (B)(iii), by striking "the Board through the Executive Director" and inserting "the Chief Executive Officer";

(4) Section 166(6) (as redesignated in section 104(b)(3) of this Act) (42 U.S.C. 12653o(6)) is amended—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) through (11) as paragraphs (6) through (10), respectively;

(b) DIRECTOR OF CIVILIAN COMMUNITY CORPS.—Sections 155(a), 157(b)(1)(A), 158(a), 159(c)(1)(A), and 163(a) (in each case, as redesignated in section 104(b)(3) of this Act) of the National and Community Service Act of 1990 (42 U.S.C. 12653d(a), 12653f(b)(1)(A), 12653g(a), 12653k(c)(1)(A), and 12653l(a)) are amended by striking "Director of the Civilian Community Corps" each place the term appears and inserting "Director".

SEC. 404. DEFINITION OF DIRECTOR.

Section 421 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5061) is amended by striking paragraph (1) and inserting the following new paragraph:

"(1) the term 'Director' means the Chief Executive Officer of the Corporation for National and Community Service appointed under section 193 of the National and Community Service Act of 1990;"

SEC. 405. REFERENCES TO ACTION AND THE ACTION AGENCY.

(a) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—

(1) Section 2(b) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4950(b)) is amended—

(A) by striking "ACTION, the Federal domestic volunteer agency," and inserting "this Act"; and

(B) by striking "ACTION shall" and inserting "the Corporation for National and Community Service shall";

(2) Section 103(b)(2)(A) of such Act (as amended by section 323(b)(1)(A) of this Act) is amended by striking "the ACTION Agency" the first place that such term appears and inserting "the Corporation";

(3) Section 103(b)(4) of such Act (as redesignated by section 323(b)(3) of this Act) is amended by striking "the ACTION Agency" each place that such appears and inserting "the Corporation";

(4) Section 103(c)(1)(D) of such Act is amended by striking "the ACTION Agency" and inserting "the Corporation";

(5) Section 124(b) of such Act (as redesignated by section 333(2) of this Act) is amended by striking "the ACTION Agency" and inserting "the Corporation";

(6) Section 225(e) of such Act (42 U.S.C. 5025(e)) is amended by striking "the ACTION Agency" and inserting "the Corporation";

(7) Section 403(a) of such Act (42 U.S.C. 5043(a)) is amended—

(A) by striking "the ACTION Agency" the first place such term appears and inserting "the Corporation under this Act"; and

(B) by striking "the ACTION Agency" the second place such term appears and inserting "the Corporation";

(8) Section 408 of such Act (42 U.S.C. 5048) is amended by striking "the ACTION Agency" and inserting "the Corporation";

(9) Section 416(f)(1) of such Act (42 U.S.C. 5056(f)(1)) is amended by striking "ACTION Agency" and inserting "Corporation";

(10) Section 421(12) of such Act (as added by section 401 of this Act) is amended by striking "ACTION" and inserting "the Corporation";

(11) Section 425 of such Act (as added by section 370 of this Act) is further amended by striking "ACTION" and inserting "the Corporation";

(b) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332(j)(1) of title 5, United States Code (as amended by section 371(a)(1)(A)(ii)(II) of this Act) is amended by striking "the Director of ACTION" and inserting "the Chief Executive Officer of the Corporation for National and Community Service";

(c) PUBLIC HOUSING SECURITY.—Section 207(c) of the Public Housing Security Demonstration Act of 1978 (Public Law 95-557; 92 Stat. 2093; 12 U.S.C. 1701a-6 note) is amended—

(1) in paragraph (3)(ii), by striking "ACTION" and inserting "the Corporation for National and Community Service"; and

(2) in paragraph (4), by striking "ACTION" and inserting "the Corporation for National and Community Service";

(d) NATIONAL FOREST VOLUNTEERS.—Section 1 of the Volunteers in the National Forests Act of 1972 (16 U.S.C. 558a) is amended by striking "ACTION" and inserting "the Corporation for National and Community Service";

(e) PEACE CORPS.—Section 2A of the Peace Corps Act (22 U.S.C. 2501-1) is amended by in-

setting after "the ACTION Agency" the following: "the successor to the ACTION Agency."

(f) INDIAN ECONOMIC DEVELOPMENT.—Section 502 of the Indian Financing Act of 1974 (25 U.S.C. 1542) is amended by striking "ACTION Agency" and inserting "the Corporation for National and Community Service".

(g) OLDER AMERICANS.—The Older Americans Act of 1965 is amended—

(1) in section 202(c)(1) (42 U.S.C. 3012(c)(1)), by striking "the Director of the ACTION Agency" and inserting "the Corporation for National and Community Service";

(2) in section 203(a)(1) (42 U.S.C. 3013(a)(1)), by striking "the ACTION Agency" and inserting "the Corporation for National and Community Service"; and

(3) in section 422(b)(12)(C) (42 U.S.C. 3035a(b)(12)(C)), by striking "the ACTION Agency" and inserting "the Corporation for National and Community Service".

(h) VISTA SERVICE EXTENSION.—Section 101(c)(1) of the Domestic Volunteer Service Act Amendments of 1989 (Public Law 101-204; 103 Stat. 1810; 42 U.S.C. 4954 note) is amended by striking "Director of the ACTION Agency" and inserting "Chief Executive Officer of the Corporation for National and Community Service".

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

(1) in paragraph (1)—

(A) by striking "the ACTION Agency," and inserting "the Corporation for National and Community Service,"; and

(B) by striking "the Director of the ACTION Agency" and inserting "the Chief Executive Officer of the Corporation";

(2) in paragraph (2)(A), by striking "ACTION Agency" and inserting "Corporation"; and

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

"(A) the term 'Corporation' means the Corporation for National and Community Service established by section 191 of the National and Community Service Act of 1990."

(j) PROMOTION OF PHOTOVOLTAIC ENERGY.—Section 11(a) of the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978 (42 U.S.C. 5590) is amended by striking "the Director of ACTION."

(k) COORDINATING COUNCIL ON JUVENILE JUSTICE.—Section 206(a)(1) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)) is amended by striking "the Director of the ACTION Agency" and inserting "the Chief Executive Officer of the Corporation for National and Community Service".

(l) ENERGY CONSERVATION.—Section 413(b)(1) of the Energy Conservation and Production Act (42 U.S.C. 6063(b)(1)) is amended by striking "the Director of the ACTION Agency."

(m) INTERAGENCY COUNCIL ON THE HOMELESS.—Section 202(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11312(a)) is amended by striking paragraph (12) and inserting the following new paragraph:

"(12) The Chief Executive Officer of the Corporation for National and Community Service, or the designee of the Chief Executive Officer."

(n) ANTI-DRUG ABUSE.—Section 3601 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11851) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) the term 'Director' means the Chief Executive Officer of the Corporation for National and Community Service."

(o) ADMINISTRATION ON CHILDREN, YOUTH, AND FAMILIES.—Section 916(b) of the Claude Pepper Young Americans Act of 1990 (42 U.S.C. 12312(b)) is amended by striking "the Director of the ACTION Agency" and inserting "the Chief Executive Officer of the Corporation for National and Community Service".

(p) NATIONAL AND COMMUNITY SERVICE.—

(1) Subsection (1) of section 178 of the National and Community Service Act of 1990 (as amended

by section 201 of this Act) is further amended by striking "ACTION, or of the Corporation," and inserting "the Corporation".

(2) Subsection (r) of section 198 of such Act (as amended by section 104(c) of this Act) is further amended by striking "ACTION Agency" and inserting "Corporation".

SEC. 406. EFFECTIVE DATE.

(a) COMMISSION.—The amendments made by sections 401 through 402 will take effect on October 1, 1993.

(b) ACTION.—The amendments made by sections 404 and 405 shall take effect on the effective date of section 203(c)(2).

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 401. COMPLIANCE WITH BUY AMERICAN ACT.

No funds appropriated pursuant to this Act (including the amendments made by this Act) may be expended by an entity, unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

SEC. 402. SENSE OF CONGRESS REQUIREMENT REGARDING NOTICE.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided under this Act (including the amendments made by this Act), it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act (including the amendments made by this Act), the Secretary of Education shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 403. PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.

If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds appropriated to carry out this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

And the Senate agree to the same.

From the Committee on Education and Labor:

WILLIAM D. FORD,
AUSTIN J. MURPHY,
DALE E. KILDER,
M.G. MARTINEZ,
MAJOR R. OWENS,
STEVE GUNDERSON,

Additional conferees from the Committee on Government Operations:

JOHN CONYERS, Jr.,
CARDISS COLLINS,
HENRY A. WAXMAN,

Additional conferees from the Committee on the Judiciary:

JACK BROOKS,
JOHN BRYANT,
ROBERT C. SCOTT,

Additional conferees from the Committee on Natural Resources:

GEORGE MILLER,
BRUCE F. VENTO,

Additional conferees from the Committee on Post Office and Civil Service:

WILLIAM L. CLAY,
PAT SCHROEDER,
FRANK McCLOSKEY,
JOHN T. MYERS,
CONNIE MORELLA,

Additional conferees from the Committee on Public Works and Transportation:

NORMAN Y. MINETA,
NICK J. RAHALL,
JAMES A. TRAFICANT, Jr.,
Managers on the Part of the House.

From the Committee on Labor and Human Resources:

EDWARD M. KENNEDY,
CLAIBORNE PELL,
HOWARD M. METZENBAUM,
CHRISTOPHER J. DODD,
PAUL SIMON,
TOM HARKIN,
JEFF BINGAMAN,
PAUL WELLSTONE,
HARRIS WOFFORD,
JIM JEFFORDS,
DAVE DURENBERGER,

From the Committee on Governmental Affairs (with respect to those provisions within the jurisdiction of that Committee):

JOHN GLENN,
DAVID PRYOR,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2010) 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, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

The House bill is entitled "The National Service Trust Act." The Senate bill is entitled "The National and Community Service Trust Act." The House recedes.

The findings of the Senate bill, but not the House bill, include the goal of transcending gender, age, and income, in addition to race, religion, disability, and region. The House recedes.

The purposes of the Senate bill, but not the House bill, include certain additional provisions. The Senate recedes.

TITLE I—PROGRAMS AND RELATED PROVISIONS

The House bill, but not the Senate bill, retains Subtitle C of the National and Community Service Act and renames it Subtitle I. The Senate recedes with amendments conforming Subtitle I to the new legislation.

SUBTITLE C—NATIONAL SERVICE TRUST PROGRAM

The Senate bill, but not the House bill, references labor organizations and community action agencies as a modifier of public and private not-for-profit organizations. The Senate recedes here and throughout and consolidates the references into the definitions.

The Senate bill, but not the House bill, requires Federal agencies to enter into contracts with local providers where appropriate. The House recedes.

The Senate bill requires a 50 percent matching requirement from Federal agen-

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MEMORANDUM ON POST-SERVICE BENEFITS

August 7, 1993

As stated in the Notice of Funds Availability (NOFA) and in the terms of your grant for Summer of Service, the post-service benefit can be used for "education and training." This requirement was stated very generally in order to give local programs maximum flexibility provided that programs "have the capacity to assure appropriate payment of post-service benefits and to ensure that they are used for education and training purposes."

The following memo responds to several frequently asked questions with regard to the administration of the post-service benefit:

1) For what purpose can the post-service benefit be used?

The post-service benefit of \$1,000 will be paid out by the local program or by the grantee after the program has ceased operation. The benefit need not be awarded in one lump sum and can be used for a) tuition, b) educational and training expenses, and c) educational loan repayment, for any accredited institution of education or training, including but not limited to, public or private colleges, community colleges, vocational schools, night schools, graduate schools, GED courses and apprenticeship schools.¹ In general, programs have the responsibility to ensure that funds for post-service benefits are spent in accordance with the grant award. The following is provided as guidance:

a) tuition: Checks for tuition can be made out in three ways: 1) to participants directly, 2) to educational or training institutions on behalf of a participant, or 3) to both a participant and an institution. In order to assist in guarding against misuse of government funds, a check may be written to a participant for tuition upon written verification of attendance at an educational or training institution and upon receipt of a signed statement that the money is being used exclusively for education and training. A sample form which can be used for this purpose is attached. Programs may need to follow this procedure with verification of attendance or course completion.

b) other educational and training expenses The post-service benefit may be used for other educational and training expenses. Program

¹Please note the phrase "including but not limited to." This definition allows for flexibility and relies on the good judgment of program directors to determine appropriate uses of taxpayer money for "education and training."

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directors do have latitude in determining appropriate educational and training expenses. But we suggest that program directors abide by the definition of "educational expenses" as outlined in the National and Community Service Act of 1990, as amended; the definition allows for use of the educational award for the cost of full-time attendance at an institution of higher education. Tuition, educational books, room, board, fees and other costs associated with attendance as defined by the Higher Education Act of 1965 are included. For example, program directors do not necessarily have to write checks directly to a university bookstore. If a participant can furnish appropriate receipts and can show proof of attendance at an educational institution, a program could certainly reimburse the participant directly.

c) **educational loan repayment** Programs have the option of writing checks to holders of loans in the names of SOS participants, thus reducing the amount of the loan. Programs may also write checks to participants directly for the purposes of educational loan repayment consistent with the written requirements of verification of the loan and upon receipt of a statement of use.

Several program directors have asked specific questions as to other uses of the post-service benefit. Several examples of appropriate uses of benefits, in addition to the three categories outlined above, include:

- post-graduate college preparatory school tuition
- a GED course
- a LSAT preparation course
- a job training course
- a computer training and repair course
- an apprenticeship program
- professional tutoring

Examples of inappropriate uses include:

- a firearms training course
- a weight loss program
- a health club membership
- dance or hobby lessons
- the purchase of an automobile for transportation

2) **How does the post-service benefit affect financial aid?**

In terms of the impact the benefit has on financial aid, we have requested a ruling from the Department of Education as to whether the SOS post-service benefit counts as "available income" for the purposes of federal financial aid (Pell Grants and Stafford loans). The ruling will depend on the new language

of the President's National Service legislation. We will let you know the results of the ruling as soon as we receive it.

Please note that it is the prerogative of the institution where the participant is enrolled for education or training to determine whether the post-service benefit counts as "available income" for other types of non-federal financial aid such as private or state sponsored grants and loans. The Commission strongly encourages institutions not to decrease a student's financial aid awards based on the \$1,000 post-service benefit. We are working with the White House on a letter that urges educational institutions not to deduct the SOS post-service benefit from financial aid.

3) Is the post-service benefit exempt from taxes as income?

The Internal Revenue Service will make the final decision regarding taxability. A section of the IRS code allows for such "scholarships" to be tax exempt "when not awarded in exchange for services rendered, and when used for certain permissible educational purposes." Unfortunately, in this case, the award is likely to be treated as "in exchange for services rendered," and therefore subject to taxation. We will seek confirmation of this by the IRS including a ruling whether the benefit is taxed when earned or when used.

4) Within what time period must the post-service benefit be used?

As stated in the grant award letter, post-service benefits must be used by February 28, 1995. Requests for exceptions to this deadline must be made in writing to the General Counsel of the Commission, or after October 1, 1993, to the General Counsel of the Corporation for National Service.

THE WHITE HOUSE

WASHINGTON

August 24, 1993

Dear Financial Aid Administrator:

As you may know, Summer of Service (SOS) was the President's pilot national service program – the first step on the road to national service. SOS operated in 11 cities this summer and was an immediate initiative designed to meet the critical needs of children at-risk. The 1,475 participants in the Summer of Service (ages 17-25) served their country and their communities in a wide variety of service projects ranging from immunizing inner-city infants to tutoring and mentoring at-risk middle school students. Participants in SOS received a post-service benefit of \$1,000 to be used for "education and training." (Notice of Funds Availability, 58 Fed. Reg. 12990, March 8, 1993) The benefit is administered and disbursed by each program on behalf of each participant and cannot be used by a participant after February 28, 1995.

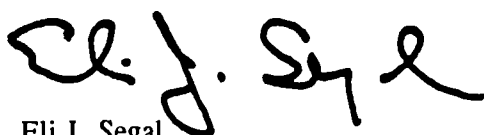
According to the National and Community Service Act of 1990, as amended, post-service benefits received by SOS participants are not to be counted as income for purposes of determining eligibility for the Title IV, federal student financial assistance programs. 42 U.S.C. §12641(a). Under the law currently in effect, the post-service benefit is treated as financial assistance from non-Title IV sources in determining a student's eligibility for the campus-based (Federal Perkins loans, Federal Work-Study and Federal Supplemental Educational Opportunity Grant) programs and the Federal Family Education Loan program. The post-service benefit does not affect a student's eligibility for a Federal Pell Grant.

However, the National and Community Service Trust Act of 1993 (NCSTA), expected to be passed by Congress and signed into law by President Clinton after Congress returns from its recess in early September, would change the law by providing that the post-service benefit not be treated as a source of financial assistance for purposes of determining a student's eligibility for any Title IV program. The Act also would continue to exclude the post-service benefit from inclusion in the student's income. Consequently, students who redeem their post-service benefits after enactment of the National and Community Service Trust Act of 1993 would not have their award under any Title IV programs reduced by the amount of the post-service benefit. Further, after NCSTA is enacted, we would encourage financial aid officers to review the financial aid package of SOS participants who are receiving federal student aid to determine whether any adjustments should be made to their aid package.

We also encourage educational or training institutions in which a SOS participant is enrolled to disregard the \$1,000 post-service benefit in awarding student financial aid from non-federal sources. This will give the SOS educational award its intended effect of benefiting each participant, consistent with the policy expressed in the pending National and Community Service Trust Act of 1993. If you have any questions, please feel free to call the Department of Education regional office that serves your state. Thank you.

Sincerely,


Richard Riley
Secretary of Education


Eli J. Segal
Assistant to the President and
Director, White House Office of National Service