

# Strengthening AmeriCorps

## Overview

There are three main components to AmeriCorps: (1) *AmeriCorps\*State and National* provides grants to states and national organizations to support members in local nonprofit organizations across the country; (2) *AmeriCorps\*VISTA* members focus their activities on supporting community- and faith-based organizations in meeting the needs of low-income communities; and (3) *AmeriCorps\*National Civilian Community Corps (NCCC)* members complete a ten-month, full-time residential service program for men and women that combines the best practices of civilian service with the best aspects of military service, including leadership and team building.

Most AmeriCorps members are selected by, and serve with, projects in their communities such as Habitat for Humanity, Neighborhood Watch organizations, the American Red Cross, Boys and Girls Clubs, and local community- and faith-based organizations. State service commissions, appointed by the Nation's governors, allocate resources to these organizations within their respective states. Other grants are made to service organizations at the national level. After their term of service, AmeriCorps members receive education awards to defray college expenses or pay back student loans.

Slightly more than one-half of the individuals in these programs serve full-time and receive a living allowance, generally at the poverty level, in order to be able to serve. The other one-half serve part-time; they generally do not receive any living allowance but do receive an education award at the end of their service.

President Bush supports legislation to reform AmeriCorps programs so they can provide a solid foundation upon which to build an enhanced system of Federal support for service. The new AmeriCorps will engage Americans in intensive, results-driven service each year. AmeriCorps members will mobilize, manage, and train additional volunteers. The members, and the volunteers they help organize, will perform vital services such as teaching children to read, making neighborhoods safer, and helping build affordable homes for low-income families. These changes will be driven by reforms that enhance accountability for results, create greater flexibility in administration at the state and local level, and offer a sharper focus on investing in activities that use AmeriCorps volunteers to recruit and train additional community volunteers.

## **Summary of Proposals**

To reform and enhance community-based service opportunities, the President proposes the following:

### ***Generate more volunteers for each government dollar spent.***

Mobilizing additional volunteers beyond those directly supported by AmeriCorps should be an explicit criterion for funding and evaluating programs. This is currently required through administrative guidance but should be statutory. Such a change will ensure that this policy will remain a top priority from Administration to Administration.

### ***Enhance the role of states.***

States should have more flexibility and clearer performance standards. Current law allocates one-third of AmeriCorps grants for state formula grants, up to one-third for Federal direct grants, and the balance to states on a competitive basis (chosen at the national level). The Administration proposes to consolidate the competitive and formula grants to states into one formula grant to each state in order to strengthen the role of states in the selection of grantees. A hold harmless provision would prevent the loss of funding to any particular state.

### ***Ease the administrative burdens on states.***

The Chief Executive Officer of the Corporation for National and Community Service should have statutory authority: (1) to eliminate administrative requirements identified by states as impeding the effectiveness of service programs; (2) to simplify application procedures and reporting requirements to promote efficiency and eliminate duplication; and (3) to make adjustments to administrative support as necessary.

A state commission should have the flexibility, within its grant, to allocate necessary funds for administration, subject to a reasonable ceiling. Today, administrative funds are provided to states through a separate allocation that is not directly related to the size of the AmeriCorps programs operating within the state.

### ***Encourage sustainability as a grantee objective.***

Specific measures should be adopted to increase the sustainability of grantees' programs with non-Federal resources. For example, all AmeriCorps members should be permitted to assist grantee organizations in capacity building activities. Currently, this is limited to AmeriCorps\*VISTA members.

### ***Make cost effective approaches available on a more widespread basis.***

Currently, some cost-effective approaches (such as the AmeriCorps education award program, where the Corporation pays up to \$500 per member and the education award) are only available under limited "demonstration authority." Cost effective models such as this should be made part of the AmeriCorps grants program where they can be expanded as desired by grantees, and can provide additional service opportunities to Americans.

***Make AmeriCorps National Civilian Community Corps (AmeriCorps\*NCCC) a model for public safety, public health and emergency response.***

AmeriCorps\*NCCC is a ten-month, full-time residential service program for young men and women focusing on the Nation's critical needs in the areas of education, public safety, the environment, and other human needs. Using this very successful program as a model, the Administration proposes to authorize the awarding of grants for programs operated by public agencies and nonprofits that would primarily support public safety, public health, and emergency response efforts.

***Work with the Congress to make the education award comparable to other programs, such as the G.I. Bill.***

The Administration proposes a number of reforms to strengthen and improve the education award offered through AmeriCorps, including: (1) eliminating taxation of the education award; (2) providing for cost of living adjustments; and (3) broadening the educational institutions and lenders at which the education awards may be used. In addition, the Administration supports changes, including: (1) providing that education awards cannot be considered when determining eligibility for Federal student aid; (2) permitting transfer of the awards to another person's Coverdell education savings account; and (3) establishing pilot authority to use the awards for other purposes such as home purchase and job training.

***Reform AmeriCorps' VISTA program (AmeriCorps\*VISTA) by devolving more control to community- and faith-based organizations.***

AmeriCorps\*VISTA is a vital component of AmeriCorps that has a long history of working closely with local community- and faith-based organizations focusing on anti-poverty efforts. AmeriCorps\*VISTA has been effective in these efforts, but can be improved. The Administration urges the Congress to transition AmeriCorps\*VISTA from a federally-operated program in which the Federal Government selects and supervises members, to a federally-assisted program, in which sponsoring organizations select and supervise members, similar to other AmeriCorps programs. This change would provide greater control and flexibility to nonprofit organizations in program design and delivery, as well as additional incentives for potential members to join.

***Test alternative approaches in the delivery of AmeriCorps.***

The Chief Executive Officer of the Corporation for National and Community Service should be empowered to test, on a pilot basis, innovative and flexible programs designed to involve more people in public service. For example, the Corporation should be able to test a model by which individuals determine where they wish to serve from among a variety of options, rather than being selected by the grantee organizations. This would permit more AmeriCorps members to serve at small community- and faith-based organizations.

***Demand accountability for results.***

AmeriCorps grantees should have specific program objectives and accountability requirements. The Chief Executive Officer of the Corporation for National and Community Service should be given statutory authority to: (1) work with the grantees to establish performance measures; (2) require corrective plans for those not meeting goals; and (3) reduce or terminate grants if corrections are not made. The Chief Executive Officer should also be given statutory authority to establish performance measures and corrective plans for any pilot programs that enable individuals to select and serve in small community- and faith-based organizations.

***Provide more participation incentives for seniors.***

More senior citizens can be encouraged to participate in AmeriCorps if they are permitted to earn education awards that can be transferred to their grandchildren or another individual in need.

***Recognize homeland security programs as eligible for AmeriCorps grants.***

AmeriCorps members support citizen engagement activities that promote public safety, public health, and disaster relief and preparedness. The national service laws should reflect the increase in citizen interest in these types of activities following the terrorist attacks of September 11, 2001.

***Recognize technology programs as eligible for AmeriCorps grants.***

AmeriCorps members currently assist individuals in making effective use of technology through after-school and weekend programs. However, while the national laws explicitly identify a long list of program areas as eligible for AmeriCorps grants, technology is not among them. In view of its importance for education, literacy, and other human needs, the authorizing statute should reflect the role of technology within AmeriCorps.

***Contain costs.***

While the average costs to finance AmeriCorps members is relatively modest (\$10,000 average cost including full-time and part-time members), enacting a statutory cap on average per-member expenditures will ensure future cost containment and maximize service opportunities for more Americans. The Federal cost for full-time members includes 85 percent of a living stipend of about \$9,300 that permits individuals to devote their full time to community service during their year as an AmeriCorps member. Other costs include basic health insurance, training, and an education award of \$4,725 at the conclusion of service. This proposal would set a cap per average cost of full-time equivalent members.

***Authorize Appropriations.***

The Administration calls on the Congress to authorize a \$230 million increase from last year's budget – the full funding of AmeriCorps requested in the President's FY 2003 budget – which would permit AmeriCorps participation to increase from 50,000 Americans per year to 75,000. These 25,000 new AmeriCorps participants, in turn, will leverage at least 75,000 additional volunteers for community service organizations.