

**Testimony before the Senate Health, Education, Labor and Pensions Committee
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I am honored to be invited to testify before the Committee today. I want to thank Committee Chairman Senator Edward Kennedy, Ranking Member Senator Michael Enzi and Senator Mikulski for the invitation to testify today, and for holding this important hearing on “The Next Generation of National Service” and the Serve America Act.

As a Bostonian who has known and benefited from the full measure of Senator Kennedy’s tremendous idealism and public spiritedness for over two decades, I want to begin by saying how deeply grateful I am to the Committee Chairman. Since we founded City Year in 1988 Senator Kennedy has been our greatest champion, and his dedication to public service has been a deep source of inspiration. All of us at City Year and in national service organizations across the country are deeply grateful to Senator Kennedy and Senator Hatch for their visionary leadership in crafting a bold new platform for service in our country, the Serve America Act.

Senator Mikulski, as the “godmother of national service,” every American community owes you a debt of gratitude for your steadfast dedication to providing opportunities for the citizens of this country to serve. Senator McCain, thank you for your leadership in championing the growth of AmeriCorps for over a decade through the McCain-Bayh bill, and your original co-sponsorship of the Serve America Act. Senator Dodd, thank you for your deep commitment to growing service opportunities for all ages, based on your own transformative experience as a returned Peace Corps volunteer. Thank you Senator Harkin for your deep commitment to national service programs across the country.

I also want to give a special thank you to our “City Year Senators” on the Committee for your strong support for City Year programs across the country, including Senator Casey for your support for City Year Philadelphia, Senator Gregg for your support for City Year New Hampshire, Senator Murray for your support for City Year Seattle, and Senator Reed for your support for City Year Rhode Island. A special thank you to Senator Brown, not only for your support for two City Year programs in Ohio, but especially because Senator Brown is a City Year dad and we are proud that his daughter is a City Year alum.

Operating in 19 U.S. cities and Johannesburg South Africa, City Year unites young people of all backgrounds for a year of full-time service, giving them skills and opportunities to change the world. The name City Year reflects that idea that just like young people participate in freshman, sophomore, junior and senior years as vital parts of their development, we believe that young people should be challenged to give a “City Year” of service to their community and country, as a civic rite of passage to build a strong democracy. All of City Year’s more than 1,500 U.S. corps members are proud members of the AmeriCorps national service network. To date, City Year has graduated more than 12,000 alumni, who have dedicated nearly 20 million hours of service in high poverty schools, neighborhoods and community centers nationwide. Our vision is that one day the most commonly-asked question of a young person will be, “Where will you do your service year?”

I speak to you today not only as the CEO and co-founder of City Year, which I founded in 1988 with Alan Khazei, but also as a co-lead organizer of three national coalitions that represent widespread support for and endorsement of the Serve America Act: Voices for National Service, ServiceNation and America Forward.

The mission of Voices for National Service is to support the growth and development of AmeriCorps and national service by mobilizing the field to educate our nation's leaders and the American public about the power and impact of national service. ServiceNation, a campaign to inspire a new era of voluntary citizen service in America, is a coalition of more than 130 organizations representing more than 100 million Americans. It is organized by Be the Change, City Year, Civic Enterprises, and The Points of Light Institute. ServiceNation was honored that Senator Hatch and Caroline Kennedy, on behalf of her uncle, Senator Kennedy, publicly announced their bi-partisan introduction of the Serve America Act at the ServiceNation Summit on September 12th in New York City. America Forward, organized by New Profit, Inc., is a coalition of results-oriented entrepreneurial nonprofits presenting the nation's leaders and citizens with new, innovative ideas for solving our domestic problems.

On behalf of Voices for National Service, ServiceNation and America Forward, I am pleased to attach to this testimony a copy of a letter endorsing the Serve America Act and signed by 412 nonprofit organizations working nationwide to make America stronger.

We endorse the Serve America Act because national service is a great American invention and institution – and the Serve America Act will make it stronger. National service gives Americans of all ages and backgrounds the opportunity to participate in the creation of “a more perfect union,” and to channel their civic passion and energies to address some of our nation's most pressing problems.

The idea of national service has had strong bipartisan leadership and support in the White House and the Congress, from the creation of the Civilian Conservation Corps under President Franklin Delano Roosevelt to the establishment of the Peace Corps under President Kennedy, and through the administrations of President George H.W. Bush, who founded the Commission on National and Community Service and the Points of Light Foundation, President Clinton, who launched the Corporation for National and Community Service and AmeriCorps, and President George W. Bush, who founded the USA Freedom Corps and expanded AmeriCorps. We are all tremendously inspired by President Obama's commitment to expanding opportunities for Americans to serve. We believe that the groundswell of bipartisan support surrounding The Serve America Act indicates the growing desire of Americans to be part of solving the great challenges we face as a nation.

Congress has created a dynamic and devolved system of national service that has included a wide variety of successful program models and approaches and has been tremendously responsive to state and local needs. National service participants, deployed through innovative state service commissions and nonprofit organizations, have taught, tutored and mentored children, built affordable housing, created and refurbished trails and parks, weatherized low income housing, helped low income citizens gain access to health care and contributed to the health and well being of our communities in many other important ways.

We need to expand opportunities for Americans to serve through these effective programs, and we also need a new platform to engage the American people in addressing some of the most pressing and persistent problems of our time. The Serve America Act, through a strategic expansion of national service, can play a vital role in expanding opportunities for people at every stage of life to serve and to put their idealism and civic skills to work to solve specific national challenges. It will augment — not replace — the impact of the foundational federal investment in national service through the Corporation for National and Community Service and its programs, including AmeriCorps. These programs are critical and enable states and localities to direct resources to the specific needs and priorities of their communities.

It is no secret that we face tremendous challenges as a country, many made worse by the declining economic climate. The need for more opportunities in national and community service is greater than ever — both to address essential needs and engage Americans, especially young Americans, in productive work. A new study, "The Quiet Crisis, The Impact of the Economic Downturn on the Nonprofit Sector," reports that phone calls to the United Way for basic needs, such as securing food, shelter and warm clothing are up by more than 10,000 calls a month compared to 2007, while financial contributions to nonprofits are declining. The study also reports that youth unemployment has already hit 21% — and for African American youth that number reaches 36%. Unemployment, even among college graduates, is at the highest level ever. At the same time, applications for national service organizations like Teach For America and City Year are at record levels. National service programs stand ready to engage young Americans in productive work at low cost, and with no new bureaucracy.

We are at a moment in our country where we must marshal every available resource to address the mounting challenges we face. From the economic downturn to the crisis in education, we must call on every American to join the cause, to step forward and lend a hand. At a time when the brave men and women of the U.S. military are putting their lives on the line overseas to protect our freedom and values, Americans should also be asked — and provided with the opportunities to — serve on the homefront as well to confront the nation's most pressing domestic challenges and exemplify our nation's values. And the truth is Americans are stepping forward to serve — Teach For America has 35,000 applicants for just 4,000 positions — 11% of the entire Ivy League's senior class and 25% of Spelman College's applied this year alone. Applications to City Year have increased 180% over last year. Peace Corps applications have risen 16%. Millennials and boomers are stepping forward in record numbers to serve.

We need to tap into this tremendous civic energy — and provide more opportunities for Americans to meet America's challenges by focusing their service on solving major national problems. That is what the Serve America Act does.

Consider the high school dropout crisis, which retired general Colin Powell has called a "national catastrophe." Every 26 seconds, another student gives up on school, producing one million American dropouts annually. The result is a price tag of more than \$150 billion for each cohort of dropouts — who are three times more likely to be unemployed and eight times more likely to be incarcerated. Students who drop out of high school earn on average

\$1 million less over their lifetime than their peers who complete high school and go on to college.

According to recent research by Johns Hopkins University, just 15% of the nation's schools produce nearly half of the nation's dropouts. We know where these schools are, and we know which middle schools feed into them. We also know which students need help the most – it is possible to identify likely dropouts as early as the 6th grade by three “off-track indicators”: low attendance, poor behavior, and course failure in math or English. We also know how to get them back on track to graduate — by getting the right interventions to them at the right time. Dr. Robert Balfanz of Johns Hopkins University, the lead researcher on the Johns Hopkins study, has stated that, in solving the drop out crisis, “There is a key role to be played by national service.” Dr. Balfanz states that “we need to mobilize the young adults in this nation to work together to give their near peers – who are half a generation younger than them – the leg up they need to stay in school, to complete their courses, to learn how to behave well, by being a role model, and to say it's worth it.”

Research shows that continuous support from trained and dedicated adults working in schools as tutors and mentors works. We also know it works because we've seen it work – at City Year and at other national service programs across the country, including Citizen Schools, College Summit, Communities In Schools, Jumpstart, and Teach for America.

In the case of City Year, corps members are deployed full-time in teams throughout the school year to work in high-poverty schools, helping children through direct academic support, including literacy and math, school climate activities that improve attendance and behavior, and after-school programs that reinforce classroom learning and promote community service. Based on this model and the results of our work in schools, we have received requests from local school superintendents, including New York City Department of Education Chancellor Joel Klein and District of Columbia Public Schools Chancellor Michelle Rhee, to scale our program significantly as a means of ensuring school success and keeping students on track to graduate. Our Whole School Whole Child program is just one example of the many important national service approaches that could be scaled as part of a dedicated Education Corps, established under the Serve America Act, using a set of common metrics and data that can be aggregated nationally.

Similarly, an Opportunity Corps could enlist Americans of all backgrounds to address both urban and rural poverty through increasing access to job training and placement resources, increasing the financial literacy of economically disadvantaged individuals, building or improving housing – assistance needed more than ever as our nation faces a significant economic recession and more and more families find themselves unable to make ends meet.

A Clean Energy Corps would improve energy efficiency in low-income homes and care for natural resources, building the green economy and mobilizing Americans as stewards of the nation's natural resources. A Health Corps could improve access to health care and increase health literacy for low income Americans.

In addressing each of these issues, national service participants would bring a unique resource: skilled, committed, affordable and often full-time human capital. Corps members in the Education Corps, for example, would provide a diverse workforce serving full-time in

schools – in large cohorts and in the unique role of working with students from the first bell at 8:00 a.m. through the close of the after-school program at 6:00 p.m. — which increases the adult to student ratio in schools, at the required scale and intensity. That would be a transformative resource for high poverty schools across the country.

National service can also promote workforce readiness as corps members receive extensive training to prepare them for their service that can also benefit them in their future careers. National service corps members are motivated, understand hard work, are focused and efficient, and gain practical experience in problem-solving and working with people from diverse backgrounds. Their “real world” experience at a young age will serve as a valuable asset to both themselves and their employers for years to come.

There are also millions of Americans who cannot serve full-time, but make vital contributions to communities by volunteering part-time through religious organizations, mentoring or nature conservation programs, at food banks or in homeless shelters – and many more people who are ready to serve but opportunities for them to do so may be limited due to lack of capacity on the part of nonprofits in recruiting and managing volunteers. A Volunteer Generation Fund in the Service America Act would expand the supply of volunteers to nonprofits as well as build the capacity of nonprofits to utilize these volunteers, resulting in an influx of many more citizens of all ages in service to meeting the needs of their communities. Organizations like the Hands On Network and Points of Light Institute are ready to tap the Volunteer Generation Fund to deploy thousands of new volunteers to meet pressing needs.

Similarly, many Americans want to apply their professional skills and experience to address critical needs in health and education across the globe but cannot commit to long-term assignments such as the two years required by the Peace Corps. A strengthening of Volunteers for Prosperity, an initiative established in 2003 as part of the USA Freedom Corps, would expand opportunities for short-term service to provide assistance across the developing world in identified areas of need, while enhancing America’s international standing.

The Serve America Act will also establish a “Community Solutions Fund” (or a Social Innovation Fund) to invest in and scale the proven, innovative solutions that are having an impact in communities across the country. The Fund will promote greater innovation in the social sector and evaluate performance based on results. And because citizen service so often generates new ideas and solutions, the Act establishes Innovation Fellowships to enable individuals who have completed either a civilian national service experience or are veterans to launch a new civic initiative. The Act will also call on the Boomer generation to use its experience to innovate for the common good with the help of Encore Fellowships.

And just as the government regularly assesses economic progress through standard indicators, the Service America Act would establish a Civic Health Index – a critical new tool for taking the nation’s civic pulse across the areas of volunteering and community service, voting and civic engagement, and understanding of U.S. history and government, among others categories. The resulting information would inform policymakers and communities alike as to the nation’s civic health at the local, state and national levels and promote progress towards strengthening the civic habits of our democracy.

In addition to considering these new elements of national service, I want to thank the Committee for taking up the reauthorization of The National and Community Service Trust Act and the underlying bills. It is very important to update the architecture on which these new ideas will be built. Nearly 16 years have passed since the enactment of the Act, the last national service bill. Since then, the field has learned many lessons that can be drawn on to optimize the organization and structure of the existing programs and prepare the national service infrastructure for expansion. Through reauthorization, Congress has the opportunity to make changes that will unleash program potential. Reforms will allow more Americans to serve, stimulate community volunteerism, increase the diversity of those serving, and modernize the program to recognize new needs and resources resulting from the changing demographics and economic circumstances.

If AmeriCorps is to achieve the scale described by President Obama, nonprofits and state commissions must have greater flexibility to effectively administer the program. Current requirements are administratively burdensome and in many cases prohibitively expensive, making AmeriCorps nearly inaccessible to small nonprofits. We have shared a number of ideas with the Committee to reduce the administrative burden and simplify the AmeriCorps program. These ideas include revising the formula for AmeriCorps assistance and approved national service positions, expanding the use of Fixed Price Grants, streamlining member management reporting requirements and increasing the Segal AmeriCorps Education Award.

The post-service Segal AmeriCorps Education Award was established in 1993 and because the formula for calculating it was set in statute, its value has been frozen while the cost of higher education has skyrocketed. As students and their families are being priced out of the college market, the AmeriCorps Education Award has remained static at \$4,725. The Education Award should continue to be a valuable and compelling incentive for young people to serve and we support indexing the award to increase its purchase power.

Another challenge is that the Education Award is viewed differently than most other forms of scholarships and fellowships – including Pell Grants and the G.I. Benefit - and is subject to federal taxation. According to the Congressional Research Service, the AmeriCorps Education Award can be taxed at a rate of 15 percent or more. As a result, AmeriCorps members see the value of their college aid drop to \$3,528 or less after taxes. Senators Dodd and Cochran have introduced legislation that both increases the value of the award and makes it tax deductible, ensuring that the full value can be applied to the pursuit of higher education.

In closing, I want to share with you three final thoughts about the importance of passing the Serve America Act.

First, the Serve America Act funds programs on a competitive basis and places a premium on expanding programs that show results – in helping children succeed in school, in reducing energy usage, in providing access to healthcare, in helping people gain the skills they need to climb out of poverty.

Second, we know that national service is highly cost effective and leverages significant private investment. Over the past 15 years, more than a billion dollars has been invested in

AmeriCorps programs by corporations, philanthropies and private citizens. At City Year, nine companies – ARAMARK, Bank of America, Cisco, Comcast, CSX, Pepperidge Farm, PepsiCo, Timberland, and T-Mobile – have each invested more than a million dollars and engaged their employees in thousands of hours of community service. The Serve America Act will leverage billions more in private support for service and community impact.

Finally, in addition to the significant and immediate benefit that national service participants deliver to communities, an investment in national service is also a long-term investment in American citizenship. An independent study funded by The Atlantic Philanthropies and conducted by Policy Studies Associates found that City Year alumni, compared to similarly situated individuals in the national population, were 65% more likely to be engaged in volunteer activities and 45% more likely to vote, and that more than 90% of alumni reported that their service experience contributed to their ability to work as part of a team and work with people from diverse backgrounds. Three-quarters of alumni reported that their service experience contributed to their ability to solve problems in their communities. The Serve America Act will, at its peak, triple the number of national service participants to 250,000 members annually – meaning that every four years a million more Americans will have had an intensive service experience that will transform them into citizen leaders for life. That is a powerful investment in the civic skills and leadership of each new American generation.

This landmark legislation comes at a pivotal juncture for us as a nation. We face an economic crisis of historic and worldwide proportions with millions of lost jobs, and millions of lives in economic peril with profound social implications. At the same time, there is a significant desire on the part of Americans – young and old, from all walks of life – to help address the challenges facing the country through serving their communities and building a stronger future for all of us. The Serve America Act will provide a transformational investment of resources to enable Americans to act on their desire to serve and put their passions and skills to work to address critical issues that will have a significant and restorative impact on our country both in the near-term and for many years to come.

Thank you for your leadership on national and community service. I hope you will give the Serve America Act your full consideration and pass and fully fund it.

Thank you for inviting me to speak with you today.