



Department of Defense

INSTRUCTION

NUMBER 1025.8
March 20, 2002

ASD(RA)

SUBJECT: National Guard ChalleNGe Program

References: (a) Section 509 of title 32, United States Code
(b) Section 502(f) of title 32, United States Code
(c) Section 12611 et seq. of title 42, United States Code
(d) Section 710 of title 32, United States Code
(e) through (p), see enclosure 1

1. PURPOSE

This Instruction:

1.1. Implements policies, responsibilities, and procedures for executing a National Guard civilian youth opportunities program under the authority of reference (a) to be known as the National Guard ChalleNGe Program.

1.2. Describes the program goals, the responsibilities of the implementing officials, and the relationships between the Department of Defense (DoD), the National Guard Bureau (NGB), and the Governors of the States or the Commanding General of the District of Columbia National Guard implementing the National Guard ChalleNGe Program.

2. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, the National Guard Bureau, and all other organizational entities within the Department of Defense (hereafter referred to collectively as "the DoD Components").

3. DEFINITIONS

Terms used in this Instruction are defined in enclosure 1.

4. POLICY

It is DoD policy that:

4.1. The goal of the National Guard ChalleNGe Program is to use the National Guard to improve education, life skills, and employment potential of participants. This is accomplished by providing military-based training, supervised work experience, and by advancing the core program components. These core components include assisting participants to obtain a high school diploma or its equivalent, developing leadership qualities, promoting fellowship and community service, developing life-coping skills and job skills, and improving physical fitness, health, and hygiene.

4.2. The Assistant Secretary of Defense for Reserve Affairs (ASD(RA)), under the authority of the Under Secretary of Defense for Personnel and Readiness, according to reference (a), shall exercise management oversight of the National Guard ChalleNGe Program.

4.3. Administration of the National Guard ChalleNGe Program shall be exercised through the Chief, National Guard Bureau.

4.4. Implementation of the National Guard ChalleNGe Program shall be executed by the Adjutants General of the States and territories or the Commanding General of the District of Columbia National Guard.

4.5. Communication with the States

4.5.1. The ASD(RA) shall communicate, verbally, or in writing, with Governors of the States and other State officials on matters pertaining to the National Guard ChalleNGe Program in order to exercise effective management oversight.

4.5.2. The Chief, National Guard Bureau, shall communicate, verbally or in writing, with the Adjutants General, or Commanding General, and members of the military departments of the States that have or are seeking National Guard ChalleNGe Programs to administer the program effectively.

4.5.3. The ASD(RA) and Chief, National Guard Bureau, shall coordinate their respective communications with the States.

4.6. The National Guard ChalleNGe Program shall consist of a 22-week residential phase and a 12-month post-residential mentoring period. The program shall have

prescribed guidance concerning the program's 12-month post-residential mentoring period.

4.7. The program is not a military activity of the National Guard, and programs established under this Instruction shall be conducted so as not to detract from military training activities of the National Guard.

4.8. Policies, responsibilities, and procedures with respect to the programs established under this Instruction, shall be consistent with the goal of the program as described in paragraph 4.1.

4.9. Program Personnel Policy

4.9.1. Personnel of the National Guard of a State in which the National Guard ChalleNGe Program is conducted may serve on full-time National Guard duty for the purpose of providing command, administrative, training, or other supporting services for the program. Such personnel may be ordered to duty under section 502(f) of title 32, United States Code (reference (b)) for no longer than the period of the program to perform these services.

4.9.2. A Governor participating in the National Guard ChalleNGe Program and the Commanding General of the District of Columbia National Guard (if the District of Columbia is participating in the program), may procure by contract the temporary full-time services of such civilian personnel as may be necessary to augment National Guard personnel in carrying out the program in that State.

4.9.3. Civilian employees of the National Guard and contract personnel performing services for the National Guard ChalleNGe Program may be required, when appropriate, or to achieve a program objective, to be members of the National Guard and to wear the military uniform.

4.10. Participants. Selection of participants for the programs established under this Instruction shall be from applicants who meet the following eligibility standards:

4.10.1. 16-18 years of age at time of entry into the program.

4.10.2. A school dropout from secondary school.

4.10.3. A citizen or legal resident of the United States.

4.10.4. Unemployed or under-employed.

4.10.5. Not currently on parole or probation for other than juvenile status offenses, not awaiting sentencing, and not under indictment, accused, or convicted of a felony.

4.10.6. Free from use of illegal drugs or substances.

4.10.7. Physically and mentally capable to participate in the program in which enrolled with reasonable accommodation for physical and other disabilities.

4.11. Application procedures shall, to the fullest extent possible, attempt to reach and include economically and educationally disadvantaged groups.

4.12. A person selected as a participant for training in programs established under this guidance may receive the following benefits in connection with that training to the extent provided in an agreement under subparagraph 5.2.4.

4.12.1. Allowances for travel expenses, personal expenses, and other expenses.

4.12.2. Quarters.

4.12.3. Subsistence.

4.12.4. Transportation.

4.12.5. Equipment.

4.12.6. Clothing.

4.12.7. Recreational services and supplies.

4.12.8. Other services, such as medical examinations, provided by National Guard personnel performing duty under reference (b).

4.12.9. A one-time temporary stipend in an amount not to exceed \$2,200.00, upon the successful completion of the 22-week residential phase of the program, as established annually and in accordance with procedures provided in the applicable program agreement under subparagraph 5.2.4. Such a stipend is to support continued education, vocational training, and/or expenses associated with securing or maintaining employment and may be paid to the program participant or may be paid on behalf of the program participant if so requested by the participant. A program participant who successfully completes the residential program and obtains long-term employment may receive the stipend or that portion of the stipend that has yet to be paid.

4.13. A person selected for training under a program established under this Instruction who later becomes a member of the Civilian Community Corps under subtitle E of title I of the National and Community Service Act of 1990 (hereinafter referred to as "the Act") (reference (c)) may not receive a temporary stipend under subparagraph 4.12.9., above, while a member of that Corps. The person may receive the temporary

stipend after completing service in the Corps unless the person elects to receive benefits provided under subsection (f) or (g) of section 158 of the Act (reference (c)).

4.14. The activities for programs established under this Instruction shall be considered non-combat activities of the National Guard for purposes of section 710 of title 32, United States Code (reference (d)). Equipment and facilities of the National Guard, including military property of the United States issued to the National Guard, may be used in carrying out the program. This includes housing facilities, GSA vehicles, military buses and other military vehicles, as well as use of the Defense Reutilization Marketing Office.

4.15. Existing facilities are to be used for the program. Improvements/modifications of facilities will be limited to general upkeep/maintenance and limited modernization changes to make facilities safe and habitable by the corps members. The construction of new dormitories, dining facilities, office space, or classrooms is not authorized. Funding and payment to the State for improvements and/or modifications to facilities will not exceed \$100,000 per building, per year, unless granted an exception to policy by the ASD(RA).

4.16. To carry out the National Guard ChalleNGe Program in a State, the Secretary of Defense may use funds appropriated directly to DoD or non-DoD funds made available or transferred to the Secretary of Defense by other Federal Agencies. The Governor of the State, or in the case of the District of Columbia, the Commanding General of the District of Columbia National Guard may supplement funds made available under the program with other non-DoD resources (including gifts) available to the Governor or Commanding General. The Governor or Commanding General may accept, use, and dispose of gifts or donations of money, other property, or services for the National Guard ChalleNGe Program.

5. RESPONSIBILITIES

5.1. The Assistant Secretary of Defense for Reserve Affairs, under the authority of the Under Secretary of Defense for Personnel and Readiness, and according to reference (a), shall:

5.1.1. Exercise the authority of the Secretary of Defense under reference (a).

5.1.2. Monitor compliance with this Instruction and ensure that information on the National Guard ChalleNGe Program is exchanged among relevant offices within the DoD Components and Governors of each State.

5.1.3. Issue such supplemental guidance to include recruitment of participants of the program into the military, as may be necessary, for the operation of the program.

5.1.4. Prepare, approve, and submit the program's annual budget according to DoD 7000.14-R (reference (e)).

5.1.5. Fund and ensure that the Chief, National Guard Bureau, maintains fiscal accountability, in accordance with reference (e), for the approved programs.

5.1.6. Within 90 days after the end of each fiscal year, submit to the Congress a report on the design, conduct, and effectiveness of the National Guard Challenge Program during the preceding fiscal year. In preparing the report, the ASD(RA) shall ensure that the Chief, National Guard Bureau, coordinates the prepared report through the Adjutant General of each State, with the Governor of each State in which the National Guard Challenge Program is carried out, and if the program is carried out in the District of Columbia, with the Commanding General of the District of Columbia National Guard.

5.2. The Chief, National Guard Bureau, shall:

5.2.1. Administer the National Guard Challenge Program by designating and staffing an appropriate organizational element within the National Guard Bureau that shall execute the program.

5.2.2. Issue implementation regulations regarding the operation of the 22-week residential period.

5.2.3. Issue regulations and procedures, subject to the approval of the ASD(RA), regarding the 12-month post-residential mentoring period.

5.2.4. Enter into a cooperative agreement, subject to approval by the ASD(RA), with the Governors of the States, or, in the case of the District of Columbia, the Commanding General of the District of Columbia National Guard, approved to participate in the program. The National Guard Bureau shall maintain an electronic list of all cooperative agreements and amendments issued on behalf of the Challenge Program. The list shall include the date of the signature of the agreement and/or amendment, amount, and date obligation document is issued. The list shall be made available for review as determined by the ASD(RA).

5.2.5. Coordinate with the ASD(RA) on matters pertaining to the National Civilian Community Corps Program. This coordination shall include matters dealing with the Corporation for National Service, the Board of Directors, and Executive Director of the National Civilian Community Corps to ensure:

5.2.5.1. The programs established under this Instruction are conducted in such a manner in relationship to each other that the public benefit of those programs is maximized.

5.2.5.2. To the maximum extent appropriate to meet the needs of the program participants, persons who complete participation in the National Guard ChalleNGe Program and who are otherwise eligible to apply for and to participate in the National Civilian Community Corps under the Civilian Community Corps program, shall be accepted for participation in the program; and

5.2.5.3. The programs established under this Instruction are conducted simultaneously within a discrete geographical area of the United States only when the population of eligible participants in that area is sufficient to justify the simultaneous conduct of such programs.

5.2.6. The United States Property and Fiscal Officer (USPFO) shall receive and account for all ChalleNGe Program funds and property of the United States. The Adjutant General of the State, or his designee, shall administer the program in accordance with applicable Federal and State laws.

5.2.7. According to reference (e), submit annually a budget estimate for program administration to the ASD(RA). Any use of civil military program funds by the Chief, National Guard Bureau, for centralized program management that is not subject to the program's Federal and/or State cost-share requirements, shall require the advance submission of a detailed budget to the ASD(RA) for approval. Expenses subject to this advance approval requirement include, but are not limited to, all contracts, training support requirements, such as workshops and educational materials, special events, travel, and office automation expenses.

5.2.8. Establish and approve the State's share of the cost of the program to ensure compliance with paragraph (d) of reference (a), and existing laws, rules, and regulations.

5.2.9. Determine and approve the respective State's share of non-cash supplies and services. The Chief, NGB, may use indirect cost rates, as established under Federal regulatory guidance, such as the Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government, OMB Circular A-87 (reference (f)).

5.2.10. Conduct a semi-annual workshop for directors in Washington, DC.

5.2.11. Establish performance measures of effectiveness that address each of the eight (8) core components of the ChalleNGe Program model.

5.2.12. Submit the first draft of its annual program evaluation report to the ASD(RA) on the first day of October of each year; submit the final coordinating draft of the program report no later than the first day of November of each year. The report shall include detailed program results and totals both by State and by program, 3-year trend

data, and recommendations for program improvement in each area of program design, conduct, and effectiveness.

6. PROCEDURES

6.1. States shall submit initial and/or annual State ChalleNGe Program plans and budget estimates for conducting a National Guard ChalleNGe Program through the Chief, NGB, to the ASD(RA) for approval and funding.

6.2. At a minimum, State plans shall include details on application and selection procedures, number of students trained, staffing, staff training, curriculum, facilities, and services, State public and private services to be provided, post-residential program, establishment of non-profit organization, and a detailed budget.

6.3. Each State participating in the program shall ensure that procedures included in the plan are consistent with the following:

6.3.1. Application procedures:

6.3.1.1. The States shall accept applications from eligible youth and establish procedures to select participants in the program according to established policies.

6.3.1.2. Participants selected shall receive a physical examination to be accomplished through contract and paid for from funds specifically authorized and appropriated for the program, in conjunction with their entry into the program. Such examination shall be sufficiently complete so that a conclusion may be reached as to the participant's ability to complete the program with reasonable accommodation for physical and other disabilities. The examination shall, if permitted under State law and regulation, include testing for drug or substance abuse and pregnancy.

6.3.2. Staff criteria:

6.3.2.1. Program personnel (other than volunteer personnel) shall be civilian employees of the State or employed under contract with the State.

6.3.2.2. Specific educational, experiential, and other similar criteria for all paid staff members may not be less than the criteria that would be required for State employees or contract personnel in similar positions.

6.4. Status of participants:

6.4.1. A person receiving training under the National Guard Challenge Program shall be considered an employee of the United States for the purposes of the following provisions of the law:

6.4.1.1. Implementation and/or administration of subchapter I of chapter 81 of title 5 (reference (g)) (relating to compensation of Federal employees for work injuries).

6.4.1.2. Implementation and/or administration of section 1346(b) and chapter 171 of title 28 (reference (h)) and any other provisions of law relating to the liability of the United States for tortious conduct of employees of the United States.

6.4.2. If the provisions of reference (g) (relating to compensation of Federal employees for work injuries) become applicable to a person receiving training under the National Guard Challenge Program then the following shall apply:

6.4.2.1. The person shall not be deemed to be in the performance of duty while not at the assigned location of training or other activity or duty authorized in accordance with the cooperative agreement referred to in subparagraph 5.2.1., except when traveling to or from that location or if on an authorized pass from that training or other activity or duty.

6.4.2.2. The person's monthly rate of compensation shall be deemed to be the minimum rate of pay provided for grade GS-2 of the General Schedule under section 5332 of title 5 (reference (i)); and:

6.4.2.3. The entitlement to receive compensation for a disability for an eligible person shall begin on the day following the date on which the person's participation in the National Guard Challenge Program is terminated.

6.4.3. A person receiving training under the National Guard Challenge Program shall not be considered an employee of the United States for any purpose other than a purpose set forth in subparagraph 6.4.2., above.

6.5. Program Funding (DoD share of the cost). Transfer of Civil Military Program funds from the Office of the Assistant Secretary of Defense for Reserve Affairs (OASD(RA)) to the Chief of the NGB for the purpose of supporting the National Guard Challenge Program will be initiated only when the ASD(RA) receives a request for funds from the Chief of the NGB. Each request shall be accompanied by the State matching funds certification letter that confirms the State's contribution to the amount of assistance provided to operate the program. All funds transferred to the NGB shall be earmarked for use by a particular State, or in the case of management operations funds for use by the NGB, funds shall be earmarked by management budget allocation category. Funds shall be administered in accordance with reference (e) and shall be used according to the purpose for which they were requested, earmarked, and issued.

6.6. Program Execution Reviews. During each fiscal year, the Chief of the NGB shall provide quarterly Civil Military Program fund obligation and execution reports to the OASD(RA). During the fourth quarter of each fiscal year, updated monthly obligation and execution reports shall also be submitted by the 30th of the month.

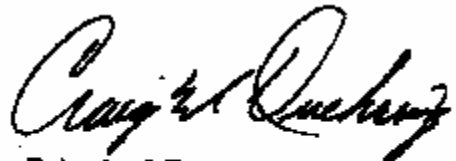
7. INFORMATION REQUIREMENTS

7.1. The Annual Program Evaluation Report referred to in subparagraph 5.2.12., above, has been assigned Report Control Symbol DD-RA(A)2141 in accordance with DoD 8910.1-M (reference (j)).

7.2. The Program Execution Reviews referred to in paragraph 6.6., above, are exempt from licensing according to paragraph C4.4.2. of reference (j).

8. EFFECTIVE DATE

This Instruction is effective immediately.



**Principal Deputy Assistant
Secretary of Defense (Reserve Affairs)**

Enclosures - 2

- E1. References, continued
- E2. Definitions

E1. ENCLOSURE 1

REFERENCES, continued

- (e) DoD 7000.14-R, Volume 2A, "Budget Formulation and Presentation (Chapters 1-3)," June 2000
- (f) OMB Circular A-87, "Cost Principles and Procedures from Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government," current edition
- (g) Subchapter I of chapter 81 of title 5, United States Code
- (h) Section 1346(b) and chapter 171 of title 28, United States Code
- (i) Section 5332 of title 5, United States Code
- (j) DoD 8910.1-M, "DoD Procedures for Management of Information Requirements," June 30, 1998
- (k) Section 101 of title 32, United States Code
- (l) Section 6305 of title 31, United States Code
- (m) DoD 3210.6-R, "Department of Defense Grant and Agreement Regulations," April 13, 1998
- (n) Title 32, Code of Federal Regulations, Part 33, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"
- (o) Chapter 51 of title 7, United States Code
- (p) Section 708 of title 32, United States Code

E2. ENCLOSURE 2

DEFINITIONS

E2.1.1. Air National Guard (ANG). That part of the organized militia of the several States and territories, Puerto Rico, and the District of Columbia, active and inactive, that is:

E2.1.1.1. An air force;

E2.1.1.2. Trained and has its officers appointed under the sixteenth clause of Section 8, Article I of the United States Constitution;

E2.1.1.3. Organized, armed, and equipped wholly or partly at Federal expense;
and

E2.1.1.4. Federally recognized (reference (k)).

E2.1.2. Army National Guard (ARNG). That part of the organized militia of the several States and territories, Puerto Rico, and the District of Columbia, active and inactive, that is:

E2.1.2.1. A land force;

E2.1.2.2. Trained and has its officers appointed under the sixteenth clause of Section 8, Article I of the United States Constitution;

E2.1.2.3. Organized, armed, and equipped wholly or partly at Federal expense;
and

E2.1.2.4. Federally recognized (reference (k)).

E2.1.3. Cooperative Agreements. National Guard ChalleNGE Program cooperative agreements are issued under the authority of 32 U.S.C. 509, 31 U.S.C. 6305, DODGARS, and 32 CFR Part 33 (reference (a) and (l) through (o)). The purpose of the agreement is to provide Federal support to the States for certain youth programs as set forth in reference (a). The agreements sets forth the terms and conditions of the support provided by the Department of Defense to the States. This includes any agreements entered into by the Department of Defense, NGB, with the States that are funded by Department of Defense appropriations for the ARNG and ANG, for:

E2.1.3.1. Construction, minor construction, maintenance, repair, or operation of facilities and operations of the ARNG and ANG consistent with implementing this program; and

E2.1.3.2. Other programs authorized and directed by Congress or the Department of Defense to be performed by the States and the National Guard Bureau.

E2.1.4. Chief, National Guard Bureau (NGB). The Head of the National Guard Bureau or his designee.

E2.1.5. Congressional Defense Committees. The Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

E2.1.6. The Department of Defense's Share of the Cost. The program assistance by the Department may not exceed the specified percentage of the direct and indirect costs of operating the State program during that year -- 75 percent for fiscal year 1998; 70 percent for fiscal year 1999; 65 percent for fiscal year 2000; and 60 percent for fiscal year 2001 and each subsequent fiscal year, unless changed by law.

E2.1.7. Economically Disadvantaged. An individual who:

E2.1.7.1. Receives, or is a member of a family that receives, cash welfare and/or public assistance payments under a Federal, State, or local welfare and/or public assistance program; or

E2.1.7.2. Has, or is a member of a family that has, received a total family income for the 12-month (or 6-month, annualized, if 12-month data are not available) period prior to application to the program which, in relation to family size, was not in excess of the higher of:

E2.1.7.2.1. The poverty level determined according to criteria established by the Department of Health and Human Services; or

E2.1.7.2.2. 70 percent of the lower living standard income level; or

E2.1.7.3. Is receiving food stamps pursuant to the Food Stamp Program (reference (o)); or

E2.1.7.4. Is a foster child on behalf of whom State or local government payments are made; or

E2.1.7.5. Is homeless.

E2.1.8. Educationally Disadvantaged. Youths who have limited basic skills or limited English proficiency.

E2.1.9. Equipment. For the purposes of 32 CFR 33.32 (reference (n)), equipment is defined as any equipment purchased for the performance of this Master Youth Cooperative Agreement (MYCA) that is not "military equipment." Use and disposal of equipment shall comply with the requirement of reference (n).

E2.1.10. Fiscal Year. The Federal Fiscal Year commencing on October 1 and ending on September 30 each year.

E2.1.11. Indirect costs. The rates developed using OMB Circular A-87, "Cost Principles and Procedures from Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government" (reference (f)).

E2.1.12. In-kind Assistance. The transfer of property or services (valued at the time of contribution at fair market value) instead of funds by National Guard Bureau to satisfy (in whole or in part) its obligation of assistance support to the State, or the transfer of property or services (valued at the time of contribution at fair market value) in lieu of funds by the State to satisfy (in whole or in part) its obligation of assistance support to the National Guard Bureau.

E2.1.13. Inter-Service Support Agreement. A formal agreement that defines recurring services to be provided by one supplier to one or more receivers and defines the basis for calculating reimbursement charges for services. It shall be used to define clearly the terms and conditions of the agreement including, when appropriate, a cost breakdown, and special instruction for each area or category of support.

E2.1.14. Military Equipment. Any equipment issued to a State pursuant to applicable military regulations and accounted for by the State and United States Property and Fiscal Officer (USPFO).

E2.1.15. Military Supplies. Any supplies issued to a State pursuant to applicable military regulations and accounted for by the State and the USPFO.

E2.1.16. National Guard Bureau (NGB). A Joint Bureau of the Department of the Army and the Department of the Air Force, headed by a chief, who is the advisor to the Army Chief of Staff and the Air Force Chief of Staff on National Guard matters.

E2.1.17. Operation and Maintenance (O&M) Activities. Actions by the State, through employment by the State, by contract or hire of sufficient personnel, acquisition by contract of supplies or services, or other necessary actions, to perform the services, tasks, or activities within the scope of this MYCA, which are properly charged to an O&M appropriation.

E2.1.18. Physically and Mentally Capable. Having the ability to complete the activities of the program in which they are enrolled with reasonable accommodations made for the physical and other disabilities.

E2.1.19. School Dropout. A general term that describes a youth who is no longer attending any school and who has not received a secondary school diploma or a certificate from a program of equivalency for such diploma.

E2.1.20. State. Any one of the 50 States of the United States of America and includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories (as defined in reference (k)).

E2.1.21. State's Share of the Cost. The allowable contributions are cash, non-cash supplies, and services; to include supplemental resources (donated gifts and services) from other sources and indirect costs.

E2.1.22. Supplies. For the purposes of reference (n), any supplies purchased for the performance of this cooperative agreement that are not "military supplies" and are purchased through the State contracting procedures and not purchased through the Federal contract procedures.

E2.1.23. Territory. For purposes of laws relating to the militia, the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States, "Territory" includes Guam and the Virgin Islands (reference (k)).

E2.1.24. The Adjutant General (TAG). There is an Adjutant General in each State and Territory, Puerto Rico and the District of Columbia. The individual performs the duties prescribed by the laws of that jurisdiction. In the case of the District of Columbia, the President appoints the Adjutant General of the District of Columbia and prescribes his grade and qualifications.

E2.1.25. Unemployed. An individual who is not regularly employed in full-time work.

E2.1.26. United States Property and Fiscal Officer (USPFO). The qualified commissioned officer of the ARNG or the ANG, as the case may be, designated by the Chief, National Guard Bureau, to be the USPFO of a State or territory. The USPFO receives and accounts for all funds and property of the United States in the possession of the National Guard for which he is the property and fiscal officer and makes returns and reports concerning those funds and that property, as required by the Secretary concerned (32 U.S.C. 708) (reference (p)).