



U.S. HOUSE OF REPRESENTATIVES

Committee on Appropriations – Democratic Staff

House Republicans Slash National Service

September 12, 2006

NATIONAL SERVICE PROGRAMS ARE CUT DESPITE PRESIDENT BUSH'S CALL TO SERVICE

"Our country also needs citizens working to rebuild our communities... USA Freedom Corps will expand and improve the good efforts of AmeriCorps and Senior Corps to recruit more than 200,000 new volunteers."

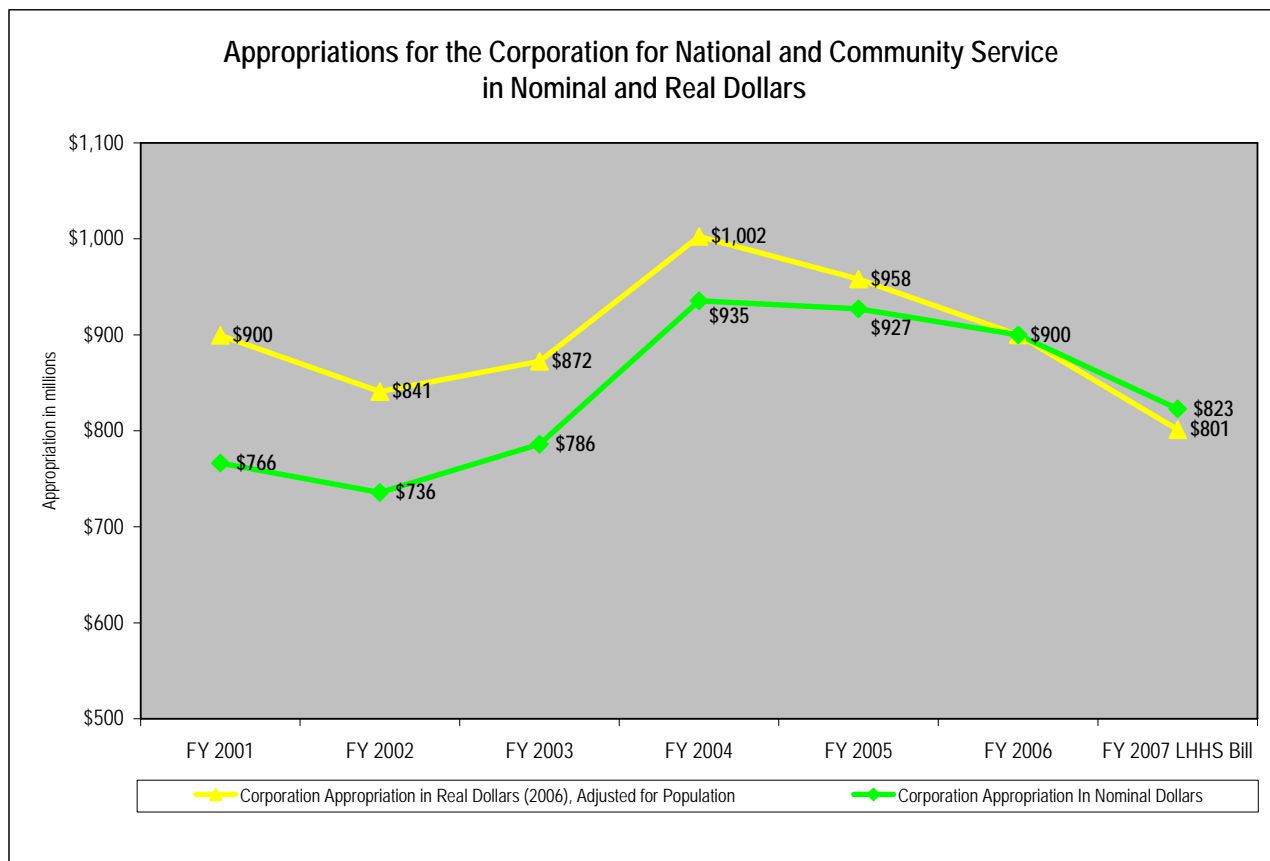
President George W. Bush
 State of the Union Address, January 29, 2002

In recent years, two Presidents – George H. W. Bush and William J. Clinton – made encouraging volunteerism and community service a national priority. First, with President Bush's Points of Light Foundation, and later, with the creation of President Clinton's Corporation for National and Community Service ("Corporation"), these two leaders spurred thousands of Americans to strengthen their communities and their nation by lending their neighbors a hand.

In the wake of September 11th, President George W. Bush proposed the USA Freedom Corps, his government-wide effort to promote national service. A key part of the USA Freedom Corps, the Corporation carries out its charge through three unique programs:

- **AmeriCorps** allows young adults to earn college assistance by serving their communities.
- **Learn and Serve America** helps public schools and colleges to link community service to education.
- **Senior Corps** enables older Americans to use their skills to address community needs.

Under Congressional Republicans, however, funding to encourage community and national service through the Corporation has dropped in both nominal and real dollars. This year, the Republican FY 2007 Labor-Health and Human Services-Education appropriations ("LHHS") bill cuts these efforts \$77 million (9 percent) below FY 2006¹ and \$112.5 million (12 percent) below FY 2004, when the Corporation's funding was at its peak.² In real terms, support for these volunteer programs will have been slashed 20 percent in the last four years. The result has been cuts in participation in all three national service programs.



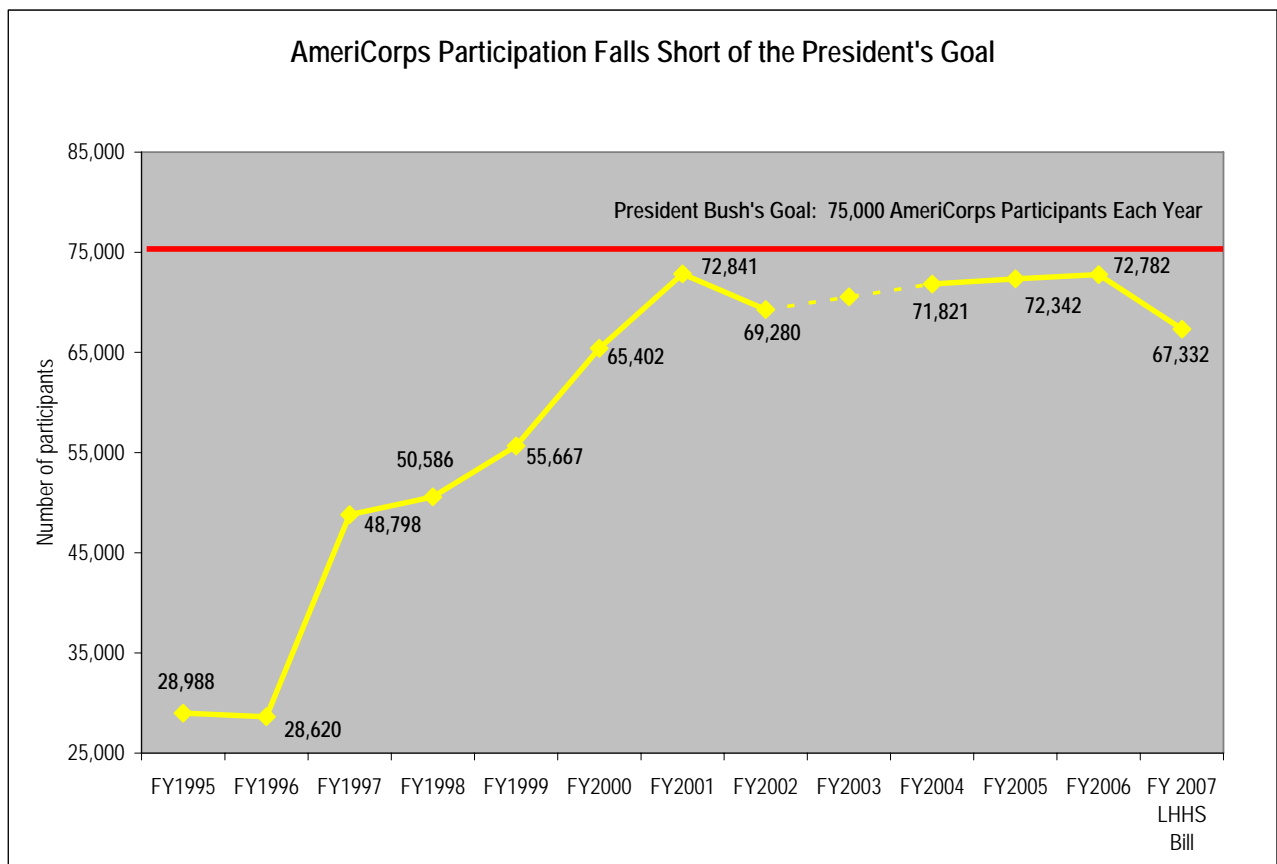
AMERICORPS PARTICIPATION FALLS SHORT OF THE PRESIDENT'S GOAL OF 75,000

"I'm a strong believer in AmeriCorps... they're doing good work. These are good kids from around the country who are dedicating time to help America, whether it be teaching kids how to read and write or add and subtract, or... protecting the environment."

President George W. Bush
April 23, 2004

Communities across the nation – most recently, in the Gulf Coast after Hurricane Katrina – have come to rely on the helping hands of thousands of AmeriCorps volunteers. For example, in the aftermath of Hurricane Katrina, the Director of Recovery for St. Bernard Parish praised the “monumental accomplishments” of AmeriCorps volunteers who helped set up an operations and logistics command center for the recovery work.³

Sadly, Congressional Republicans have responded by undercutting the efforts of these AmeriCorps volunteers. The Republican FY 2007 LHHS bill would cut AmeriCorps by nearly \$47 million (12 percent) below FY 2006 and almost \$91 million (21 percent) below FY 2004, when AmeriCorps' funding was at its peak. In real terms, support for AmeriCorps volunteers will have been cut 28 percent in just the last four years. As a result, the President's goal of 75,000 AmeriCorps volunteers has not been realized, falling nearly 7,700 volunteers short under the FY 2007 LHHS bill.⁴ These cuts come even as faith-based and other nonprofit community organizations report that they could use an additional six million volunteers.⁵



Note: In FY 2003, a strategic "pause" was implemented to temporarily halt AmeriCorps enrollment due to a budget deficiency. This resulted in a one-time drop in enrollment to 31,991 participants.

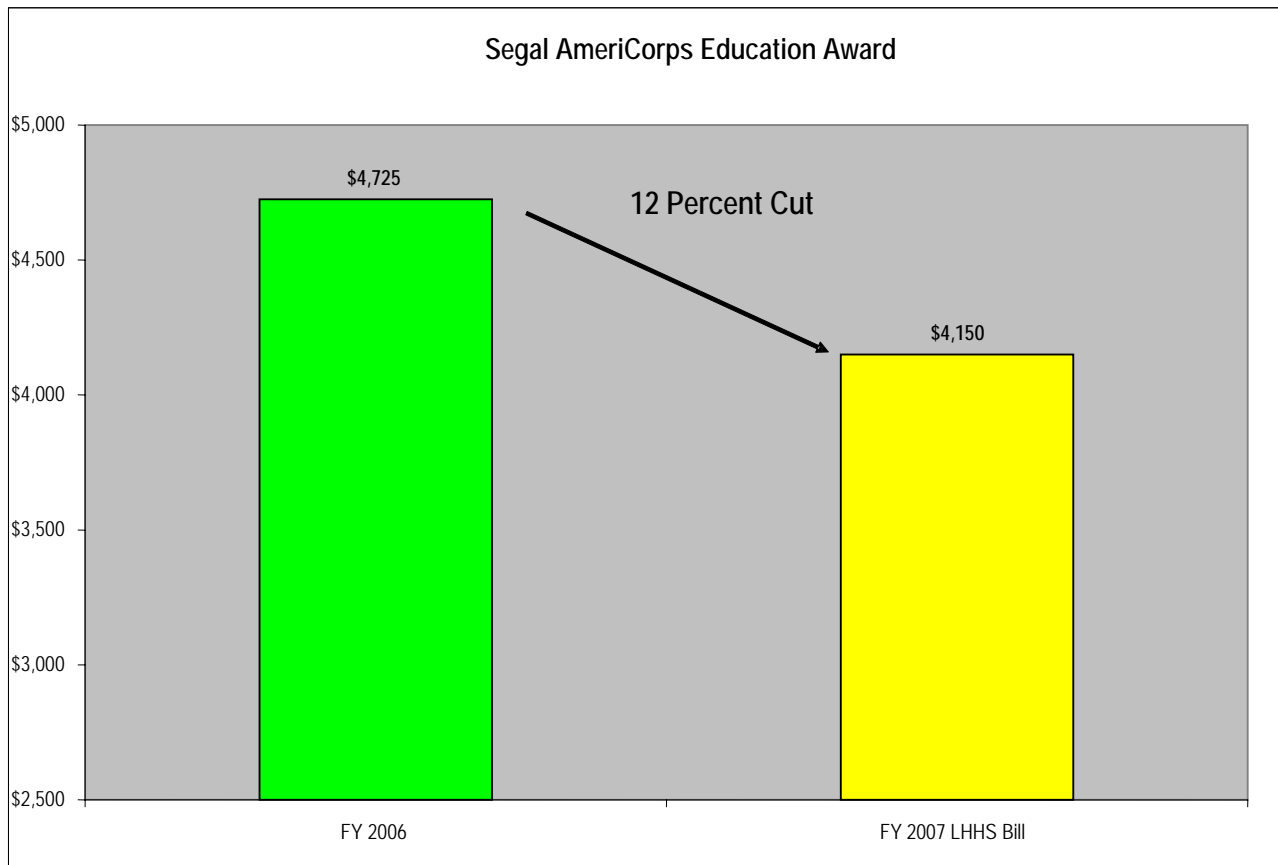
COLLEGE ASSISTANCE FOR AMERICORPS VOLUNTEERS IS CUT

"I look forward to working with Congress to help higher ed become more affordable for people from all walks of life. It's a good use of your money. It really is. And it makes sense, particularly, in a changing world, where the job base is changing and the skill sets for those jobs are changing dramatically."

President George W. Bush
March 2, 2005

President Clinton created AmeriCorps to serve the goals of encouraging community service and making college more affordable for working families. In its first year, AmeriCorps provided \$4,725 to young adults who completed a year of public service – an amount equal to approximately 90 percent of the G.I. education benefit and the cost of a year's study at a public university. Since that time, however, the amount of aid earned by AmeriCorps volunteers has not increased even as families face rapidly rising tuition costs. In fact, if this aid had been increased on par with the G.I. education benefit it would be more than \$13,000 per student today.⁶

Instead of restoring the purchasing power of this education benefit, the Republican FY 2007 LHHS bill would actually *cut* the college aid available to AmeriCorps volunteers by \$575 (12 percent) by capping its value at the amount of the maximum Pell Grant, which is set at \$4,150 in the bill. The AmeriCorps volunteers' education benefit, however, is taxed at a marginal rate of 15 percent or more whereas the Pell Grant is *not* taxed. As a result, AmeriCorps volunteers would see the value of their college aid drop to \$3,528 or less after taxes. Under the Republican proposal, approximately 30,000 volunteers would see their AmeriCorps college aid award reduced next year. That number would total 150,000 students over the next five years.



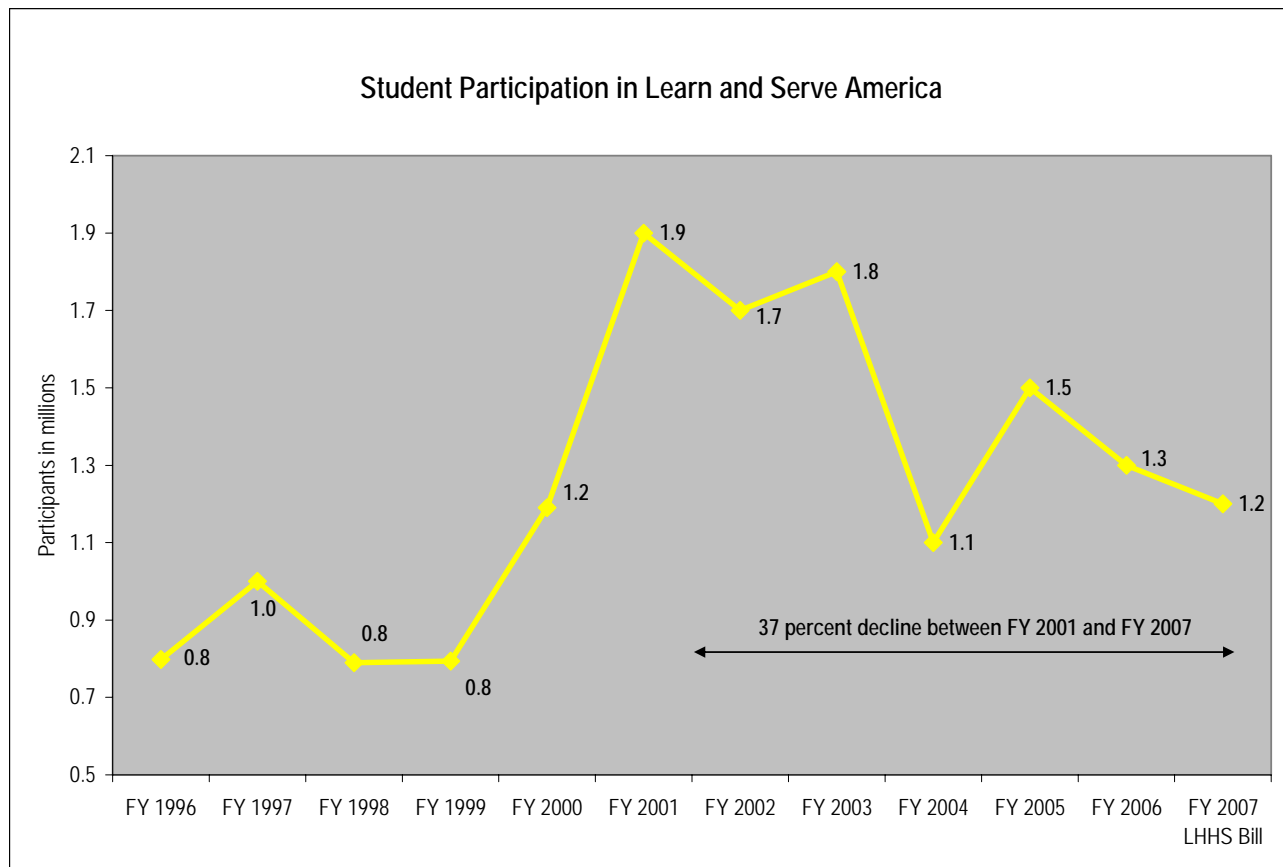
STUDENT PARTICIPATION IN LEARN AND SERVE HAS DECLINED

*"I know that when I apply for a job, I can use my service learning experience to showcase my 'real' world skills. What I understand about my community has grown with my participation in service learning... It is extremely important to be connected with one's community, and service learning gives students an opportunity to make the connection."*⁷

Student at California State University, Stanislaus.

Learn and Serve America helps students build academic and civic skills through grants for service-learning projects that incorporate community service into classroom and extracurricular learning. For example, in response to the hurricane-related devastation in the Gulf Coast region, tens of thousands of college students supported by Learn and Serve collected school supplies and prepared disaster relief kits. Students developed vital skills not just through participating, but in many instances, planning and leading these projects.

With the \$34.2 million provided in the FY 2007 LHHS bill, 100,000 fewer K-12 and college students would serve their communities through Learn and Serve compared to FY 2006, and 700,000 fewer students would serve compared to FY 2001 when participation peaked – a 37 percent decline. Lack of funding has meant that only one in five schools and colleges that wanted to offer service opportunities to their students were able to receive Learn and Serve assistance in FY 2006. Without additional support we will be unable to achieve the Administration's goal of five million college students engaged in service (up from 3.8 million) and 50 percent (up from 38 percent) of public schools incorporating service learning into their curricula by 2010.



Note: The drop in enrollment in FY 2004 results, in part, from the cyclical nature of Learn and Serve's three-year funding cycle.

NATIONAL SERVICE OPPORTUNITIES FOR SENIORS ARE ALSO ON THE DECLINE

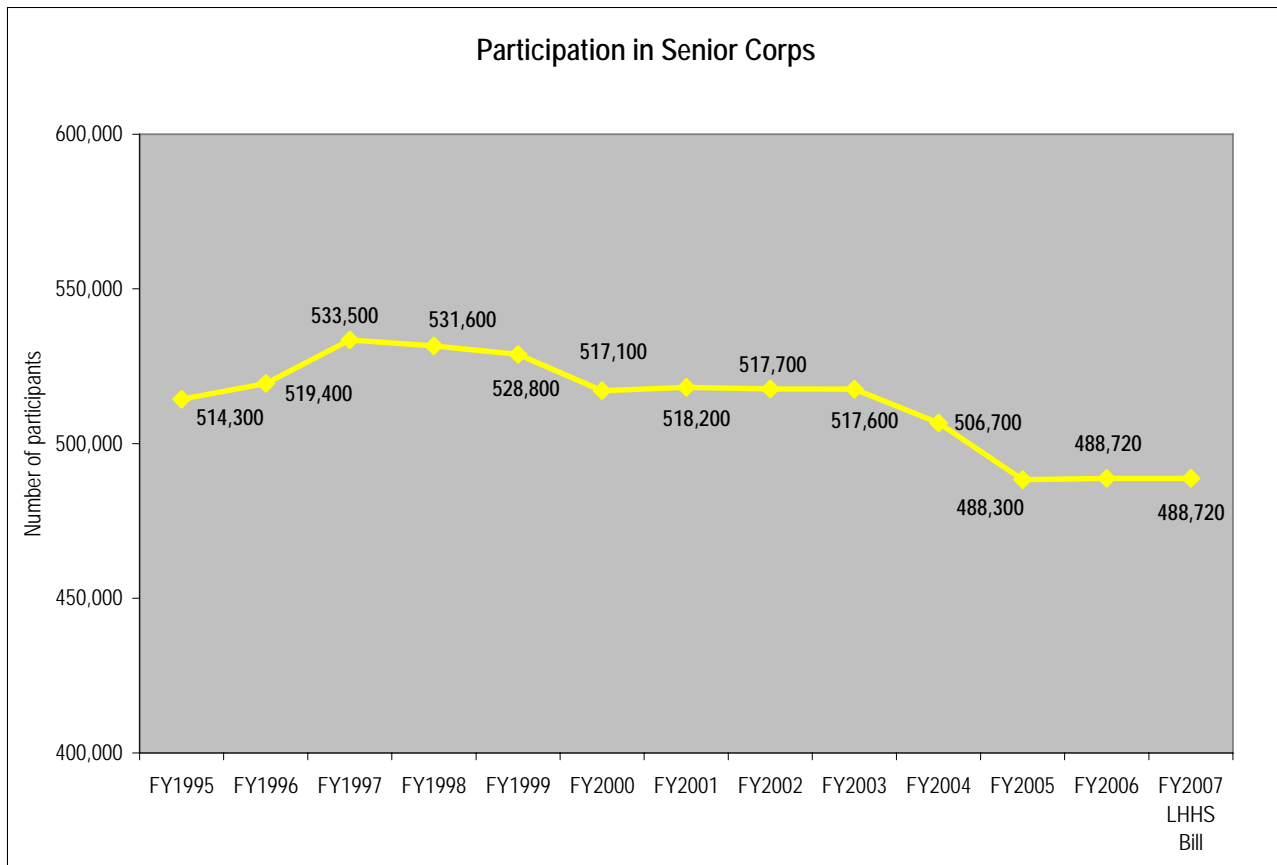
The need for more Senior Companions is growing exponentially. Those over 85 are the fastest growing cohort of the overall senior population. The population over 85 is likely to need assistance to remain in their own homes or their caregivers will need respite in order to be able to continue caring for them.

Corporation for National and Community Service, 2005.⁸

Since its origin in the 1960s, Senior Corps has facilitated meaningful volunteer opportunities for individuals age 55 and older while helping to meet critical community needs. A few of the ways older Americans have put their skills and experiences to good use through Senior Corps include:

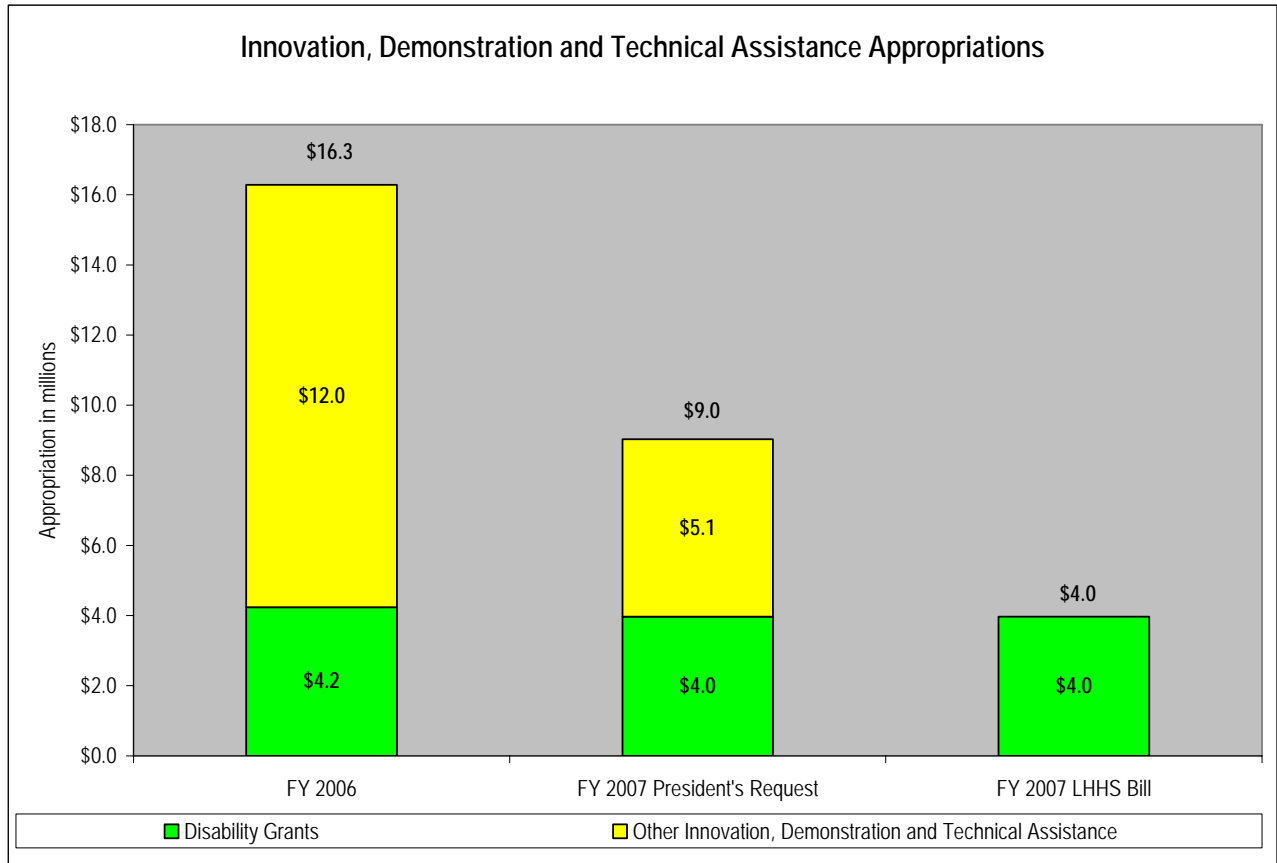
- Mentoring and tutoring disadvantaged children and troubled youth;
- Counseling other senior citizens on Social Security and the Medicare prescription drug program;
- Helping to immunize people in clinics, hospitals and other community settings; and,
- Taking home-bound seniors to the grocery store and doctor appointments.

Under the Republican FY 2007 LHHS bill, 488,720 seniors would find volunteer opportunities through Senior Corps - the second lowest number in a decade. While the bill provides \$217.6 million for Senior Corps, in real terms, funding has declined by 12 percent since FY 2003, when Senior Corps' funding was at its peak.



MOST INNOVATION AND TECHNICAL ASSISTANCE INITIATIVES ARE ELIMINATED

The Corporation has a small amount of funds that it uses to support innovation, demonstration and technical assistance activities. The \$16.3 million available for these initiatives in FY 2006 is slashed to only \$4 million in the FY 2007 LHHS bill. These funds are restricted to grants that aim to increase the number of persons with disabilities in national service activities. The bill eliminates all other Corporation resources to test new ideas and promote best practices, strengthen the skills of people overseeing local volunteer programs, and improve the performance and financial management of state service commissions and their volunteer programs.⁹



SUMMARY

After September 11th, President Bush challenged all Americans to commit at least two years to the service of their neighbors and the nation. However, under Congressional Republicans, many Americans have seen paths to valuable community service closed off due to a \$112.5 million cut in these efforts since FY 2004, when funding was at its peak. In real terms, support for national service will have been slashed by \$201.1 million over that period. At a time when Americans are yearning for a way to give back to their country and community, Congressional Republicans seem intent on discouraging citizens from volunteering and strengthening America through AmeriCorps and other Corporation-supported volunteer opportunities.

Corporation for National and Community Service Appropriations, FY 2001-FY 2007

(dollars in millions)

Nominal Dollars									
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007 LHHS Bill	<i>Dollar Change FY06-07</i>	<i>Percent Change FY06-07</i>
AmeriCorps*	\$334.5	\$350.6	\$292.4	\$430.7	\$407.2	\$387.0	\$340.3	-\$46.8	-12.1%
Learn & Serve	\$42.9	\$43.0	\$42.7	\$42.7	\$42.7	\$37.1	\$34.2	-\$3.0	-8.0%
Senior Corps	\$188.5	\$206.4	\$215.9	\$214.3	\$215.9	\$217.6	\$217.6	\$0.0	0.0%
Innovation, Demonstration and Assistance Activities	\$28.4	\$28.5	\$35.3	\$11.2	\$13.2	\$16.3	\$4.0	-\$12.3	-75.6%
National Service Trust	\$69.8	\$0.0	\$99.4	\$129.2	\$142.8	\$138.6	\$124.7	-\$13.9	-10.0%
Program Administration	\$32.2	\$32.2	\$34.3	\$61.3	\$64.5	\$66.1	\$67.5	\$1.4	2.1%
All Other	\$69.8	\$75.0	\$66.1	\$45.9	\$40.7	\$37.3	\$34.8	-\$2.5	-6.7%
Total	\$766.3	\$735.7	\$786.1	\$935.4	\$927.0	\$900.0	\$822.9	-\$77.0	-8.6%

Real Dollars**									
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007 LHHS Bill	<i>Dollar Change FY06-07</i>	<i>Percent Change FY06-07</i>
AmeriCorps*	\$392.7	\$400.8	\$324.5	\$461.6	\$420.8	\$387.0	\$331.3	-\$55.7	-14.4%
Learn & Serve	\$50.4	\$49.1	\$47.4	\$45.8	\$44.1	\$37.1	\$33.3	-\$3.9	-10.4%
Senior Corps	\$221.3	\$235.9	\$239.7	\$229.6	\$223.1	\$217.6	\$211.8	-\$5.7	-2.6%
Innovation, Demonstration and Assistance Activities	\$33.4	\$32.6	\$39.1	\$12.0	\$13.7	\$16.3	\$3.9	-\$12.4	-76.3%
National Service Trust	\$82.0	\$0.0	\$110.3	\$138.5	\$147.6	\$138.6	\$121.4	-\$17.2	-12.4%
Program Administration	\$37.8	\$36.8	\$38.1	\$65.7	\$66.6	\$66.1	\$65.7	-\$0.4	-0.6%
All Other	\$82.0	\$85.7	\$73.3	\$49.2	\$42.1	\$37.3	\$33.9	-\$3.4	-9.1%
Total	\$899.5	\$840.9	\$872.5	\$1,002.3	\$958.0	\$900.0	\$801.2	-\$98.7	-11.0%

*Includes AmeriCorps State and National, Volunteers in Service to America (VISTA), and the National Civilian Community Corps (NCCC). FY 2006 figures do not reflect a one-time supplemental emergency appropriation of \$10 million for the NCCC for Hurricane Katrina recovery activities.

** In 2006 dollars, adjusted for population growth.

Numbers may not add due to rounding.

¹ Budget figures for the Corporation (and AmeriCorps) do not reflect a one-time emergency appropriation of \$10 million provided in FY 2006 for Hurricane Katrina recovery activities.

² The Committee Report accompanying the FY 2007 LHHS Bill attempts to justify these cuts by pointing to funds that the Corporation is permitted to carry over from one year to the next, stating that: "routine high balances appear to demonstrate that the Corporation has received significantly more funding than programs under the National and Community Service Act can absorb on an annual basis." However, these carry-over balances have been reduced from 8 percent of the Corporation's annual appropriation in FY 2001 to only 2.4 percent projected in FY 2007. Since the Corporation plans to utilize all appropriated funds within the two-year period that the funds are available, the FY 2007 cuts mean real reductions for national and local nonprofit agencies that depend on AmeriCorps volunteers to deliver services to their communities.

³April 26, 2006 letter to The Honorable David Obey from David Dysart, Director of Recovery, St. Bernard Parish, Chalmette, Louisiana.

⁴ President Bush called for an increase in AmeriCorps membership in his 2002 State of the Union Address and has included a request for 75,000 AmeriCorps members in each budget request since then.

⁵Corporation for National and Community Service, FY 2006 Congressional Budget Justification, page 182.

⁶Congressional Research Service calculation of the Education Award based on Montgomery-GI Bill, based on the 1993 methodology, September 12, 2006.

⁷ California State University, Community Service Learning in the California State University, 2005-2006, page 21.

⁸Response to Question for the Record, Fiscal Year 2006 Hearings before the Subcommittee on the Departments of Labor, Health and Human Services, and Related Agencies, Part 6, page 543.

⁹The Committee Report accompanying the FY 2007 LHHS Bill suggests that training and technical assistance activities should be carried out through other Corporation programs. Although Corporation grantees are allowed to use grant funds to contract funds for training and technical assistance, the Corporation itself is not authorized to use AmeriCorps or Learn and Serve funds for training and technical assistance.