

## Key Messages and Talking Points: FY25 AmeriCorps Funding

### **The Challenge:**

For 30 years, AmeriCorps members have provided critical services to communities in need across the nation, from responding to natural disasters and food insecurity to providing support for veterans, seniors, and students, and much more. Yet today, AmeriCorps faces an existential crisis.

Congress is in the middle of a challenging debate regarding the federal budget and the government's investment priorities. Some in Congress think that they can find budget savings by cutting AmeriCorps funding and the House Appropriations Committee has written a bill that eliminates support for AmeriCorps State and National, the National Civilian Community Corps (AmeriCorps NCCC), State Service Commissions, and AmeriCorps Education Awards – threatening the heart and soul of AmeriCorps and more than 71,000 service opportunities.

The House is proposing these cuts at the same time that AmeriCorps is already approaching a fiscal cliff that could lead to substantial reduction in AmeriCorps and AmeriCorps Seniors positions.

Since 2021, the AmeriCorps agency has been effectively leveraging \$1 billion in supplemental funding from the American Rescue Plan Act (ARPA) to add AmeriCorps positions and increase AmeriCorps member living allowances, but those funds have now been spent or rescinded. As a result, even FY24-level funding for AmeriCorps will cause the program to shrink by one-third in FY25, and more than 27,000 AmeriCorps and 6,000 AmeriCorps Seniors positions could be eliminated.

Anything less than increased funding for AmeriCorps in FY25 will lead to a significant reduction in opportunities to serve and essential resources for local communities that rely on AmeriCorps.

### **The Solution:**

Given the explosion of needs in our communities, now is the time to invest in AmeriCorps, not cut it.

AmeriCorps needs an increase in FY25 appropriations to maintain critical services and member positions across the country. **An additional \$345 million above the FY24 enacted level will protect AmeriCorps service positions and the recent strategic investments that have been made to AmeriCorps member living allowances.** This increased funding will ensure communities can count on AmeriCorps for help where it is needed most – at the same level they receive today.

### Talking Points

- Communities depend on AmeriCorps. AmeriCorps members are the “people power” that local nonprofit, faith-based, and community organizations train and deploy to respond to our country's most immediate and critical needs.
  - *[Explain how AmeriCorps funding and AmeriCorps members help your organization deliver tangible impact in the state or congressional district.]*
    - Because of AmeriCorps, we are able to ...
    - Without AmeriCorps, we would be unable to ...

- With the explosion of needs in our community, now is the time to invest in AmeriCorps, not cut it.
- AmeriCorps is one of the federal government's best investments. Unlike most federal programs, we match AmeriCorps grants with funds from philanthropic and local sources. For every \$1 Congress invests, this public-private partnership returns more than \$17 in community benefits.
- While we know that Congress is in the middle of a challenging debate regarding the federal budget and what the country should invest in, the House of Representatives is considering a spending bill that includes devastating and disproportionate cuts to AmeriCorps.
- If the House bill were to become law, it would gut the AmeriCorps program and eliminate 71,000 AmeriCorps service positions. This would destroy a national service infrastructure built over three decades, stripping our community of resources, people power, and services that we rely on.
- While the House bill would be catastrophic for AmeriCorps and the nonprofit sector, **anything less than increased funding for AmeriCorps in FY25 will also lead to substantial reductions in service positions** and the resources that rural and urban communities count on.
  - If AmeriCorps were to receive FY24-level funding, as many as 27,000 AmeriCorps and 6,000 AmeriCorps Seniors positions are at risk of being eliminated.
- Since the pandemic, we have seen increasing demand for services. But without an increased investment in FY25, local nonprofits stand to lose the AmeriCorps resources required to continue delivering critical services that benefit millions of Americans and their communities.
  - *[Explain how potential cuts in AmeriCorps positions would affect your organization. Speak to specific programs and community impact that you think may be affected and include data/anecdotes where able.]*  
*[Without AmeriCorps funding] or [With less AmeriCorps funding], our organization would not be able to ...]*
- A significant reduction in AmeriCorps' footprint would destabilize – or close – hundreds of nonprofits, faith-based, and community organizations that utilize AmeriCorps members.
- We know that Congress faces challenging budget choices, but cutting AmeriCorps is short-sighted for a program that has returns \$17 in benefits to local communities for every \$1 the federal government invests.
- **To protect AmeriCorps service positions, \$1.5 billion is needed in FY25 for the program operating accounts and the National Service Trust Fund.** This is \$345 million above FY24 funding. This additional investment will ensure communities can count on AmeriCorps for help where it is needed most – at the same level they receive today.
  - The AmeriCorps Operating Accounts include AmeriCorps State and National, AmeriCorps VISTA, AmeriCorps NCCC, Foster Grandparents, Senior Companions, RSVP, the Volunteer Generation Fund, and State Commission Grants.
  - The National Service Trust Fund provides AmeriCorps education awards, a post-service benefit earned at the completion of one's service term that can be used to repay qualified student loans or to pay current educational expenses at eligible colleges and training programs.

## Possible Q/A

- How many AmeriCorps members are currently serving?
  - In FY23, the AmeriCorps agency used a combination of annual appropriations and American Rescue Plan Act funds to support more than 78,000 AmeriCorps and 143,000 AmeriCorps Seniors positions.
- I heard that there have already been cuts to AmeriCorps grants and positions in FY24, how have nonprofits been impacted?
  - In FY24, the American Rescue Plan Act funds that the agency had planned to use to support thousands of AmeriCorps service roles were unexpectedly rescinded. Without those funds, the agency had to decrease the number of AmeriCorps positions available, impacting recruited service members, host organizations, service partners, and communities.
  - AmeriCorps had to discontinue its successful VISTA Summer Associate program, which would have deployed nearly 2,500 AmeriCorps members to 720 service sites this summer to help alleviate poverty through education, public health programming, and more.
  - In the AmeriCorps State and National competition, the Agency had \$70 million less to award compared to last year and was able to grant resources to 50 fewer nonprofit, faith, and community-based organizations. Hundreds more had their grant awards reduced.
  - We are still assessing the full impact in FY24.
- How does the Voices for National Service FY25 ask compare to President Biden's FY25 budget request?
  - Voices for National Service is calling for an increase in AmeriCorps funding above President Biden's FY25 budget request.
  - In FY23, the AmeriCorps agency awarded funding to support more than 78,000 AmeriCorps members.
  - While President Biden's budget seeks a modest \$29 million increase in funding, it will only support 52,000 AmeriCorps service positions, nearly 27,000 fewer service roles than the agency awarded one year ago. A reduction in AmeriCorps' footprint would destabilize countless nonprofit, faith-based, and community organizations that rely on AmeriCorps members and funding.
  - The Voices for National Service request of \$345 million over FY24 enacted levels is critical to protect AmeriCorps service opportunities across the country, as well as the long overdue strategic investments that have been made in AmeriCorps member living allowances.
- Is your program having trouble filling its AmeriCorps slots?
  - During the COVID-19 pandemic and recovery period, AmeriCorps programs faced a 2-year decline in applications and enrollment dipped. Service – like the broader workforce - was impacted by the mandatory social distancing, stay-at-home orders, and the 'great resignation,' all of which reshaped the way Americans work and participate in service. But interest started to rebound in 2023 and programs are reporting year over year gains in AmeriCorps applications.

- Voices for National Service surveyed AmeriCorps programs in April 2024 and found most are on the path back to their pre-pandemic outcomes and demand for AmeriCorps service opportunities has grown by 68% in the last two years.
- Is this agency stewarding federal dollars properly? We have heard about audits and claims that the AmeriCorps agency does not conduct proper oversight of its grants.
  - In our experience as a grantee, AmeriCorps has rigorous monitoring practices to ensure programs and members are compliant with grant requirements. When noncompliance is identified, grantees are held accountable through collection of disallowed costs, development of corrective actions, or other appropriate remediations.
  - However, by design, AmeriCorps was established as administratively lean. This, at times, has resulted in underinvestment in core business operations, with administrative funding not keeping pace with programmatic requirements and resulting in years of deferred investments in operations and infrastructure.
  - Under current agency leadership, AmeriCorps has made strengthening financial and operational management a top priority, addressing historical underinvestment in the agency's people, processes, and systems.
  - The agency launched a multi-year, whole-of-agency effort – the Financial and Operational Reform plan – to improve and sustain the agency's mission operations, remediate audit findings, and enhance financial reporting.
  - They have made significant progress: working rapidly to respond to OIG and GAO recommendations, fix deficiencies, modernize their IT systems, and build a stronger agency.
  - With increased funding in FY25, the agency will be able to deploy AmeriCorps members to address locally-determined needs across the country, while they continue to make necessary improvements to their operations and infrastructure.