



Corporation for National and Community Service COVID-19 Emergency Supplemental Appropriations & Legislative Relief

The COVID-19 pandemic will have an enormous and unprecedented impact on our country. The charitable sector – fueled by national service members – will be called upon to provide additional services to help the nation recover. At the same time, the economic downturn and the COVID-19 response that is directing all Americans to stay home has already started to reduce contributions and other sources of revenue that national service organizations depend upon. Many of our organizations have cancelled critical fundraising events. Payments from our ‘fee for service’ contracts will be stalled or lost as a result of closed or suspended programming. During the 2008 recession, philanthropy decreased and we are already seeing our private sector contributions decline again. All of this will impact the non-CNCS funding that is critical to sustaining our national service programs.

These COVID-19 emergency supplemental appropriations and legislative relief recommendations -- developed by Voices for National Service and the national service community for the programs operated and supported by the Corporation for National and Community Service – are critically needed to stabilize grantee organizations affected by closures and help maintain operations so these organizations can continue to support their AmeriCorps and Senior Corps members, provide immediate relief to the communities they serve, and be part of the long-term national response to the COVID-19 pandemic.

Appropriations Request

Provide \$250 million in emergency funding to the Corporation for National and Community Service (CNCS):

Emergency funding for national service programs can stabilize grantees from closures throughout the country, help maintain operations, resource alternative forms of service and fund new grants and AmeriCorps and Senior Corps positions to address increasing demands.

CNCS should use new funding to supplement or expand existing AmeriCorps, Senior Corps and Volunteer Generation Fund grants, new AmeriCorps VISTA projects, additional AmeriCorps NCCC positions and to finance new AmeriCorps education awards. Funding should also be available for CNCS and state commission administration, as well as COVID-19 relief and recovery training and mental health counseling for new and existing grantees.

To move resources quickly to the impacted programs and communities, CNCS should have authority and direction to:

- Allow existing AmeriCorps and Senior Corps grantees to apply for augment grants to help cover match funding that was lost as a direct result of COVID-19;

- Allow existing grantees to apply for augment grants to reimburse costs for extraordinary or unbudgeted expenses related enrolled member safety, emergency housing, food security, redeployment, reassignment and more.

For new AmeriCorps, Senior Corps and Volunteer Generation Fund grants, CNCS should have authority and direction to:

- Streamline the application and member enrollment process to ensure grants can be approved and resources deployed quickly;
- Waive the match requirement for all COVID-19 relief and recovery projects and approve alternative match requirements for state commissions;
- Allow programs to apply for a higher reimbursement/member to allow for extraordinary expenses related to COVID-19 relief and recovery, such as training, counseling, support services and declines in charitable giving.

CNCS has received supplemental appropriations before and is experienced in getting resources into impacted communities quickly. (The Emergency Supplemental Appropriations Act of 2006 for Defense, the Global War on Terror, and Hurricane Recovery. The American Recovery and Reinvestment Act of 2009.) ARRA provided \$200 million in funding for CNCS and the funding was used to deploy an additional 10,316 AmeriCorps State & National and 4,430 AmeriCorps VISTA members, provide match relief to grantees running these programs and improve CNCS' Information Technology infrastructure. These AmeriCorps members provided vital services to people facing unemployment, poverty, or other challenges by offering job counseling and placement services, providing foreclosure prevention and financial counseling, weatherizing homes, strengthening food banks, supporting health care and independent living services, and more.

Authorizing Request – HELP/ED and Labor

AmeriCorps Education Awards: AmeriCorps members are eligible for an Education Award (Segal AmeriCorps Education Award). It is tied to the Pell Grant Award and statute requires that the prescribed number of service hours be completed in order for the member to be eligible for a full education award. As a result of the COVID-19 issues, many service locations are being closed. We anticipate that many of our AmeriCorps members will no longer meet the hour requirements to qualify for the full Education Award. **Providing the agency with a waiver for the statutory requirement that members serve a requisite number of hours in order to receive their scholarship (Segal AmeriCorps Education Award), would allow flexibility in instances where COVID-19 issues prevented them from fulfilling service hours requirements.**

Legislative Text:

- “Notwithstanding the DVSA or the NCSA any individual earning an education award can accrue hours (service or training, including professional development) to count to their education award while performing limited service, or maintain eligibility while on hold or suspension due to COVID-19. Moreover, if an individual is required to exit early, or exit at the end of the service term with less than the requisite number of hours due to extraordinary circumstances related to COVID-19, they can earn the full value of the education award, if approved by the program and at the discretion of the CEO.”

Fixed Price Grants: Currently, fixed price grant funds are tied to the number of member hours served, rather than the number of enrolled members actively serving or exited. As members decrease their hours or suspend their service due to COVID-19, fixed price grantees will be unable to fully leverage their current grant funds. **Ensuring fixed price grantees can access funds if members are enrolled but not serving, or serving in a limited capacity and accruing less than the target number of hours due to COVID-19, would help fixed price grantees maintain operations.**

Legislative Text:

- “Notwithstanding section 129(l)(3)(A)(i) of the NCSA, fixed amount grant recipients do not have to return a pro rata amount of grant funds, as specified in 129(l)(3)(A)(i), for participants who were suspended, exited early or exit at the end of the service term with less than the requisite number of hours for compelling personal circumstances related to COVID-19.”

Lift Regulations that Cap the Number of Hours AmeriCorps Members Can Spend in Education, Training and Fundraising to Support Service Activities:

CNCS regulation 45 CFR § 2520.50 says that “no more than 20 percent of the aggregate of all AmeriCorps member service hours in your program, as reflected in the member enrollments in the National Service Trust, may be spent in education and training activities.” CNCS regulation 45 CFR § 2520.45 says that “an AmeriCorps member may spend no more than ten percent of his or her originally agreed-upon term of service, as reflected in the member enrollment in the National Service Trust, performing fundraising activities, as described in § 2520.40.”

To address the immediate need of programs due to the disruption to their planned service activities, Congress should override the regulation and authorize CNCS and programs to exceed these limits, permitting members to spend additional time in training, professional development, education and fundraising to support their service activities.

AmeriCorps and Senior Corps Program Match Relief: Currently, AmeriCorps and Senior Corps grantees are required to provide a percentage of match to the federal funds (it ranges from 10%-50% depending on the grantee). As communities deal with the economic impacts of COVID-19, grantees will struggle to fully meet their expected match requirements which will decrease their ability to access all grant funds. **Waiving the match requirements during the COVID-19 emergency and response (grants awarded in FY19 and FY20) will allow grantees to fully utilize available funding and alleviate the risk of reducing service in communities due to lack of match.**

Legislative Text:

- “The requirement for grant recipient or subrecipient to match federal share of assistance provided under the NCSA or DVSA, is waived during the COVID-19 emergency response (grants awarded in FY19 and FY20).”

Extension of FY 2020 Money: CNCS may have limited unexpended appropriated dollars at the end of the fiscal year due to delays or changes required for COVID-19 response. CNCS should be given authority to carryover these funds and apply these resources to FY21 activities, especially targeted to recovery efforts in the coming fiscal year. CNCS should also be given flexibility to transfer funds between accounts and program lines in order to augment existing AmeriCorps and Senior Corps grants.

Authorizing Request – Finance/Ways and Means

Every AmeriCorps member who completes a term of service receives a Segal AmeriCorps Education Award that may be used to pursue a future degree or to pay off existing, qualified student loans. The value of the AmeriCorps Education Award is linked to the maximum amount of a federal Pell Grant for the year in which the AmeriCorps member served. Under federal law, recipients of the Segal AmeriCorps Education Award are disadvantaged compared to the recipients of other education award programs designed with a similar purpose. Neither Pell Grants for low-income students nor education benefits provided under the G.I. Bill are considered taxable income, yet the AmeriCorps Education Award operates as fully taxable income. Furthermore, recipients of the AmeriCorps Education Award are not able to convert their award to cash to pay resulting taxes when the award is collected. For many AmeriCorps members, the impact of this federal tax obligation is unanticipated, leaving them unprepared and unable to pay the resulting tax, which can range from couple hundred dollars to more than a thousand dollars. The tax on the AmeriCorps Education Award effectively reduces the value of its impact, and AmeriCorps alumni report feeling penalized or short-changed after using their earned benefit.

Legislative Solution:

- Senator Michael Bennet (D-CO), Senator Johnny Isakson (R-GA) and Representative John Lewis (D-GA) introduced S. 1355 and H.R. 1794, the Segal AmeriCorps Education Award Tax Relief Act, legislation to exclude the award from federal income tax.

If you need additional information on the COVID-19 Emergency Supplemental Appropriations & Legislative Relief recommendations, please contact Jennifer Ney, Managing Director of Voices for National Service at jney@cityyear.org or 202-742-7380.

Voices for National Service (www.voicesforservice.org) is a diverse coalition of AmeriCorps and Senior Corps programs, state service commissions and individual champions, who work to ensure Americans of all ages and backgrounds have the opportunity to serve and volunteer in their community. Founded in 2003, Voices for National Service has built strong bipartisan support among our nation's leaders and helped to elevate national service as a powerful strategy for tackling unmet needs, preparing young people for work, uniting our country and developing civic character. Forthcoming research has found that investing in AmeriCorps and Senior Corps is universally supported by voters and makes good economic sense. TargetPoint Consulting found that 4 in 5 voters across party lines support maintaining or increasing the federal investment in national service. ICF conducted a cost-benefit analysis and return on investment study and found that every \$1 in federal taxes invested in AmeriCorps and Senior Corps returns \$17.30 to society, program members, and the federal government.

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