

Recommendations updated on March 31, 2020 after passage of CARES Act



## 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 is constricting contributions and other sources of revenue that national service organizations depend upon. Organizations have cancelled critical fundraising events. Payments from ‘fee for service’ contracts are stalled or lost as a result of closed or suspended programming. During the 2008 recession, philanthropy decreased and private sector contributions have started to decline again. Fiscal challenges caused by COVID-19 have impacted 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 \$500 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. Funding should be available through September 30, 2021.

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

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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 for the current program year and next program year that was -or will be 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 to 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 AmeriCorps State/National and Senior Corps programs including but not limited to COVID-19 relief and recovery projects for the current program year and next program year;
- 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 Match Relief:** AmeriCorps grantees with Cost-Reimbursement grants are required to match their federal awards. The program match requirement is an overall percentage of the total costs of the program and ranges between 24-50% depending on the program year. For example, a program who is in year 10 with a 50% match, must raise \$1 non-CNCS dollar to match every \$1 CNCS grant dollar. If grantees cannot raise their required match, federal law requires that their AmeriCorps grant be adjusted and the grantee will be forced to return a portion of their federal funding.

The AmeriCorps program's match requirements are expressed as an overall percentage of the total costs of the program and varies depending on the program year. The minimum required match by program year is as follows:

Year 1-3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
24%	26%	30%	34%	38%	42%	46%	50%

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As communities deal with the economic impacts of COVID-19, grantees are struggling 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 federal funding and alleviate the risk of reducing service in communities due to lack of match funding.**

Congress provided relief for Fixed Amount grants in H.R. 748, the Coronavirus, Aid, Relief, and Economic Security (CARES) Act. Fixed price grant funds are tied to the number of member hours served, and as members decrease their hours or suspend their service due to COVID-19, fixed price grantees were in jeopardy of not being able to fully leverage their current grant funds. The CARES Act explicitly says that Fixed Amount grantees are not required to return grant funds and can access their full federal award to maintain operations even if their AmeriCorps members were exited early, suspended or serving in a limited capacity due to COVID-19. The Director of Senior Corps has existing authority to allow exemptions to local matching support requirements for the RSVP, Foster Grandparent and Senior Companion programs during an economic downturn, the occurrence of a natural disaster, or similar events in the service area that severely restrict or reduce sources of local support. The CEO of CNCS, however, does not have similar broad authority to waive match requirements for Cost-Reimbursement AmeriCorps grantees. Congress should waive the AmeriCorps match requirements during the COVID-19 emergency and response and allow all grantees to fully utilize their federal awards. CNCS grantees should not be forced to return grant funds to the federal government and as they deal with the economic impacts of COVID-19 on their non-CNCS funding sources.

Waiving the match requirement will not alleviate the need for additional revenue, and every grantee will continue to try to raise the resources required to sustain their operations. CNCS does not provide full support for an AmeriCorps grantee's total program costs. Additional resources, whether cash or in-kind, are necessary to successfully operate an AmeriCorps program.

Legislative Text:

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

**AmeriCorps VISTA Stipends:** A full-time AmeriCorps VISTA member can choose to receive the Segal AmeriCorps Education Award, worth approximately \$6,000, or an end-of-service cash stipend, worth approximately \$1,800, at the end of their service term. The statute requires that a prescribed number of service hours must be completed in order for the AmeriCorps VISTA member to be eligible for these benefits. The CARES Act provided CNCS with a waiver to allow AmeriCorps and AmeriCorps VISTA members to earn the full value of their Segal AmeriCorps Education Award if COVID-19 prevented them from fulfilling their service hour requirements. But the bill does not address the VISTA cash stipend. A technical correction is required to ensure that AmeriCorps VISTAs who selected the end-of-service cash stipend can collect its full value if COVID-19 prevented them from fulfilling their service hour requirement.

**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 regulations 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

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activities. For example, under the conditions of COVID-19, AmeriCorps members are supporting communities through virtual service, such as distance-based student learning, phone banking, and resource donations. Such authority will respond directly to the need for training and professional development to implement new and unique distance-based service solutions.

### **Authorizing Request – Finance/Ways and Means**

**Tax Relief for AmeriCorps Members:** 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. As a result, some use a credit card to pay their tax bill. Some can't afford to pay the tax - so they don't even use their earned benefit. During this time of extreme economic distress, Congress should permanently relieve our AmeriCorps members from this burden.

#### Legislative Solution and Text:

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, bipartisan legislation to exclude the award from federal income tax.

To amend the Internal Revenue Code of 1986 to provide an exclusion from gross income for AmeriCorps educational awards: Paragraph (2) of section 117(c) of the Internal Revenue Code of 1986 is amended by striking "or" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", or", and by adding at the end the following new subparagraph: "(D) a national service educational award under subtitle D of title I of the National and Community Service Act of 1990."

Exclusion of Discharge of Student Loan Debt: Subsection (f) of section 108 of such Code is amended by adding at the end the following new paragraph: "(6) Payments under national service educational award programs.--In the case of an individual, gross income shall not include any amount received under a national service educational award under subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.)."

Effective Date: The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

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](mailto:jney@cityyear.org) or 202-742-7380.

Voices for National Service ([www.voicesforservice.org](http://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

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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.

### **Voices for National Service Steering Committee**

AnnMaura Connolly, President, Voices for National Service  
Sheila Boxley, Chair, Voices for National Service and President and CEO, Child Abuse Prevention Center  
Deborah Smolover, Executive Director, America Forward  
Kaira Esgate, CEO, America's Service Commissions  
Marty Weinstein, CEO, Bay Area Community Resources  
Josh Fryday, Chief Service Officer, California Volunteers  
Gail B. Nayowith, Interim Executive Director, Cities of Service  
Jim Balfanz, CEO, City Year  
Jim McCorkell, CEO and Founder, College Possible  
Rob Spath, Interim CEO, Conservation Legacy  
Mary Ellen Sprenkel, CEO, The Corps Network  
Curt Ellis, Co-Founder and CEO, FoodCorps  
Jonathan Reckford, CEO, Habitat for Humanity International  
Naila Bolus, President and CEO, Jumpstart for Young Children  
Maurice Jones, President and CEO, LISC  
Emily Haber, CEO, Massachusetts Service Alliance  
Adrienne Andrews, Executive Director, Notre Dame Mission Volunteers  
Natalye Paquin, CEO, Points of Light  
Jaime Ernesto Uzeta, CEO, Public Allies  
Karine Apollon, CEO, Reading Partners  
Zack Rosenberg, Co-Founder and CEO, SBP  
Elisa Villanueva Beard, CEO, Teach For America  
Brian Gallagher, CEO, United Way Worldwide  
John Valverde, CEO, YouthBuild USA  
David Paine, Co-Founder & President, 9/11 Day

### **Other Supporting Organizations**

America Learns  
American YouthWorks  
AmeriCorps Alums Little Rock  
AmeriCorps Mentors for Success  
Appalachian Trail Conservancy  
ArtistYear  
Citizen Schools  
City Year Baton Rouge  
City Year Milwaukee  
Civic Works, Inc.  
CLIMB Community Development Corporation  
Colorado Youth Corps Association  
Communities in Schools  
EarthCorps  
East End Neighborhood House  
Encore.org

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Family Promise  
Flint Hills Volunteer Center  
Franklin's Promise Coalition  
G.E.M. Environmental NFP  
George Kaiser Family Foundation  
Grand Street Settlement  
Heart of Oregon Corps  
Hunger Free America  
Los Angeles Conservation Corps  
Mile High Youth Corps  
Minnesota Alliance With Youth  
Montana Conservation Corps  
Montana Education Partnership  
National Nurse-Lead Care Consortium  
New Jersey Youth Corps of Phillipsburg  
Northwest Youth Corps  
Ohio Reading Corps  
OneStar Foundation  
Playworks  
Reading & Math, Inc.  
Rebuilding Together  
Rebuilding Together Catholic Charities of Acadiana  
Rebuilding Together Nashville  
Rebuilding Together North Central Florida  
Rebuilding Together Southeast Michigan  
Relay Graduate School of Education  
Rocky Mountain Youth Corps–New Mexico  
ServeMinnesota  
Serve Washington  
Service Year Alliance  
Teaching & Leading Initiative of Oklahoma  
The Corps Network  
The Opportunity Project  
The Sharna and Irvin Frank Foundation  
The Sustainability Institute  
TNTP AmeriCorps  
Urban Teachers  
Western Colorado Conservation Corps  
Youth Action Programs and Homes, Inc.  
YWCA Central Alabama

Endorsements through April 6, 2020