



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

August 3, 2007

H.R. 2857
Generations Invigorating Volunteerism and Education Act

*As ordered reported by the House Committee on Education and Labor
on June 27, 2007*

SUMMARY

H.R. 2857 would amend and reauthorize programs established under the National and Community Service Act of 1990 and the Domestic Volunteer Service Act of 1973. The bill would authorize appropriations of about \$1 billion for fiscal year 2008. CBO estimates that authorizations under H.R. 2857 would total \$6.2 billion over the 2008-2012 period for grants and other activities, including education awards for participants in national service activities. Assuming appropriation of the authorized and estimated amounts, CBO estimates that enactment of the bill would result in additional outlays of \$277 million in 2008 and \$4.1 billion over the 2008-2012 period. Enacting the bill would not affect direct spending or revenues.

H.R. 2857 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2857 is shown in the following table. The costs of this legislation fall within budget function 500 (education, employment, training, and social services).

By Fiscal Year, in Millions of Dollars

	2007	2008	2009	2010	2011	2012
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SPENDING SUBJECT TO APPROPRIATION

Spending Under Current Law

National and Community Service and
Domestic Volunteer Service Acts

Budget Authority	880	0	0	0	0	0
Estimated Outlays	853	607	278	149	77	51

Proposed Changes

National and Community Service Act
Service Learning

Estimated Authorization Level	0	65	66	67	69	70
Estimated Outlays	0	8	34	57	67	69

National Service Trust Programs

Estimated Authorization Level	0	485	638	709	774	828
Estimated Outlays	0	42	216	393	537	632

National Civilian Community Corps

Estimated Authorization Level	0	25	25	26	26	27
Estimated Outlays	0	15	20	26	26	27

Administration

Estimated Authorization Level	0	51	53	55	56	59
Estimated Outlays	0	41	50	54	56	58

Veterans Demonstration Program

Estimated Authorization Level	0	5	5	5	5	5
Estimated Outlays	0	1	2	4	5	5

Total, National and Community
Service Act

Estimated Authorization Level	0	631	787	862	931	989
Estimated Outlays	0	106	322	534	691	790

Domestic Volunteer Service Act

Estimated Authorization Level	0	375	382	390	398	407
Estimated Outlays	0	171	343	375	386	394

Total Proposed Changes

Estimated Authorization Level	0	1,006	1,169	1,252	1,329	1,396
Estimated Outlays	0	277	664	909	1,077	1,184

Spending Under H.R. 2857

Estimated Authorization Level	880	1,006	1,169	1,252	1,329	1,396
Estimated Outlays	853	884	942	1,058	1,154	1,235

Notes: The 2007 level is the amount appropriated for the National and Community Service and Domestic Volunteer Service programs. Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

The bill would amend and reauthorize programs established under the National and Community Service Act of 1990 (NCSA) and the Domestic Volunteer Service Act of 1973 (DVSA). H.R. 2857 would authorize discretionary appropriations totaling \$1 billion in 2008 and an estimated \$6.2 billion over the 2008-2012 period for administrative activities, grants to states and other entities, and education awards to certain participants in national service programs. For the most part, the bill would authorize specific amounts for 2008 and “such sums as may be necessary” for subsequent years through 2012. In most cases, CBO estimated the authorizations for the 2009-2012 period by adjusting the 2008 authorization for inflation.

Assuming appropriation of the authorized amounts, CBO estimates that enacting the bill would increase outlays by \$277 million in 2008 and by \$4.1 billion from 2008 to 2012. For this estimate, CBO assumes the bill will be enacted by October 1, 2008, and that outlays would follow historical spending patterns of those programs.

National and Community Service Act of 1990

H.R. 2857 would amend and reauthorize programs originally authorized under the National and Community Service Act of 1990. Authorization for programs under the NCSA expired after fiscal year 1996 but were extended through 1997 under the General Education Provisions Act (GEPA), which provided an automatic one-year extension in their authorization. However, appropriations for those programs have been made in the intervening years. The bill would authorize appropriations of \$631 million for fiscal year 2008 and such sums as may be necessary through fiscal year 2012. (Because the programs authorized under the NCSA would still be covered by GEPA, their authorization would be automatically extended through fiscal year 2013.) CBO estimates that authorizations under the NCSA would total \$4.2 billion over the 2008-2012 period. Assuming spending follows historical patterns, outlays would rise by \$106 million in 2008 and by \$2.4 billion from 2008 to 2012. Another \$2.8 billion from the bill’s authorization would be spent after 2012.

Service-learning. Grants for service-learning activities—efforts to combine service activities with academic curricula—were funded at \$37 million for fiscal year 2007. H.R. 2857 would authorize appropriations of \$65 million for fiscal year 2008 and such sums as may be necessary for fiscal years 2009 through 2012. CBO estimates that authorizations for service-learning activities would total \$337 million over the 2008-2012 period. Outlays of those amounts would total an estimated \$8 million in fiscal year 2008 and \$235 million from 2008 through 2012.

The authorizations under H.R. 2857 include \$20 million annually for grants and education awards for “summer of service” positions, wherein school-aged participants can earn up to two awards of \$500 for satisfactory completion of service in approved positions. Also, 2.5 percent of appropriated funds (\$1.6 million in 2008) would be reserved for training and technical assistance under a new subtitle J of the NCSA. Of the remaining \$43.4 million, 63.75 percent (about \$28 million in 2008) would go to grants for programs aimed at elementary and secondary students. A further 25 percent (or roughly \$11 million in 2008) would fund the national service programs for those in higher education. The remaining 11.25 percent (about \$5 million in 2008) would go to new grants for innovative service-learning programs and research. Those grants would be aimed at integrating service-learning activities into science, technology, engineering and mathematics curricula, and involving students in energy conservation, emergency and disaster preparedness, improving access to technology, and mentoring middle school students.

National Service Trust Programs and Education Awards. H.R. 2857 would authorize appropriations of \$485 million for fiscal year 2008 and such sums as may be necessary for fiscal years 2009 through 2012 for programs authorized under subtitles C, D, and H of the NCSA. Funding for those subtitles totaled \$414 million for fiscal year 2007. Programs authorized under those subtitles include grants to states and other entities to operate Americorps programs, education awards earned by Americorps participants (including participants in the National Civilian Conservation Corps and Volunteers in Service to America programs), and additional activities that support national service. The bill also includes a “sense of the Congress” that participation in all Americorps programs should increase to 100,000 people (participation in 2006 was about 76,000 people).

The bill would reserve portions of the amount appropriated under this section for certain activities. Up to 15 percent of the annual appropriation could be used for quality and innovation activities under subtitle H, as well as for grants for disaster assistance and challenge grants. Competitive grants to provide veterans’ services and to recruit veterans into service positions would receive 3 percent of each year’s appropriation. As with funding for service-learning activities, 2.5 percent would be reserved for training and technical assistance under subtitle J. Finally, no less than one percent of the amount appropriated for these programs would be used to increase participation of individuals with disabilities in national service activities.

CBO estimates that the \$485 million authorization for 2008 would be insufficient to provide for all the set-asides, Americorps participation, and education awards. CBO consulted with the Corporation for National Service regarding costs per participant enrolled in the Americorps program and the amounts that would need to be obligated for their education awards. After accounting for the amounts required for those programs and the set-asides for

veterans, training and technical assistance, and individuals with disabilities, CBO estimates that there would be no funds available in 2008 for the “up to 15 percent” that could be used for quality and innovation activities and disaster and challenge grants. CBO estimated the authorization level for the following years by assuming that the 15 percent set-aside would be fully funded (along with the other set-asides and increases in Americorps participation). Thus, the authorization level estimated for 2009, the first year of “such sums” authorization, would be a significant increase from the 2008 figure.

The bill would limit authorizations for Americorps to \$324 million in 2008, \$357 million in 2009, and \$397 million in 2010. Assuming participation in its programs would rise to 100,000 by 2012, CBO estimates that funding would rise to \$432 million in 2011 and \$460 million in 2012. CBO estimates that authorizations for the National Service Trust programs and education awards—including funding for the increase in participation and the reserved amounts—would reach \$638 million in 2009, \$709 million in 2010, \$774 million in 2011, and \$828 million in 2012. Authorizations over the 2008-2012 period would total \$3.4 billion. Assuming spending would follow historical patterns for those activities, outlays would increase by \$42 million in 2008 and by \$1.8 billion from 2008 to 2012.

National Civilian Community Corps. The bill would make permanent the National Civilian Community Corps (NCCC), which was originally authorized as a demonstration program. Funding for fiscal year 2007 totaled \$27 million. Under H.R. 2857, the NCCC would be authorized at \$25 million for fiscal year 2008 and such sums as may be necessary for fiscal years 2009 through 2012. Assuming appropriation of the authorized amounts, outlays under this section would total \$15 million in fiscal year 2008 and \$114 million over the 2008-2012 period.

Administration. H.R. 2857 would authorize funding for administrative costs of \$51 million for fiscal year 2008 and such sums as may be necessary for fiscal years 2009 through 2012. The bulk of that funding— 69 percent—would be for federal administrative costs, with the remainder reserved for financial assistance to state commissions. Outlays for administrative activities would total \$41 million in fiscal year 2008 and \$258 million from 2008 through 2012, CBO estimates.

Veterans Demonstration Program. The bill would require the Corporation for National and Community Service to identify ways in which national service programs can address the needs of veterans, and to develop and carry out a pilot program based on those findings. H.R. 2857 would authorize such sums as may be necessary for fiscal years 2008-2012 for that purpose. Based on funding provided for other pilot programs, CBO estimates authorizations for that program would total \$5 million in 2008 and \$26 million from 2008 through 2012.

Domestic Volunteer Service Act of 1973

H.R. 2857 also would amend and reauthorize programs under the Domestic Volunteer Service Act of 1973, including Volunteers in Service to America (VISTA) and volunteer programs aimed at engaging senior citizens in service activities. Most of the programs would be authorized at levels stated in the bill for 2008, and at “such sums as may be necessary” for fiscal years 2009 through 2012.

The 2008 amounts that are specified in the bill are:

- Volunteers in Service to America: \$100 million
- Retired and Senior Volunteer Program: \$67.5 million
- Foster Grandparent Program: \$115 million
- Senior Companion Program: \$52 million
- Demonstrations: \$0.5 million
- Administration: \$35 million

One other program, Special Volunteer Programs, would be authorized at such sums as may be necessary for fiscal years 2008 through 2012. CBO estimated funding for that program based on its most recent appropriation of \$5 million (which was in fiscal year 2005).

Overall, CBO estimates that the bill would authorize appropriations of \$375 million for fiscal year 2008 and nearly \$2.0 billion over the 2008-2012 period. Additional outlays resulting from such appropriations would total an estimated \$171 million in 2008 and \$1.7 billion from 2008 to 2012.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2857 contains no intergovernmental or private-sector mandates as defined in UMRA. The bill would authorize grants to state, local, and tribal governments to support national service programs including AmeriCorps, VISTA, and the National Senior Service Corps. CBO estimates that state, local, and tribal governments could receive grants totaling about \$3 billion over the next five years. Any costs to those governments would be incurred voluntarily as a condition of receiving federal assistance.

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