



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

March 17, 2009

H.R. 1388
Generations Invigorating Volunteerism and Education Act

*As ordered reported by the House Committee on Education and Labor
on March 11, 2009*

SUMMARY

H.R. 1388 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).

Assuming appropriation of the estimated amounts, CBO estimates that implementing the bill would cost \$481 million in 2010 and about \$6 billion over the 2010-2014 period. Enacting the bill would not affect direct spending or receipts.

H.R. 1388 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. H.R. 1388 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1388 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						2009- 2014
	2009	2010	2011	2012	2013	2014	
SPENDING SUBJECT TO APPROPRIATION							
NCSA and DVSA Spending							
Under Current Law							
Budget Authority ^a	1,084	0	0	0	0	0	1,084
Estimated Outlays	927	688	359	177	89	58	2,299
Proposed Changes							
Estimated Authorization Level	0	1,312	1,580	1,860	2,151	2,454	9,356
Estimated Outlays	0	481	951	1,249	1,515	1,785	5,980
Spending Under H.R. 1388							
Estimated Authorization Level ^a	1,084	1,340	1,611	1,894	2,189	2,496	10,440
Estimated Outlays	927	1,169	1,310	1,426	1,604	1,844	8,279

Note: NCSA = National and Community Service Act; DVSA = Domestic Volunteer Service Act.

a. The 2009 level is the amount appropriated for that year for NCSA and DVSA programs.

BASIS OF ESTIMATE

For some programs, the bill would authorize the appropriation of specified amounts for fiscal year 2010 and such sums as may be necessary for each subsequent year through 2014. For those programs, CBO estimated the authorization level for fiscal years 2011 through 2014 by adjusting the amount authorized for 2010 for anticipated inflation. For the remaining programs authorized by H.R. 1388, the bill would authorize such sums as may be necessary for each fiscal year. CBO estimated those authorization levels based on historical program costs for similar activities, anticipated inflation, and the bill's stated goal of achieving 250,000 participants by 2014.

For this estimate, CBO assumes the bill will be enacted by October 1, 2009, and that outlays will follow historical patterns for those programs.

Programs funded under NCSA and DVSA received appropriations of \$1.1 billion for fiscal year 2009, including \$200 million in funding from the American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

Specified Authorizations

Under H.R. 1388, specified authorizations for 2010 would total \$472 million. Specifically, the bill would authorize the appropriation of the following amounts for 2010:

- Foster Grandparent Program (\$115 million),
- VISTA (\$100 million),
- Learn and Serve America (\$97 million),
- Retire and Senior Volunteer Program (\$70 million),
- Senior Companion Program (\$55 million), and
- National Civilian Community Corps (\$35 million).

CBO estimates that implementing those programs would cost \$1.9 billion over the 2010-2014 period, assuming appropriation of the specified amounts for 2010 and adjusting those amounts for anticipated inflation for 2011 through 2014.

Indefinite Authorizations

The bill also would authorize the appropriation of such sums as may be necessary for fiscal years 2010 through 2014 for other programs, including AmeriCorps and education awards funded through the National Service Trust. CBO estimates those indefinite authorizations would total \$840 million in fiscal year 2010 and would rise to nearly \$2 billion by 2014.

H.R. 1388 includes a stated goal that participation in all AmeriCorps programs (including the National Civilian Community Corps and VISTA) should increase to 250,000 people by 2014 (participation in those programs was about 75,000 in 2008). For this estimate, CBO assumes that sufficient funds would be provided to meet that goal—\$3.6 billion over the 2010-2014 period, CBO estimates. Those funds would be used primarily to provide grants to states, territories, tribes, and nonprofit organizations to operate volunteer service programs. CBO estimates that outlays for those programs would total \$2.7 billion over the 2010-2014 period.

Most participants in AmeriCorps programs (and some VISTA participants) earn education awards for completing specific terms of service that can be used to repay certain student loans or to pay for future education expenses. In 2009, the maximum award is \$4,725. Beginning in 2010, the maximum full-time education award would be pegged to the amount authorized for Pell grants under the Higher Education Act of 1965. Those amounts are \$6,400 in 2010; \$6,800 in 2011; \$7,200 in 2012; \$7,600 in 2013; and

\$8,000 in 2014. CBO estimates that over the 2010-2014 period another \$2.4 billion would be needed to fund education awards for AmeriCorps participants. Assuming the appropriation of those sums, CBO estimates outlays would increase by \$0.5 billion over the five-year period (with significant additional outlays in subsequent years).

CBO also estimates that over the 2010-2014 period, the bill would authorize the appropriation of funds for:

- Administrative expenses, including support to state service commissions and evaluation of programs (\$0.6 billion),
- Various demonstration programs (\$0.2 billion),
- Training and technical assistance programs (\$150 million), and
- A new Congressional Commission on Civic Service (\$1 million).

In total, CBO estimates that outlays would rise by \$0.8 billion over the next five years, assuming appropriation of the estimated amounts.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1388 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 state, local, and tribal governments could receive grants totaling more than \$4 billion over the next five years. Any costs to those governments would be incurred voluntarily as a condition of receiving federal assistance.

ESTIMATE PREPARED BY:

Federal Costs: Christina Hawley Anthony

Impact on State, Local, and Tribal Governments: Burke Doherty

Impact on the Private Sector: Patrick Bernhardt

ESTIMATE APPROVED BY:

Peter H. Fontaine

Assistant Director for Budget Analysis