



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 31, 2000

S. 2764

National and Community Service Amendments Act of 2000

*As ordered reported by the Senate Committee on Health, Education, Labor, and Pensions
on July 21, 2000*

SUMMARY

S. 2764 would reauthorize programs funded under the National and Community Service Act of 1990 (NCSA) and the Domestic Volunteer Service Act of 1973 (DVSA). Assuming appropriations of the necessary amounts, CBO estimates that implementing the bill would cost about \$2.9 billion over the 2001-2005 period. That estimate assumes that annual funding would be increased to keep pace with anticipated inflation. If annual funding is not adjusted for inflation, the estimated five-year cost would be about \$2.7 billion.

Under current law, the Corporation for National and Community Service (CNCS) has the authority to spend interest earned on amounts appropriated into the national service trust account. In fiscal year 1999, the trust account earned about \$26 million in interest. If the amounts authorized by this bill are appropriated, the amount of interest earned in the trust account could increase, resulting in additional outlays. But because this bill would not affect the authority of the CNCS to spend the interest earned, pay-as-you-go procedures would not apply.

S. 2764 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Implementing this bill would benefit state, local, and tribal governments, and any resulting costs to those governments would be incurred voluntarily.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2764 is shown in Table 1. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

TABLE 1. ESTIMATED BUDGETARY EFFECTS OF S. 2764

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
With Adjustments for Inflation						
Spending Under Current Law						
Budget Authority ^a	730	0	0	0	0	0
Estimated Outlays	700	512	257	126	64	32
Proposed Changes						
Estimated Authorization Level	0	764	780	798	815	832
Estimated Outlays	0	229	506	650	729	780
Spending Under S. 2764						
Estimated Authorization Level ^a	730	764	780	798	815	832
Estimated Outlays	700	741	762	776	794	811
Without Adjustments for Inflation						
Spending Under Current Law						
Budget Authority ^a	730	0	0	0	0	0
Estimated Outlays	700	512	257	126	64	32
Proposed Changes						
Estimated Authorization Level	0	747	747	747	747	747
Estimated Outlays	0	222	487	617	681	715
Spending Under S. 2764						
Estimated Authorization Level ^a	730	747	747	747	747	747
Estimated Outlays	700	734	744	743	745	747

NOTES: Estimated outlays do not include outlays of interest earned on balances in the national service trust account.

a. The 2000 level is the amount appropriated for that year for NCSA and DVSA programs.

BASIS OF ESTIMATE

S. 2764 would authorize the appropriation of such sums as may be necessary for fiscal years 2001 through 2005 to carry out programs under the NCSA and the DVSA. Authorizations for these programs expired in 1996. Since that time, national service programs have

continued to receive appropriations; the total appropriation level was \$730 million for fiscal year 2000.

With one exception, CBO has used the amount of the most recent appropriation as the basis for estimating the "such sums" authorizations. Costs for administering programs authorized under the DVSA are authorized at 18 percent of program authorizations. Therefore, CBO has estimated administration costs for these programs to be 18 percent of program costs, rather than basing them on the most recent appropriation. In fiscal year 2000, the appropriated amount for DVSA administrative expenses was about 12 percent of the total program costs. Without including adjustments for inflation, the authorized level for DVSA administration would exceed the most recent appropriation by about \$17 million.

For this estimate, CBO assumes that the estimated amounts will be appropriated for each year and spent according to historical spending patterns. Details of the estimated new authorizations are shown in Table 2.

Programs reauthorized by amendments to the National and Community Service Act of 1990 include the following, along with the amount appropriated for fiscal year 2000:

- School and community-based service learning: \$43 million;
- National trust programs, quality and innovation (including AmeriCorps and education awards): \$342 million;
- Civilian community corps: \$18 million;
- Administration: \$26 million; and
- The Points of Light Foundation: \$6 million.

Programs reauthorized by amendments to the Domestic Volunteer Service Act of 1973 include the following, along with the amount appropriated for fiscal year 2000:

- National Volunteer Antipoverty Programs (including Volunteers in Service to America, and literacy activities): \$81 million;
- National Senior Volunteer Corps (including programs for retired and senior volunteers and foster grandparents. S. 2764 would change the title of this section to "National Senior Service Corps."): \$183 million; and
- Administration: \$31 million.

TABLE 2. S. 2764 AUTHORIZATIONS BY PROGRAM, WITH ADJUSTMENTS FOR INFLATION

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION					
Programs Authorized Under the National and Community Service Act					
School and Community-based Service Learning					
Estimated Authorization Level	44	45	46	46	47
Estimated Outlays	4	26	40	45	46
National Trust Programs, Quality and Innovation					
Estimated Authorization Level	348	354	360	367	373
Estimated Outlays	16	124	223	287	327
Civilian Community Corps					
Estimated Authorization Level	18	19	19	19	20
Estimated Outlays	16	19	19	19	20
Administration					
Estimated Authorization Level	26	27	27	28	28
Estimated Outlays	22	27	27	28	28
Points of Light Foundation					
Estimated Authorization Level	6	6	6	6	6
Estimated Outlays	<u>0</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Subtotal-Authorizations under NCSA					
Estimated Authorization Level	443	450	458	466	475
Estimated Outlays	58	202	315	386	427
Programs Authorized under the Domestic Volunteer Service Act					
National Volunteer Antipoverty Programs					
Estimated Authorization Level	84	86	88	91	93
Estimated Outlays	44	79	87	89	92
National Senior Service Corps					
Estimated Authorization Level	189	194	199	205	210
Estimated Outlays	100	178	197	202	207
Administration					
Estimated Authorization Level	49	50	52	53	54
Estimated Outlays	<u>26</u>	<u>46</u>	<u>51</u>	<u>52</u>	<u>54</u>
Subtotal-Authorizations under DVSA					
Estimated Authorization Level	321	331	340	349	357
Estimated Outlays	170	304	335	344	352
Total Authorizations Under S. 2764					
Estimated Authorization Level	764	781	798	815	832
Estimated Outlays	229	506	650	729	780

In addition, this bill would make a number of changes which would have insignificant budgetary effects. Some of these changes would:

- Include Indian tribes as organizations that are qualified to apply for grants;
- Limit the annual cost per participant in AmeriCorps;
- Allow education awards earned by national service participants to be used to repay private loans; and
- Raise the income threshold for participating in some DVSA programs to 150 percent of poverty.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 2764 contains no intergovernmental mandates as defined in UMRA. The bill would authorize grants to states, and in some cases local and tribal governments, to support national service programs including AmeriCorps and the National Senior Service Corps. CBO estimates that state, local, and tribal governments could receive grants totaling approximately \$3 billion over the next five years; any costs associated with receipt of these funds would be incurred voluntarily.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 2764 contains no private-sector mandates as defined in UMRA.

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