



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

June 19, 2002

**H.R. 4854
Citizen Service Act of 2002**

*As ordered reported by the House Committee on Education and the Workforce
on June 12, 2002*

SUMMARY

H.R. 4854 would amend the National and Community Service Act of 1990 (NCSA) and the Domestic Volunteer Service Act of 1973 (DVSA), and would provide authorizations of appropriations for these programs over fiscal years 2003 through 2007. The national service programs currently are authorized through 2002.

CBO estimates that the bill would authorize a total of about \$4.8 billion in appropriations over the next five years. Assuming the appropriation of those amounts, CBO estimates that implementing the bill would cost \$3.4 billion over the 2003-2007 period. This bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures would not apply.

H.R. 4854 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. 4854 is shown in the following table. The cost of this legislation falls within budget function 500 (education, training, employment, and social services).

TABLE 1. ESTIMATED BUDGETARY IMPACT OF H.R. 4854

	By Fiscal Year, in Millions of Dollars					
	2002	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION						
National and Community Service Spending						
Under Current Law						
Budget Authority	731	0	0	0	0	0
Estimated Outlays	788	539	256	134	62	31
Proposed Changes						
Estimated Authorization Level	0	908	930	953	976	998
Estimated Outlays	0	262	589	757	868	932
National and Community Service Spending						
Under H.R. 4854						
Estimated Authorization Level	731	908	930	953	976	998
Estimated Outlays	788	801	845	891	931	963

NOTE: Components may not sum to totals because of rounding.

BASIS OF ESTIMATE

For this estimate, CBO assumes that H.R. 4854 will be enacted by September 30, 2002, and that the specified and estimated authorization amounts will be appropriated for each year. Outlays are based on historical spending patterns for these programs.

H.R. 4854 would amend the national and community service laws under the NCSA and DVSA, and would authorize a total of \$908 million in fiscal year 2003, and such sums as may be necessary for fiscal years 2004 through 2007 for these programs. If the authorized amounts are adjusted for inflation, authorizations over the 2003-2007 period would total \$4.8 billion. (Absent adjustments for inflation, the authorizations would total \$4.6 billion.) National and community service programs received appropriations of \$731 million for fiscal year 2002. Details of the estimated authorization amounts for H.R. 4854 are discussed below and are displayed in Table 2.

TABLE 2. Authorizations Under H.R. 4854

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
SPENDING SUBJECT TO APPROPRIATION					
Service-Learning Programs					
Estimated Authorization Level	55	58	61	65	67
Estimated Outlays	6	33	52	60	63
National Service Trust Programs					
Estimated Authorization Level	415	424	433	443	453
Estimated Outlays	19	150	270	350	400
National Civilian Community Corps					
Estimated Authorization Level	30	31	31	32	33
Estimated Outlays	26	31	31	32	33
Senior Service Scholarships					
Estimated Authorization Level	12	12	13	13	13
Estimated Outlays	2	6	10	12	13
America's Promise					
Estimated Authorization Level	8	8	8	8	8
Estimated Outlays	1	4	6	8	8
Administration of the National and Community Service Act					
Estimated Authorization Level	34	35	36	36	37
Estimated Outlays	29	35	35	36	37
Points of Light Foundation					
Estimated Authorization Level	10	10	10	11	11
Estimated Outlays	0	10	10	10	11
VISTA and Special Volunteers					
Estimated Authorization Level	95	97	99	102	104
Estimated Outlays	50	88	94	99	101
National Senior Service Corps, Foster Grandparent, Senior Companion, and Demonstration Programs					
Estimated Authorization Level	216	221	226	231	236
Estimated Outlays	113	201	214	225	230
Administration of Domestic Volunteer Service Act					
Estimated Authorization Level	34	34	35	36	37
Estimated Outlays	18	31	33	35	36
Total Authorizations					
Estimated Authorization Level	908	930	953	976	998
Estimated Outlays	262	589	757	868	932

NOTE: Components may not sum to totals because of rounding.

Title I: Amendments to the National and Community Service Act of 1990

Service-Learning Programs. H.R. 4854 would authorize the appropriation of \$55 million for fiscal year 2003, \$58 million for 2004, \$61 million for 2005, \$65 million for 2006, and such sums as may be necessary for 2007 for service-learning programs authorized under the National and Community Service Act of 1990. Under this authority, the Corporation for National Service would make grants to states, territories, and Indian tribes to support school and community-based service-learning programs, and to institutions of higher education to support innovative programs for community service. In general, the federal share of the costs of these programs would be limited to 50 percent. One-half of the authorized funds would be reserved for school-based service learning, while the remaining half would be equally split between grants for community-based programs and for those based at institutions of higher education.

National Service Trust Programs. The bill would authorize the appropriation of \$415 million for fiscal year 2003 and such sums as may be necessary for 2004 through 2007 for national service trust programs. These funds would be spent on living allowances for national service participants, education awards for participants, and demonstration projects aimed at innovation in national service. H.R. 4854 would amend the National and Community Service Act of 1990 so that grants under this section could be received by state, local, and tribal entities, public and private nonprofit organizations, and institutions of higher education.

Grant recipients would carry out national service programs designed to address unmet human, educational, environmental, or public-safety needs. Participants in these service programs, as well as those in service-learning programs and programs authorized under Volunteers in Service to America (VISTA) and the National Civilian Community Corps (NCCC), who completed at least 1,700 hours of service within one year, would be eligible to receive education awards of \$5,250 (NCCC summer program participants would earn awards of \$1,000). The corporation could not approve national service positions unless it has sufficient funds on hand to provide for the education awards that would be earned. These education awards could be used by participants to repay student loans or to pay for expenses incurred in attending an institution of higher education.

In addition, funds in the national service trust would be used to provide for the federal share (not to exceed \$500 per person) for service-based scholarships for high school students.

National Civilian Community Corps. The bill would authorize grants to public and private organizations for the operation and support of the NCCC, a primarily residential service program for participants who are at least 18 years of age. The bill also would authorize a

summer NCCC program for youth aged 14 through 18. Participants in the NCCC would receive training designed to promote team building, discipline, leadership, work, training, citizenship, and physical conditioning, and would carry out service projects aimed at meeting specific community needs. As mentioned above, NCCC participants could earn education awards, paid out of the national service trust fund. H.R. 4854 would authorize appropriations of \$30 million for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007 to operate the NCCC.

Senior Service Scholarships. The bill also would authorize the appropriation of \$12 million for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007 for the support of senior service scholarship programs. Grants under this section may provide up to \$600 per senior volunteer participating in tutoring, mentoring, and other activities, and also would provide for senior service scholarships. To be eligible to receive a senior service scholarship of \$1,000, a senior participant (who must be 55 years of age or older when service begins) must successfully complete 500 hours of service within one year.

America's Promise. H.R. 4854 would authorize the appropriation of \$7.5 million for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007 to provide grants to America's Promise: The Alliance for Youth. These funds would be used to support that organization's activities relating to mobilizing communities to help young people become productive, responsible adults.

Administration of the National and Community Service Act. This bill would authorize the appropriation of \$34 million for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007 for the administration of the National and Community Service Act of 1990 by the Corporation on National and Community Service, and for providing financial assistance to the State Commissions on National and Community Service.

Points of Light Foundation. H.R. 4854 would authorize the appropriation of \$10 million for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007 for the Points of Light Foundation. In addition, the bill would permit the foundation to use up to 25 percent of funds received under this appropriation to help build an endowment. Because the foundation operates as a nongovernmental organization, any interest earnings of the endowment, and related spending of those earnings, would not be counted on the federal budget.

Title II: Amendments to the Domestic Volunteer Service Act of 1973

Volunteers in Service to America and Special Volunteer Programs. This bill would make amendments to the VISTA program, including a gradual phasing out of the requirement that VISTA volunteers live among and at the economic level of the people served. The bill would authorize the appropriation of \$90 million in fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007. In addition, the bill would authorize \$5 million for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007 for special emphasis and demonstration volunteer programs.

National Senior Service Corps. H.R. 4854 would authorize appropriations totaling \$216 million for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007 for programs aimed at involving senior citizens in volunteer activities. The National Senior Service Corps is comprised of the Retired and Senior Volunteer Program, the foster grandparent program, the senior companion program, and demonstration programs. Under these programs, individuals aged 55 and older could participate in volunteer programs designed to meet community needs, serve children with special needs, and serve adults who are struggling to maintain an independent life.

Administration of the Domestic Volunteer Service Act. Finally, H.R. 4854 would authorize the appropriation of \$34 million for fiscal year 2003 and such sums as may be necessary for fiscal years 2004 through 2007 for the administration of programs under the Domestic Volunteer Service Act.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4854 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. State, local, and tribal governments would be eligible to receive a significant portion of the funds authorized in the bill. Any costs associated with receipt of these grants would be considered conditions of aid.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 4854 contains no private-sector mandates as defined in UMRA.

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